

ORACLE®
Financial Services

Oracle Financial Services Software Limited
Annual Report
2016-17

ORACLE®

Letter to Shareholders

Oracle Financial Services Software has completed another very good year. On a consolidated basis, the Company's revenue stood at ₹ 44, 265 million this year, an increase of 7% over the previous year. We delivered a net income of ₹ 11, 854 million, an increase of 13% over the last financial year. Throughout the financial year we witnessed increased demand for our solutions, resulting in a solid 30% growth in license signings in the financial year. This validates the relevance of our offerings to global financial institutions as they transform to address digital disruption, changing customer demographics, and heightened regulatory pressure.

Amongst the marquee wins in the year, Westpac, one of Australia's big four banks, signed an agreement to deploy Oracle Banking Platform along with several other Oracle applications and cloud services for their Customer Service Hub program. National Australia Bank (NAB) is utilizing Oracle Banking Digital Experience after successful deployment of Oracle Banking Platform and Oracle Financial Services Analytics Applications. A large U.S. based financial services firm selected Oracle FLEXCUBE to assist in managing its multi-currency custodial business. Agricultural Bank of China with 320 million retail customers, 2.7 million corporate clients, and nearly 24,000 branches is China's third largest lender by assets and ranked 8th among the top 1000 World Banks. The bank selected Oracle Financial Services Analytical Applications (OFSA) to support national policy of Interest Rate liberalization in China.

Our product capabilities continued to win acclaim for us as well as for our customers. Oracle Financial Services Analytical Applications was named Best Compliance Product of 2016 by Risk.net and Operational Risk. The product was placed second and listed as Category Winner on the Chartis RiskTech100® rankings. National Australia Bank (NAB), a long standing customer, was the winner of the Celent Model Bank 2017 Award for core legacy transformation. Partnering with Oracle, NAB created a new Personal Banking Origination Platform (PBOP), which supports the bank's entire range of consumer banking products, from current and savings accounts to credit cards, personal loans, and mortgages.

Cloud adoption continued to create a seismic shift in the business landscape of the financial services industry and your Company maintained its position as an innovator, with the launch of a new cloud ready solution, Oracle Banking Enterprise Collections. We further improved our value proposition with significant enhancements to Oracle Financial Services Lending and Leasing applications available on Oracle Cloud. Cabel, an IT service provider for the financial services industry in Italy since 1985, selected Oracle FLEXCUBE Universal Banking as the backbone of its private cloud core banking solution for the Italian banking sector. We will continue to strengthen our cloud offerings ensuring our customers gain most value from the cloud.

As digital connectivity begins to dominate the industry, we are witnessing a significant shift toward a new marketplace of customer choice, third party services, and open data, all of which requires flexible and innovative solutions. Your Company's flagship product Oracle FLEXCUBE's open architecture enables banks to permit third party developers to build and integrate their own apps, so that the bank is equipped to compete effectively in the new paradigm, where new age fintechs are nibbling away their traditional businesses.

New releases of Oracle Financial Services Analytical Applications expanded our solution footprint for financial crime and compliance management. With continued emphasis on compliance worldwide, we enjoy market leadership in this segment.

Our focus on innovation and excellence helps us provide superior products and services for a radically evolving financial services industry. As the industry is evolving rapidly, we continue to demonstrate a strong leadership setting the tone for growth in the year ahead.

On behalf of the Board of Directors and Management of Oracle Financial Services Software, I would like to thank you for your support and look forward to your good wishes to help the Company to achieve its mission of being the most preferred technology partner of banks across the world.

Regards,

S Venkatachalam

Chairperson

Oracle Financial Services Software Limited

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Annual General Meeting

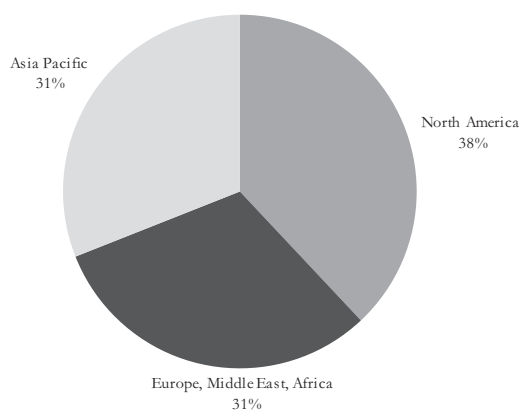
Day and Date	:	Wednesday, September 20, 2017
Time	:	2.30 p.m.
Venue	:	Shri Bhaidas Maganlal Sabhagriha Bhaktivedanta Swami Marg Vile Parle (West), Mumbai 400056

Financials at a glance

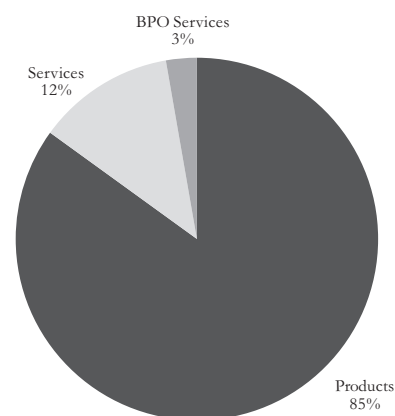
Key performance indicators 2016-17

As per Ind AS Consolidated results

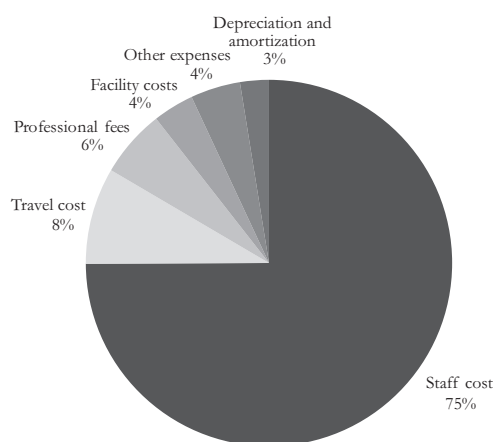
Fiscal year 2016-17 break up in terms of operating revenue by region, operating revenue by portfolio and expense by category



Operating revenue by region



Operating revenue by portfolio



Expense by category

Ten years history

(Amounts in ₹ million except EPS & Book Value)

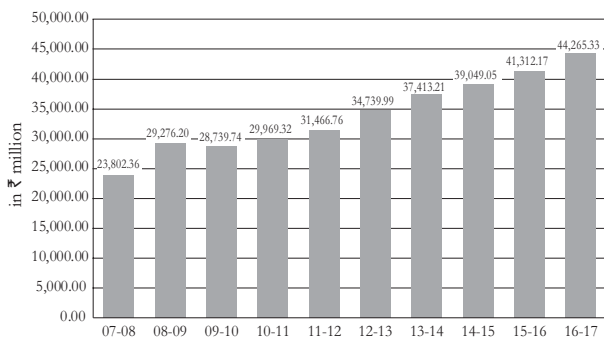
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Operating Revenue	23,802.36	29,276.20	28,739.74	29,969.32	31,466.76	34,739.99	37,413.21	39,049.05	41,312.17	44,265.33
Finance and Other Income (expense)	631.16	1,763.89	(858.03)	1,668.26	4,217.49	4,595.44	6,736.48	3,481.34	2,107.40	1,563.69
Total Revenue	24,433.52	31,040.09	27,881.71	31,637.58	35,684.25	39,335.43	44,149.69	42,530.39	43,419.57	45,829.02
Total Expenses	19,835.95	22,839.30	18,947.38	19,157.57	21,515.23	23,203.42	24,136.08	24,222.02	25,943.68	28,259.24
EBT	4,597.57	8,200.79	8,934.33	12,480.01	14,169.02	16,132.01	20,013.61	18,308.37	17,475.89	17,569.78
Tax	441.68	835.36	1,197.69	1,370.12	5,076.29	5,380.58	6,420.42	6,385.17	6,986.96	5,715.93
EAT	4,155.89	7,365.43	7,736.64	11,109.89	9,092.73	10,751.43	13,593.19	11,923.20	10,488.93	11,853.85
EPS	48.93	86.71	91.08	130.80	107.05	126.58	160.03	140.37	123.49	139.56
Book Value	326.94	412.63	505.01	636.41	743.74	871.96	1,033.26	405.47	550.25	384.34

Notes:

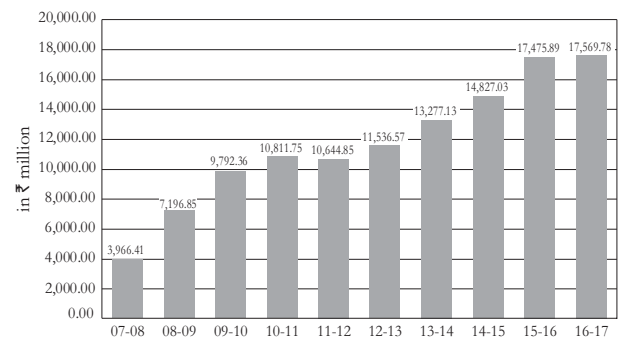
- All EPS and Book Values are computed based on the current equity capital base of 84,940,264 shares as on March 31, 2017.
- Amounts for the financial year 2007-08 to 2014-15 are as per Indian GAAP and for financial year 2015-16 & 2016-17 as per Ind AS.

Key metrics 2007-2017

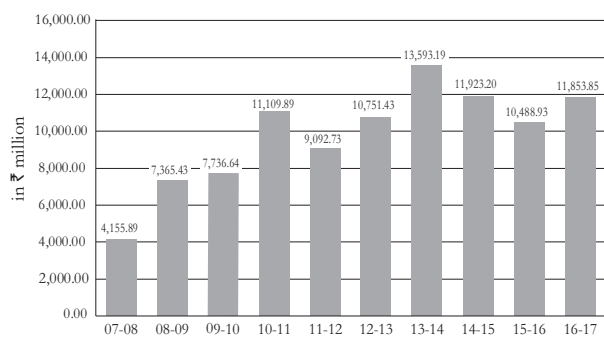
Operating revenue



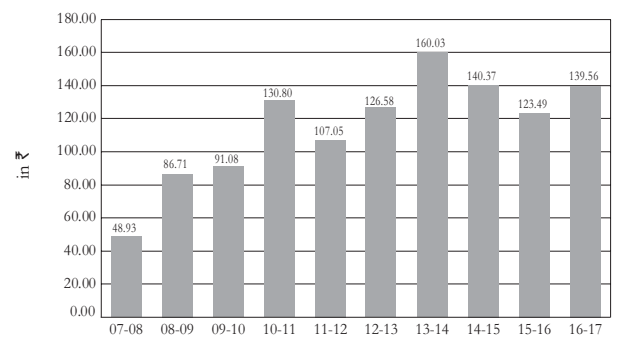
Operating income



Net income

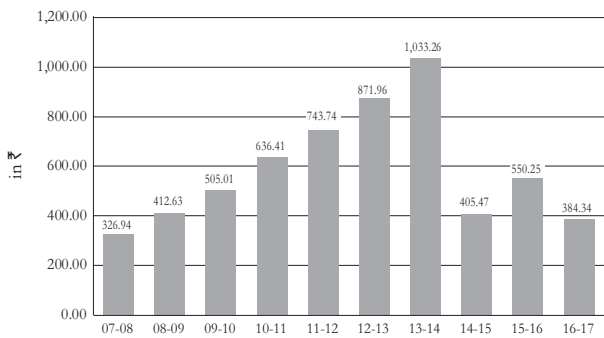


Earnings per share



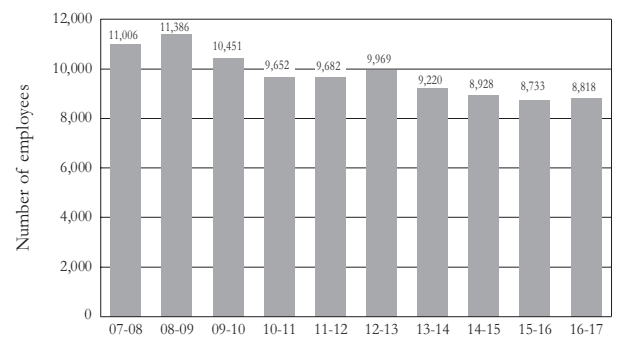
Earnings per share is computed on the equity capital base of 84,940,264 shares as on March 31, 2017.

Book value

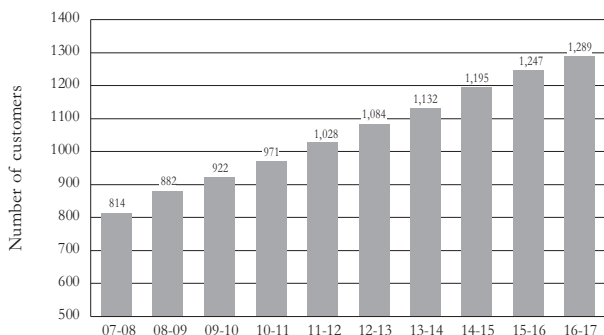


Book Value is computed on the equity capital base of 84,940,264 shares as on March 31, 2017.

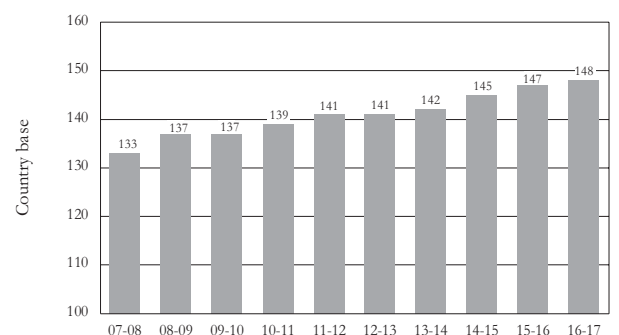
Number of employees including subsidiaries



Customers serviced



... in countries



Corporate information

Oracle Financial Services Software Limited

Board of directors

S Venkatachalam, Chairperson

Chaitanya Kamat, Managing Director & Chief Executive Officer

Harinderjit Singh

Kimberly Woolley

Maria Smith

Richard Jackson

Robert K Weiler

Sridhar Srinivasan

Chief financial officer

Makarand Padalkar

Company secretary and Compliance officer

Onkarnath Banerjee

Chief accounting officer

Avadhut (Vinay) Ketkar

Legal counsel

Mohamed Yacob

Registered office

Oracle Financial Services Software Limited

Oracle Park

Off Western Express Highway

Goregaon (East)

Mumbai 400063, Maharashtra, India

CIN: L72200MH1989PLC053666

Registrars & Transfer Agents

Link Intime India Private Limited

C 101, 247 Park

L B S Marg, Vikhroli (West)

Mumbai 400083, Maharashtra, India

Auditors

S. R. Batliboi & Associates LLP

Bankers

Bank of India

Canara Bank

Citibank, N.A.

Deutsche Bank AG

HDFC Bank Ltd.

HSBC Bank

Kotak Mahindra Bank Ltd.

J P Morgan Chase

Syndicate Bank

Yes Bank Ltd.

Management team

Abhik Ray

Arvind Gulhati

Bindu Venkatesh

Deepak Kewalramani

Dinakar Kini

Dinesh V Shetty

Edwin Niranjana Moses

George Thomas

Gregory Chapple

Karthick R Prasad

Laura Balachandran

Mahesh Kandavar Rao

Manish Chandra Gupta

Manmath Kulkarni

Mudit Govil

Mustafa Moonim

Prajakt Deshpande

Rajaram N Vadapandeshwara

Rajendra Potdar

Ravikumar M

Ravikumar V

S Bhargava

Sanjay Bajaj

Sanjay Kumar Ghosh

Sanjay V Deshpande

Surendra Shukla

Umesh Arora

Venkatesh Srinivasan

Vikram Gupta

Vinayak L Hampihallikar

Offices

India

Oracle Financial Services Software Limited
7-8, R-Tech Park
Nirlon Knowledge Park
Off Western Express Highway
Goregaon (East), Mumbai 400063
Maharashtra, India

Oracle Park, Ambrosia
Pune 411021, Maharashtra, India

C/o Embassy Business Park
C.V. Raman Nagar
Bengaluru 560093, Karnataka, India

Gopalan Enterprises (I) Pvt. Ltd., (SEZ)
Global Axis, Unit 1 & 2
Plot # 152, EPIP Zone, Whitefield
Bengaluru 560066, Karnataka, India

Green I-Tech, # 5
Muthiah Mudali Street, Off Cathedral Road
Chennai 600086, Tamil Nadu, India

Oracle (OFSS) ASP Private Limited
Oracle Park, Off Western Express Highway
Goregaon (East)
Mumbai 400063, Maharashtra, India

Oracle (OFSS) Processing Services Limited
Oracle Park, Off Western Express Highway
Goregaon (East)
Mumbai 400063, Maharashtra, India

SDF-1, Unit 12, SEEPZ - SEZ
Andheri (East)
Mumbai 400096, Maharashtra, India

C/o Embassy Business Park
C.V. Raman Nagar
Bengaluru 560093, Karnataka, India

Oracle (OFSS) BPO Services Limited
DLF Infinity Tower A, 3rd Floor
DLF Cyber City, Phase II
Gurgaon 122002, Haryana, India

Asia Pacific

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North Ryde
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Level 4, 417 St. Kilda Road
Melbourne VIC 3004, Australia

18th Floor, International Finance Place
No. 8 Huaxia Road, Pearl River New City
Tianhe District, Guangzhou 510623
People's Republic of China

Oracle Financial Services Consulting Pte. Ltd.
27, International Business Park
#02-01 iQUEST@IBP Building
Singapore 609924

Oracle Financial Services Software (Shanghai) Limited
Unit 806, Henderson Metropolitan Building
155, Tianjin Road, Shanghai 200001
People's Republic of China

21st Floor, Office Park Tower C
No-5, Jing Hua Nan Jie
Chaoyang District, Beijing 100020
People's Republic of China

Offices

Europe, Middle East & Africa (EMEA)

Oracle Financial Services Software B.V.
Barbara Strozilaan 201
NL-1083 HN Amsterdam
The Netherlands

Mainzer Landstrasse 49a
60329 Frankfurt am Main, Germany

Level 29, 40 Bank Street
Canary Wharf
London E14 5NR, UK

Suite 22, Portes de la Defense
15, boulevard Charles de Gaulle
92700 Colombes, France

Molyneux House
Bride Street, Dublin 8
Ireland

Oracle Financial Services Software SA
265 Mesogheion Avenue
Neo Psychico 15451
Athens, Greece

Oracle Financial Services Software Limited
bld.6/1, Village Moskovsky
22nd km Kievskoe Route
142784, Moscow, Russian Federation

Park Rotana, Level One, Office 108
Khalifa Park, Sector E-48
PO Box 769441
Abu Dhabi, UAE

The Edge Building
Plot A-004-038
Al Falak St. Dubai Internet City
Dubai, UAE

ISP Internet (Mauritius) Company
C/o Cim Global Business
Rogers House
5 President John Kennedy Street
Port Louis, Mauritius

Americas

Oracle Financial Services Software America, Inc.
Oracle Financial Services Software, Inc. & Mantas Inc.
399 Thornall Street, 6th Floor
Edison, NJ 08837 USA

8000 Norman Center Drive, Suite 700
Bloomington, MN 55437 USA

1910 Oracle Way, 3rd Floor
Reston, VA 20190 USA

Oracle (OFSS) BPO Services Inc.
17901 Von Karman Avenue Suite # 800
Irvine, CA 92614 USA

Oracle Financial Services Software Chile Limitada
Avenida del Valle 537 – 5th Floor
Ciudad Empresarial
Huechuraba
CP 8580678, Santiago, Chile

Directors' report

Financial year 2016-17

Dear Members,

The Directors present their report on the business and operations of your Company along with the Annual Report and audited financial statements of the Company for the financial year 2016-17.

Financial highlights

As per Consolidated financial statements:

Particulars	(Amounts in ₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations	44,265.33	41,312.17
Finance income	1,491.16	2,180.22
Other income, net	72.53	(72.82)
Total income	45,829.02	43,419.57
Depreciation and amortization	(701.92)	(529.27)
Profit before exceptional item and tax	18,198.03	17,695.22
Exceptional item	(628.25)	(219.33)
Profit before tax	17,569.78	17,475.89
Tax expenses	(5,715.93)	(6,986.96)
Profit for the year	11,853.85	10,488.93

As per Unconsolidated financial statements:

Particulars	(Amounts in ₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations	37,363.12	35,284.31
Finance income	1,420.83	2,151.82
Other income, net	215.76	(23.14)
Total income	38,999.71	37,412.99
Depreciation and amortization	(667.99)	(497.71)
Profit before exceptional item and tax	14,663.34	14,681.02
Exceptional item	2,162.59	–
Profit before tax	16,825.93	14,681.02
Tax expenses	(3,944.96)	(5,703.47)
Profit for the year	12,880.97	8,977.55

Performance

On consolidated basis, your Company's revenue stood at ₹ 44,265.33 million this year, an increase of 7% from ₹ 41,312.17 million of the previous financial year. The net income was ₹ 11,853.85 million this year, an increase of 13%.

On an unconsolidated basis, your Company's revenue grew to ₹ 37,363.12 million during the financial year 2016-17 from ₹ 35,284.31 million last year. This represents a growth of 6%. The Company's net income for the financial year 2016-17 was ₹ 12,880.97 million, an increase of 43% over the previous financial year.

A detailed analysis of the financials is given in the Management's discussion and analysis report that forms a part of this Directors' report.

Previous year's figures have been re-arranged/re-classified, wherever necessary, as per the applicable regulations.

Dividend

The Company distributed an interim dividend of ₹ 170 per equity share of ₹ 5 each in April 2017 for the financial year ended March 31, 2017. The Board of Directors has not recommended any additional final dividend for the financial year 2016-17.

Transfer to reserves

The Company does not propose to transfer any amount to the General Reserve out of the amount available for appropriation.

Particulars of loans, guarantees or investments

Pursuant to Section 186 of the Companies Act, 2013 (“the Act”), there are no new loans granted or investments made by the Company during the financial year 2016-17.

Share capital

During the financial year 2016-17, the Company allotted 250,228 equity shares of face value of ₹ 5 each to its eligible employees who exercised their stock options under the prevailing Employee Stock Option Schemes of the Company. As a result, as on March 31, 2017, the paid-up equity share capital of the Company was ₹ 425,532,030 divided into 85,106,406 equity shares of face value of ₹ 5 each.

Extract of annual return

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return (in form MGT-9) is annexed as Annexure 1 to this report.

Directors and key managerial personnel

Ms. Maria Smith, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. Pursuant to Section 161 of the Companies Act, 2013, Ms. Kimberly Woolley was appointed as an Additional Director of the Company on March 29, 2017 and holds office up to the date of ensuing Annual General Meeting. The Company has received Notice in writing from a Member, pursuant to Section 160 of the Companies Act, 2013, proposing the candidature of Ms. Kimberly Woolley for the office of the director.

The Board recommends to the Members the resolution for re-appointment of Ms. Maria Smith and appointment of Ms. Kimberly Woolley as Directors of the Company, liable to retire by rotation.

Mr. Derek H Williams, Non-Executive, Non-Independent Director of the Company, expired on July 23, 2016. The Board, while condoling the death of Mr. Williams, places on record its appreciation for the contributions made by him as a Member of the Board.

Ms. Samantha Wellington, Non-Executive, Non-Independent Director of the Company, resigned from the Board with effect from October 28, 2016. The Board places on record its appreciation for the contributions made by her as a Member of the Board.

Brief resumes of the Directors proposed to be appointed / re-appointed, the nature of their expertise in specific functional areas and the names of companies in which they hold directorships and Chairpersonships / Memberships of Board Committees, etc. are provided in the Notice to Members and Report on Corporate Governance forming part of this Annual Report.

All the Independent Directors of the Company have given declaration under Section 149(6) of the Companies Act, 2013 confirming that they meet the criteria of independence.

During the year, there were no changes to the Key Managerial Personnel.

Board policies

Board evaluation policy

In accordance with the requirements of the Section 178 of the Companies Act, 2013 and the Regulation 17(10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Chairperson of the Nomination and Remuneration Committee conducts the Board evaluation. The report of the evaluation is tabled at the Board meeting.

Record retention policy

Pursuant to Regulation 9 and 30(8) of Listing Regulations, the Company has framed a Record retention policy.

Risk management policy

The Company's principles and processes has been established by Risk Management Policy with regard to identification, analysis and management of applicable risks.

Remuneration policy

The Nomination and Remuneration Committee determines the remuneration payable to the Directors within the limits approved by the shareholders. The Independent, Non-Executive Directors are paid commission based on the committee Chairpersonships/ Memberships.

The remuneration to Executive Directors, Key Managerial Personnel and Senior Management consists of fixed pay and incentive pay, in compliance with the policies of the Company.

The Committee reviews and approves the stock options and other share based awards / payments to Executive Directors, Key Managerial Personnel and employees of the Company.

Policy on determination of material events and information

The Company has a policy on determination of material events and information and sets out the classes and types of material events or information which require disclosure to stock exchanges. The policy is available on the Company's website at: <http://www.oracle.com/us/industries/financial-services/policy-determination-events-2889567.pdf>

Vigil mechanism / whistle blower policy

The Company has established a Code of Ethics and Business Conduct ("Code") which is applicable to its Directors and employees. The Code also extends to the Company's suppliers and partners. Regular dissemination of the Code and trainings are conducted to reinforce the concepts and ensure that any changes are communicated. The Company's vigil mechanism deals with reporting and dealing with instances of fraud and mismanagement, and forms part of the Code. The Company has in place a confidential reporting mechanism for any whistle blower to report a matter.

In terms of Companies Act, 2013 and Regulation 46 of the Listing Regulations, the Vigil Mechanism / Whistle Blower Policy forms part of the Company's Code of Ethics and Business Conduct which is available on website of the Company at: <http://www.oracle.com/us/corporate/investor-relations/cebc-176732.pdf>

Related party transactions policy

The Company has framed a related party transactions policy in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations. All related party transactions which were entered into during the financial year 2016-17 were on an arm's length basis and in the ordinary course of business. Form AOC-2 providing the details of related party transactions of the Company is annexed to this report as Annexure 2. The policy is available on website of the Company at: <http://www.oracle.com/us/industries/financial-services/ofss-party-transactions-policy-2288144.pdf>

Dividend Distribution policy

As per Regulation 43A of the Listing Regulations, the Company has framed a dividend distribution policy and the same is made available on website of the Company at: <http://www.oracle.com/us/industries/financial-services/ofss-dividend-distribution-policy-3125465.pdf>

Directors' familiarization program

The Company has a formulated familiarization program for its new directors including independent directors. The program provides an insight into the Company's products, competition, emerging technologies, etc. to gain a better understanding of the business environment and also covers the regulatory landscape. The familiarization program is available on Company's website at: <http://www.oracle.com/us/industries/financial-services/financial-familiarization-program-2547373.pdf>

Subsidiaries

Your Company has subsidiaries in Greece, India, Republic of Chile, People's Republic of China, Republic of Mauritius, Singapore, the Netherlands and the United States of America.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

Further, pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of the Company, its consolidated financial statements along with relevant documents, and separate annual accounts in respect of subsidiaries, are available on the website of the Company at www.oracle.com/financialservices

Indian Accounting Standards (Ind AS)

Your Company adopted Ind AS with effect from April 1, 2016 pursuant to the Ministry of Corporate Affairs' notification dated February 16, 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015. Your Company has published Ind AS Financials for the year ended March 31, 2017 along with comparable figures for the previous financial year and Opening Statement of Assets and Liabilities as on April 1, 2015.

Research and development

Your Company continuously makes significant investments in research and development to develop solutions that the global banking industry needs today and will need tomorrow. Your Company strives to be at the forefront of innovation, at the same time taking the technology risk away from the banks. Your Company's dedicated in-house research and development (R&D) centers have produced a number of products that are today used by banks in more than 120 countries around the world for running their most critical operations. The investment your Company makes in building applications coupled with access to Oracle's technology provides a unique competitive edge to its offerings.

Six in-house R&D centers in India of your Company have been accorded recognition by the Department of Scientific and Industrial Research (DSIR) from February 26, 2016. The aggregate expenditure on research and development activities in these in-house R&D centers is as follows:

(Amounts in ₹ million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Revenue Expenditure	2,100.73	2,711.00
Capital Expenditure	230.35	35.27

Fixed deposits

During the financial year 2016-17, the Company has not accepted any fixed deposits within the meaning of Rule 2(c) of the Companies (Acceptance of Deposits) Rules, 2014, and as such, no amount of principal or interest was outstanding as of the date of the Balance Sheet.

Corporate governance

The Company has taken appropriate steps and measures to comply with all the corporate governance regulations and related requirements as envisaged under Regulation 27 of the Listing Regulations. A separate report on Corporate Governance along with a certificate of Practicing Company Secretary with regard to compliance of conditions of Corporate Governance as stipulated in Regulation 34(3) of the Listing Regulations forms part of this Annual Report.

Secretarial audit

In terms of Section 204 of the Companies Act, 2013, and the Rules made thereunder, the Board has appointed Mr. Prashant Diwan, Practicing Company Secretary as Secretarial Auditor of the Company for the financial year 2016-17. The Secretarial Audit report issued by Practicing Company Secretary is annexed as Annexure 3 to this report.

Business responsibility report

Business Responsibility Report for financial year 2016-17 that forms part of this Annual Report has been hosted on the Company's website at www.oracle.com/financialservices. The Members, who wish to obtain a printed copy of the report, may write to the Company Secretary at the Registered Office of the Company.

Employee Stock Option Plan ("ESOP")

The Members at their Annual General Meeting held on August 14, 2001 approved grant of ESOPs to the employees / directors of the Company and its subsidiaries up to 7.5% of the issued and paid-up capital of the Company from time to time. This said limit was enhanced and approved up to 12.5% of the issued and paid-up capital of the Company from time to time, by the Members at their Annual General Meeting held on August 18, 2011. This extended limit is an all-inclusive limit applicable to the stock options granted in the past and in force and those that will be granted by the Company under this authorization.

Pursuant to ESOP scheme approved by the Members of the Company on August 14, 2001, the Board of Directors, on March 4, 2002 approved the Employees Stock Option Scheme ("Scheme 2002") for issue of 4,753,600 options to the employees and directors of the Company and its subsidiaries. According to the Scheme 2002, the Company has granted 4,548,920 options prior to the IPO and 619,000 options at various dates after the IPO (including the grants of options out of options forfeited earlier). On August 25, 2010, the Board of Directors approved the Employees Stock Option Plan 2010 Scheme ("Scheme 2010") for issue of 618,000 options to the employees and directors of the Company and its subsidiaries. According to the Scheme 2010, the Company has granted 638,000 options (including the grants of options out of options forfeited earlier).

Pursuant to ESOP scheme approved by the Members of the Company in their meeting held on August 18, 2011, the Board of Directors approved the Employees Stock Option Plan 2011 Scheme ("Scheme 2011"). Accordingly, the Company has granted 1,950,500 options under the Scheme 2011. Nomination and Remuneration Committee in their meeting held on August 7, 2014 approved Oracle Financial Services Software Limited Stock Plan 2014 ("OFSS Stock Plan 2014"). This plan enables issue of deeply discounted options at the face value and referred to as OFSS Stock Units ("OSUs") for convenience. Accordingly, the Company granted 156,795 Stock Options and 457,601 OSUs under OFSS Stock Plan 2014. The issuance terms of OSUs are the same as for Stock Options, employees may elect to receive 1 OSU in lieu of 4 awarded Stock Options at their respective exercise price.

As per the Scheme 2002, Scheme 2010 and Scheme 2011, each of 20% of the total options granted will vest on completion of 12, 24, 36, 48 and 60 months from the date of grant and is subject to continued employment of the employee or directorship of the director with the Company or its subsidiaries. Options have an exercise period of 10 years from the date of grant. The employee pays the exercise price upon exercise of options.

In respect of the OFSS Stock Plan 2014, each of 25% of the total stock options / OSUs granted will vest on completion of 12, 24, 36 and 48 months from the date of grant and is subject to continued employment of the employee with the Company or its subsidiaries. Options / OSUs have exercise period of 10 years from the date of grant. The employee pays the exercise price upon exercise of options/OSUs.

All the above mentioned Schemes of the Company is in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014. Applicable disclosures relating to Employees Stock Options Schemes, pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014, are placed on the website of the Company at www.oracle.com/financialservices

The details of the options / OSUs granted under the Scheme 2002, Scheme 2010, Scheme 2011 and OFSS Stock Plan 2014 to eligible employees / directors from time to time are given below:

Particulars	Scheme 2002	Scheme 2010	Scheme 2011	OFSS Stock Plan 2014	OFSS Stock Plan 2014	Total
	(Stock Options)			(OSUs)		
Pricing Formula	At the market price as on the date of grant				₹5	
Variation of terms of options/OSUs	None	None	None	None	None	
Number of options/OSUs granted till March 31, 2017	5,167,920	638,000	1,950,500	156,795	457,601	8,370,816
Number of options/OSUs lapsed and forfeited	(620,725)	(281,442)	(412,630)	(17,063)	(33,634)	(1,365,494)
Number of options/OSUs exercised	(4,535,195)	(299,883)	(677,072)	(773)	(28,389)	(5,541,312)
Total number of options in force as on March 31, 2017	12,000	56,675	860,798	138,959	395,578	1,464,010

The details of Options / OSUs granted to Directors and Senior Managerial Personnel under OFSS Stock Plan 2014 during the financial year ended March 31, 2017 are as follows:

Particulars	Number of OSUs (OFSS Stock Plan 2014)
i. Directors:	
Mr. Chaitanya Kamat	25,000
ii. Senior Managerial Personnel:	
Mr. Arvind Gulhati	5,000
Mr. Edwin Moses	2,000
Mr. Gregory Chapple	2,500
Mr. M Ravikumar	1,875
Mr. Mahesh Rao	2,000
Mr. Makarand Padalkar	10,000
Mr. Mudit Govil	625
Mr. Mustafa Moonim	2,500
Mr. Onkarnath Banerjee	500
Mr. Prajakt Deshpande	3,000
Mr. Sanjay Deshpande	1,500
Mr. Vikram Gupta	4,750
Mr. Vinayak Hampihallikar	2,250
iii. Any other employee, who receives grant in any one year of Options/OSUs amounting to 5% or more of Options/OSUs granted during the year	Nil
iv. Identified employees who were granted Options/OSUs, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
v. Diluted Earnings Per Share (EPS) pursuant to the issue of shares on exercise of option calculated in accordance with Indian Accounting Standard 33 'Earnings Per Share' issued by the Institute of Chartered Accountants of India	₹ 151.06

All stock options were granted at market price on the date of grant and OSUs were granted at the face value of the equity shares. The compensation cost arising on account of stock options and OSUs is calculated using the fair value method. The reported profit is after considering the cost of employee stock compensation (₹ 780.37 million), using fair value method on stock options/OSUs.

A summary of the activities in the Company's Scheme 2002, Scheme 2010 and Scheme 2011 for the year ended March 31, 2017 are as follows:

Particulars	Year ended March 31, 2017					
	Scheme 2002		Scheme 2010		Scheme 2011	
	Shares arising from options	Weighted average exercise price (₹)	Shares arising from options	Weighted average exercise price (₹)	Shares arising from options	Weighted average exercise price (₹)
Outstanding at beginning of year	23,000	1,835	95,344	2,062	1,119,925	2,882
Granted	–	–	–	–	–	–
Exercised	(5,000)	1,290	(30,869)	2,088	(185,197)	2,660
Forfeited	–	–	(7,800)	2,050	(73,930)	2,970
Lapsed	(6,000)	1,290	–	–	–	–
Outstanding at end of the year	12,000	2,333	56,675	2,050	860,798	2,922
Vested options	12,000		56,675		559,948	
Unvested options	–		–		300,850	
Options vested during the year	–		4,000		290,200	
Options forfeited / lapsed during the year	6,000		7,800		73,930	

A summary of the activities in the Company's OFSS Stock Plan 2014 are as follows:

Particulars	Year ended March 31, 2017			
	OFSS Stock Plan 2014			
	Shares arising from OSUs	Weighted average exercise price (₹)	Shares arising from Options	Weighted average exercise price (₹)
Outstanding at beginning of year	293,116	5	93,245	3,539
Granted	156,523	5	61,250	3,393
Exercised	(28,389)	5	(773)	3,241
Forfeited	(25,672)	5	(14,763)	3,632
Outstanding at end of the year	395,578	5	138,959	3,466
Vested OSUs / Options	75,607		33,660	
Unvested OSUs / Options	319,971		105,299	
OSUs / Options vested during the year	69,326		20,691	
OSUs / Options forfeited / lapsed during the year	25,672	5	14,763	

The weighted average share price for the year over which stock options/OSUs were exercised was ₹ 3,407. Money realized by exercise of options/OSUs during the financial year 2016-17 was ₹ 589.42 million. The Company has recovered perquisite tax on the options/OSUs exercised by the employees during the year. The weighted average fair value of Stock options/OSUs granted during the year was ₹ 993 and ₹ 3,372 respectively, calculated as per the Black Scholes valuation model as stated in 26 (b) in the notes to accounts of the standalone financials.

The details of options unvested and options vested and exercisable as on March 31, 2017 are as follows:

	Exercise prices (₹)	Number of options/OSUs	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Options /OSUs unvested	5	319,971	5	8.8
	3,077	204,100	3,077	6.5
	3,127	96,750	3,127	5.9
	3,241	26,049	3,241	8.0
	3,393	56,425	3,393	9.2
	3,987	22,825	3,987	8.6
Options /OSUs vested and exercisable	5	75,607	5	8.2
	1,930	130,788	1,930	4.7
	2,050	56,675	2,050	3.4
	2,333	12,000	2,333	3.6
	3,077	192,205	3,077	6.5
	3,127	236,955	3,127	5.9
	3,241	26,060	3,241	8.0
	3,987	7,600	3,987	8.6
		1,464,010	2,147	6.8

Employee Stock Purchase Scheme (“ESPS”)

The Company had adopted the ESPS administered through a Trust with the name i-flex Employee Stock Option Trust (“the Trust”) to provide equity based incentives to key employees of the Company. i-flex Solutions Trustee Company Limited is the sole Trustee of this Trust.

No allocation of shares to the employees have been made through the Trust since 2005 and all selected employees under the Trust have exercised their right of purchase of shares prior to March 31, 2014. In this regard, the Trustee Company had filed a petition in the Honorable Bombay High Court to seek directions for utilization of the remaining unallocated shares along with the other assets held by the Trust for the benefit of the employees of the Company. As per the order of the Honorable Bombay High Court dated August 1, 2016, the trust funds would be utilized for the benefit of the employees.

As at March 31, 2017, the Trust is holding 166,142 equity shares (March 31, 2016 - 166,142 equity shares) of Oracle Financial Services Software Limited.

Human resources

Your Company maintains a healthy and productive environment and offers clean and ergonomic workspace. Human Resources are key assets of your Company, and your Company invests continuously in imparting latest technology skills together with a range of soft skills to help them excel in their roles. Your Company has a strong performance management system together with a formal talent management processes to nurture employee careers, groom future leaders, and create a high performance workforce.

Your Company follows global best HR practices. Your Company’s total manpower at the end of March 31, 2017 was 8,818 as compared to 8,733 as on March 31, 2016 (including employees of subsidiaries).

During the financial year, two complaints were filed under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. These were resolved per process. There was no complaint outstanding as at the end of financial year.

Corporate social responsibility

The Company has constituted a Corporate Social Responsibility Committee and has formulated the Corporate Social Responsibility (“CSR”) Policy. The CSR Policy is in line with the provisions listed in Section 135 and Schedule VII of the Companies Act, 2013. The policy is available on the Company’s website at:

<http://www.oracle.com/us/industries/financial-services/ofss-social-responsibility-2437852.pdf>

Pursuant to Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014, a report on the CSR activities for the financial year ended March 31, 2017 is annexed as Annexure 4 to this report.

Internal financial controls

The Board has adopted adequate policies and procedures in terms of Internal Financial Controls commensurate with the size, scale and complexity of the Company’s operations. Such policies and procedures ensure orderly and efficient conduct of business, including adherence to the Company’s policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

The scope and authority of the Business Assessment & Audit team (“BAA”) function is defined in the Internal Audit Charter. The Internal Audit function reports to the Chairperson of the Audit Committee.

The BAA monitors and evaluates the efficacy and adequacy of internal control system of the Company, its compliance with risk management system, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of BAA, the Company undertakes corrective actions in their respective areas thereby strengthening the controls. Significant audit observations and corrective actions thereon are presented by the BAA to the Audit Committee.

Directors’ responsibility statement

As required under clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, for the financial year ended on March 31, 2017, the Directors hereby confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors, had laid down internal financial controls followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Auditors

M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration no.101049W/E300004), were appointed as the Statutory Auditors of the Company by the Members at their 25th Annual General Meeting held on September 12, 2014 to hold office till the conclusion of the ensuing 28th Annual General Meeting to be held in the year 2017 subject to annual ratification by Members at every Annual General Meeting.

Pursuant to Section 139 of the Companies Act, 2013 (“the Act”) and the rules made thereunder, the Board of Directors of the Company on recommendation of the Audit Committee, has proposed the appointment of M/s. Mukund M Chitale & Co., Chartered Accountants, (ICAI Firm Registration No. 106655W) as the Statutory Auditors of the Company, to hold office from the conclusion of the ensuing 28th Annual General Meeting to be held in the year 2017 till the conclusion of the 33rd Annual General Meeting to be held in the year 2022, subject to the approval of the Members of the Company, and subject to the annual ratification by Members at every Annual General Meeting to be held in the years 2018 to 2021. The Company has received from M/s. Mukund M Chitale & Co. written consent that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder. Accordingly, a resolution, proposing the appointment of M/s. Mukund M Chitale & Co., as the Statutory Auditors of the Company for a term of five consecutive years forms part of the Notice convening the 28th Annual General Meeting.

Auditors’ report

With regard to the Auditors’ comment in the CARO report concerning delays in payment of some foreign income taxes, the Company is continuously evaluating and accruing towards any material tax exposures in the books of account taking a conservative approach and payments are made based on the advice of the tax experts.

The Company also assesses withholding of foreign payroll tax implications on salaries and travel related reimbursements paid to its employees posted outside India and accordingly makes accruals in the books of account. The Company is in the process of filing the returns for Payroll Tax in such jurisdiction for which the provision is made in the books.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The particulars as prescribed under sub-section (1)(e) of Section 134 of the Companies Act, 2013 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are furnished hereunder:

Conservation of energy

The Company strives to conserve the energy and use energy efficient computers. The Company also deploys sophisticated office automation and management equipment which optimizes energy consumption.

Technology absorption

The Company regularly strives to utilize newer technologies with the view to conserve the energy and create an environmentally friendly work environment. The initiatives taken by the Company are summarized below:

Network: Efficient networks are essential to support our global business and the Company continues to invest in upgrades and modernization of the networks thereby increases uptime of the network infrastructure, increase capacity and enable greater collaboration. Your Company regularly carries out a refresh of network devices across the Company to deploy modern and energy efficient machines. This has brought about significant savings in power, strengthened operating effectiveness and security.

Virtual presence: Your Company has made significant investments in providing a near virtual working environment to its employees. This enhances communication across the globe, minimizing travel, increasing efficiencies from a support perspective as well by making self service operations easier and effective.

All these planned initiatives lead to a more secure and efficient operating environment, with the utilization of current cutting edge technology ensuring consistent and superior support to the business.

Foreign exchange earnings and outgo:

	(Amounts in ₹ million)
Foreign Exchange Earnings (including dividend received from foreign subsidiaries)	37,743.78
Foreign Exchange Outgo (including capital goods & other expenditure)	9,404.71
Net equity dividend remitted in foreign exchange	6,305.12

Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans:

Your Company has established an extensive global presence across leading markets through its sales and marketing network. The Company will continue to focus on tapping various potential markets available globally. Experienced sales and marketing specialists focus on building strong international business presence to develop new export markets for your Company.

Prospects

A new organizational paradigm is emerging where banks need to move past traditionally defined boundaries. Today, they have to work in a hyper connected ecosystem; one that is continually enriched by fintechs and other non-traditional players underpinned by digital acceleration.

While fintechs enter the industry with innovative products and services and target the most lucrative business segments through their nimble footed offerings, banks have their traditional strengths namely strong regulatory knowledge, strength of balance sheet and multiple avenues to access capital, and most importantly customer's trust. Partnering with fintechs and collaborating with this extended ecosystem of third party players allows financial institutions to integrate their services and deliver solutions that are superior in terms of cost, speed, and convenience.

Banks are now investing in infrastructure that is flexible and agile enough to work with these new norms and the operational challenges that come with this complex network of hyper connected systems. Digitization and connected devices continue to evolve and exude their influence on virtually all aspects of the business. To lock step with this transition financial institutions are increasingly looking to develop end-to-end digital engagement strategies and comprehensive digital operating models that address the needs of suppliers, employees and partners just as much as customers.

Financial institutions are reshaping their businesses and operating models to collaborate, compete and grow. Cloud adoption is gaining ground within the financial services industry. The most common strategies use a mix of private, public, or hybrid cloud environments. Organizations are finding that using cloud-based platform offerings to develop and deploy applications can eliminate the cost and complexity of managing the underlying application platforms.

To achieve success in this environment, it is essential for organizations to realign their IT strategy to deliver capabilities of exceptional digital experience, enhanced digital engagement and a responsive back-end. Combining the power of analytics and big data, banks can gain operational and customer insights mitigate risks and comply with regulations.

Your Company's portfolio of solutions is well equipped to address these very needs and the Company is in a good position to help financial institutions leverage technology shifts and find new ways of delivering value.

Employee particulars

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 is given below:

Following guidelines have been used while preparing this statement. For statistically relevant computation of median value of employee remuneration, employees who have served the entire 12 months in the corresponding fiscal year were considered. The expression “median” means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers is found by arranging all the observations from lowest value to highest value and picking the middle one; and if there is an even number of observations, the median is the average of the two middle values. The remuneration used for the analysis in this section excludes the (perquisite) value of the difference between the fair market value and the exercise price on the date of exercise of options, to make the comparisons relevant.

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of the Director*	Ratio to median remuneration
<i>Non-Executive Directors</i>	
Mr. S Venkatachalam	3
Mr. Richard Jackson	2
Mr. Sridhar Srinivasan	2
<i>Executive Director</i>	
Mr. Chaitanya Kamat@	44

* The details mentioned above are of only those Directors to whom the remuneration has been paid.

@ Excludes the (perquisite) value towards difference between the fair market value and the exercise price on the date of exercise of options.

(ii) The percentage increase in remuneration of each director, chief executive officer, chief financial officer and company secretary in the financial year:

Name and Title	Percentage increase of remuneration in FY 2017 as compared to FY 2016
Mr. S Venkatachalam	0%
Mr. Richard Jackson	0%
Mr. Sridhar Srinivasan*	NA
Mr. Chaitanya Kamat@	47%
Mr. Makarand Padalkar, Chief Financial Officer@	0%
Mr. Onkarnath Banerjee, Company Secretary* @	NA

* Comparison is not applicable as the previous financial year was a partial period.

@ Excludes the (perquisite) value towards difference between the fair market value and the exercise price on the date of exercise of options.

(iii) The percentage increase in the Median Remuneration of Employees in fiscal 2017, as compared to fiscal 2016:

12%

(iv) The number of permanent employees on the rolls of the Company:

7,093 as on March 31, 2017

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

During the financial year 2016-17, the average percentile change in the remuneration of employees other than the managerial personnel was an increase of 12%. The Average percentile change in the remuneration of KMP was an increase of 35%.

(vi) Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms remuneration is as per the remuneration policy of the Company.

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Companies Act, 2013, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Acknowledgements

Your Directors gratefully acknowledge the continued support received by the Company from its customers, members, vendors and bankers during the year. Your Directors also wish to thank the Government of India and its various agencies, Department of Electronics, the Software Technology Parks - Bengaluru, Chennai, Mumbai, and Pune, Special Economic Zone authorities at SEEPZ and Cochin, the Customs and Excise Department, Ministry of Commerce, Ministry of Finance, Ministry of External Affairs, Ministry of Corporate Affairs, Department of Telecommunication, the Reserve Bank of India, the State Governments of Maharashtra, Karnataka, Haryana and Tamil Nadu and other local Government Bodies, for their support and look forward to their continued support in the future.

Your Directors also place on record their appreciation for the excellent contribution made by employees of the Company through their commitment, co-operation and diligence with a view to achieving consistent growth for the Company.

For and on behalf of the Board

S Venkatachalam

Chairperson

DIN: 00257819

July 12, 2017

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

for the financial year ended on March 31, 2017

of

ORACLE FINANCIAL SERVICES SOFTWARE LIMITED

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

I.	CIN	L72200MH1989PLC053666
II.	Registration Date	September 27, 1989
III.	Name of the Company	Oracle Financial Services Software Limited
IV.	Category / Sub-Category of the Company	Company Limited by shares / Indian Non-Government Company
V.	Address of the Registered Office and contact details	Oracle Park Off Western Express Highway, Goregaon (East) Mumbai 400063 Maharashtra, India Tel. no. +91 22 6718 3000 Fax no. +91 22 6718 4604 Email : investors-vp-ofss_in_grp@oracle.com Website : www.oracle.com/financialservices
VI.	Whether listed company - Yes / No	Yes
VII.	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	Link Intime India Private Limited C 101, 247 Park L B S Marg, Vikhroli (West) Mumbai 400083 Tel. no. +91 22 4918 6000 Fax no. +91 22 4918 6060 Email : rnt.helpdesk@linkintime.co.in

II. Principal Business Activities of the Company:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the company
1.	The Company is engaged in developing, selling and marketing computer software, computer systems; providing consultancy and other information technology related activities	62011	100

III. Particulars of Holding, Subsidiary and Associate Companies:

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1.	Oracle Global (Mauritius) Limited C/o Citco (Mauritius) Limited 4th Floor, 1 Cyber City Cyber City, Ebene Mauritius	—	Holding	74.09	Section 2(46)
2.	Oracle Financial Services Software B.V. Barbara Strozzi laan 201 NL-1083 HN Amsterdam, The Netherlands	—	Subsidiary	100.00	Section 2(87)
3.	Oracle Financial Services Software SA 265 Mesogheion Avenue Neo Psychiko, 15451, Athens, Greece	—	Subsidiary	100.00	Section 2(87)
4.	Oracle Financial Services Software Pte. Ltd. 27 International Business Park #02-01 iQuest@IBP Building Singapore 609924	—	Subsidiary	100.00	Section 2(87)
5.	Oracle Financial Services Consulting Pte. Ltd. 27 International Business Park #04-01 iQuest@IBP Singapore 609924	—	Subsidiary	100.00	Section 2(87)
6.	Oracle Financial Services Software America Inc. 399 Thornall Street, 6th floor, Edison NJ 08837, USA	—	Subsidiary	100.00	Section 2(87)
7.	Oracle Financial Services Software Inc. 399 Thornall Street, 6th floor Edison NJ 08837, USA	—	Subsidiary	100.00	Section 2(87)
8.	Mantas Inc. 13650 Dulles Technology Drive, Suite 300 Herndon, VA 20171, USA	—	Subsidiary	100.00	Section 2(87)
9.	Sotas Inc. 13650 Dulles Technology Drive, Suite 300 Herndon, VA 20171, USA	—	Subsidiary	100.00	Section 2(87)
10.	Mantas India Private Limited 105, Anupam Plaza – I 6 Local shopping Centre, Ghazipur New Delhi 110096, India	U72900DL1999PTC099923	Subsidiary	100.00	Section 2(87)
11.	Oracle (OFSS) ASP Private Limited Oracle Park, Off Western Express Highway Goregaon (East), Mumbai 400063 Maharashtra, India	U72900MH2001PTC131264	Subsidiary	100.00	Section 2(87)
12.	Oracle (OFSS) Processing Services Limited Oracle Park, Off Western Express Highway Goregaon (East), Mumbai 400063 Maharashtra, India	U72900MH2005PLC151334	Subsidiary	100.00	Section 2(87)
13.	ISP Internet Mauritius Company (Mauritius) C/o CIM Corporate Services Ltd Les Cascades Building, Edith Cavell Street Port Louis, Mauritius	—	Subsidiary	100.00	Section 2(87)
14.	Oracle (OFSS) BPO Services Inc. 17682 Mitchell N., Suite 200 Irvine CA – 92614 USA	—	Subsidiary	100.00	Section 2(87)
15.	Oracle (OFSS) BPO Services Limited A-16 / 9 Vasant Vihar New Delhi 110 057 India	U72900DL2002PLC180572	Subsidiary	100.00	Section 2(87)

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
16.	Oracle Financial Services Software Chile Limitada Avenida del Valle 537 – 2nd Floor Ciudad Empresarial, Huechuraba Santiago, Chile, CP 8580678	–	Subsidiary	100.00	Section 2(87)
17.	Oracle Financial Services Software (Shanghai) Limited Room 806, No 155 Tianjin Road Huangpu District Shanghai 200001 People's Republic of China	–	Subsidiary	100.00	Section 2(87)
18.	Sarvatra Technologies Private Limited Siddh Icon, Survey No. 1/1 3rd floor, Baner Road, Baner Pune 411045 Maharashtra, India	U72309PN2000PTC015028	Associate	5.51	Section 2(6)
19.	Login S.A. 56, boulevard de la Mission Marchand 92400 Courbevoie France	–	Associate	33.00	Section 2(6)

IV. Shareholding Pattern (Equity share capital breakup as percentage of Total Equity):

(i) Category-wise Shareholding:

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year, as on April 1, 2016				No. of Shares held at the end of the year as on March 31, 2017				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
I	II	III	IV	V	VI	VII	VIII	IX	X	XI
(A)	Promoter and Promoter Group									
(1)	Indian									
(a)	Individual / Hindu Undivided Family	–	–	–	–	–	–	–	–	–
(b)	Central Government	–	–	–	–	–	–	–	–	–
(c)	State Government(s)	–	–	–	–	–	–	–	–	–
(d)	Bodies Corporate	–	–	–	–	–	–	–	–	–
(e)	Banks / Financial Institutions	–	–	–	–	–	–	–	–	–
(f)	Any Other	–	–	–	–	–	–	–	–	–
	Sub-total (A) (1)	–	–	–	–	–	–	–	–	–
(2)	Foreign									
(a)	NRI's - Individuals	–	–	–	–	–	–	–	–	–
(b)	Other - Individuals	–	–	–	–	–	–	–	–	–
(c)	Bodies Corporate	63051197	–	63051197	74.30	63051197	–	63051197	74.09	(0.21)
(d)	Banks / Financial Institutions	–	–	–	–	–	–	–	–	–
(e)	Any other	–	–	–	–	–	–	–	–	–
	Sub-total (A) (2)	63051197	–	63051197	74.30	63051197	–	63051197	74.09	(0.21)
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	63051197	–	63051197	74.30	63051197	–	63051197	74.09	(0.21)

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year, as on April 1, 2016				No. of Shares held at the end of the year as on March 31, 2017				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
I	II	III	IV	V	VI	VII	VIII	IX	X	XI
(B)	Public Shareholding									
(1)	Institutions									
	(a) Mutual Funds / UTI	3332768	—	3332768	3.92	3004517	—	3004517	3.53	(0.39)
	(b) Banks / Financial Institutions	3889	—	3889	0.00	12776	—	12776	0.02	0.02
	(c) Central Government	4000	—	4000	0.01	4000	—	4000	0.00	(0.01)
	(d) State Government(s)	—	—	—	—	—	—	—	—	—
	(e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
	(f) Insurance Companies	—	—	—	—	—	—	—	—	—
	(g) Foreign Institutional Investors	8178638	—	8178638	9.64	592269	—	592269	0.70	(8.94)
	(h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
	(i) Others	—	—	—	—	—	—	—	—	—
	Sub-total (B)(1)	11519295	—	11519295	13.57	3613562	—	3613562	4.25	(9.32)
(2)	Non-Institutions									
	(a) Bodies Corporate	1033910	—	1033910	1.22	596019	—	596019	0.70	(0.52)
	(b) Individuals									
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	3324878	353172	3678050	4.33	3446191	320782	3766973	4.43	0.09
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1093030	122000	1215030	1.43	1054695	88000	1142695	1.34	(0.09)
	(c) Others									
	i. Non-Resident Indians (Repatriate)	146537	—	146537	0.17	169251	62	169313	0.20	0.03
	ii. Non-Resident Indians (Non-Repatriate)	688667	3200	691867	0.82	673307	3442	676749	0.79	(0.03)
	iii. Foreign Nationals	4260	—	4260	0.01	1760	—	1760	0.00	(0.01)
	iv. Foreign Banks	—	—	—	—	13808	—	13808	0.02	0.02
	v. Foreign Mutual Fund	1818747	—	1818747	2.14	185724	—	185724	0.22	(1.92)
	vi. Clearing Member	23448	—	23448	0.03	34425	—	34425	0.04	0.01
	vii. Directors / Relatives	14085	—	14085	0.02	6000	—	6000	0.01	(0.01)
	viii. Hindu Undivided Family	37350	—	37350	0.04	38491	—	38491	0.04	0.00
	ix. Market Maker	4540	—	4540	0.01	6257	—	6257	0.01	0.00
	x. Trusts	169168	—	169168	0.20	173644	—	173644	0.20	0.00
	xi. Foreign Portfolio Investor (Corporate)	1448694	—	1448694	1.71	11629789	—	11629789	13.66	11.95
	Sub-total (B)(2)	9807314	478372	10285686	12.13	18029361	412286	18441647	21.66	9.53
	Total Public Shareholding (B)=(B)(1)+(B)(2)	21326609	478372	21804981	25.70	21642923	412286	22055209	25.91	0.21
(C)	Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
	Grand Total (A+B+C)	84377806	478372	84856178	100.00	84694120	412286	85106406	100.00	0.00

(ii) Shareholding of Promoters:

Name of the Shareholders	Shareholding at the beginning of the year as on April 1, 2016			Shareholding at the end of the year as on March 31, 2017			% change in share holding during the year
	No. of Shares	% of Total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total shares of the Company	% of Shares Pledged / encumbered to total shares	
Oracle Global (Mauritius) Limited	63051197	74.30	–	63051197	74.09	–	(0.21)
Total	63051197	74.30	–	63051197	74.09	–	(0.21)

(iii) Change in Promoters' Shareholding:

Name of the Shareholders	Shareholding at the beginning of the year as on April 1, 2016		Cumulative shareholding during the year	
	No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
Oracle Global (Mauritius) Limited				
At the beginning of the year	63051197	74.30	63051197	74.09
Date wise Increase / Decrease in Promoters Shareholding during the Year	–	–	–	–
At the end of the year			63051197	74.09

The decrease in the percentage of promoters' shareholding from 74.30 % to 74.09 % is due to allotment of shares on the exercise of ESOPs by eligible employees of the Company.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year as on April 1, 2016		Cumulative shareholding during the year *	
		No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
1.	Wessex (Mauritius) Limited				
	At the beginning of the year	–	–	–	–
	Transactions - purchase / (sale) from April 1, 2016 to March 31, 2017	5818804	6.84	5818804	6.84
	At the end of the year			5818804	6.84
2.	Sussex (Mauritius) Limited				
	At the beginning of the year	–	–	–	–
	Transactions - purchase / (sale) from April 1, 2016 to March 31, 2017	2738253	3.21	2738253	3.21
	At the end of the year			2738253	3.21
3.	HDFC Trustee Company Limited				
	At the beginning of the year	2137884	2.51	2137884	2.51
	Transactions - purchase / (sale) from April 1, 2016 to March 31, 2017	(779913)	(0.91)	1357971	1.60
	At the end of the year			1357971	1.60
4.	Burgundy Emerging Markets Fund				
	At the beginning of the year	294941	0.35	294941	0.35
	Transactions - purchase / (sale) from April 1, 2016 to March 31, 2017	192843	0.23	487784	0.57
	At the end of the year			487784	0.57

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year as on April 1, 2016		Cumulative shareholding during the year *	
		No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
5.	BBH Burgundy Emerging Markets Master Fund, LP				
	At the beginning of the year	144767	0.17	144767	0.17
	Transactions - purchase / (sale) from April 1, 2016 to March 31, 2017	291962	0.34	436729	0.51
	At the end of the year			436729	0.51
6.	Vanguard Emerging Markets Stock Index Fund				
	At the beginning of the year	331148	0.39	331148	0.39
	Transactions - purchase / (sale) from April 1, 2016 to March 31, 2017	44481	0.05	375629	0.44
	At the end of the year			375629	0.44
7.	Government Pension Fund Global				
	At the beginning of the year	51501	0.06	314597	0.37
	Transactions - purchase / (sale) from April 1, 2016 to March 31, 2017	404639	0.48	719236	0.85
	At the end of the year			719236	0.85
8.	Franklin Templeton Mutual Fund A/C Franklin India Prima Fund				
	At the beginning of the year	39000	0.05	39000	0.05
	Transactions - purchase / (sale) from April 1, 2016 to March 31, 2017	271655	0.32	310655	0.37
	At the end of the year			310655	0.37
9.	HDFC Standard Life Insurance Company Limited				
	At the beginning of the year	731043	0.86	731043	0.86
	Transactions - purchase / (sale) from April 1, 2016 to March 31, 2017	(447532)	(0.53)	283511	0.33
	At the end of the year			283511	0.33
10.	UTI-MNC Fund				
	At the beginning of the year	123487	0.14	123487	0.14
	Transactions - purchase / (sale) from April 1, 2016 to March 31, 2017	142283	0.17	265770	0.31
	At the end of the year			265770	0.31

* The shares of the Company are traded on daily basis and hence the date wise increase / decrease in shareholding is not indicated.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors / Key Managerial Personnel (KMP)	Shareholding at the beginning of the year as on April 1, 2016		Cumulative Shareholding during the year	
		No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
1.	Mr. S Venkatachalam				
	At the beginning of the year	5000	0.01	5000	0.01
	Transactions purchase / (sale) from April 1, 2016 to March 31, 2017	—	—	—	—
	At the end of the year			5000	0.01
2.	Mr. Chaitanya Kamat				
	At the beginning of the year	8085	0.01	8085	0.01
	ESOP exercised on August 25, 2016	40000	0.05	48085	0.06
	Sale on August 30, 2016	(6484)	0.01	41601	0.05
	Sale on August 31, 2016	(7224)	0.01	34377	0.04
	Sale on September 8, 2016	(500)	0.00	33877	0.04
	Sale on September 9, 2016	(2281)	0.00	31596	0.04
	Sale on September 12, 2016	(4321)	0.01	27275	0.03
	Sale on September 14, 2016	(164)	0.00	27111	0.03
	Sale on September 16, 2016	(500)	0.00	26611	0.03
	Sale on September 19, 2016	(150)	0.00	26461	0.03
	Sale on September 20, 2016	(1530)	0.00	24931	0.03
	Sale on September 22, 2016	(50)	0.00	24881	0.03
	Sale on September 23, 2016	(50)	0.00	24831	0.03
	Sale on February 23, 2017	(200)	0.00	24631	0.03
	Sale on February 27, 2017	(1463)	0.00	23168	0.03
	Sale on February 28, 2017	(500)	0.00	22668	0.03
	Sale on March 1, 2017	(300)	0.00	22368	0.03
	Sale on March 3, 2017	(1000)	0.00	21368	0.03
	Sale on March 6, 2017	(44)	0.00	21324	0.03
	Sale on March 7, 2017	(21324)	0.03	—	—
	At the end of the year			—	—
3.	Mr. Makarand Padalkar - KMP				
	At the beginning of the year	25591	0.03	25591	0.03
	ESOP exercised on August 25, 2016	21500	0.03	47091	0.06
	Sale on August 30, 2016	(3043)	0.01	44048	0.05
	Sale on August 31, 2016	(7539)	0.01	36509	0.04
	Sale on September 1, 2016	(206)	0.00	36303	0.04
	Sale on September 14, 2016	(3608)	0.01	32695	0.03
	Sale on September 15, 2016	(1500)	0.00	31195	0.03
	Sale on September 16, 2016	(2400)	0.00	28795	0.03
	At the end of the year			28795	0.03
4.	Mr. Onkarnath Banerjee - KMP				
	At the beginning of the year	—	—	—	—
	ESOP exercised on December 28, 2016	93	0.00	93	0.00
	At the end of the year			93	0.00

The following Directors did not held any shares during the Financial Year 2016-17:

• Mr. Richard Jackson - Independent Director	• Mr. Harinderjit Singh - Director	• Ms. Samantha Wellington - Director*
• Mr. Derek H Williams - Director**	• Ms. Kimberly Woolley - Director@	• Mr. Robert K Weiler - Director
• Ms. Maria Smith - Director	• Mr. Sridhar Srinivasan - Independent Director	

* *resigned with effect from October 28, 2016*

** *demise on July 23, 2016*

@ *appointed with effect from March 29, 2017*

V. Indebtedness:

The Company has not availed any loan during the year and is a debt-free company.

VI. Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(Amounts in ₹ thousand except number of OSUs)

Sl. No.	Particulars of Remuneration	OSUs	Amount
	Mr. Chaitanya Kamat, Managing Director & Chief Executive Officer		
1.	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961		48461
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		22554
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961		—
2.	Stock Option (OSU)	25000	
3.	Sweat Equity	—	
4.	Commission as % of profit others, specify		—
5.	Others, please specify	—	—
	Total (A)	25000	71015
	Ceiling as per the Act (5% of the profits calculated under Section 198 of the Companies Act, 2013)		860796

B. Remuneration to other directors:

(Amounts in ₹ thousand)

Sl. No.	Particulars of Remuneration	Name of Directors									Total Amount
		S Venkatachalam	Derek H Williams*	Harinderjit Singh	Kimberly Woolley**	Maria Smith	Richard Jackson	Robert K Weiler	Samantha Wellington@	Sridhar Srinivasan	
1.	Independent Directors										
	Fee for attending board /committee meetings	-	-	-	-	-	-	-	-	-	-
	Commission	3000	-	-	-	-	2295	-	-	1800	7095
	Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (1)	3000	-	-	-	-	2295	-	-	1800	7095
2.	Other Non-Executive directors										
	Fee for attending board /committee meetings	-	-	-	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-	-	-	-
	Total (B)= (1+2)	3000	-	-	-	-	2295	-	-	1800	7095
	Total Managerial Remuneration (A+B)										78110
	Overall Ceiling as per the Act (1% of the profits calculated under Section 198 of the Companies Act, 2013)										172159

* *demise on July 23, 2016*

** *appointed with effect from March 29, 2017*

@ *resigned with effect from October 28, 2016*

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

(Amounts in ₹ thousand)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (₹)
		Company Secretary	CFO	
1.	Gross salary			
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	5167	9488	14655
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	284	24434	24718
(c)	Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	5451	33922	39373

In addition to the above, during the year 2016-17, 10500 OSU's (Company Secretary - 500, CFO - 10000) were granted.

VII. Penalties / Punishment / Compounding of Offences:

There were no penalties / punishments / compounding of offences under any section of the Companies Act, 2013.

Form No. AOC - 2

Particulars of contracts / arrangements made with related parties

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 ("the Act") including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2017, which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at arm's length basis:

a.	Name(s) of the related party and nature of relationship:	Not applicable
b.	Nature of contracts / arrangements / transactions:	Not applicable
c.	Duration of contracts / arrangements / transactions:	Not applicable
d.	Silent terms of the contracts or arrangements or transactions including the value, if any:	Not applicable
e.	Date(s) of approval by the Board, if any:	Not applicable
f.	Amount paid as advances, if any:	None

Note: Since the transactions with wholly owned subsidiaries are exempt under section 188(1) of the Act, same are not included in the table above.

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

Mumbai
July 12, 2017

S Venkatachalam
Chairperson
DIN: 00257819

Secretarial audit report

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
ORACLE FINANCIAL SERVICES SOFTWARE LIMITED
Oracle Park, Off Western Express Highway
Goregaon (East), Mumbai - 400063

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Oracle Financial Services Software Limited** having CIN: L72200MH1989PLC053666 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and
 - (d) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Software Technology Parks of India rules and regulations.

As per the explanations given to me in the representations made by the management and relied upon by me, during the period under review, provisions of the following regulations were not applicable to the Company:

- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings;
- (ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India under the Companies Act, 2013.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. to the extent applicable.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non - Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through and as informed, there were no dissenting members' views and hence not recorded as part of the minutes.

I further report that as per the explanations given to me in the representations made by the management and relied upon by me there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

As per the explanations given to me in the representations made by the management and relied upon by me, I further report that, during the audit period, except for the issue and allotment of equity shares to the employees of the Company under Employee Stock Option Plan ("ESOP"), there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

CS Prashant Diwan

Practising Company Secretary

FCS: 1403 CP: 1979

Date : July 12, 2017

Place : Mumbai

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

To
The Members
ORACLE FINANCIAL SERVICES SOFTWARE LIMITED
Oracle Park, Off Western Express Highway
Goregaon (East), Mumbai - 400063

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate, Specific and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

CS Prashant Diwan
Practising Company Secretary
FCS: 1403 CP: 1979

Date : July 12, 2017
Place : Mumbai

Annual report on corporate social responsibility activities for the financial year ended March 31, 2017

[Pursuant to Section 135 of the Companies Act, 2013 read with Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Oracle Financial Services Software Limited ("Oracle") is committed to using its resources to advance education, protect the environment, and strengthen communities. Through a combination of grants, sponsorships, and volunteer support, Oracle works to improve the quality of life in communities where it does business. The Company Policy governing Corporate Social Responsibility ("CSR") is in line with the regulation specified in section 135 and schedule VII of the Companies Act, 2013 ("the Act"). The policy is available at www.oracle.com/financialservices

CSR activities include, but are not limited to, the following:

- (i) Award cash grants to nonprofit organizations, nongovernmental organizations (NGOs), and other implementation partners, incorporated in India, with track records of at least three years. Grants will:
 - advance education, especially science, technology, engineering, art and mathematics (STEAM);
 - protect the environment and wildlife; and
 - strengthen communities by addressing health, hunger, poverty, and a variety of other community needs.
- (ii) Develop, fund and execute Oracle Volunteers projects.
- (iii) Award in-kind grants of software, curriculum, training, and certification resources to educational institutions through the Oracle Academy.

The Company will not make contributions to any political party or its affiliations.

2. The Composition of the CSR Committee:

The CSR Committee comprises of following Members:

Mr. Harinderjit Singh	Chairperson of the Committee
Mr. S Venkatachalam	Member
Mr. Chaitanya Kamat	Member

3. Average net profit of the Company for last three financial years:

The average net profit of the Company as per Rule 2(c)(f) of Companies (Corporate Social Responsibility) Rules is ₹ 16,769,694,867.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 335,393,897

5. Details of CSR spent during the financial year:

- (a) Total amount spent during the financial year: ₹ 337,179,508
- (b) Amount unspent: ₹ Nil

(c) Manner in which the amount spent during the financial year:

During the year ended March 2017, Oracle spent the CSR funds across 98 programs / projects through various NGOs and other organizations in three areas of its focus, namely Education, Environment and Community. The particulars are given below:

Sr. No.	Particulars	Focus: Education	Focus: Environment	Focus: Community	Total
1	CSR project or activity identified.	38 projects / programs for promoting a) education and employment enhancing vocation skills, especially among children, women, elderly & differently abled persons and b) gender equality, empowering women, setting up homes and hostels for women and orphans; old age homes, daycare centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backwards groups.	14 projects / programs for promoting environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.	46 rural development projects / programs for eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	98 projects/ programs through 98 NGO partners
2	Sector in which the project is covered	Promoting Education & Gender Equality	Promoting Environment Sustainability	Rural development and eradicating poverty	
3	Projects or programs (1) Local area or other (2) Specify the State and District where projects or Programs were undertaken	Projects are implemented across several districts in multiple states (Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Maharashtra, Madhya Pradesh, New Delhi, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Uttarakhand, Uttar Pradesh and West Bengal) and 1 Union territory (Puducherry), and some projects are Pan India			
4	Amount outlay (Budget) Project or Programs wise (₹)	128,185,267	46,321,291	134,842,143	309,348,701
5	Amount spent on the projects or Programs (₹)	128,185,267	46,321,291	134,842,143	309,348,701
	(1) Direct expenditure or amount spent through implementing agency on projects or programs (₹)	128,185,267	46,321,291	134,842,143	309,348,701
	(2) Overheads (₹)	11,528,151 (Agency Fees for services)	4,168,916 (Agency Fees for services)	12,133,740 (Agency Fees for services)	27,830,807
6	Cumulative expenditure up to the reporting period (₹)	139,713,418	50,490,207	146,975,883	337,179,508
7	Amount spent: Direct or through Implementing agency (₹)	139,713,418	50,490,207	146,975,883	337,179,508

Details of implementing agency: Charities Aid Foundation, India, a Trust registered under Indian Trusts Act 1882 and having registered office at Plot/Site No. 2, First Floor, Sector-C (OFC Pocket), Nelson Mandela Marg, Vasant Kunj, New Delhi 110070.

6. In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

Not applicable. As per the requirements of Section 135 of the Companies Act, 2013 the Company has spent two percent of the average net profit of the three immediately preceding financial years.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

We hereby confirm that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Harinderjit Singh
Chairperson of the Committee

Chaitanya Kamat
Managing Director & Chief Executive Officer

Place: Mumbai
Date: June 15, 2017

Corporate governance report

The detailed report on Corporate Governance of Oracle Financial Services Software Limited (“the Company”) for the financial year 2016-17 as per Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as “Listing Regulations”) is set out below:

1. Company’s philosophy on code of governance

The Company believes in adopting and adhering to all applicable regulations and globally recognized corporate governance practices, and continuously benchmarking itself against such requirements. The Company understands and respects its fiduciary role and responsibility to its Members and strives to meet their expectations.

2. Board of Directors

2.1 Composition of the Board

The composition of the Board of Directors of the Company (“the Board”), their attendance at the Board Meetings during the year, attendance at the last Annual General Meeting, and the number of directorships and board committee Chairpersonship / Membership held as on March 31, 2017, was as under:

Name of the Director	Board Meetings attended during the year	Attendance at the last AGM held on September 7, 2016	Number of Directorships in other Companies	Number of Committee positions held in other Companies	
				As Chairperson	As Member
Non-Executive, Independent Directors					
Mr. S Venkatachalam Chairperson (DIN: 00257819)	7/7	Present	3	–	1
Mr. Richard Jackson (DIN: 06447687)	7/7	Present	5	–	–
Mr. Sridhar Srinivasan (DIN: 07240718)	7/7	Present	1	–	1
Non-Executive, Non-Independent Directors					
Mr. Harinderjit Singh (DIN: 06628566)	4/7	Absent	1	–	–
Ms. Kimberly Woolley (w.e.f. March 29, 2017) (DIN: 07741017)	1/1	Not Applicable	1	–	–
Ms. Maria Smith (DIN: 07182337)	6/7	Absent	5	–	–
Mr. Robert K Weiler (DIN: 01531399)	6/7	Absent	–	–	–
Executive Director					
Mr. Chaitanya Kamat, Managing Director & Chief Executive Officer (DIN: 00969094)	7/7	Present	–	–	–

Notes:

- The Chairperson of the Board of Directors is a Non-Executive, Independent Director and the Composition of the Board is in conformity with the Listing Regulations.
- Pursuant to Regulation 26 of Listing Regulations, none of the directors on the Board, hold directorships in more than ten public companies, or acts as a Chairperson of more than five committees across all the Indian public companies in which he / she is a Director. For the purpose of determining the number of Chairpersonships / Memberships of the Committees of the Board of other companies, only the Audit Committee and the Stakeholders’ Relationship Committee of Indian Public Companies are considered. None of the Directors are related inter se.

3. Independent Directors are Non-Executive Directors as defined under Section 149 of the Companies Act, 2013 (“the Act”). All the Independent Directors have confirmed that they meet criteria of independence and the maximum tenure of Independent Directors is in compliance with the Act.
4. Mr. Derek H Williams, Non-Executive, Non-Independent Director of the Company, expired on July 23, 2016. Mr. Williams attended the Board Meeting held on May 11, 2016.
5. Ms. Samantha Wellington, Non-Executive, Non-Independent Director of the Company resigned with effect from close of business hours of October 28, 2016. Ms. Wellington attended the Board Meetings held on May 11, 2016, July 18, 2016 and September 7, 2016. Ms. Wellington was present at the Annual General Meeting of the Company held on September 7, 2016.
6. Ms. Kimberly Woolley was appointed as an Additional Director of the Company, in the capacity of Non-Executive, Non-Independent Director, with effect from March 29, 2017.
7. The familiarization program formulated for the Independent Directors is available on the website of the Company at: <http://www.oracle.com/us/industries/financial-services/financial-familiarization-program-2547373.pdf>
8. None of the Non-Executive Directors hold any shares of the Company except Mr. S Venkatachalam who held 5000 shares of the Company as on March 31, 2017.

2.2 Board meetings held in 2016-17

The Company holds Board Meetings at regular intervals. The maximum gap between any two meetings of the Board has been less than 120 days. All material information was circulated to all the Directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of sub-regulation 7 of regulation 17 of the Listing Regulations.

During the Financial Year 2016-17, seven Board Meetings were held on the following dates:

May 11, 2016, July 18, 2016, August 12, 2016, September 7, 2016, November 9, 2016, February 8, 2017 and March 29, 2017. Necessary quorum was present for all the meetings.

During the year, a separate meeting of Independent Directors was held on February 8, 2017 and all the Independent Directors of the Company participated in the said meeting.

2.3 Details of other directorships

Details of the directorships of the Company’s Directors in other companies as on March 31, 2017 were as under:

Name of the Director	Other Directorships	
Mr. S Venkatachalam	Equifax Credit Information Services Private Limited Sam Foundation for Eco Friendly Environment	Canara Robeco Asset Management Company Limited
Mr. Harinderjit Singh	Children’s Discovery Museum, San Jose California	
Ms. Kimberly Woolley	Ripon College	
Ms. Maria Smith	Oracle CAPAC Services Oracle EMEA Holdings Limited Oracle Nederland B.V.	Oracle Corporation Australia Pty Limited Oracle EMEA Limited
Mr. Richard Jackson	Novoview Ltd. ageas SA/NV Great Britain China Centre	Occidental Seguros Ltd. Medis Ltd.
Mr. Sridhar Srinivasan	India Factoring and Finance Solutions Private Limited	

All directorships of Mr. Harinderjit Singh, Ms. Kimberly Woolley, Ms. Maria Smith and Mr. Richard Jackson are in foreign companies.

2.4 Compliance with the code of conduct

The Company has adopted the “Code of Ethics and Business Conduct” which sets forth the standards of behavior for the Board and management of the Company. All the Directors and the Senior Managerial Personnel of the Company have confirmed compliance with the Code as of March 31, 2017. The code is available on the website of the Company at: <http://www.oracle.com/us/corporate/investor-relations/cebc-176732.pdf>

3. Audit committee

3.1 Primary objectives and powers of the audit Committee

The primary objective of Audit Committee is to monitor and provide effective supervision of the management’s financial reporting process and to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

The powers of the Audit Committee include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.

4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. To investigate into any matter within the powers conferred by a law or the Board.

3.2 Broad terms of reference

The terms of reference of the Audit Committee are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors of the Company, fixing their remuneration, and the terms of appointment;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and the auditors' report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Modified opinion in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approving or any subsequent modification of transactions of the Company with related parties;
9. Scrutinizing inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever necessary;
11. Evaluating internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussing with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
18. Reviewing the functioning of the Whistle Blower mechanism;
19. Approving appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
20. Monitoring the end use of funds raised through public offers and related matters;
21. Reviewing the following information and reports:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of the Chief internal auditor;

and such other matters as may be prescribed and applicable from time to time.

3.3 Composition, meetings and attendance of the committee

During the financial year 2016-17, six meetings of the Audit Committee were held on May 11, 2016, July 18, 2016, August 12, 2016, November 9, 2016, February 8, 2017 and March 29, 2017.

The details of the composition of the Committee as on March 31, 2017 and the member's attendance at the Committee meetings during the year then ended were as under:

Name of the Member		Number of meetings attended
Mr. Richard Jackson	Chairperson, Non-Executive, Independent Director	6/6
Mr. S Venkatachalam	Member, Non-Executive, Independent Director	6/6
Ms. Maria Smith	Member, Non-Executive, Non-Independent Director	6/6

The Company Secretary acts as the Secretary to the Audit Committee meetings. The Managing Director & Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, Statutory Auditors, Internal Auditors and Legal Counsel are permanent invitees to the Audit Committee meetings. The Chairperson of the Committee was present at the Annual General Meeting held on September 7, 2016 to address the shareholders' queries.

4. Nomination and remuneration committee

4.1 Brief description of terms of reference

The terms of reference of the Nomination and Remuneration Committee ("NRC") are as follows:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board policies relating to the remuneration of the directors, key managerial personnel and other employees of the Company;
2. To decide the remuneration payable to the directors and key managerial personnel;
3. To determine any profit linked, or otherwise, bonus policies (by whatever name called) and to decide on the amount of bonus payable to directors and key managerial personnel of the Company;
4. To administer and deal with all matters concerning the present and future Employee Stock Option Schemes and / or Employee Stock Purchase Scheme(s) of the Company, if any, by whatever name called, and to review performance criteria, set norms for considering allocation of stock options, and grant stock options to the eligible directors and employees of the Company and its subsidiary companies from time to time;
5. To formulate criteria for evaluation of independent directors and the Board;
6. To devise a policy on Board diversity;
7. To identify persons who are qualified to become directors of the Company, or who may be appointed in the senior management in accordance with the criteria laid down; recommend to the Board their appointment and removal and to carry out evaluation of every director's performance;
8. To appoint any personnel of the Company and to formulate a sub-committee to act on behalf of the NRC;
9. To set criteria and conduct performance evaluation of the directors covering the areas relevant to their functioning as independent directors, non-independent directors and overall board.

4.2 Composition, meetings and attendance of the committee

During the financial year 2016-17, one meeting of the Nomination and Remuneration Committee was held on May 11, 2016. In addition to that, business was also dealt with by passing circular resolutions.

The details of the composition of the Committee as on March 31, 2017 and the member's attendance at the Committee meeting during the year then ended were as under:

Name of the Member		Number of meetings attended
Mr. Richard Jackson	Chairperson, Non-Executive, Independent Director	1/1
Mr. Harinderjit Singh	Member, Non-Executive, Non-Independent Director	1/1
Mr. Sridhar Srinivasan	Member, Non-Executive, Independent Director	1/1

The Chairperson of the Committee was present at the Annual General Meeting held on September 7, 2016.

4.3 Nomination and remuneration policy

The Nomination and Remuneration Committee determines and recommends to the Board the compensation payable to the Directors and Key Managerial Personnel of the Company. The limit for the commission to be paid to the Board Members and the remuneration payable to the Managing Director & Chief Executive Officer of the Company are approved by the Members of the Company. The annual compensation including bonus of the Executive and Non-Executive Directors is approved by the Nomination and Remuneration Committee, within the parameters set by the Members of the Company.

The Committee reviews the norms for ESOP allocation and approves the grant of the options to eligible employees.

The criteria for payment of commission to the Non-Executive Directors include a base commission plus incremental commission depending on the number and type of committees where they are members or chairpersons.

4.4 Details of remuneration paid to the directors during the financial year 2016-17:

(Amounts in ₹ thousand, except number of ESOPs)

Name of the Director	OSUs granted under ESOPs during the year	Salary	Contribution to Provident Fund and other funds	Commission paid	Total Amount paid
Executive Director					
Mr. Chaitanya Kamat*	25000	47331	1796	NA	49127
Non-executive independent directors					
Mr. S Venkatachalam	—	—	—	3000	3000
Mr. Richard Jackson	—	—	—	2295	2295
Mr. Sridhar Srinivasan	—	—	—	1800	1800

* Excluding perquisite on ESOP.

The Company accrues for gratuity benefit, compensated absences and bonus for all employees as a whole. It is not possible to ascertain the provision for individual director and hence the same has not been disclosed above. The Company discloses such benefits on cash basis. During the financial year ended March 31, 2017, the Nomination and Remuneration Committee granted 61,250 Stock Options and 156,523 OFSS Stock Units (OSUs) under OFSS Stock Plan 2014 to the eligible employees including Director of the Company and its Subsidiaries as under:

Date of Grant	No. of Options / OSUs granted	Exercise price (₹)
April 1, 2016 (OSUs)	750	5.00
June 28, 2016 (Stock Options)	61250	3392.85
June 28, 2016 (OSUs)	147023	5.00
November 18, 2016 (OSUs)	5000	5.00
December 15, 2016 (OSUs)	3000	5.00
January 25, 2017 (OSUs)	750	5.00

The terms of Employee Stock Options / OSUs granted to the Directors were as under:

Name of the Director	Scheme [@]	Options/OSUs outstanding as at April 1, 2016	Options/OSUs exercised & allotted during the year	Options /OSUs outstanding as at March 31, 2017	Exercise price (₹)	Expiry Date
Mr. S Venkatachalam	2011	6000	—	6000	1929.95	December 19, 2021
Mr. Chaitanya Kamat	2002	12000	—	12000	2333.45	October 24, 2020
	2011	12000	—	12000	1929.95	December 19, 2021
	2011	60000	20000	40000	3126.85	February 4, 2023
	2011	80000	20000	60000	3076.85	September 12, 2023
	Plan 2014 (OSUs)	25000	—	25000	5.00	March 29, 2025
	Plan 2014 (OSUs)	25000	—	25000	5.00	November 4, 2025
	Plan 2014 (OSUs)	—	—	25000	5.00	June 27, 2026

[@] Options under Scheme 2002 and Scheme 2011 were issued at prevailing market price of shares on the respective dates of grant. These options vest over a period of 5 years from the date of grant and are subject to continued employment/directorship with the Company. The Stock options under OFSS Stock Plan 2014 were issued at prevailing market price of shares on the date of grant and the OSUs were issued at ₹5 each. The options/OSUs granted under OFSS Stock Plan 2014 vest over a period of 4 years from the date of grant and are subject to continued employment/directorship with the Company.

As on March 31, 2017 none of the Directors of the Company hold any equity shares of the Company, except Mr. S Venkatachalam, who held 5000 equity shares of the Company.

5. Stakeholders' Relationship Committee

The scope of the Stakeholders' Relationship Committee is to review and address the grievances of the security holders of the Company in respect of complaints relating to share transfer, transmission, dematerialization and rematerialization of shares including complaints related to, non-receipt of annual report and non-receipt of declared dividends.

During the financial year 2016-17, three meetings of the Committee were held on May 11, 2016, November 9, 2016 and February 8, 2017. The details of the composition of the Committee as on March 31, 2017 and the member's attendance at the Committee meetings during the year then ended were as under:

Name of the Member		Number of meetings attended
Mr. S Venkatachalam	Chairperson, Non-Executive, Independent Director	3/3
Mr. Chaitanya Kamat	Member, Executive, Non-Independent Director	3/3
Mr. Makarand Padalkar	Member, Chief Financial Officer	3/3

Details of shareholders' complaints received, resolved and outstanding during the financial year 2016-17:

Particulars	No. of Complaints
Complaints outstanding on April 1, 2016	Nil
Complaints received during the financial year ended March 31, 2017	17
Complaints resolved during the financial year ended March 31, 2017	17
Complaints outstanding on March 31, 2017	Nil

Number of pending share transfers as on March 31, 2017 – Nil.

Mr. Onkarnath Banerjee, Company Secretary, is designated as the Compliance Officer who oversees the redressal of the investors' grievances.

6. Transfer committee

The scope of Transfer Committee is to consider and approve requests for transfer, transmission, rematerialization of shares and other investor related matters. The meetings are held as needed, based on such requests being received from the shareholders.

The details of the composition of the Committee as on March 31, 2017 and the member's attendance at the Committee meetings during the year then ended were as under:

Name of the Member		Number of meetings attended
Mr. S Venkatachalam	Chairperson, Non-Executive, Independent Director	3/3
Mr. Makarand Padalkar	Member, Chief Financial Officer	3/3

7. ESOP allotment committee

The scope of ESOP Allotment Committee is to consider and approve requests for allotment of shares on exercise of stock options or OFSS Stock Units by eligible employees.

During the financial year 2016-17, thirteen meetings of the Committee were held on April 12, 2016, May 25, 2016, June 29, 2016, August 3, 2016, August 25, 2016, September 21, 2016, October 5, 2016, November 9, 2016, December 28, 2016, January 18, 2017, February 15, 2017, February 17, 2017 and March 15, 2017.

The details of the composition of the Committee as on March 31, 2017 and the member's attendance at the Committee meetings during the year then ended were as under:

Name of the Member		Number of meetings attended
Mr. S Venkatachalam	Chairperson, Non-Executive, Independent Director	13/13
Mr. Chaitanya Kamat	Member, Executive, Non-Independent Director	13/13
Mr. Sridhar Srinivasan	Member, Non-Executive, Independent Director	13/13
Mr. Makarand Padalkar	Member, Chief Financial Officer	13/13

8. Risk management committee

The scope of Risk Management Committee is to formulate Risk Management Policy of the Company to identify elements of risks, if any, which in the opinion of the Board might threaten the existence of the Company. The Audit Committee and the Board can refer certain matters to the Risk management Committee as they deem fit. The Committee invites the representatives of internal auditor and other stakeholders / executives as needed for the meetings.

The composition of Committee as on March 31, 2017 was as under:

Name of the Member	
Mr. Sridhar Srinivasan	Chairperson, Non-Executive, Independent Director
Mr. Chaitanya Kamat	Member, Executive, Non-Independent Director
Mr. Makarand Padalkar	Member, Chief Financial Officer

Notes:

Ms. Samantha Wellington, Director and Chairperson of the Risk Management Committee resigned with effect from October 28, 2016.

Mr. Sridhar Srinivasan was inducted in the Risk Management Committee and appointed as the Chairperson with effect from November 9, 2016.

9. Corporate social responsibility committee

The scope of Corporate Social Responsibility Committee is to prepare and recommend to the Board the Corporate Social Responsibility Policy ("CSR Policy"), recommend CSR activities and the amount the Company should spend on CSR activities, monitor the implementation of CSR Policy and activities from time to time, ensure compliance with all matters relating to CSR and to provide updates to the Board.

During the financial year 2016-17, one meeting of the Committee was held on May 11, 2016. Additionally, business was also dealt with by passing circular resolution.

The details of the composition of the Committee as on March 31, 2017 and the member's attendance at the Committee meeting during the year then ended were as under:

Name of the Member		Number of meeting attended
Mr. Harinderjit Singh	Chairperson, Non-Executive, Non-Independent Director	NA
Mr. Chaitanya Kamat	Member, Executive, Non-Independent Director	1/1
Mr. S Venkatachalam	Member, Non-Executive, Independent Director	1/1

Notes:

Ms. Samantha Wellington, Director and Member of the Committee resigned with effect from October 28, 2016.

Mr. Harinderjit Singh was inducted and appointed as the Chairperson with effect from November 9, 2016.

10. Other committees

The Company has a Business Responsibility Committee to oversee matters concerning the Business Responsibility Policy implementation and guidance and to decide on any matter or doubt with regard to the applicability, interpretation, operation and implementation of the Business Responsibility policy. The Managing Director and Chief Executive Officer acts as the Chairperson of the Committee and the other members are Chief Financial Officer, Chief Accounting Officer, Vice President and Head HR, Legal Counsel and Compliance and Ethics Officer, Vice President Business Operations and Company Secretary & Compliance Officer.

11. Company secretary and compliance officer

Company Secretary and Compliance Officer	Mr. Onkarnath Banerjee
Address	Oracle Financial Services Software Limited Oracle Park, Off Western Express Highway Goregaon (East), Mumbai 400063, Maharashtra, India
Tel. no.	+91 22 6718 3000
Fax no.	+91 22 6718 4604
Email	onkarnath.banerjee@oracle.com

12. General body meetings

Location, date and time where last three Annual General Meetings were held:

Financial Year	Venue	Day	Date	Time
2015-16	The Westin Garden City, International Business Park Oberoi Garden City, Goregaon (East), Mumbai 400063	Wednesday	September 7, 2016	2.30 p.m.
2014-15	The Westin Garden City, International Business Park Oberoi Garden City, Goregaon (East), Mumbai 400063	Friday	September 11, 2015	2.30 p.m.
2013-14	The Westin Garden City, International Business Park Oberoi Garden City, Goregaon (East), Mumbai 400063	Friday	September 12, 2014	2.30 p.m.

- (i) The details of Special Resolutions passed in Annual General Meetings held during the last three years are given below:
- No special resolution was passed in the Annual General Meeting held in the financial years 2013-14 and 2014-15.

- Gist of special resolution passed at the Annual General Meeting held on Wednesday, September 7, 2016, in the financial year 2015-16, is as under:

Payment of Commission to the Directors of the Company (excluding the Managing Director and Whole-time Directors), not exceeding in the aggregate one per cent per annum of the net profits of the Company, which shall be calculated in accordance with the provisions of Sections 198 of the Companies Act, 2013; for a further period of five years from April 1, 2017 to March 31, 2022.

- (ii) There was no Extra-Ordinary General Meeting held during the last three financial years.
- (iii) There was no matter requiring approval of the Members through Postal Ballot during the financial year ended March 31, 2017.
- (iv) No special resolution is currently proposed to be conducted through postal ballot.

13. Means of communication

The Company from time to time, and as may be required, communicates with its shareholders through multiple channels of communications such as dissemination of information on the online portal of the Stock Exchanges, press releases, the Annual Reports and uploading relevant information on its website.

The Company's quarterly financial results, press releases, annual reports and other relevant corporate documents are placed on the Company's website at www.oracle.com/financialservices and the same can be downloaded.

The quarterly and annual results of the Company were published in widely circulated English and Marathi newspapers, such as Business Standard and Sakal.

The Company discloses to the Stock Exchanges, all the information required to be disclosed under Regulation 30 read with Part A of Schedule III of the Listing Regulations including material information having a bearing effect on the performance/operations of the listed entity or other price sensitive information. The Company has formulated and adopted a "Policy of Determination of Material Events/Information" which sets out the classes and types of material events or information which requires disclosure to be made to the stock exchanges. The policy has been disclosed on the Company's website at: <http://www.oracle.com/us/industries/financial-services/policy-determination-events-2889567.pdf>

All the information is filed electronically on BSEs online portal – BSE Listing Center and on NSE Electronic Application Processing System (NEAPS), the online portal of National Stock Exchange of India Limited.

All the disclosures made to the stock exchanges are also available on the Company's website www.oracle.com/financialservices under the heading "Stock Exchange Intimations".

Securities and Exchange Board of India ("SEBI") introduced a centralized web based SEBI Complaints Redress System (SCORES) for all Listed Companies. The Company has been addressing the complaints, uploading Action Taken Reports (ATRs) and monitoring its current status on website - <http://scores.gov.in/Admin>

As per the Circular issued by Ministry of Corporate Affairs, the Company has filed its Balance Sheet and Profit and Loss Account in extensible Business Reporting Language (XBRL), for the financial year ended March 31, 2016.

As a part of Green Initiative in Corporate Governance, the Ministry of Corporate Affairs vide its Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011 and pursuant to Section 101 and Section 136 and other applicable provisions of the Companies Act, 2013, read with relevant rules framed thereunder, Companies can serve Annual Reports and other communications through electronic mode to those members of the company who have registered their email address either with the Company or with the Depository. The Securities and Exchange Board of India ("SEBI") has also permitted listed entities to supply soft copies of full annual reports to all those shareholders who have registered their email addresses for the purpose under Regulation 36 of the Listing Regulations. In case there is any change in your registered email address, please update the same with Company/Depository. The Company has since been annually sending communications to the incremental Members of the Company seeking their preference for receiving corporate documents and has issued/dispatched Annual Reports accordingly.

14. General shareholder information

14.1 Annual General Meeting

Day, Date, Time and Venue	Wednesday, September 20, 2017 at 2.30 p.m. Shri Bhaidas Maganlal Sabhagriha Bhaktivedanta Swami Marg Vile Parle (West), Mumbai 400056
Financial Year	April 1, 2016 to March 31, 2017
Date of Book Closure	Thursday, September 14, 2017 to Wednesday, September 20, 2017 (both days inclusive)
Dividend Payment Date	Not Applicable

14.2 Listing details

Name and Address of the Stock Exchange	Stock Code
BSE Limited (BSE) Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	532466
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051	OFSS

The annual listing fees for the financial year 2016-17 have been paid to both the exchanges.

14.3 Registrar and transfer agents

Link Intime India Private Limited (formerly Intime Spectrum Registry Limited) is the Registrar and Transfer Agents of the Company (“the RTA”) and their contact details are:

Name	Link Intime India Private Limited
Address	C 101, 247 Park L B S Marg, Vikhroli (West), Mumbai 400083
Tel. no.	+91 22 49186000
Fax no.	+91 22 49186060
Email	rnt.helpdesk@linkintime.co.in

14.4 Physical share certificate transfer system

The RTA, on receipt of transfer deed along with share certificate(s) scrutinizes the same and verifies signature(s) of transferor(s) on the transfer deed with specimen signature(s) registered with the Company. A list of such transfers is prepared and checked thoroughly and a transfer register is prepared accordingly. The transfer register is placed before the Transfer Committee Meeting for approval, which meets as and when required. During the year under review, one request was received for transfer of 16,000 shares in physical mode.

14.5 Reconciliation of share capital audit

A Practicing Chartered Accountant has carried out reconciliation of Share Capital Audit for every quarter to reconcile the share capital held with depositories and in physical form with the issued / listed capital. The audit confirms that the total issued / paid-up / listed share capital is in agreement with the aggregate total number of shares in physical form and the total number of shares in dematerialized form held with NSDL and CDSL.

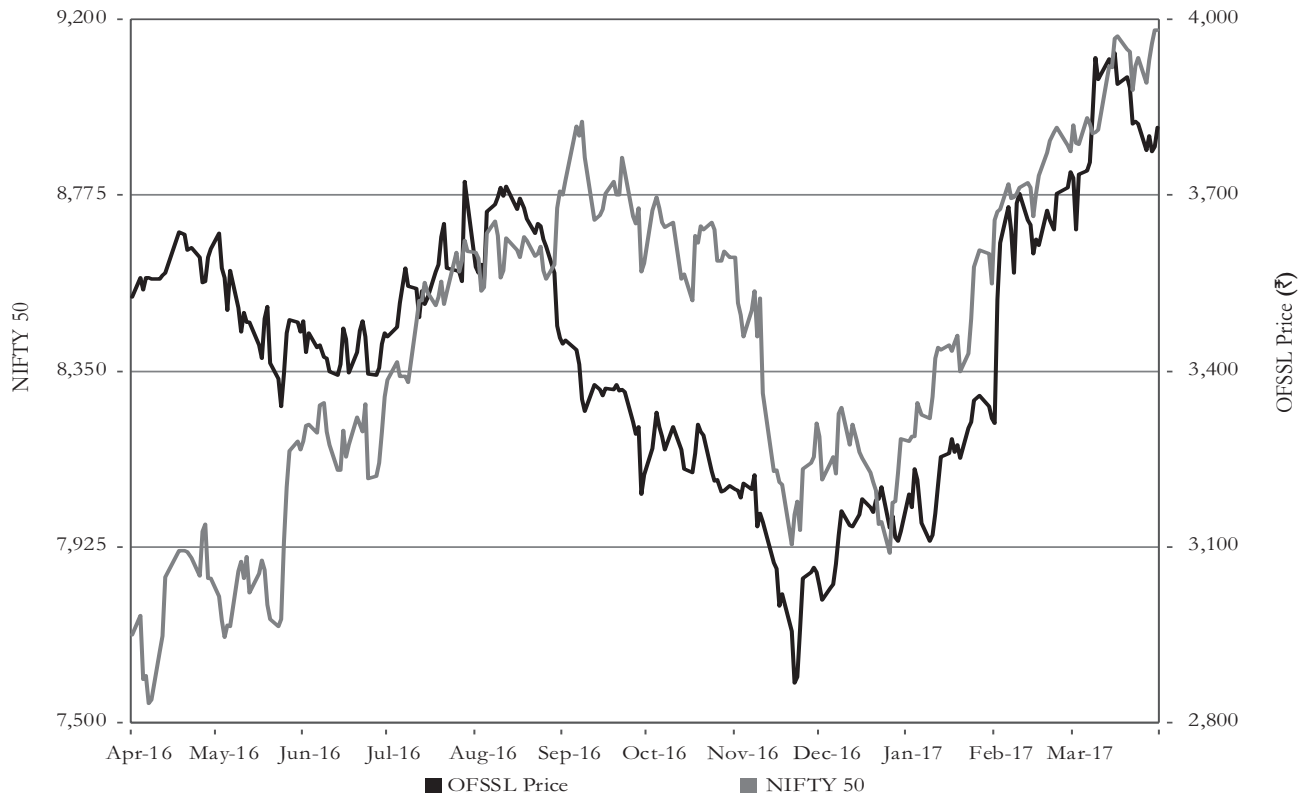
15. Market price data

Monthly high, low and volume of the shares of the Company traded on the stock exchanges from April 1, 2016 to March 31, 2017 are given below:

Month and Year	BSE			NSE		
	High (₹)	Low (₹)	Volume of Shares	High (₹)	Low (₹)	Volume of Shares
April 2016	3669.00	3427.10	73083	3667.30	3421.05	665057
May 2016	3656.00	3320.25	46983	3658.00	3319.10	651377
June 2016	3516.00	3325.10	73244	3503.00	3325.00	498571
July 2016	3772.95	3419.00	48697	3779.50	3417.40	569888
August 2016	3985.65	3440.00	137165	3985.10	3440.00	1116437
September 2016	3500.00	3100.10	47454	3484.95	3179.25	484159
October 2016	3357.00	3105.00	27319	3353.95	3168.30	785651
November 2016	3230.00	2795.75	56012	3240.00	2808.40	2042319
December 2016	3220.00	2985.10	33260	3223.00	2984.05	886359
January 2017	3396.55	3090.00	31343	3382.95	3097.15	744648
February 2017	3777.90	3298.00	56549	3776.45	3280.65	1228075
March 2017	4088.60	3621.30	8651908	4088.00	3585.95	972177

Relative movement chart

The chart below gives the comparison of your Company's share price movement on NSE vis-à-vis the movement of NIFTY 50 for the year 2016-17.



The chart below gives the comparison of your Company's share price movement on NSE vis-à-vis the movement of NIFTY 50 since the listing of the share on NSE.



16. Distribution of shareholding as on March 31, 2017

Paid-up shares in capital (in ₹)	Number of Shareholders	% to total shareholders	No. of Shares	Paid-up value (Face value ₹5 each)	% of Total no. of shares
Up to 2500	21931	97.26	1873962	9369810	2.20
2501 to 5000	245	1.09	870618	4353090	1.02
5001 to 10000	161	0.71	1159159	5795795	1.36
10001 to 20000	105	0.47	1493356	7466780	1.76
20001 to 30000	31	0.14	781744	3908720	0.92
30001 to 40000	28	0.12	995103	4975515	1.17
40001 to 50000	9	0.04	401361	2006805	0.47
50001 to 100000	15	0.07	1016613	5083065	1.20
100001 & Above	23	0.10	76514490	382572450	89.90
Total	22548	100.00	85106406	425532030	100.00

17. Shareholding pattern as on March 31, 2017

Category of shareholders	Number of shares	%
Promoters: Oracle Global (Mauritius) Limited	63051197	74.09
Mutual Funds / UTI	3004517	3.53
Financial Institutions / Banks	12776	0.02
Central Government	4000	0.00
Foreign Institutional Investors	592269	0.70
Bodies Corporate	596019	0.70
Individuals-		
i. Holding nominal share capital up to ₹ 2 lakh	4444320	5.22
ii. Holding nominal share capital in excess of ₹ 2 lakh	465348	0.55
NRI (Repatriate)	169313	0.20
NRI (Non-Repatriate)	676749	0.79
Foreign Mutual Fund	185724	0.22
Clearing Member	34425	0.04
Directors / Relatives	6000	0.01
Foreign Banks	13808	0.02
HUF	38491	0.04
Market Maker	6257	0.01
Foreign Portfolio Investor (Corporate)	11629789	13.66
Trusts	173644	0.20
Foreign Nationals	1760	0.00
Total	85106406	100.00

During the financial year 2016-17:

1. The Company issued and allotted 250,228 equity shares to eligible employees who exercised their ESOPs during the year.
2. The Company has not issued any ADR / GDR / Warrants / other convertible instruments except ESOPs.
3. The promoters have not pledged any of the equity shares held in the Company.

18. Dematerialization of shares and liquidity

The shares of the Company are tradeable under compulsory demat mode. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE881D01027.

As on March 31, 2017, 99.45% of the shares of the Company were in electronic form and 99.62% of the shareholders held shares in electronic form.

19. Disclosures

- a. All the relevant information in respect of materially significant related party transactions, i.e., transactions of the Company of material nature with its promoters, directors or management or their relatives, subsidiaries of the Company, etc. has been disclosed in the respective financial statements presented in the Annual Report. The Company did not undertake any transaction with any related party having potential conflict with the interest of the Company at large. The Related Party Transactions policy as approved by the Board is uploaded on the Company's website at: <http://www.oracle.com/us/industries/financial-services/ofss-party-transactions-policy-2288144.pdf>
- b. The Company has complied with statutory compliances and no penalty or stricture is imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter related to the capital markets during the last three years.
- c. The Company has a Whistle Blower mechanism which provides adequate safeguards to employees who wish to raise concerns about violations of the Code of Ethics and Business Conduct, incorrect or misrepresentation of any financial statements and reports, unethical behavior, etc. The Whistle Blower mechanism forms part of the Code of Ethics and Business Conduct and the same is disclosed on the Company's website at <http://www.oracle.com/us/corporate/investor-relations/cebc-176732.pdf>
- d. The Company is compliant with the applicable mandatory requirements of Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations. The Company has also complied with the requirements of the Corporate Governance Report as provided in Part C of Schedule V sub-regulations (2) to (10) of the Listing Regulations.
- e. During the financial year 2016-17, the Company did not have any material listed/unlisted subsidiary companies as defined under Regulation 16 of the Listing Regulations. The Company has formulated a policy for determining material subsidiary as required under the Listing Regulations and the same is disclosed on the Company's website at: <http://www.oracle.com/us/industries/financial-services/policy-determining-material-2615655.pdf>
- f. The Company has formulated and adopted a record retention policy setting forth the guidelines with respect to retention and destruction of documents, both in hard copy and in electronic media pursuant to Regulation 9 of the Listing Regulations and the same is disclosed on the Company's website at: <http://www.oracle.com/us/industries/financial-services/record-retention-policy-2889568.pdf>
- g. The Company has formulated and adopted a dividend distribution policy in accordance with the extant provisions of Regulation 43A of Listing Regulations setting forth the parameters that shall be considered for declaration of dividend and the same is disclosed on the Company's website at: <http://www.oracle.com/us/industries/financial-services/ofss-dividend-distribution-policy-3125465.pdf>
- h. Unclaimed Shares: In terms of Part C of Schedule V of the Listing Regulations the information with regard to demat suspense account/ unclaimed suspense account are as under:

Particulars	No. of Shareholders	No. of Shares of ₹ 5 each
Aggregate number of Shareholders and the outstanding shares in the suspense account as on April 1, 2016	2	40
Number of Shareholders who approached the Company for transfer of shares from the suspense account during the year	—	—
Number of Shareholders to whom the shares were transferred from suspense account during the year	—	—
Aggregate number of Shareholders and the outstanding shares in suspense account as on March 31, 2017	2	40

The Voting rights on the outstanding shares in the suspense account shall remain frozen till the rightful owner of such shares claims the shares.

- i. Unclaimed Dividend: During the year under review, the Ministry of Corporate Affairs notified provisions relating to unpaid / unclaimed dividends under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules ("the Rules"). As per the Rules, dividends not encashed / claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund ("IEPF") Authority. The new IEPF Rules mandate companies to transfer shares of shareholders whose dividends remain unpaid / unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The shareholders whose dividend / shares are transferred to the IEPF Authority can now claim their shares / dividend from the IEPF Authority.

In accordance with the new IEPF Rules, the Company has sent notice to all shareholders whose shares are due to be transferred to the IEPF Authority and published requisite advertisement in the newspapers. The list of shareholders whose shares are due to be transferred to IEPF is uploaded on Company's website at www.oracle.com/financialservices

The Company has uploaded the details of unpaid / unclaimed amounts lying with the Company as on September 7, 2016 (date of last Annual General Meeting) on the Company's website at www.oracle.com/financialservices and on the website of the Ministry of Corporate Affairs at www.iepf.gov.in

20. Discretionary requirements pursuant to regulation 27 of the listing regulation:

- a. Separate posts of Chairperson and Chief Executive Officer: the Chairperson of the Board is a Non-Executive Director and his position is separate from that of the Managing Director and Chief Executive Officer.
- b. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

21. Foreign exchange risk

A substantial portion of our revenues is generated in foreign currencies while a majority of our expenses are incurred in Indian Rupees (INR), with the remaining expenses are incurred in US Dollars (USD), Euro (EUR), Australian Dollars (AUD), Singapore Dollars (SGD), British Pounds (GBP), and other foreign currencies. The Company covers the foreign currency exposure through forward contracts as per our treasury management policy.

The Company follows a conservative philosophy for our treasury. The surplus funds are invested predominantly in time deposits with Indian and foreign banks with high credit rating within limits on exposure to any one particular bank.

22. Address for correspondence

The Company Secretary and Compliance Officer
Oracle Financial Services Software Limited
Oracle Park, Off Western Express Highway
Goregaon (East) Mumbai 400063
Maharashtra, India
Tel. no. +91 22 6718 3000
Fax no. +91 22 6718 4604
Email: investors-vp-ofss_in_grp@oracle.com
Website: www.oracle.com/financialservices
CIN: L72200MH1989PLC053666

The details of other office addresses have been mentioned in the corporate information section of the annual report.

CEO & CFO certificate

May 16, 2017

The Board of Directors

Oracle Financial Services Software Limited

Mumbai

CEO & CFO Compliance Certificate pursuant to Regulation 17 (8) and Part B of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015

We the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Oracle Financial Services Software Limited (“the Company”), certify that:

- A We have reviewed the financial statements and the cash flow statement of the Company for the quarter and year ended on March 31, 2017 and that to the best of our knowledge and belief state that:
1. These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 2. These statements together present a true and fair view of the Company’s affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the quarter and year ended on March 31, 2017 are fraudulent, illegal or violative of the Company’s code of conduct.
- C We are responsible for establishing and maintaining internal controls for financial reporting and evaluating the effectiveness of the internal control systems over the financial reporting of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D We have indicated, to the auditors and the Audit Committee:
1. Significant changes in internal control over financial reporting during the quarter and year ended on March 31, 2017;
 2. Significant changes in accounting policies during the quarter and year ended on March 31, 2017; and that the same have been disclosed in the notes to the financial statements; and
 3. Instances of significant fraud, of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

For Oracle Financial Services Software Limited

Chaitanya Kamat
Managing Director & CEO

Makarand Padalkar
Chief Financial Officer

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY’S CODE OF CONDUCT

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and Senior Management Personnel have confirmed compliance with the Code of Ethics and Business Conduct for the financial year ended March 31, 2017.

For Oracle Financial Services Software Limited

Chaitanya Kamat
Managing Director & CEO
Mumbai, May 16, 2017

Certificate on corporate governance

To the Members,

Oracle Financial Services Software Limited

I have examined the compliance of conditions of Corporate Governance by **Oracle Financial Services Software Limited** for the year ended **31st March 2017**, as stipulated in the Regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanation given to me and based on the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

CS Prashant Diwan

Practicing Company Secretary

FCS No.: 1403 / CP No.: 1979

Date : July 12, 2017

Place : Mumbai

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Management's discussion and analysis

Management's discussion and analysis of financial condition and results of operations

Technology trends in the financial services industry

Financial service institutions today face a significantly altered competitive landscape and must respond faster to changing market requirements. Many institutions have invested in innovation, including setting up 'innovation labs' and a convergence is emerging between technology and financial services with significant implications for their traditional ecosystem. The rise of fintechs has increased competition for banks, but it has also created an opportunity for incumbents to partner with new market entrants, leverage new technologies and build an environment that fosters innovation and is capable of meeting changing customer expectations.

This emerging collaboration between banks and fintechs is paving the way for a new sharing economy, one that is underpinned by accelerating digitization. New digital platforms and devices are introduced into the consumer market almost every day and digitization is permeating every aspect of business. With a plethora of options banks are struggling to determine their best way forward. There is a need to digitally engage with partners, suppliers, investors, and employees in addition to customers. Banks are rethinking their strategy based not just on technology but with a larger vision of what digital innovation and engagement means to their business. This has paved the era of a hyper connected ecosystem and the need for platforms that can support financial institutions to successfully navigate the challenges they face. Oracle Financial Services' prescribed strategy for Digital Transformation is to recompose a bank's architecture with digital engagement capabilities to become the new "banking core". Such a strategy re-energizes key areas of a bank's operations resulting in customer delight.

A new paradigm is on the rise where banks could be the center of a shared economy operating in a complex ecosystem of partners and third parties to provide financial services. This model is marked by open infrastructures and the assimilation of products from competitors and financial technology companies into a bank's own offerings. Banks can be in a unique position where they no longer have to create or push products out but establish themselves as platform providers allowing partners to create and consume value. Financial institutions have the opportunity to earn revenue from their well established banking systems. Your Company offers the technology that enables banks with the flexibility to open up their systems to third-party applications and provide the kind of product customization and experience that customers expect.

Another major area of disruption is the Cloud. Already conferring enormous benefits around cost, agility, and customer experience, cloud computing is transforming business practices and reshaping IT. Beyond that, it is also changing the way organizations compete, as the number of solutions and use cases continue to grow. Oracle is the leading provider of Cloud Services globally. Oracle Financial Services Managed Cloud Services provide financial institutions with seamless access to Oracle support, product and software management experts to deliver fast innovation, increased security, availability, and performance. Your Company's Cloud Services offer complete end-to-end application and production support, eliminating the burden of IT maintenance and freeing up funds and talent for business innovation.

Outlook

Oracle financial Services Software offers comprehensive solutions for financial institutions across the globe to expand their digital capabilities, rethink their ways of doing business, modernize their technology infrastructure, and take advantage of the evolving banking ecosystem and lead banking transformation.

Our offerings allow banks to combine customer data and customer centric capabilities and create bespoke solutions for their clients. Financial institutions can streamline, simplify and automate customer and banker facing processes; create rich easily accessible cross channel capabilities, simplify product offerings and unlock data to derive meaningful insights for strategic business decisions.

Providing unparalleled flexibility, scalability and integration capabilities, our products empower enterprises to bring new products to market faster, build digital solutions adhere to regulations and command success in an increasingly complex financial ecosystem.

The Company's portfolio of solutions and services are designed with an eye to the future and are well placed to address emerging business opportunities.

Business overview

Oracle Financial Services Software Limited, majority owned by Oracle, is a world leader in providing IT solutions to the financial services industry. With its experience of delivering value based IT solutions to global financial institutions, Oracle Financial Services Software understands the specific challenges that financial institutions face: the need for building customer intimacy and competitive advantage through cost-effective solutions, while simultaneously adhering to the stringent demands of a dynamic regulatory environment.

Our mission is to enable financial institutions to excel through the effective use of information technology. Our dedicated research and development centers excel in innovation by producing world class products that strive to be ahead of the market. We offer financial institutions the world's most comprehensive and contemporary banking applications and a technology footprint that addresses their complex IT and business requirements.

As part of Oracle, we offer a comprehensive suite of offerings encompassing retail, corporate, and investment banking, funds, cash management, trade, treasury, payments, lending, private wealth management, asset management, compliance, enterprise risk and business analytics, among others. With a process-driven approach for service-oriented architecture (SOA) deployments, we

offer banks the combined benefits of interoperability, extensibility, and standardization. We have a robust cloud offering for our products. We also offer best-of-breed functionality for financial institutions that need to operate flexibly and competitively and respond rapidly to market dynamics in a fiercely challenging business environment.

We have two major business segments; the products business (comprising product licensing, consulting and support) and the consulting services business (comprising IT application and technology services). We also have a smaller business segment that offers business process outsourcing services to financial institutions.

These segments are described in detail below:

Products

The suite of solutions delivering a complete compelling Digital Experience, Digital Engagement and comprehensive Data Management.

Oracle Banking Digital Experience built on open standards architecture, brings new comprehensive capabilities to banks seeking a digital transformation, customer and product acquisitions, business services, including payments innovation and customer financial insight. It provides a full range of business services out-of-the-box, including digital account and loan origination, digital wallets and mobile payments. Oracle Banking Digital Experience also offers corporate servicing capabilities, enabling banks to service their Micro SME, SME and Corporate customers.

Oracle Banking Platform is a comprehensive suite of business applications for large global banks. Oracle Banking Platform is designed to help banks respond strategically to today's business challenges and progressively transform their business models and processes, driving productivity improvements across both front and back offices, and reducing operating costs. The solution supports banks as they grow their businesses through new distribution strategies, including multi-brand or white labeling, to tap new markets and enterprise product origination supporting multi-product and packages to drive an increased customer-to-product ratio. Designed for customer centricity, the solution provides a holistic view of the customer relationship across all products and services and helps banks adopt relationship pricing to create value for the customer and significantly reducing attrition.

Oracle Banking Platform is designed as a native service-oriented architecture (SOA) platform, helping banks implement key enterprise services, deliver on customer centricity, enrich channel capability, drive process improvement and tie it in with their existing applications and technology landscape. Through pre-integrated enterprise applications and the underlying Oracle technology, the solution can also help to reduce in-house integration and testing efforts, ultimately, reducing IT costs and improving time-to-market. Oracle Banking Platform provides a comprehensive suite of applications that makes the replacement of core systems viable for large banks, enabling strategic choices as well as providing a high level of flexibility and value. The latest release of Oracle Banking Platform has features that enable financial institutions to originate new lending products, improve internal processes and meet regulatory mandates.

Oracle FLEXCUBE is a complete banking product suite for consumer, corporate, investment, private wealth management, consumer lending, asset management and investor servicing, including payments. Oracle FLEXCUBE enables banks to standardize operations across multiple countries, transform their local operations as well as address niche business models like Sharia-compliant banking and micro finance. Financial institutions use Oracle FLEXCUBE to respond faster to market dynamics, define and track processes, while ensuring compliance. Oracle FLEXCUBE has received the certification for SWIFT Certified Application Payments Label 2016. The SWIFT Certified Application - Payments label focuses on the certification of core banking or payments applications that enable the initiation, generation, processing, and settlement of interbank payments. The solution was also certified compliant with Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

Oracle FLEXCUBE enables banks to comply with FATCA phase III, with capabilities to flag customers and track financial transactions for FATCA compliance. It further builds on the product's deep corporate banking capability with new features that allow banks to modernize their corporate banking capabilities with support for virtual accounts, corporate credit cards, corporate-to-bank connectivity, and advanced payment features. Corporate customers have easy modes of payment through physical instruments (such as checks, demand draft, and pay order), can get payment advice and balance movement reports, and can authorize transactions on the move from mobile and tablet devices. The platform also supports end-to-end servicing capabilities backed by improved functionality across retail bills, lending, deposits, current and savings accounts, treasury, and payment operations. The solution now also offers a credit appraisal management system to help streamline credit approval and sanction processes.

Oracle FLEXCUBE's open architecture enables banks to open up internal systems for third party developers to build and integrate their own apps. Banks are thus able to innovate faster, provide diverse services and comply with the regulations. During the financial year a new version of Oracle FLEXCUBE was released with a completely redesigned user interface. The architecture allows co-deployment of third party applications with the common core and permits reuse of common services.

Oracle FLEXCUBE Enterprise Limits and Collateral Management offers a single source for managing exposure across a business portfolio. It enables centralized collateral management, limits definition, tracking and exposure measurement for effective exposure management and resource utilization.

Oracle Financial Services Lending and Leasing Cloud combines the power of Oracle's comprehensive, industry-leading lending and leasing solution with the simplicity, elasticity and security of Oracle Cloud and empowering lending institutions to grow and improve profitability of their core lending business. The solution supports the complete consumer lending operations and life cycle processing, from origination to servicing and collections – delivering accurate, actionable information from a single data source to help lending institutions make faster and more-informed decisions about loans, reduce risk, effectively manage the loan lifecycle, and manage delinquencies and losses. An intuitive interface and navigation, context based account and customer sessions help boost user productivity.

Oracle FLEXCUBE Investor Servicing is a process enabled transfer agency and investor servicing solution. It helps financial institutions to manage the complete fund lifecycle and reduce operational costs through process automation across fund structures, intermediary hierarchies and investors. The ISO 20022 and ISO 15022 compliant Oracle FLEXCUBE Investor Servicing ensures enhanced STP processing through support for a wide variety of SWIFTNet Fund messages. The solution offers regulatory support enabling customers to adhere to geo-specific data protection and tax related guidelines. With a comprehensive business rules engine for products – hedge funds, mutual funds and investment linked products and fee structures, Oracle FLEXCUBE Investor Servicing allows fund management companies to configure and launch new products rapidly.

Oracle Financial Services Revenue Management and Billing takes a customer lifecycle view and helps organizations attractively price their offerings in a manner which drives maximization of profits while ensuring minimization of revenue leakage. This enterprise class application integrates with your existing product processing and digital experience solutions to centralize the pricing policy, provide online customer level pricing controls, and give the business users fine grained insight into product performance. Some of the largest wholesale and consumer banks, capital market utilities, payment networks and processors, wealth management and private banks, healthcare payers and insurance carriers have leveraged Oracle Financial Services Revenue Management and Billing to accelerate innovation, streamline operations, and capitalize on new markets.

Oracle Financial Services Analytical Applications are a complete and fully integrated portfolio of analytical solutions covering enterprise risk, performance management, regulatory compliance and customer insight. They are built upon a shared analytical infrastructure consisting of a unified financial services data model, shared analytical computations and the industry leading Oracle Business Intelligence platform.

The suite of applications contains comprehensive set of point solutions that can be integrated to give a holistic view across all analytical applications. Financial institutions need an integrated approach that combines a diverse set of compliance and risk solutions to help them address not only present regulatory needs, but also emerging and future risk and regulatory requirements. The framework is rules driven, and readily adapts to change. Unlike other hard coded solutions, Oracle Financial Services Analytical Applications provide both prebuilt rules, pre-configured quantitative modeling techniques, pattern matching algorithms, highly configurable UI as well as the capability to add and modify them without technical intervention. This flexibility allows financial institutions to easily create custom rules/techniques/UI for their own analytical requirements and to cost effectively address ever changing compliance regulations. Any rule/technique/UI can be viewed and audited for its underlying definition to enable supervisory oversight.

In addition to pre-configured computing solutions for Risk and Regulatory Compliance, Oracle Financial Services Analytical Applications provide the ability to generate highly formatted templates for regulatory reporting submission and e-filing.

The enterprise modeling capability allows financial institutions to use a variety of third-party quantitative modeling languages. The framework also provides capability to access data sources other than the relational database, including structured and unstructured data hosted on HDFS – thus providing massively parallel computing architecture and reducing processing time.

Oracle Financial Services Analytical Applications (OFSAA) suite for Financial Crime and Compliance Management, is the first comprehensive set of applications to meet the particular needs of the financial services community. This suite of applications is comprised of Oracle's best-in-class Oracle Financial Services risk and compliance behavior detection applications for Anti Money Laundering, Fraud, Know Your Customer, and Trading and Broker Compliance. OFSAA for Financial Crime and Compliance Management provides end-to-end applications that leverage a robust data model and comprehensive dashboard capabilities to deliver a single transparent, holistic view of all financial crime and compliance related activities across the enterprise. Oracle Financial Services helps customers identify operational inefficiencies that increase noncompliance risks and overall compliance costs.

Services

Oracle Financial Services PrimeSourcing

PrimeSourcing offers a comprehensive suite of consulting and application services addressing retail, corporate, and investment banking, funds, cash management, trade, treasury, payments, lending, private wealth management, asset management, compliance, enterprise risk and business analytics. PrimeSourcing offerings encompasses an end-to-end consulting partnership, providing comprehensive business and technology solutions that enable financial services enterprises to improve process efficiencies; optimize costs; meet risk and compliance requirements; define IT architecture; and manage the transformation process. This positions PrimeSourcing as a clearly differentiated player in the Financial Services domain.

We render services through offshore centers located in India, onsite teams operating at our customers' premises and our on-site centers located in other parts of the world. Offshore services revenues consists of revenues from work conducted at our centers in India and for Indian customers at their locations. Onsite revenues consist of work conducted at customer premises outside India and our centers outside India. The composition of our onsite and offshore revenues is determined by the project lifecycle. Typically, the work involving the design of new systems or relating to a system rollout would be conducted onsite, while the core software development, maintenance and support activity may be conducted offshore.

With customer demands changing rapidly to outcome based transformational engagements; there is a clear opportunity for PrimeSourcing to integrate its deep domain knowledge with the product offerings of Oracle, thereby providing a compelling value.

PrimeSourcing Value based offerings: PrimeSourcing value based offerings are designed to provide solutions for Banking & Financial Services in areas such as Digital Transformation, Integrated Customer Experience, Big Data and Analytics and the Cloud. PrimeSourcing's Digital Engagement solutions focuses on delivering an integrated and a unified cross channel experience for banks' customers, while Customer Experience solutions helps customers increase business agility, accelerate profitable growth, drive digital transformation, deliver consistent and personalized customer experience across all channels, touch points and interactions. PrimeSourcing's Big Data & Analytics solutions helps banks, to analyze a variety of data for more precise personalized interactions,

reduce data risks and focus on creating valuable products and services for its customers. PrimeSourcing Cloud Solutions provides consulting and integration of existing IT with next-generation cloud services, accelerates application development and deployment, and lead business transformation.

PrimeSourcing Consulting Services: PrimeSourcing offers end-to-end consulting services in the areas of Business & IT consulting, Process improvement and Transformation, SOA Strategy & Governance, Application Portfolio Assessment, Program Management, Digital Strategy & Business Transformation, Agile Consultancy & Coaching and Payments Modernization.

PrimeSourcing Application Services: PrimeSourcing provides comprehensive customized IT solutions for banking, securities and insurance companies that encompass the complete lifecycle of an IT application asset from conceptualization to creation and maintenance. This includes the expertise around specialized practice lines like Payments, Trade Finance, Risk & Compliance; services include ADM Services, Testing, System Integration, Implementation and Migration.

Oracle Product Related Services: PrimeSourcing with its extensive knowledge on Oracle Technology and Applications offers Oracle Product related offerings to help customers in Banking and Insurance make the most out of Oracle investments they have made. Our experts help in process consulting, application integration, reporting & upgrade support across the portfolio deployed.

Oracle Business Process Outsourcing Services (BPO)

Oracle Business Process Outsourcing Services ('BPO') offering excels in providing cost effective and high quality BPO services ranging from complex back-office work to contact center services for the banking, capital markets, insurance and asset management domains. This comprehensive ecosystem of BPO services is backed by a mature process and consulting framework. The BPO offerings are ISO 9001 certified for quality management and ISO 27001 certified for information security management.

Revenue streams

Our revenues comprise three streams - license fees and annual maintenance contract (Post Contract Support – PCS) fees for our products, and consulting fees in respective business segments.

License fee

Our standard licensing arrangements for products provide the bank a right to use the product up to a limit on number of users or sites or such other usage metric upon the payment of a license fee. The license fee is a function of a variety of quantitative and qualitative factors, including the number of copies sold, the number of users supported, the number and combination of the modules sold and the number of sites and geographical locations supported. The licenses are perpetual, non-exclusive, personal, non-transferable and royalty free.

Annual maintenance contract (PCS) fees

Customers typically sign an Annual Maintenance Contract with us under which, we provide technical support, maintenance, problem resolution and upgrades for the licensed products. These support agreements typically cover a period of 12 months.

Consulting fee

We provide consulting services to our customers. The customer is typically charged a service fee on either a fixed price basis or a time and material basis based on the professional efforts incurred and associated out of pocket expenses. Both PrimeSourcing and BPO businesses comprise only of consulting services. In products business, our customers can optionally avail our consulting services related to the implementation of products at their sites, integration with other systems or enhancements to address their specific requirements.

The revenues generated from license fees and consulting services rendered by us depends on factors such as the number of new customers added, milestones achieved, implementation effort, etc. Therefore, such revenues typically vary from quarter to quarter and year to year. The annual maintenance contracts generate steady revenues and would grow to the extent that new customers are entering a support agreement.

Internal control systems and their adequacy

Oracle Financial Services Software has in place adequate systems for internal control and documented procedures covering all financial and operating functions. These systems are designed to provide reasonable assurance with regard to maintaining proper accounting controls, monitoring economy and efficiency of operations, protecting assets from unauthorized use or losses, and ensuring reliability of financial and operational information.

Analysis of our consolidated financial results

The following discussion is based on our audited consolidated financial statements, which have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The consolidated financial statements include Oracle Financial Services Software Limited ("the Company"), its subsidiaries and associate companies (together referred to as "OFSS Group" as described in Note 1 to the consolidated financial statements) ("the Group") as at March 31, 2017.

The OFSS group has adopted Ind AS with effect from April 1, 2016 and accordingly previous period comparative numbers have been restated to Ind AS.

You should read the following discussion of our financial condition and results of operations together with the detailed consolidated Ind AS financial statements and the notes to those statements. Our fiscal year ends on March 31 of each year.

Performance summary

(Amounts in ₹ million)

	Products	Services	BPO - Services	Total Revenues
Year ended March 31, 2017				
Revenue	37,613.50	5,437.54	1,214.29	44,265.33
Operating expenses	(21,327.60)	(4,755.38)	(799.04)	(26,882.02)
Unallocable expenses				(1,374.50)
Income from Operations	16,285.90	682.16	415.25	16,008.81
Operating margin	43%	13%	34%	36%
Year ended March 31, 2016				
Revenue	34,680.42	5,475.63	1,156.12	41,312.17
Operating expenses	(18,844.10)	(4,863.21)	(975.42)	(24,682.73)
Unallocable expenses				(1,260.80)
Income from Operations	15,836.32	612.42	180.70	15,368.64
Operating margin	46%	11%	16%	37%

Our total revenues in the fiscal year ended March 31, 2017 were ₹ 44,265.33 million, an increase of 7% over our total revenues of ₹ 41,312.17 million in the fiscal year ended March 31, 2016. The increase in revenues was primarily attributable to an increase in the revenues from our products business.

Income from operations in fiscal 2017 was ₹ 16,008.81 million representing an increase of 4% from ₹ 15,368.64 million in fiscal 2016. The profit for the year in fiscal 2017 was ₹ 11,853.85 million, as against ₹ 10,488.93 million in fiscal 2016. Our profit margin was at 27% and 25% for the fiscal years 2017 and 2016 respectively. We define profit margins for a particular period as the ratio of profit to total revenues from operations during such period.

Revenues from operations

Products revenues

As of March 31, 2017, our product revenues were ₹ 37,613.50 million, an increase of 8% from ₹ 34,680.42 million during the fiscal year ended March 31, 2016 on the strength of large customer wins in US and JAPAC. Product revenues represented 85% and 84% of total revenues for fiscal years ended 2017 and 2016, respectively.

The percentages of our revenues are as follows for different streams:

	Year ended March 31, 2017	Year ended March 31, 2016
License fees	16%	16%
Consulting fees	54%	57%
PCS fees	30%	27%
Total	100%	100%

Services revenues

Our services revenues represented 12% and 13% of our total revenues for the fiscal year ended March 31, 2017 and March 31, 2016. Our services revenues were ₹ 5,437.54 million in the fiscal year ended March 31, 2017, a decrease of 1% from ₹ 5,475.63 million in the fiscal year ended March 31, 2016.

The percentage of total services revenues from time and material contracts was 78% in fiscal 2017 and 81% in fiscal 2016, with the remainder of our services revenues attributable to fixed price contracts. We received 39% and 37% of our services revenues from onsite work and 61% and 63% from offshore work during the fiscal years 2017 and 2016 respectively.

Business Process Outsourcing (BPO) Revenues

Our revenues from BPO services in the fiscal year ended March 31, 2017 were ₹ 1,214.29 million, increase of 5% over our revenues from BPO services of ₹ 1,156.12 million in the fiscal year ended March 31, 2016.

Finance income and other income, net

Our finance and other income primarily comprises of interest on bank deposits and foreign exchange gain/loss. Our finance and other income in the fiscal year ended March 31, 2017, was ₹ 1,563.69 million, as compared to ₹ 2,107.40 million in the fiscal year ended March 31, 2016. The lower interest income on bank deposits of ₹ 1,428.64 million on account of lower surplus cash balance along with lower interest rates has primarily attributed to overall decrease of ₹ 543.71 million in other income.

Expenses

Operating expenses

The operating expenses consist of costs attributable to the compensation expenses for employees, project related travel expenses, professional fees paid to vendors, the cost of application software for internal use, selling and marketing expenses (including commissions payable to our partners), research and development expenses, product advertising and marketing expenses and overhead expenses associated with support functions such as human resources, finance, facilities and infrastructure, IT, and depreciation and amortization. We recognize these expenses as incurred.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical feasibility of project is established, future economic benefits are probable, the OFSS group has an intention and ability to complete and use or sell the software and the cost can be measured reliably. Software product development costs incurred subsequent to the achievement of technical feasibility are not material and are expensed as incurred.

Employee costs

Our employee costs increased by 6% to ₹ 20,702.67 million in the fiscal year ended March 31, 2017 from ₹ 19,495.80 million in the fiscal year ended March 31, 2016. Employee costs relate to salaries and bonuses paid to employees.

Travel related expenses (net of recoveries)

Our travel related expenditure increased by 10% to ₹ 2,354.24 million in the fiscal year ended March 31, 2017 from ₹ 2,146.29 million in the fiscal year ended March 31, 2016. Travel costs relate to airfare, accommodation and other related expenses incurred on travel of our employees both on projects and for internal assignments.

Professional fees

Our professional fees related expenditure increased by 14% to ₹ 1,652.98 million in the fiscal year ended March 31, 2017 from ₹ 1,453.60 million in the fiscal year ended March 31, 2016. The overall professional fees represents 4% of revenue from operations for both the year ended March 31, 2017 and March 31, 2016. Professional fees include services hired from external consultants for various projects.

Other expenses

Our other expenditure increased by 6% to ₹ 2,216.46 million in the fiscal year ended March 31, 2017 from ₹ 2,099.24 million in the fiscal year ended March 31, 2016. The other expenses represent 5% of revenue from operations for both the years ended March 31, 2017 and 2016 respectively. Other expenses primarily consist of Corporate Social Responsibility expenditure, various facilities costs, application software, communication and other miscellaneous expenses.

Depreciation and amortization

Our Depreciation and amortization charge for the year was ₹ 701.92 million and ₹ 529.27 million for the year ended March 31, 2017 and March 31, 2016 respectively representing 2% and 1% of revenues from operations for the years ended March 31, 2017 and 2016.

Exceptional item

During the year ended March 31, 2017, the OFSS Group has recorded a charge of ₹ 628.25 million on its receivables from customers in Egypt due to significant devaluation of Egyptian Pound post liberalization of exchange rates by the Egypt Government.

During the year ended March 31, 2016 arbitration award was passed against a wholly owned subsidiary company. The subsidiary company has settled the said dispute for full release of all claims and the net expense of ₹ 219.33 is disclosed as an exceptional item.

Income taxes

Our provision for income taxes in the fiscal year ended March 31, 2017 was ₹ 5,715.93 million, a decrease of 18% over our provision for income taxes of ₹ 6,986.96 million in the fiscal year ended March 31, 2016. Our effective tax rate was 33% in the fiscal year ended March 31, 2017 compared to 40% in the fiscal year ended March 31, 2016. Income taxes also include foreign taxes representing income taxes payable overseas by us in various countries.

Profit for the year

As a result of the foregoing factors, net profit has increased by 13% to ₹ 11,853.85 million in fiscal 2017 from ₹ 10,488.93 million in fiscal 2016. Our net profit margin has increased to 27% for the fiscal year 2017 as against 25% in the fiscal year 2016. We define net profit margins for a particular period as the ratio of profit for the year to revenue from operations during such period.

Analysis of our unconsolidated results

The following discussion is based on our audited unconsolidated financial statements, which have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The company has adopted Ind AS with effect from April 1, 2016 and accordingly previous period comparative numbers have been restated to Ind AS.

You should read the following discussion of our financial condition and results of operations together with the detailed unconsolidated Ind AS financial statements and the notes which form and integral part of such financial statements. Our fiscal year ends on March 31 of each year.

Performance summary

(Amounts in ₹ million)

Year ended March 31, 2017	Products	Services	Total Revenues
Revenue from operations	31,678.70	5,684.42	37,363.12
Operating expenses	(19,011.89)	(4,962.48)	(23,974.37)
Unallocable expenses	—	—	(990.25)
Income from Operations	12,666.81	721.94	12,398.50
Operating margin	40%	13%	33%
Year ended March 31, 2016			
Revenue from operations	29,558.15	5,726.16	35,284.31
Operating expenses	(16,609.19)	(5,027.67)	(21,636.86)
Unallocable expenses			(1095.11)
Income from Operations	12,948.96	698.49	12,552.34
Operating margin	44%	12%	36%

Our total revenues in fiscal 2017 were ₹ 37,363.12 million, representing an increase of 6% from ₹ 35,284.31 million in fiscal 2016. The increase in revenues was primarily attributable to an increase in the revenues from our products business.

Income from operations in fiscal 2017 were ₹ 12,398.50, representing marginal decrease of 1% from ₹12,552.34 million in fiscal 2016. The profit for the year in fiscal 2017 was ₹ 12,880.97 million, as against ₹ 8,977.55 million in fiscal 2016. Our profit margin was at 34% and 25% for the fiscal years 2017 and 2016 respectively. We define profit margins for a period as the ratio of profit for the year to revenue from operations during such period.

Revenues from operations

Products revenues

Our products revenues in the fiscal year ended March 31, 2017, stood at ₹ 31,678.70 million, an increase of 7% over our products revenues of ₹ 29,558.15 million in the fiscal year ended March 31, 2016 on the strength of large customer wins in Americas and Asia Pacific regions. Product revenues represented 85% and 84% of total revenues for fiscal years ended 2017 and 2016 respectively.

The percentages of our revenues are as follows for different streams:

	Year ended March 31, 2017	Year ended March 31, 2016
License fees	15%	14%
Consulting fees	57%	60%
PCS fees	28%	26%
Total	100%	100%

Services revenues

Our services revenues represented 15% and 16% of our total revenues in the fiscal year 2017 and 2016. Our services revenues were ₹ 5,684.42 million in the fiscal year ended March 31, 2017 and ₹ 5,726.16 million in the fiscal year ended March 31, 2016.

The percentage of total services revenues from time and material contracts was 77% in fiscal 2017 and 80% in fiscal 2016, with the remainder of our services revenues attributable to fixed price contracts.

We received 42% our services revenues from onsite work and 58% from offshore work during the fiscal years 2017 as against 39% and 61% respectively in the fiscal year 2016.

Finance income and other income, net

Our finance and other income primarily comprises of interest on bank deposits and foreign exchange gain/loss. Our finance and other income was reduced by ₹ 492.09 in the fiscal year ended March 31, 2017 which was at ₹ 1,636.59 million, as compared to ₹ 2,128.68 million in the fiscal year ended March 31, 2016. The lower interest income on bank deposits for the fiscal year ended March 31, 2017 of ₹ 1,343.39 million was on account of lower surplus cash balance along with lower interest rates. Increase in miscellaneous income for the fiscal year ended March 31, 2017 of ₹ 338.02 million was primarily on account of liability written-back towards amounts due to one of the wholly owned subsidiary of the Company.

Expenses

Operating expenses

The operating expenses consist of costs attributable to the compensation expenses for employees, project related travel expenses, professional fees paid to vendors, the cost of application software for internal use, selling and marketing expenses, research and development expenses, product advertising and marketing expenses and allocated overhead expenses associated with support functions such as human resources, finance, facilities and infrastructure, IT along with depreciation and amortization. We recognize these expenses as incurred.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical feasibility of project is established, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the cost can be measured reliably. Software product development costs incurred subsequent to the achievement of technical feasibility are not material and are expensed as incurred.

Employee costs

Our employee costs increased by 7% to ₹ 18,108.63 million in the fiscal year ended March 31, 2017 from ₹ 16,908.62 million in the fiscal year ended March 31, 2016. Employee costs relate to salaries and bonuses paid to employees in India and at overseas along with Stock Compensation charge to eligible employees.

Travel related expenses

Our travel related expenditure increased by 11% to ₹ 2,048.80 million in the fiscal year ended March 31, 2017 from ₹ 1,847.56 million in the fiscal year ended March 31, 2016. Travel costs relate to airfare, accommodation and other related expenses incurred on travel of our employees both on projects and for internal assignments.

Professional fees

Our professional fees related expenditure was ₹ 1,850.38 million in the fiscal year ended March 31, 2017 as against ₹ 1,638.94 million in the fiscal year ended March 31, 2016. The overall professional fees represent around 5% of Revenue from operations for the year ended March 31, 2017 and 2016 respectively. Professional fees include services hired from subsidiaries and that from external consultants for various projects.

Other expenses

Our other expenditure decreased by 10% to ₹ 1,660.57 million in the fiscal year ended March 31, 2017 from ₹ 1,839.14 million in the fiscal year ended March 31, 2016. The other expenses represent 4% and 5% of Revenue from operations for the year ended March 31, 2017 and 2016 respectively. Other expenses primarily consist of Corporate Social Responsibility expenditure, provision in diminution in value of investment and loan, various facilities and infrastructure costs, application software, communication, provision for fair valuation of inter-company loan, bad debts and other miscellaneous expenses.

Depreciation and amortization

Our Depreciation and amortization charge for the year was ₹ 667.99 million and ₹ 497.71 million for the year ended March 31, 2017 and 2016 respectively representing 2% and 1% of revenues from operations for the year ended March 31, 2017 and 2016 respectively.

Exceptional item

During the year ended March 31, 2017, the Company has recorded a charge under the Products segment of ₹ 628.25 million on its receivables from customers in Egypt due to significant devaluation of Egyptian Pound post liberalization of exchange rates by the Egypt Government.

During the year ended March 31, 2017, the Company has received dividend of ₹ 1,146.73 million, ₹ 1,270.10 million and ₹ 374.01 million from its wholly owned subsidiaries Oracle Financial Services Software B.V., Oracle Financial Services Software Pte. Ltd and Oracle Processing Services Limited respectively. Considering the amount of dividend received, the same has been disclosed as an exceptional item. Tax expenses for the year ended March 31, 2017 includes applicable tax credits on this dividend income.

Income taxes

Our provision for income tax in the fiscal year ended March 31, 2017, was ₹ 3,944.96 million as against ₹ 5,703.47 million in the fiscal year ended March 31, 2016. Our effective tax rate was 23% and 39% for the fiscal years ended March 31, 2017 and March 31, 2016 respectively.

Income taxes also include foreign taxes representing income taxes payable overseas by the Company in various countries.

Profit for the year

As a result of the foregoing factors, net profit for the year ended March 31, 2017 is ₹ 12,880.97 million as against ₹ 8,977.55 million during the year ended March 31, 2016. Our net profit margin was 34% for the fiscal year 2017 as against 25% in the fiscal year 2016. We define net profit margins for a particular period as the ratio of net profit for the year to revenue from operations during such period.

Other metrics

Trade receivables

As per Consolidated financials trade receivables as of fiscal March 31, 2017 and 2016 were ₹ 7,180.14 million and ₹ 8,310.92 million respectively. Our days sales outstanding (which is the ratio of sundry debtors to total sales in a particular year multiplied by 360) for fiscal 2017 and 2016 were approximately 54 and 68 respectively.

As per unconsolidated financials trade receivables as of fiscal March 31, 2017 and 2016 were ₹ 5075.12 million and ₹ 8046.77 million respectively.

The Group periodically reviews its trade receivables outstanding as well as the ageing, quality of the trade receivables, customer relationship and the history of the client. The following table represents the ageing of our trade receivables:

Ageing in days	Consolidated		Unconsolidated	
	2017	2016	2017	2016
0-180	74%	92%	54%	80%
More than 180	26%	8%	46%	20%
Total	100%	100%	100%	100%

Geographic breakup of revenues

Our overall revenues continue to be well diversified.

The following table represents the percentage breakup of our consolidated and unconsolidated revenues for our products and services business by region:

	Year ended March 31, 2017			Year ended March 31, 2016		
	Products Revenues	Services Revenues	Total Revenues	Products Revenues	Services Revenues	Total Revenues
Consolidated						
Americas (NAMER)	32%	72%	38%	29%	72%	36%
Europe, Middle East, Africa (EMEA)	33%	21%	32%	36%	19%	34%
Asia Pacific (JAPAC)	35%	7%	30%	35%	9%	30%
Total	100%	100%	100%	100%	100%	100%
Unconsolidated						
Americas (NAMER)	30%	70%	36%	28%	69%	35%
Europe, Middle East, Africa (EMEA)	35%	23%	33%	38%	21%	35%
Asia Pacific (JAPAC)	35%	7%	31%	34%	10%	30%
Total	100%	100%	100%	100%	100%	100%

Customer concentration

The percentage of total revenues during fiscal years 2017 and 2016 that we derived from our largest customer, largest five customers and largest ten customers on consolidated and unconsolidated basis is provided in the accompanying table.

	Products Revenues		Services Revenues		Total Revenues	
	2017	2016	2017	2016	2017	2016
Consolidated						
Largest customer	51%	50%	13%	15%	45%	42%
Top 5 customers	61%	60%	50%	49%	56%	54%
Top 10 customers	65%	64%	75%	74%	61%	61%
Unconsolidated						
Largest customer	50%	48%	14%	16%	44%	41%
Top 5 customers	60%	59%	52%	52%	55%	54%
Top 10 customers	65%	65%	79%	78%	61%	61%

Foreign currency and treasury operations

A substantial portion of our revenues is generated in foreign currencies while a majority of our expenses are incurred in Indian Rupees (INR), with the remaining expenses are incurred in US Dollars (USD), Euro (EUR), Australian Dollars (AUD), Singapore Dollars (SGD), British Pounds (GBP), and other foreign currencies. We cover the foreign currency exposure through forward contracts as per our treasury management policy.

We follow a conservative philosophy for our treasury. The surplus funds are invested predominantly in time deposits with Indian and foreign banks with high credit rating within limits on exposure to any one particular bank.

Opportunities and threats

We believe our strengths as a leader in technology innovation are our comprehensive and compelling suite of applications for digital and data transformation at Financial Institutions. We strive to stay ahead of the competition through continuous research and development, which is a major spend for us. We have rich experience in delivering transformation projects around the globe and have built a robust business model with high operating leverage. Our unique global customer footprint enables expand the market in multiple segments.

Technology and customer are driving a major change in the industry and this throws up new opportunities due to:

- New investments driven by key trends such as digital, big data analytics
- Evolving regulatory reporting and compliance requirements driving IT spend at Financial Institutions
- Opportunities with new players in the Financial Services marketplace (fintechs, new brands)
- Progressive transformation at Tier 1 Financial Institutions and migration to the Cloud

The opportunities also throw up newer challenges due to:

- Increase external demand for our key talent leading to attrition
- Frequently changing regulations in the area of international mobility
- Competition from newer players
- Uncertain path of adoption to the cloud by financial institutions

Liquidity and capital resources

Our capital requirement relate primarily to financing the growth of our business. We have historically financed the majority of our working capital, capital expenditure and other requirements through our operating cash flow. During fiscal 2017 and 2016, we generated cash from operations of ₹ 11,211.33 million and ₹ 7,123.06 million respectively as per consolidated results and ₹ 7,045.79 million and ₹ 7,369.17 million respectively as per unconsolidated results.

We are a zero debt company. We expect that our primary financing requirements in the future will be capital expenditure and working capital requirements in connection with the expansion of our business. We believe that the cash generated from operations will be sufficient to satisfy our currently foreseeable capital expenditure and working capital requirements.

Human capital

We recruit graduates and post-graduates from top engineering and business schools. We also hire domain experts from the banking industry creating a right mix of employees with functional and technology expertise. We invest in their continuous learning and engage in programs that develop agility to work in a constantly transforming eco system. The blend of functional knowledge and technical expertise, coupled with in-house training and real life experiences in working with financial institutions make our employees unique. Our professionally rewarding work environment helps create an engaged team. Our performance and talent management programs inculcate a culture of rewarding merit and encourages formal talent development by enhancing the necessary skills and competencies. This ensures that our employees continuously deliver value to the organization and our customers. Our success comes from an inclusive and collaborative team which works together and also has a healthy degree of mutual respect and bonds of friendship. Octane, our employee club initiative, encourages sports and creative talents to build a connect and camaraderie that goes beyond the workspace.

As per Consolidated financials, our employee headcount at the end of the fiscal year ended March 2017 was 8,818 as compared to the employee headcount as on March 2016 at 8,733. Employee headcount as per unconsolidated financials was 7,093 at the end of the fiscal year ended March 2017 as compared to 7,003 as on March 2016.

Risks and concerns

Quantitative and qualitative disclosures

The Company's activities expose it to Market risks, Liquidity risk and Credit risks. These risks are further managed and are 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.

A substantial portion of our revenues is generated in foreign currencies, while a majority of our expenses are incurred in Indian Rupees and the balance in US Dollars, Australian Dollars, British Pound, Euro and other currencies. Our functional currency for Indian operations is the Indian Rupee. We expect that the majority of our revenues will continue to be generated in foreign currencies for the foreseeable future and a significant portion of our expenses, including personnel costs and capital and operating expenditure, to continue to be incurred in Indian Rupees.

The Company manages its foreign currency risk by a hedging the receivables in the major currencies (USD, EUR and AUD) using hedging instrument as forward contracts. The period of the forward contracts is determined by the expected collection period for invoices which currently ranges between 30 to 120 days.

(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.

As of March 31, 2017, we had Cash and Bank Balances of ₹ 30,316.95 million out of which ₹ 9,896.58 million was in interest bearing bank deposits as per consolidated financials and ₹ 24,376.72 million, out of which ₹ 8,835.24 million was in interest bearing bank deposits as per unconsolidated financials.

The Company has not availed any loans and is a debt-free Company. 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.

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.

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.

In addition, we face normal business risks such as global competition and country risks pertaining to countries that we operate in.

Consolidated financials

Financial statements for the year ended March 31, 2017 prepared in accordance with Ind AS (Consolidated).

Independent Auditor's Report

To the Members of Oracle Financial Services Software Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Oracle Financial Services Software Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated 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 consolidated state of affairs of the Group and its associate as at March 31, 2017, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:
 - (a) We/the other auditors whose reports we have relied upon 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 of the aforesaid consolidated Ind AS financial statements;

- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in Annexure 1 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate – Refer Note 41 to the consolidated Ind AS financial statements;
 - ii. The Group and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India; and
 - iv. As per books of accounts of the Holding Company and its subsidiaries incorporated in India, and as represented by the management of these entities, the Holding Company and the subsidiaries did not have cash balance as on November 8, 2016 and December 30, 2016 and have no cash dealings during this period.

Other Matter

We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose Ind AS financial statements include total assets of ₹ 58.69 million and net assets of ₹ 58.01 million as at March 31, 2017, and total revenues of ₹ Nil and net cash inflows of ₹ 1.99 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Amit Majmudar

Partner

Membership Number: 36656

Place of Signature: Mumbai

Date: May 16, 2017

Annexure 1 to the Independent Auditor's Report of even date on the consolidated Ind AS financial statements of Oracle Financial Services Software Limited

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

In conjunction with our audit of the consolidated financial statements of Oracle Financial Services Software Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Oracle Financial Services Software Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. 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 respective 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, 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 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 Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained 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, 2017, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary companies incorporated in India.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Amit Majmudar

Partner

Membership Number: 36656

Place of Signature: Mumbai

Date: May 16, 2017

Consolidated balance sheet

as at March 31, 2017

		(Amounts in ₹ million)		
	Notes	March 31, 2017	March 31, 2016	April 1, 2015
ASSETS				
Non-current assets				
Property, Plant and Equipment	3	2,509.24	2,561.96	2,934.10
Capital work-in-progress	3	8.16	47.94	3.25
Investment property	4	102.00	102.00	102.00
Goodwill	5	6,086.63	6,086.63	6,086.63
Investment in an associate	6	—	2.72	2.87
Financial assets	7	577.02	471.59	570.67
Deferred tax assets (net)	16	1,346.28	970.98	878.65
Income tax assets (net)		5,858.54	4,674.38	4,241.42
Other non-current assets	10	714.59	733.45	921.78
		17,202.46	15,651.65	15,741.37
Current assets				
Financial Assets				
Trade receivables	8	7,180.14	8,310.92	6,155.64
Cash and cash equivalents	9 (a)	25,914.71	5,789.66	6,244.58
Other bank balances	9 (b)	4,402.24	22,065.26	29,921.06
Other current financial assets	7	4,916.81	4,149.80	4,144.32
Income tax assets (net)		78.03	167.04	79.55
Other current assets	10	513.97	722.61	569.07
		43,005.90	41,205.29	47,114.22
TOTAL		60,208.36	56,856.94	62,855.59
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	11	424.70	423.45	422.24
Other Equity	12	32,221.16	46,315.29	52,346.19
Total equity		32,645.86	46,738.74	52,768.43
Non-current liabilities				
Financial liabilities	13	23.90	26.81	24.72
Other non-current liabilities	14	244.77	191.65	196.27
Employee benefit obligations	15	784.21	665.65	606.67
Deferred tax liability (net)	16	6.57	5.00	37.12
Income tax liabilities (net)		261.33	476.26	234.17
		1,320.78	1,365.37	1,098.95
Current liabilities				
Financial liabilities				
Trade payables	13	108.37	377.59	362.54
Other current financial liabilities	13	19,733.03	1,926.23	2,477.29
Other current liabilities	14	4,136.93	4,490.15	4,588.06
Employee benefit obligations	15	1,317.73	1,217.49	1,062.05
Income tax liabilities (net)		945.66	741.37	498.27
		26,241.72	8,752.83	8,988.21
TOTAL		60,208.36	56,856.94	62,855.59
Summary of significant accounting policies				
The accompanying notes form an integral part of the consolidated financial statements.				

As per our report of even date

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

per Amit Majmudar
Partner
Membership No. 36656

Mumbai, India
May 16, 2017

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

S Venkatachalam
Chairman

Richard Jackson
Director

Mumbai, India
May 16, 2017

Chaitanya Kamat
Managing Director
& Chief Executive Officer

Makarand Padalkar
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Compliance Officer

Consolidated statement of profit and loss

for the year ended March 31, 2017

(Amounts in ₹ million, except share data)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations	17	44,265.33	41,312.17
Finance income	18	1,491.16	2,180.22
Other income, net	19	72.53	(72.82)
Total income		45,829.02	43,419.57
Expenses			
Employee benefit expenses	20	20,702.67	19,495.80
Travel related expenses		2,354.24	2,146.29
Professional fees		1,652.98	1,453.60
Other operating expenses	21	2,216.46	2,099.24
Depreciation and amortization	3	701.92	529.27
Total expenses		27,628.27	25,724.20
Profit before Share of (loss) of an associate, exceptional item and tax		18,200.75	17,695.37
Share in (loss) of associate	6	(2.72)	(0.15)
Profit before exceptional item and tax		18,198.03	17,695.22
Exceptional item	23	(628.25)	(219.33)
Profit before tax		17,569.78	17,475.89
Tax expenses	16		
Current tax		6,078.91	7,070.17
Deferred tax		(362.98)	(83.21)
Total tax expenses		5,715.93	6,986.96
Profit for the year		11,853.85	10,488.93
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Actuarial gain loss on gratuity fund		(48.50)	(58.55)
Deferred tax		16.79	20.26
Items that will be reclassified subsequently to profit and loss			
Exchange differences on translation of foreign operations		(176.45)	561.58
Total other comprehensive income for the year, net of tax		(208.16)	523.29
Total comprehensive income for the year		11,645.69	11,012.22
Profit attributable to:			
Equity holders of the Company		11,853.85	10,488.93
Non-controlling interests		—	—
		11,853.85	10,488.93
Total comprehensive income attributable to:			
Equity holders of the Company		11,645.69	11,012.22
Non-controlling interests		—	—
		11,645.69	11,012.22
Earnings per equity share of par value of ₹ 5 each (in ₹)	25		
Basic		139.76	123.78
Diluted		139.29	123.12
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the consolidated financial statements.			

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No. 101049W/E300004

per Amit Majmudar

Partner

Membership No. 36656

Mumbai, India

May 16, 2017

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

S Venkatachalam

Chairman

Richard Jackson

Director

Mumbai, India

May 16, 2017

Chaitanya Kamat

Managing Director

& Chief Executive Officer

Makarand Padalkar

Chief Financial Officer

Onkarnath Banerjee

Company Secretary

& Compliance Officer

Consolidated statements of changes in equity for the year ended March 31, 2017

(a) Year ended March 31, 2017

Particulars	(Amounts in ₹ million, except share data)											
	Equity share capital	Share application money pending allotment	Share capital	Share	Securities premium	General reserve	Employee stock options outstanding	Retained earnings	Foreign currency translation reserve	Other comprehensive income	Other equity	Total equity attributable to equity holders of the Company
Balance as of April 1, 2016	84,690,036	3.00	423.45	3.00	11,690.40	10,145.19	1,345.71	22,569.41	561.58	—	—	46,738.74
Changes in equity for the year ended March 31, 2017												
Application money received for exercised options	—	589.42	—	589.42	—	—	—	—	—	—	—	589.42
Shares issued for exercised options	250,228	(566.26)	1.25	(566.26)	565.01	—	—	—	—	—	—	—
Stock compensation charge	—	—	—	—	—	—	780.44	—	—	—	—	780.44
Forfeiture of options	—	—	—	—	—	—	(17.65)	17.65	—	—	—	—
Stock compensation related to options exercised	—	—	—	—	273.45	—	(273.45)	—	—	—	—	—
Profit for the year	—	—	—	—	—	—	—	11,853.85	—	—	—	11,853.85
Final equity dividend including dividend distribution tax thereon	—	—	—	—	—	—	—	(9,902.95)	—	—	—	(9,902.95)
Interim equity dividend including dividend distribution tax thereon	—	—	—	—	—	—	—	(17,205.48)	—	—	—	(17,205.48)
Actuarial loss on gratuity fund including deferred tax thereon	—	—	—	—	—	—	—	—	—	(31.71)	—	(31.71)
Exchange differences on translation of foreign operations	—	—	—	—	—	—	—	—	(176.45)	—	—	(176.45)
Actuarial loss on gratuity fund including deferred tax thereon transferred to retained earnings	—	—	—	—	—	—	—	(31.71)	—	31.71	—	—
Balance as of March 31, 2017	84,940,264	26.16	424.70	26.16	12,528.86	10,145.19	1,835.05	7,300.77	385.13	—	—	32,645.86

(b) Year ended March 31, 2016

Particulars	(Amounts in ₹ million, except share data)										
	Equity share capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Retained earnings	Foreign currency translation reserve	Other comprehensive income	Other equity attributable to equity holders of the Company	Total equity	
Balance as of April 1, 2015	84,448,717	422.24	11,046.35	10,145.19	723.99	30,430.03	—	—	52,768.43		
Changes in equity for the year ended March 31, 2016											
Application money received for exercised options	—	575.18	—	—	—	—	—	—	575.18		
Shares issued for exercised options	241,319	(572.81)	571.60	—	—	—	—	—	—		
Stock compensation charge	—	—	—	—	718.86	—	—	—	718.86		
Forfeiture of options	—	—	—	—	(24.69)	24.69	—	—	—		
Stock compensation related to options exercised	—	—	72.45	—	(72.45)	—	—	—	—		
Profit for the year	—	—	—	—	—	10,488.93	—	—	10,488.93		
Final equity dividend including dividend distribution tax thereon	—	—	—	—	—	(18,335.95)	—	—	(18,335.95)		
Actuarial loss on gratuity fund including deferred tax thereon	—	—	—	—	—	—	—	(38.29)	(38.29)		
Exchange differences on translation of foreign operations	—	—	—	—	—	—	561.58	—	561.58		
Actuarial loss on gratuity fund including deferred tax thereon transferred to retained earnings	—	—	—	—	—	(38.29)	—	38.29	—		
Balance as of March 31, 2016	84,690,036	423.45	11,690.40	10,145.19	1,345.71	22,569.41	561.58	—	46,738.74		

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

As per our report of even date

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

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No. 101049W/E300004

per Amit Majmudar

Partner

Membership No. 36656

S Venkatachalam

Chairman

Richard Jackson

Director

Chaitanya Kamat

Managing Director
& Chief Executive Officer

Makarand Padalkar

Chief Financial Officer

Onkarmath Banerjee

Company Secretary
& Compliance Officer

Mumbai, India
May 16, 2017

Mumbai, India
May 16, 2017

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2017

Note 1: Corporate information

Oracle Financial Services Software Limited (the “Company”) was incorporated in India with limited liability on September 27, 1989. The Company is domiciled in India and has its registered office at Mumbai, Maharashtra, India. The Company is a subsidiary of Oracle Global (Mauritius) Limited holding 74.23% (March 31, 2016 - 74.45%) ownership interest in the Company as at March 31, 2017.

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

The consolidated financial statements for the year ended March 31, 2017 were approved by the Company’s Board of Directors and authorized for issue on May 16, 2017.

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

Companies	Country of Incorporation	Holding %	Relationship
Direct holding			
Oracle Financial Services Software B.V.	The Netherlands	100%	Subsidiary
Oracle Financial Services Software Pte. Ltd.	Singapore	100%	Subsidiary
Oracle Financial Services Software America, Inc.	United States of America	100%	Subsidiary
ISP Internet Mauritius Company	Republic of Mauritius	100%	Subsidiary
Oracle (OFSS) Processing Services Limited	India	100%	Subsidiary
Oracle (OFSS) ASP Private Limited	India	100%	Subsidiary
Oracle Financial Services Software Chile Limitada	Chile	100%	Subsidiary
Oracle Financial Services Software (Shanghai) Limited	People’s Republic of China	100%	Subsidiary
i-flex Employee Stock Option Trust (Refer note 26)	India	–	Controlled trust
Login SA	France	33%	Associate
Subsidiaries of Oracle Financial Services Software America, Inc.			
Oracle Financial Services Software, Inc.	United States of America	100%	Subsidiary
Mantas Inc.	United States of America	100%	Subsidiary
Subsidiaries of Mantas Inc.			
Sotas Inc.	United States of America	100%	Subsidiary
Subsidiaries of Sotas Inc.			
Mantas India Private Limited	India	100%	Subsidiary
Subsidiary of Oracle Financial Services Software B.V.			
Oracle Financial Services Software SA	Greece	100%	Subsidiary
Subsidiary of Oracle Financial Services Software Pte. Ltd.			
Oracle Financial Services Consulting Pte. Ltd.	Singapore	100%	Subsidiary
Subsidiaries of ISP Internet Mauritius Company			
Oracle (OFSS) BPO Services Inc.	United States of America	100%	Subsidiary
Oracle (OFSS) BPO Services Limited	India	100%	Subsidiary

Note 2: Significant accounting policies

2.1 Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the OFSS group 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 consolidated 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, 2017 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). These consolidated financial statements are the first financial statements of OFSS group prepared under Ind AS.

For all periods up to and including the year ended March 31, 2016, the OFSS group prepared its consolidated financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented reconciliation under Previous GAAP to Ind AS of Shareholders' equity as at March 31, 2016 and April 1, 2015, and of the comprehensive income for the year ended March 31, 2016.

Previous period comparative numbers in the consolidated financial statements are presented for opening balance sheet as at April 1, 2015 along with March 31, 2016 and have been restated to Ind AS.

The consolidated 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, including derivative instruments, that are measured at fair value
- assets held for sale
- defined benefit plan
- share-based payments

2.2 Basis of consolidation

OFSS consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the company, its subsidiaries, its associate and controlled trust as listed out in Note 1. Control is achieved when the OFSS group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the OFSS group controls an investee if and only if the OFSS group has:

- i) Power over investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the OFSS group has less than a majority of the voting or similar rights of an investee, the OFSS group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a) The contractual arrangement with the other vote holders of the investee
- b) Rights arising from other contractual arrangements
- c) The OFSS group's voting rights and potential voting rights
- d) The size of the OFSS group's holding of voting rights relative to the size and dispersion of the holdings of the other voting right holders

The OFSS group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the OFSS group obtains control over the subsidiary and ceases when the OFSS group loses control over the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all entities used for the consolidation are drawn up to same reporting date as that of parent company i.e. as at March 31, 2017.

The financial statements of the OFSS group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain/loss from such transactions are eliminated upon consolidation.

2.3 Summary of significant accounting policies

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

(a) Business combination and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the OFSS group has elected to apply accounting for business combinations prospectively from April 1, 2015. As such, Previous GAAP balances relating to business combinations entered into before that date including goodwill have been carried forward. The same first time adoption exemption is also used for an associate (Refer note 39).

(b) Investment in associates

An associate is an entity over which the OFSS group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence are similar to those necessary to determine control over the subsidiaries.

The OFSS group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the OFSS group's share of net assets of an associate since the acquisition date.

The statement of profit and loss reflects the OFSS group's share of the results of operations of an associate. The aggregate of the OFSS group's share of profit or loss of an associate is shown on the face of the statement of profit and loss. When OFSS group's share of losses of an associate equals or exceeds its interest in the same, OFSS group discontinues recognizing its share of further losses. If an associate subsequently reports profits, the OFSS group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

(c) Property, plant and equipment including intangibles and capital work-in-progress, depreciation and amortization

Property, plant and equipment including intangibles and capital work-in-progress

Freehold land is stated at cost. All other items of property, plant and equipment and capital work in progress, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. 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 OFSS group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in the statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. All additions during the reported year are considered at cost.

The OFSS group purchases certain specific-use application software, which is in ready to use condition, for internal use. It is estimated that such software has a relatively short useful life, usually less than one year. The OFSS group, therefore, charges to income the cost of acquiring such software.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level.

In accordance with Ind AS 101 provisions related to first time adoption, the OFSS group has elected to continue with carrying value for all its Intangible assets as recognized in its Previous GAAP, as the deemed cost as at the opening balance sheet as at April 1, 2015 under Ind AS (Refer note 39).

Depreciation and amortization

Depreciation and amortization are computed as per the 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:

Asset description	Asset life (in years)
Improvement of leasehold premises	Lesser of 7 years or lease term
Buildings	20
Computer equipments	3
Office equipments	2-5
Electricals and other installations	2-7
Furniture and fixtures	2-7
Vehicles under finance lease	Lesser of 3 to 5 years or lease term

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, supported by an independent assessment by professionals, the useful lives of buildings as 20 years. These lives are lower than those indicated in schedule II to the Act.

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 equipment's forming part of computer equipment's 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 and electrical and other installations are estimated at 2-7 years. These lives are lower than those indicated in schedule II to the Act.

(d) Impairment of non financial assets

The carrying amounts of non financial 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 unit's (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 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, quoted share prices for publicly traded companies or other available fair value indicators. The OFSS group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the OFSS group's CGUs to which the individual assets are allocated.

Goodwill is tested for impairment annually as at March 31 and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

(e) Foreign currencies

The OFSS group's consolidated financial statements are presented in Indian Rupees ('INR'), which is also the parent company's functional currency. For each entity the OFSS group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency balances

Transactions in foreign currencies are initially recorded by the OFSS group's entities at their respective functional currency using spot rates on the dates of the transaction.

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.

OFSS group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the date of the transactions. For practical reasons, the OFSS group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the date of the transactions. The exchange differences arising on translation for consolidation are recognized in Other Comprehensive income ("OCI").

Goodwill arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (April 1, 2015), is treated as asset of the Company rather than as asset of the foreign operation. Therefore, goodwill is expressed in functional currency of the Company and no further translation differences occur.

Cumulative currency translation differences of all foreign operations are deemed to be zero at the date of transition i.e. April 1, 2015 (Refer note 39).

(f) Research and development expenses for software products

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical feasibility of project is established, future economic benefits are probable, the OFSS group has an intention and ability to complete and use or sell the software and the cost can be measured reliably.

Software product development costs incurred subsequent to the achievement of technical feasibility are not material and are expensed as incurred.

(g) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the OFSS group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of 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 OFSS group has concluded that it is the 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.

In arrangements for software development and related services and maintenance services, the OFSS group has applied the guidance in Ind AS 18, Revenue, by applying the revenue recognition criteria for each separately identifiable component of a single transaction. The arrangements generally meet the criteria for considering software development and related services as separately identifiable components. For allocating the consideration, the OFSS group has measured the revenue in respect of each separable

component of a transaction at its fair value, in accordance with principles given in Ind AS 18. The price that is regularly charged for an item when sold separately is the best evidence of its fair value. In cases where the OFSS group is unable to establish objective and reliable evidence of fair value for the software development and related services, the OFSS group has used a residual method to allocate the arrangement consideration. In these cases the balance of the consideration, after allocating the fair values of undelivered components of a transaction has been allocated to the delivered components for which specific fair values do not exist.

Revenue is recognized for fixed price contracts by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered.

Revenue from contracts on time and material basis is recognized as services are performed. Product maintenance revenue is recognized rateably over the period of the contract.

The OFSS group presents revenues net of service tax and value added tax in its consolidated statement of profit and loss.

Revenue in excess of billing is classified as unbilled revenue while billing in excess of revenue is classified as deferred revenue.

Interest income

Interest income is recognized using the effective interest method.

(h) 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 the countries where the OFSS group operates and generates taxable income.

Current income tax relating to items recognized outside 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 initial recognition of goodwill or 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.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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.
- In respect of deductible temporary differences associated with investments in subsidiaries, and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized 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. 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 and the deferred taxes relate to the same taxable entity and the same taxation authority.

(i) Investment properties

Investment properties are measured initially and subsequently at cost. Though the OFSS group measures investment property using cost based measurement, the fair value of investment property is disclosed annually in the notes which form an integral part of the financial statements. Fair values are determined based on an evaluation performed by an accredited external independent valuer applying a valuation technique as per the international norms and standards. Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from such disposal. The difference between the net sale proceeds and the carrying amount of asset is recognized in statement of profit and loss in the period of de-recognition.

(j) Non-current assets held for sale

The OFSS group classifies non-current assets and disposal groups as held for sale if their carrying amounts shall be recovered principally through a sale rather than through continuing use. Sale transactions shall include exchanges of non-current assets for other non-current assets when the exchange has commercial substance.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

All other notes to the financial statements primarily include amounts for continuing operations, unless otherwise mentioned.

(k) 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 OFSS group.

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 OFSS group 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 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 financial statements on a recurring basis, the OFSS group 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 OFSS group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies. For this analysis, the OFSS group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

For the purpose of fair value disclosures, the OFSS group 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.

(l) 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 OFSS group 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 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 profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets of OFSS group 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 profit or loss

Debt instruments measured at amortized cost

This category is the most relevant to the OFSS group. 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 and loss.

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 OFSS group 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 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 with net changes in fair value recognized in the statement of profit and loss.

Derecognition

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

- The contractual rights to the cash flows from the financial asset expire or
- The OFSS group 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 OFSS group has transferred substantially all the risks and rewards of the asset, or (b) the OFSS group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the OFSS group 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 OFSS group continues to recognize the transferred asset to the extent of the OFSS group's continuing involvement. In that case, the OFSS group 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 OFSS group has retained.

Impairment of financial assets

The OFSS group 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 OFSS group follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the OFSS group 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 OFSS group 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 OFSS group 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 across the globe and therefore the OFSS group also considers the socio-economic conditions of the regions where the customers are located.

On that basis, the OFSS group estimates the following provision matrix at the reporting date:

Ageing	0-30 days	31-60 days	61-90 days	91-180 days	181-360 days	More than 360 days
Africa	9.6%	18.9%	0.1%	26.1%	44.3%	36.0%
Asia Pacific	–	0.1%	0.7%	5.7%	13.9%	49.2%
Europe & Middle East	0.3%	0.3%	–	0.9%	3.4%	10.5%
United States of America & Latin America	0.1%	0.1%	0.3%	1.6%	7.6%	44.7%

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

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 OFSS group's financial liabilities include trade payables, accrued expenses, accrued compensation to employees, advance from customers, dividend and dividend tax payable along with unpaid dividends.

Subsequent measurement

The OFSS group 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.

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

Derecognition

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 derecognition 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.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the OFSS group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss, unless designated as effective hedging instruments.

(m) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The OFSS group uses forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

The OFSS group enters into foreign currency forward contracts that is used to hedge risk of exposure of changes in the fair value of trade receivable on account of foreign currency rate movement. These derivative contracts are not designated as hedges and accounted for at fair value through profit or loss and are included in other income, net.

(n) 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.

For arrangements entered into prior to April 1, 2015, the OFSS group has examined and determined whether the arrangements contain lease on the basis of facts and circumstances existing on the date of transition (Refer note 39).

OFSS group 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 OFSS group is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability which leads to constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the OFSS group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

A lease arrangement where substantially all the risks and rewards of ownership of an asset are not transferred to the OFSS group 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.

(o) Share based payments

Selected employees of the OFSS group also receive remuneration in the form of share-based payments.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognized, together with a corresponding increase in 'employee stock options outstanding' in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the OFSS group's best estimate of the number of equity instruments that will ultimately vest (Refer note 39).

The statement of profit and loss expense or credit recognized in employee benefit expense represents the movement in cumulative expense recognized as at the beginning or end of the year.

(p) Provisions

Provisions are recognized when the OFSS group 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.

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.

(q) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The OFSS group has no obligation, other than the contribution payable to the provident fund. The OFSS group 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.

The OFSS group operates a defined benefit gratuity plan in India, which requires contributions to be made to a fund administered and managed by the LIC to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the OFSS group, although LIC administers the scheme.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), 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.

Non vested past service cost has been adjusted against the retained earnings on the date of transition to Ind AS.

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

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The OFSS group recognizes the following changes in the net defined benefit obligation as an expense in the consolidated 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.

(r) Treasury shares

The Company had created an Employee Benefit Trust ("EBT") for providing share-based payment to its employees. The EBT was used as a vehicle for distributing shares to employees under the employee remuneration schemes. The shares held by EBT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the OFSS group's own equity instruments.

(s) Cash dividend to equity holders of the Company

The Company recognizes a liability to make cash or non-cash distributions to equity shareholders 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.

(t) Earnings per share

The earnings considered in ascertaining the OFSS group'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.

(u) 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.

Note 3: Property, Plant and Equipment

Year ended March 31, 2017

Particulars	Gross carrying value				Depreciation				Net carrying value As at March 31, 2017	
	As at April 01, 2016	Additions	Sale/ deletions	Translation gain (loss)	As at March 31, 2017	As at April 01, 2016	For the year	Sale/ deletions		Translation gain (loss)
Freehold Land	436.31	—	—	—	436.31	—	—	—	—	436.31
Improvement to leasehold premises	627.60	53.43	44.26	(11.92)	624.85	67.56	44.26	(10.49)	497.23	127.62
Buildings [Refer note below]	2,085.00	—	7.13	—	2,077.87	103.63	7.07	—	857.58	1,220.29
Computer equipments	1,947.82	414.61	349.72	(9.53)	2,003.18	283.62	349.67	(7.63)	1,703.05	300.13
Office equipments	232.60	138.37	19.29	(2.64)	349.04	80.21	19.29	(3.10)	280.07	68.97
Electricals and other installations	996.92	3.96	66.88	—	934.00	85.56	66.88	—	768.21	165.79
Furniture and fixtures	922.90	41.94	18.33	(2.67)	943.84	81.33	18.33	(2.53)	753.71	190.13
Vehicles under finance lease	—	—	—	—	—	—	—	—	—	—
Total	7,249.15	652.31	505.61	(26.76)	7,369.09	701.91	505.50	(23.75)	4,859.85	2,509.24
									Capital work-in-progress	8.16
										2,517.40

Year ended March 31, 2016

Particulars	Gross carrying value				Depreciation				Net carrying value As at March 31, 2016	
	As at April 01, 2015	Additions	Sale/ deletions	Translation gain (loss)	As at March 31, 2016	As at April 01, 2015	For the year	Sale/ deletions		Translation gain (loss)
Freehold Land	436.31	—	—	—	436.31	—	—	—	—	436.31
Improvement to leasehold premises	650.18	22.43	60.73	15.72	627.60	52.79	30.14	14.02	484.42	143.18
Buildings [Refer note below]	2,085.00	—	—	—	2,085.00	107.99	—	—	761.02	1,323.98
Computer equipments	2,150.89	128.72	346.55	14.76	1,947.82	186.53	345.13	13.71	1,776.73	171.09
Office equipments	237.23	4.51	11.79	2.65	232.60	9.12	11.75	2.49	222.25	10.35
Electricals and other installations	1,016.93	26.73	46.74	—	996.92	100.36	30.03	—	749.53	247.39
Furniture and fixtures	939.49	43.63	66.50	6.28	922.90	72.47	43.20	6.02	693.24	229.66
Vehicles under finance lease	0.90	—	0.90	—	—	0.01	0.90	—	—	—
Total	7,516.93	226.02	533.21	39.41	7,249.15	529.27	461.15	36.24	4,687.19	2,561.96
									Capital work-in-progress	47.94
										2,609.90

Note:

Includes Nil (March 31, 2016 and April 1, 2015 - 10) shares of ₹ 50 each in Takshila Building No. 9, Co-op Housing Society Ltd., Mumbai.

Note 4: Investment property

Year ended March 31, 2017

(Amounts in ₹ million)

Particulars	Gross carrying value				Depreciation				Net carrying value As at March 31, 2017			
	As at April 01, 2016	Additions	Sale/ deletions	Translation gain (loss)	As at March 31, 2017	As at April 01, 2016	For the year	Impairment loss		Sale/ deletions	Translation gain (loss)	As at March 31, 2017
Freehold land	102.00	-	-	-	102.00	-	-	-	-	-	-	102.00
	102.00	-	-	-	102.00	-	-	-	-	-	-	102.00

Year ended March 31, 2016

(Amounts in ₹ million)

Particulars	Gross carrying value				Depreciation				Net carrying value As at March 31, 2016			
	As at April 01, 2015	Additions	Sale/ deletions	Translation gain (loss)	As at March 31, 2016	As at April 01, 2015	For the year	Impairment loss		Sale/ deletions	Translation gain (loss)	As at March 31, 2016
Freehold land	102.00	-	-	-	102.00	-	-	-	-	-	-	102.00
	102.00	-	-	-	102.00	-	-	-	-	-	-	102.00

The OFSS group's investment property consists of a portion of land at Pune, India.

The fair value of the investment property as at March 31, 2017, March 31, 2016 and April 1, 2015 is based on valuations performed by Rakesh Narula & Co; an accredited independent valuer. Rakesh Narula & Co. is one of the senior most and reputed company in the field of asset valuation. Rakesh Narula & Co. has been carrying out valuation as per the International norms and Standards. The fair value of the above investment property as at March 31, 2017, March 31, 2016 and April 1, 2015 is ₹ 225.67 million, ₹ 227.20 million and ₹ 216.70 million respectively.

The direct operating expenses represent the proportionate amount of operating expenses incurred for the investment property and is included under Note 21: Other operating expenses. The proportionate amount of these expenses paid for the financial year ended March 31, 2017 and March 31, 2016 are ₹ 3.49 million and ₹ 2.78 million respectively.

The OFSS group has no restrictions on the realizability of its investment properties and has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. Fair value hierarchy disclosures for investment properties have been provided in note 37 on fair value measurement.

	(Amounts in ₹ million)
Reconciliation of fair value:	
Fair Value of Investment Property as on April 1, 2015	216.70
Adjustment towards Fair Values for the financial year ended March 31, 2016	10.50
Fair Value of Investment Property as on March 31, 2016	227.20
Adjustment towards Fair Values for the financial year ended March 31, 2017	(1.53)
Fair Value of Investment Property as on March 31, 2017	225.67

Description of valuation techniques used and key inputs to valuation on investment properties		(Amounts in ₹)	
Investment property	Valuation technique	Significant unobservable inputs	Range (weighted average)
Freehold land	Market approach (Sale Comparison Method)	Estimated market rate per sq. mt. of freehold land	March 31, 2016 April 1, 2015 ₹ 13,000 to ₹ 22,605 ₹ 13,000 to ₹ 22,605
		Negotiation, location and physical adjustments	-25% to +40% -25% to +40%
		Final adjusted price per sq. mt.	₹ 9,155 to ₹ 24,351 ₹ 15,032 to ₹ 15,525 ₹ 13,959 to ₹ 14,850

The fair market value of the portion of land is computed using the market approach (Sale Comparison Method). The prevalent market rates of comparable property in the vicinity are considered to estimate the market value of the subject property. To estimate the market rate of land, a local enquiry as well as a market survey has been conducted with property dealers, brokers, owners of similar property in the surrounding areas and the rates from Joint Sub-Registrars' Office for actual transactions and the Ready Reckoner rates have also been considered. Weightages to additional factors like shape, size, location, frontage, access to main road and the demand and supply of similar properties have been considered while computing the market value of the subject property.

Note 5: Intangible assets

Year ended March 31, 2017

Particulars	Gross carrying value				Amortization and impairment losses			Net carrying value		
	As at April 01, 2016	Additions	Sale/ deletions	Translation gain (loss)	As at March 31, 2017	As at April 01, 2016	For the year	Sale/ deletions	Translation gain (loss)	As at March 31, 2017
Goodwill on consolidation [Refer note 31 and 39]	6,086.63	-	-	-	6,086.63	-	-	-	-	6,086.63
Total	6,086.63	-	-	-	6,086.63	-	-	-	-	6,086.63

(Amounts in ₹ million)

Year ended March 31, 2016

Particulars	Gross carrying value				Amortization and impairment losses			Net carrying value		
	As at April 01, 2015	Additions	Sale/ deletions	Translation gain (loss)	As at March 31, 2016	As at April 01, 2015	For the year	Sale/ deletions	Translation gain (loss)	As at March 31, 2016
Goodwill on consolidation [Refer note 31 and 39]	6,086.63	-	-	-	6,086.63	-	-	-	-	6,086.63
Total	6,086.63	-	-	-	6,086.63	-	-	-	-	6,086.63

(Amounts in ₹ million)

Note 6: Investment in an associate

The OFSS group has a 33% interest in Login SA, which is a highly specialized front and mid office treasury solution provider with its product Login Acumen in France. The OFSS group's interest in Login SA is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarized financial information of the OFSS group's investment in Login SA:

	(Amounts in ₹ million)		
	March 31, 2017	March 31, 2016	April 1, 2015
Total assets	95.01	117.48	119.73
Total liabilities	(113.67)	(109.23)	(111.03)
Equity	(18.66)	8.25	8.69
OFSS group's carrying amount of the investment [Refer note below]	—	2.72	2.87

	(Amounts in ₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Profit for the year	(26.91)	(0.44)
Other comprehensive income for the year	—	—
Total comprehensive income for the year	(26.91)	(0.44)
OFSS group's share in total comprehensive income for the year	(8.88)	(0.15)

Note: When OFSS group's share of losses of Login SA equals or exceeds its interest in the same, OFSS group discontinues recognizing its share of further losses.

	(Amounts in ₹ million)		
	March 31, 2017	March 31, 2016	April 1, 2015

Note 7: Financial assets

Non-current

Other financial assets at fair value through profit or loss

Investment in Sarvatra Technologies Private Limited (Unquoted)*

242,240 (March 31, 2016 and April 1, 2015 - 242,240) equity shares of ₹ 10 each, fully paid-up

Other financial assets measured at amortized cost

Deposits for premises and others	577.02	471.59	570.67
	577.02	471.59	570.67
	577.02	471.59	570.67

Current

Derivative instruments at fair value through profit or loss

Derivatives not designated as hedges

Foreign exchange forward contract, net**

	—	60.72	—
	—	60.72	—

Other financial assets measured at amortized cost

Deposits for premises and others	65.77	178.74	130.62
Unbilled revenue	4,768.26	3,836.81	3,950.08
Other advances	82.78	73.53	63.62
	4,916.81	4,089.08	4,144.32
	4,916.81	4,149.80	4,144.32

* The OFSS group had made an investment of ₹ 45.00 million and the same has been fair valued as at the balance sheet date.

** The OFSS group entered into foreign exchange forward contracts with the intention of reducing the foreign exchange risk of Trade receivable, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

(Amounts in ₹ million)

	March 31, 2017	March 31, 2016	April 1, 2015
Breakup of financial assets carried at amortized cost			
Trade receivables [Refer note 8]	7,180.14	8,310.92	6,155.64
Cash and bank balances [Refer note 9]	30,316.95	27,854.92	36,165.64
Deposits for premises and others	642.79	650.33	701.29
Unbilled revenue	4,768.26	3,836.81	3,950.08
Other advances	82.78	73.53	63.62
	42,990.92	40,726.51	47,036.27

Note 8: Trade receivables

Break-up for security details:

Secured, considered good	–	–	–
Unsecured, considered good	7,392.84	8,512.89	6,317.81
Doubtful	910.62	371.36	393.51
	8,303.46	8,884.25	6,711.32
Impairment Allowance			
Unsecured, considered good	(212.70)	(201.97)	(162.17)
Doubtful	(910.62)	(371.36)	(393.51)
	(1,123.32)	(573.33)	(555.68)
	7,180.14	8,310.92	6,155.64

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 30 to 90 days.

Note 9: Cash and bank balances

(a) Cash and cash equivalents

Balances with banks:

In current accounts*	5,707.33	5,382.31	6,105.61
In deposit accounts with original maturity of less than 3 months	5,494.34	272.10	36.57
In unpaid dividend account	14,593.93	–	–
In unclaimed dividend accounts	119.11	135.25	102.40
	25,914.71	5,789.66	6,244.58

(b) Other bank balances

Balances with banks:

In deposit accounts with original maturity of more than 3 months but less than 12 months**	4,400.65	22,059.90	29,915.74
In margin money deposit accounts	1.59	5.36	5.32
	4,402.24	22,065.26	29,921.06
	30,316.95	27,854.92	36,165.64

* Current account includes ₹ 0.92 million (March 31, 2016 ₹ 358.87 million and April 1, 2015 ₹ 329.53 million) on account of restricted cash and bank balances held by i-flex Employee Stock Option Trust controlled by the Company.

** Deposit accounts with original maturity of more than 3 months but less than 12 months includes ₹ 380.14 million (March 31, 2016 Nil and April 1, 2015 Nil) on account of restricted cash and bank balances held by i-flex Employee Stock Option Trust controlled by the Company.

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 OFSS group. The time deposits earn interest at the respective deposit rates.

As on November 8, 2016 and December 30, 2016, the OFSS group did not hold any Specified Bank Notes and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017. The OFSS group has not transacted during the period from November 8, 2016 to December 30, 2016 in Specified Bank Notes and other denomination notes.

March 31, 2017 March 31, 2016 April 1, 2015

Note 10: Other assets

Non-current

VAT, Service tax and other indirect taxes	460.57	460.57	549.05
Prepaid expenses	254.02	272.88	372.73
	714.59	733.45	921.78

Current

VAT, Service tax and other indirect taxes	232.96	425.76	251.29
Prepaid expenses	281.01	296.85	317.78
	513.97	722.61	569.07

March 31, 2017 March 31, 2016 April 1, 2015

Note 11: Equity Share capital

Authorized:

100,000,000 (March 31, 2016 - 100,000,000 and April 1, 2015 - 100,000,000) equity shares of ₹ 5 each	500.00	500.00	500.00
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Issued, subscribed and fully paid-up:

84,940,264 (March 31, 2016 - 84,690,036 and April 1, 2015 - 84,448,717) equity shares of ₹ 5 each	424.70	423.45	422.24
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(a) The Company has only one class of equity shares having a par value of ₹ 5 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:

Name and relationship of shareholder :	March 31, 2017	March 31, 2016	April 1, 2015
Oracle Global (Mauritius) Limited, holding company			
Number of equity shares	63,051,197	63,051,197	63,051,197
% of equity shares	74.23%	74.45%	74.66%

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 shares outstanding at the beginning and at the end of the year

	No. of equity shares	Amounts in ₹ million
Outstanding as at April 1, 2015	84,448,717	422.24
Issued during the year ended March 31, 2016 under the employee stock option plan (ESOP)	241,319	1.21
Outstanding as at March 31, 2016	84,690,036	423.45
Issued during the year ended March 31, 2017 under the employee stock option plan (ESOP)	250,228	1.25
Outstanding as at March 31, 2017	84,940,264	424.70

(d) Refer note 29 (b) for details of shares reserved for issue under the employee stock option plan (ESOP) of the Company.

(Amounts in ₹ million)

	March 31, 2017	March 31, 2016	April 1, 2015
Note 12: Other Equity			
Share application money pending allotment [Refer note below]	26.16	3.00	0.63
Securities premium	12,528.86	11,690.40	11,046.35
Employee stock options outstanding	1,835.05	1,345.71	723.99
General reserve	10,145.19	10,145.19	10,145.19
Retained earnings	7,300.77	22,569.41	30,430.03
Other comprehensive income	385.13	561.58	–
	32,221.16	46,315.29	52,346.19

Note : Share application money pending allotment for the year ended March 31, 2017 represents the money received from employees of the Company towards exercise of 480 stock options at the exercise price of ₹ 2,050.00 under Employee Stock Option Plan 2010 Scheme (“Scheme 2010”), 3,053 stock options at the exercise price of ₹ 1,929.95, 2,612 stock options at the exercise price of ₹ 3,076.85 and 3,243 stock options at the exercise price of ₹ 3,126.85 under Employee Stock Option Plan 2011 Scheme (“Scheme 2011”) and 2,658 OFSS Stock Units (“OSUs”) at the exercise price of ₹ 5 and 338 stock options at the exercise price of ₹ 3,241.25 under Oracle Financial Services Software Limited Stock Plan 2014 (“OFSS Stock Plan 2014”). Each stock option and OSUs will entitle one equity share of ₹ 5 each of the Company.

(Amounts in ₹ million)

	March 31, 2017	March 31, 2016
Share application money pending allotment		
Balance, beginning of the year	3.00	0.63
Application money received for exercised options	589.42	575.18
Shares issued for exercised options	(566.26)	(572.81)
Balance, end of the year	26.16	3.00
Securities premium		
Balance, beginning of the year	11,690.40	11,046.35
Received during the year on exercise of employee stock options	565.01	571.60
Stock compensation related to options exercised	273.45	72.45
Balance, end of the year	12,528.86	11,690.40
Employee stock options outstanding		
Balance, beginning of the year	1,345.71	723.99
Stock compensation charge for unvested options	780.44	718.86
Forfeiture of options	(17.65)	(24.69)
Stock compensation related to options exercised	(273.45)	(72.45)
Balance, end of the year	1,835.05	1,345.71
Retained earnings		
Balance, beginning of the year	22,569.41	30,430.03
Profit for the year	11,853.85	10,488.93
Forfeiture of options	17.65	24.69
Actuarial loss on gratuity fund including deferred tax thereon transferred to retained earnings	(31.71)	(38.29)
Less: Dividends on equity shares, declared and paid [Refer note below]		
Final equity dividend	(8,484.59)	(15,229.45)
Interim equity dividend	(14,439.84)	–
Tax on equity dividend (interim and final)	(4,184.00)	(3,106.50)
Balance, end of the year	7,300.77	22,569.41

Note: The Board of Directors have declared an interim dividend on March 29, 2017 of ₹ 170 per share for the year ended March 31, 2017 which was paid subsequent to the date of Balance sheet (March 31, 2016 Nil). The Board of directors have proposed a final dividend of ₹ Nil for the year ended March 31, 2017 (March 31, 2016 ₹ 100 and March 31, 2015 ₹ 180).

(Amounts in ₹ million)

	March 31, 2017	March 31, 2016
Other comprehensive income		
Balance, beginning of the year	561.58	—
Actuarial gain loss on gratuity fund net of tax	(31.71)	(38.29)
Translation of foreign subsidiaries	(176.45)	561.58
	353.42	523.29
Actuarial loss on gratuity fund including deferred tax thereon transferred to retained earnings	31.71	38.29
Balance, end of the year	385.13	561.58

(Amounts in ₹ million)

March 31, 2017 March 31, 2016 April 1, 2015

Note 13: Financial liabilities

(a) Trade payable measured at amortized cost			
Current			
- Payable to micro and small enterprises*	—	—	—
- Payable to others	108.37	377.59	362.54
	108.37	377.59	362.54
(b) Other financial liabilities			
Non-current			
Financial liabilities measured at amortized cost			
Accrued compensation to employees	23.90	26.81	24.72
	23.90	26.81	24.72
Current			
Derivative instruments at fair value through profit or loss			
Derivatives not designated as hedges			
Foreign exchange forward contract, net**	0.33	—	109.70
	0.33	—	109.70
Other financial liabilities measured at amortized cost			
Accrued compensation to employees	682.65	535.60	807.90
Accrued Expenses	1,533.01	1,157.45	1,320.67
Interim equity dividend payable	14,439.84	—	—
Tax on interim equity dividend payable	2,765.64	—	—
Advance from customers	192.45	97.93	136.62
Unpaid dividends***	119.11	135.25	102.40
	19,732.70	1,926.23	2,367.59
	19,733.03	1,926.23	2,477.29

* The identification of Micro and Small Enterprises is based on Management's knowledge of their status.

** The OFSS group entered into foreign exchange forward contracts with the intention of reducing the foreign exchange risk of Trade receivable, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

*** There is no amount due and outstanding as at balance sheet date to be credited to the Investor Education and Protection Fund.

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

(Amounts in ₹ million)

	March 31, 2017	March 31, 2016	April 1, 2015
Note 14: Other liabilities			
Non-current			
Deferred Revenue	88.53	41.80	5.44
Deferred Rent	156.24	149.85	190.83
	244.77	191.65	196.27
Current			
Deferred Revenue	3,436.80	3,765.66	3,885.24
Withholding and other taxes	534.24	547.98	516.54
Other statutory dues	150.21	153.84	157.72
Deferred Rent	15.68	22.67	28.56
	4,136.93	4,490.15	4,588.06

Note 15: Employee benefit obligations

Non-current			
Gratuity [Refer note 30]	784.21	665.65	606.67
	784.21	665.65	606.67
Current			
Gratuity [Refer note 30]	112.22	107.65	80.36
Compensated absence	1,205.51	1,109.84	981.69
	1,317.73	1,217.49	1,062.05

(Amounts in ₹ million)

	Year ended March 31, 2017	Year ended March 31, 2016
Note 16: Income taxes		
Income tax expenses in Consolidated statement of Profit and Loss comprises:		
(a) Profit or loss section		
Current taxes	6,078.91	7,070.17
Deferred taxes	(362.98)	(83.21)
	5,715.93	6,986.96
(b) Other Comprehensive Income (OCI) section		
Deferred tax on actuarial (loss) on gratuity fund	(16.79)	(20.26)
	(16.79)	(20.26)

Current tax charge for the year ended March 31, 2016 includes provision made in relation to foreign tax receivable of ₹ 413.03 million.

Deferred tax charge for the year ended March 31, 2017 and March 31, 2016 relates to origination and reversal of temporary differences.

Reconciliation of income tax expense to amount computed by applying the statutory income tax rate to the profit before tax is summarized below:

Profit before tax	17,569.78	17,475.89
Enacted tax rates in India	34.61%	34.61%
Computed expected tax expenses	6,080.55	6,048.06
Tax effect		
of earlier years	(16.77)	30.25
on exempt income	(129.44)	—
on income at different rates	242.85	(94.24)
on undistributed profits	(284.10)	—
on non-deductible expenses for tax purpose	36.29	196.88
on weighted deduction for tax purpose	(806.74)	—
Overseas taxes	551.07	772.08
Others	42.22	33.93
	5,715.93	6,986.96

(Amounts in ₹ million)

March 31, 2017 March 31, 2016 April 1, 2015

The tax effect of significant temporary differences that resulted in deferred tax assets and liabilities are as follows:

Deferred tax asset			
Difference between book and tax depreciation	208.53	261.90	199.16
Provision for compensated absence	343.32	311.26	260.01
Provision for gratuity	309.49	256.64	223.15
Impairment loss on financial assets	394.17	207.19	238.42
Net operating loss	103.26	105.44	99.55
Tax on undistributed profits	(228.18)	(512.28)	(512.28)
Other timing differences	215.69	340.83	370.64
	1,346.28	970.98	878.65
Deferred tax liability			
Deferred revenue	(6.57)	(5.00)	(19.11)
Difference between tax currency and functional currency	–	–	(18.00)
	(6.57)	(5.00)	(37.12)
Net deferred tax asset	1,339.71	965.98	841.53

Deferred tax assets and deferred tax liabilities have been offset wherever the OFSS group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

(Amounts in ₹ million)

Year ended
March 31, 2017 Year ended
March 31, 2016

Reconciliation of Net deferred tax asset is as follow:

Balance, beginning of the year	965.98	841.53
Tax income during the year recognized in profit or loss	362.98	83.21
Tax income during the year recognized in OCI	16.79	20.26
Translation differences	(6.04)	20.98
Balance, end of the year	1,339.71	965.98

Note 17: Revenue from operations

Product licenses and related activities	37,613.50	34,680.42
IT solutions and consulting services	5,437.54	5,475.63
Business processing services	1,214.29	1,156.12
	44,265.33	41,312.17

Note 18: Finance income

Interest on:

Bank deposits	1,428.64	2,035.91
Deposits for premises and others	47.19	139.12
Others	15.33	5.19
	1,491.16	2,180.22

Note 19: Other income, net

Fair value gain (loss) on derivatives not designated as hedges	126.58	(92.76)
Foreign exchange (loss), net	(347.93)	(129.21)
Profit (loss) on sale of fixed assets, net	38.53	(62.46)
Miscellaneous income	255.35	211.61
	72.53	(72.82)

(Amounts in ₹ million)

	Year ended March 31, 2017	Year ended March 31, 2016
Note 20: Employee Cost		
Salaries and bonus	18,157.83	17,195.80
Contribution to provident and other funds	920.59	768.78
Stock compensation expense	780.44	718.86
Staff welfare expenses	843.81	812.36
	20,702.67	19,495.80

Note 21: Other operating expenses

Application software	76.62	74.27
Communication expenses	108.97	116.30
Rent	613.91	639.41
Power	213.24	208.03
Insurance	24.02	24.39
Repairs and maintenance:		
Buildings and leasehold premises	63.52	95.45
Computer equipments	18.09	20.27
Others	86.48	96.18
Rates and taxes	88.92	70.38
Impairment loss (reversed) on financial assets	(34.52)	(11.77)
Bad debts	257.47	179.46
Corporate Social Responsibility expenditure [Refer note below]	339.58	251.13
Miscellaneous expenses	360.16	335.74
	2,216.46	2,099.24

Note: As per the requirements of Section 135 of the Companies Act, 2013 the OFSS group was required to spend an amount of ₹ 338.31 million (March 31, 2016 ₹ 338.07 million) on Corporate Social Responsibility expenditure based on the average net profits of the three immediately preceding financial years. The OFSS group has spent an amount of ₹ 339.58 million (March 31, 2016 ₹ 251.13 million) against Corporate Social Responsibility expenditure.

Note 22: Research and development expenditure

Six in-house research and development centers of the Company in India have been accorded recognition by the Department of Scientific and Industrial Research (DSIR) from February 26, 2016. The aggregate expenditure on research and development activities in these in-house R&D centers is as follows:

Revenue Expenditure	2,100.73	2,711.00
Capital Expenditure	230.35	35.27

Note 23: Exceptional item

- (a) During the year ended March 31, 2017, the OFSS Group has recorded a charge under the “Products” segment of ₹ 628.25 million on its receivables from customers in Egypt due to significant devaluation of Egyptian Pound post liberalization of exchange rates by the Egypt Government.
- (b) During the year ended March 31, 2016, an Arbitration award was passed against a wholly owned subsidiary company. The subsidiary company had settled the said dispute for full release of all claims and recorded a net charge under the “BPO Services” segment of ₹ 219.33 million.

(Amounts in ₹ million)

	Year ended March 31, 2017	Year ended March 31, 2016
Note 24: Net equity dividend remitted in foreign exchange		
Year of remittance (ending on)	March 31, 2017	March 31, 2016
Period to which it relates	March 31, 2016	March 31, 2015
Number of non-resident shareholders	1	1
Number of equity shares on which dividend was due	63,051,197	63,051,197
Amount remitted (in US\$ million)	94.68	170.79
Amount remitted (in ₹ million)	6,305.12	11,349.22

Note 25: Reconciliation of basic and diluted shares used in computing earnings per share

	(Number of equity shares)	
	Year ended March 31, 2017	Year ended March 31, 2016
Weighted average shares outstanding for basic earnings per share	84,817,337	84,736,317
Add: Effect of dilutive stock options	284,762	454,323
Weighted average shares outstanding for diluted earnings per share	85,102,099	85,190,640

Note 26: Significant accounting judgements, estimates and assumptions

The preparation of the OFSS group'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 OFSS group.

- **Operating lease**

The OFSS group has entered into commercial property leases for offices. The OFSS group 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 OFSS group does not obtain any significant risks and rewards of ownership of these properties.

- **Fair value of investment property**

As per the Ind AS, the OFSS group is required to disclose the fair value of the investment property.

Accordingly, the Company has engaged an independent valuation specialist to assess the fair values of investment property as at April 1, 2015, March 31, 2016 and March 31, 2017. The investment property was valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the investment property. The key assumptions used to determine fair value of the investment property and sensitivity analysis are provided in note 4.

- **Employee Benefit Trust**

The Company had formed a Trust with name i-flex Employee Stock Option Trust ("The Trust") in the year 1998. The main object was to provide benefit to the employees through stock purchase scheme. The Trust is holding certain assets including the equity shares of the Company. The Trust funds would now be utilized for the benefit of the employees. However, as per the Trust deed, the Company may use its controlling power on certain activities of the Trust. Accordingly, the financial of the Trust are consolidated with the financials of the OFSS group.

- **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the projections for the next five years and do not include restructuring activities that the OFSS group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows

and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognized by the OFSS group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 31.

- **Share based payments**

The Company measures share-based payments and transactions at fair value and recognizes over the vesting period using Black Scholes valuation model. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and model used for estimating fair value for share-based payment transactions are disclosed in note 29(b).

- **Taxes**

Deferred tax liability is recognized on the undistributed profits of subsidiaries where it is expected that the earnings of the subsidiary will be distributed in foreseeable future. Deferred tax asset is recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

- **Defined benefit plans (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 valuations. 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. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases is based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in note 30.

- **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 37 for further disclosures.

Note 27: Capital commitments and contingent liabilities

(Amounts in ₹ million)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
(a) Capital commitments			
Contracts remaining to be executed on capital account not provided for (net of advances).	224.42	250.59	177.24
(b) Contingent liabilities	Nil	Nil	Nil

Note 28: Leases

Where OFSS group is lessee

Finance lease

The OFSS group had taken vehicles under finance lease of up to five years. None of the lease agreements had any escalation clause. Future minimum lease payments under finance lease as at March 31, 2016 and March 31, 2017 are ₹ Nil and as at April 1, 2015 were as follows:

Particulars	(Amounts in ₹ million)		
	Principal	Interest	Total
Not later than one year	0.04	0.01	0.05
Later than one year but not later than five years	—	—	—
Total minimum payments	0.04	0.01	0.05

Operating lease

The OFSS group has taken certain office premises under operating lease, which expire at various dates through year 2025. Some of these lease agreements have a price escalation clause. Gross rental expenses for the year ended March 31, 2017 aggregated to ₹ 561.37 million (March 31, 2016 ₹ 508.34 million). The minimum rental payments to be made in future in respect of these leases are as follows:

Particulars	(Amounts in ₹ million)		
	March 31, 2017	March 31, 2016	April 1, 2015
Not later than one year	568.00	504.29	518.50
Later than one year but not later than five years	1352.77	883.66	1,055.83
Later than five years	433.85	524.75	627.99
	2,354.62	1,912.70	2,202.32

Note 29: Share based compensation / payments

(a) Employee Stock Purchase Scheme ("ESPS")

The Company had adopted the ESPS administered through a Trust with the name i-flex Employee Stock Option Trust ("the Trust") to provide equity based incentives to key employees of the Company. i-flex Solution Trustee Company Ltd. is the Trustee of this Trust.

No allocation of shares to the employees have been made through the Trust since 2005 and all selected employees under the Trust have exercised their right of purchase of shares prior to March 31, 2014. In this regard, the Trustee Company had filed a petition in the Honorable Bombay High Court to seek directions for utilization of the remaining unallocated shares along with the other assets held by the Trust for the benefit of the employees of the Company. As per the order of the Honorable Bombay High Court dated August 1, 2016, the trust funds would be utilized for the benefit of the employees.

As at March 31, 2017, the Trust is holding 166,142 equity shares (March 31, 2016 - 166,142 equity shares) of Oracle Financial Services Software Limited.

(b) Employee Stock Option Plan ("ESOP")

The Members at their Annual General Meeting held on August 14, 2001 approved grant of ESOPs to the employees / directors of the Company and its subsidiaries up to 7.5% of the issued and paid-up capital of the Company from time to time. This said limit was enhanced and approved up to 12.5% of the issued and paid-up capital of the Company from time to time, by the Members at their Annual General Meeting held on August 18, 2011. This extended limit is an all inclusive limit applicable for stock options granted in the past and in force and those that will be granted by the Company under this authorization.

Pursuant to ESOP scheme approved by the shareholders of the Company on August 14, 2001, the Board of Directors, on March 4, 2002 approved the Employees Stock Option Scheme ("Scheme 2002") for issue of 4,753,600 options to the employees and directors of the Company and its subsidiaries. According to the Scheme 2002, the Company has granted 4,548,920 options prior to the IPO and 619,000 options at various dates after IPO (including the grants of options out of options forfeited earlier).

On August 25, 2010, the Board of Directors approved the Employees Stock Option Plan 2010 Scheme ("Scheme 2010") for issue of 618,000 options to the employees and directors of the Company and its subsidiaries. According to the Scheme 2010, the Company has granted 638,000 options (including the grants of options out of options forfeited earlier).

Pursuant to ESOP scheme approved by the shareholders of the Company in their meeting held on August 18, 2011, the Board of Directors approved the Employees Stock Option Plan 2011 Scheme ("Scheme 2011"). Accordingly, the Company has granted 1,950,500 options under the Scheme 2011. Nomination and Remuneration Committee in their meeting held on August 7, 2014 approved Oracle Financial Services Software Limited Stock Plan 2014 ("OFSS Stock Plan 2014"). Accordingly the Company granted 156,795 stock options and 457,601 OFSS Stock Units ("OSUs") under OFSS Stock Plan 2014. The issuance terms of OSUs are the same as for Stock Options, employees may elect to receive 1 OSU in lieu of 4 awarded stock options at their respective exercise price.

As per the Scheme 2002, Scheme 2010 and Scheme 2011, each of 20% of the total options granted will vest on completion of 12, 24, 36, 48 and 60 months from the date of grant and is subject to continued employment of the employee or directorship of the director with the Company or its subsidiaries. Options have an exercise period of 10 years from the date of grant. The employee pays the exercise price upon exercise of options.

In respect of the OFSS Stock Plan 2014, each of 25% of the total stock Options/OSUs granted will vest on completion of 12, 24, 36 and 48 months from the date of grant and is subject to continued employment of the employee with the Company or its subsidiaries. Options/OSUs have exercise period of 10 years from the date of grant. The employee pays the exercise price upon exercise of Options/OSUs.

A summary of the activity in the Company's ESOP (Scheme 2002) is as follows:

	Year ended March 31, 2017		Year ended March 31, 2016	
	Shares arising from options	Weighted average exercise price (₹)	Shares arising from options	Weighted average exercise price (₹)
Outstanding at beginning of the year	23,000	1,835	36,400	1,978
Granted	–	–	–	–
Exercised	(5,000)	1,290	(13,400)	2,225
Forfeited	–	–	–	–
Lapsed	(6,000)	1,290	–	–
Outstanding at end of the year	12,000	2,333	23,000	1,835
Vested options	12,000		23,000	
Unvested options	–		–	

A summary of the activity in the Company's ESOP (Scheme 2010) is as follows:

	Year ended March 31, 2017		Year ended March 31, 2016	
	Shares arising from options	Weighted average exercise price (₹)	Shares arising from options	Weighted average exercise price (₹)
Outstanding at beginning of the year	95,344	2,062	164,690	2,064
Granted	–	–	–	–
Exercised	(30,869)	2,088	(63,666)	2,068
Forfeited	(7,800)	2,050	(5,680)	2,050
Outstanding at end of the year	56,675	2,050	95,344	2,062
Vested options	56,675		91,344	
Unvested options	–		4,000	

A summary of the activity in the Company's ESOP (Scheme 2011) is as follows:

	Year ended March 31, 2017		Year ended March 31, 2016	
	Shares arising from options	Weighted average exercise price (₹)	Shares arising from options	Weighted average exercise price (₹)
Outstanding at beginning of the year	1,119,925	2,882	1,414,628	2,837
Granted	–	–	–	–
Exercised	(185,197)	2,660	(164,253)	2,504
Forfeited	(73,930)	2,970	(130,450)	2,872
Outstanding at end of the year	860,798	2,922	1,119,925	2,882
Vested options	559,948		477,225	
Unvested options	300,850		642,700	

A summary of the activity in the Company's ESOP (OFSS Stock Plan 2014) is as follows:

	Year ended March 31, 2017		Year ended March 31, 2016	
	Shares arising from Stock Options and OSUs	Weighted average exercise price (₹)	Shares arising from Stock Options and OSUs	Weighted average exercise price (₹)
Outstanding at beginning of the year	386,361	858	206,259	921
Granted	217,773	958	190,364	783
Exercised	(29,162)	91	—	—
Forfeited	(40,435)	1,329	(10,262)	730
Outstanding at end of the year	534,537	905	386,361	858
Vested options and OSUs	109,267		49,755	
Unvested options and OSUs	425,270		336,606	

During the year ended March 31, 2017, the Company has granted 61,250 stock options and 156,523 OSUs under OFSS Stock Plan 2014 at an exercise price of ₹ 3,393 and ₹ 5 respectively.

The weighted average share price for the year over which stock options/OSUs were exercised was ₹ 3,407 (March 31, 2016 - ₹ 3,740).

The details of Options/OSUs unvested and Options/OSUs vested and exercisable as on March 31, 2017 are as follows:

	Exercise prices (₹)	Number of Options	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Options/OSUs unvested	5	319,971	5	8.8
	3,077	204,100	3,077	6.5
	3,127	96,750	3,127	5.9
	3,241	26,049	3,241	8.0
	3,393	56,425	3,393	9.2
	3,987	22,825	3,987	8.6
Options/OSUs vested and exercisable	5	75,607	5	8.2
	1,930	130,788	1,930	4.7
	2,050	56,675	2,050	3.4
	2,333	12,000	2,333	3.6
	3,077	192,205	3,077	6.5
	3,127	236,955	3,127	5.9
	3,241	26,060	3,241	8.0
	3,987	7,600	3,987	8.6
		1,464,010	2,147	6.8

The details of Options/OSUs unvested and Options/OSUs vested and exercisable as on March 31, 2016 are as follows:

	Exercise prices (₹)	Number of Options	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Options/OSUs unvested	5	257,371	5	9.4
	1,930	78,750	1,930	5.7
	2,032	8,000	2,032	5.7
	2,342	4,000	2,342	5.2
	3,076	12,000	3,076	8.3
	3,077	334,350	3,077	7.5
	3,127	209,600	3,127	6.9
	3,241	42,060	3,241	9.0
	3,987	37,175	3,987	9.6

	Exercise prices (₹)	Number of Options	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Options/OSUs vested and exercisable	5	35,745	5	9.0
	1,291	11,000	1,291	0.1
	1,930	122,328	1,930	5.7
	2,050	91,344	2,050	4.4
	2,333	12,000	2,333	4.6
	3,076	3,000	3,076	8.3
	3,077	148,700	3,077	7.5
	3,127	203,197	3,127	6.9
	3,241	14,010	3,241	9.0
		1,624,630	2,338	7.3

Stock Options/OSUs granted during the financial year ended March 31, 2017:

The weighted average fair value of stock Options/OSUs granted during the year was ₹ 2,703 (March 31, 2016 - ₹ 3,481).

The Black Scholes valuation model has been used for computing the above weighted average fair value of stock Options/OSUs granted considering the following inputs:

	Year Ended March 31, 2017					
	OFSS Stock Plan 2014 (Stock Option)	OFSS Stock Plan 2014 (OSU)				
	June, 2016	April, 2016	June, 2016	November, 2016	December, 2016	January, 2017
Weighted average share price (in ₹)	3,393	3,527	3,393	2,998	3,146	3,314
Exercise Price (in ₹)	3,393	5	5	5	5	5
Expected Volatility	24%	27%	27%	25%	25%	26%
Weighted average life (in years)	3.54	6.25	6.25	6.25	6.25	6.25
Expected dividend rate	Nil	Nil	Nil	Nil	Nil	Nil
Average risk-free interest rate	7.18%	7.55%	7.44%	6.50%	6.64%	6.65%

	Year Ended March 31, 2016	
	OFSS Stock Plan 2014 (Stock Option)	OFSS Stock Plan 2014 (OSU)
	November 2015	November 2015
Weighted average share price (in ₹)	3,987	3,987
Exercise Price (in ₹)	3,987	5
Expected Volatility	25%	28%
Weighted average life (in years)	3.59	6.25
Expected dividend rate	Nil	Nil
Average risk-free interest rate	7.51%	7.66%

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life; the Company expects the volatility of its share price to reduce as it matures.

Note 30: Defined benefits obligations

Defined contribution plans

During the year ended March 31, 2017 and March 31, 2016, the OFSS group contributed following amounts to defined contributions plans:

Particulars	(Amounts in ₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Provident fund	337.64	316.24
Superannuation fund	135.65	124.12
	473.29	440.36

Defined benefit plan – gratuity

The amounts recognized in the statement of profit and loss are as follows:

Particulars	(Amounts in ₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Current service cost	91.33	55.56
Past service cost	8.96	–
Interest cost, net	55.58	48.56
Total included in 'employee benefit expense'	155.87	104.12

Re-measurements recognized in other comprehensive income (OCI) are as follows:

Particulars	(Amounts in ₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Due to change in demographic assumptions	(0.79)	(0.48)
Due to change in financial assumptions	26.85	8.72
Due to change in experience adjustments	21.04	49.26
Return on plan assets (excl. Interest income)	1.40	1.05
Total re-measurements in OCI	48.50	58.55
Total defined benefit cost recognized in P&L and OCI	204.37	162.67

The amounts recognized in the balance sheet are as follows:

Particulars	(Amounts in ₹ million)		
	March 31, 2017	March 31, 2016	April 1, 2015
Present value of funded obligations	760.67	667.38	623.34
Present value of unfunded obligations	144.26	107.32	69.51
Fair value of plan assets	(8.50)	(1.40)	(5.82)
Net liability	896.43	773.30	687.03

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

Particulars	(Amounts in ₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Defined benefit obligation at beginning of the year	774.70	692.85
Current service cost	91.33	55.56
Past service cost	8.96	–
Interest cost	55.70	49.00
Benefits paid	(72.86)	(80.21)
Re-measurement		
- Due to change in demographic assumptions	(0.79)	(0.48)
- Due to change in financials assumptions	26.85	8.72
- Due to change in experience adjustments	21.04	49.26
Defined benefit obligation at end of the year	904.93	774.70

Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	(Amounts in ₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Fair value of plan assets at beginning of the year	1.40	5.82
Interest income	0.12	0.44
Return on plan assets (excl. Interest income)	(1.40)	(1.05)
Contributions by employer	73.33	64.45
Benefits paid	(64.95)	(68.26)
Fair value of plan assets at end of the year	8.50	1.40

Plan assets are administered by LIC and 100% of the plan assets are invested in lower risk assets, primarily in debt securities.

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

	March 31, 2017	March 31, 2016
Discount rate	4.00%-7.15%	3.90%-7.70%
Expected returns on plan assets	7.15%	7.50%
Salary escalation rate	3.00%-8.00%	3.00%-8.00%
Weighted average duration	5 years - 14 years	3.2 years - 13.62 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 OFSS group 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. Plan assets are administered by the LIC and invested in lower risk assets, primarily debt securities. The expected rate of return on plan assets is based on the expected average long term rate of return on investments of the fund during the terms of the obligation.

The OFSS group's contribution to gratuity for the year ending March 31, 2018 is expected to be ₹ 120.79 million (March 31, 2017 ₹ 110.20 million).

A quantitative sensitivity analysis for significant assumptions on defined benefit obligation as at March 31, 2017 is as shown below:

Particulars	Sensitivity level	(Amounts in ₹ million)	
		Year ended March 31, 2017	Year ended March 31, 2016
Financial assumptions			
Discount rate	- 0.5%	938.21	801.77
	0.5%	873.98	749.38
Salary escalation rate	- 0.5%	881.82	755.74
	0.5%	928.62	793.94
Demographic assumptions			
Withdrawal rate	- 1%	900.52	769.27
	1%	908.77	779.30

Note 31: Impairment testing of goodwill

Goodwill acquired through business combinations with indefinite lives has been allocated to the two Cash Generating Units (CGUs) below, which are also operating and reportable segments, for impairment testing:

1. Product licenses and related activities ('Products')
2. Business Processing Outsourcing services ('BPO Services')

Carrying amount of goodwill allocated to each of the CGUs:

Particulars	(Amounts in ₹ million)		
	March 31, 2017	March 31, 2016	April 1, 2015
Products	5861.99	5861.99	5861.99
BPO Services	224.64	224.64	224.64
Total carrying value of goodwill	6,086.63	6,086.63	6,086.63

The OFSS group performed its annual impairment test for years ended March 31, 2017 and March 31, 2016 on respective balance sheet date. The recoverable amount of above CGUs exceeded their carrying amounts.

Products CGU

The recoverable amount of the Products CGU as at March 31, 2017 is determined based on a value in use calculation using projections covering a five-year period. The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 1% (March 31, 2016 1%). This growth rate is in line with the industry average growth rate. The pre-tax discount rate applied to the cash flow projections for impairment testing during the current year is 20.55% (March 31, 2016 26.53%). The management did not identify impairment for this CGU.

Key assumptions used for value in use calculations

The calculation of value in use for Products CGU is most sensitive to the following assumptions:

- Operating margins
- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period

Operating margins – Operating margins are based on average values achieved in the current financial year.

Discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Growth rate estimates – Rates are in line with the industry average growth rate.

Note 32: Financial risk management objectives and policies

The OFSS group 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 OFSS group.

(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. As of balance sheet date, the OFSS group's net foreign currency exposure expressed in INR that is not hedged is ₹ 5,747.27 million (March 31, 2016 ₹ 5,400.13 million and April 1, 2015 ₹ 2,943.41 million).

Following are the carrying amounts of foreign currency denominated monetary items (net) of OFSS group where it has significant exposure as at the balance sheet date:

Currency	(Amounts in ₹ million)		
	March 31, 2017	March 31, 2016	April 1, 2015
USD	2,128.07	3,896.15	(405.80)
CNY	1,207.25	1,280.74	1,341.87
AUD	(187.29)	(2,346.87)	550.75
EUR	563.77	(373.47)	422.93

The OFSS group manages its foreign currency risk by a hedging the receivables in the major currencies (USD, EUR and AUD) using hedging instrument as forward contracts. The period of the forward contracts is determined by the expected collection period for invoices which currently ranges between 30 to 120 days.

Foreign currency sensitivity

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

Currency	(Amounts in ₹ million)			
	March 31, 2017		March 31, 2016	
	+1%	-1%	+1%	-1%
USD	23.38	(23.38)	10.12	(10.12)
CNY	6.86	(6.86)	5.61	(5.61)
AUD	(1.23)	1.23	(10.21)	10.21
EUR	(10.17)	10.17	(13.47)	13.47

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. The OFSS group's exposure to foreign currency changes for all other currencies is not material.

(b) Liquidity risk

Liquidity risk management implies maintaining sufficient availability of funds to meet obligations when due and to close out market positions. The OFSS group 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 OFSS group's financial liabilities based on contractual undiscounted payments:

As at March 31, 2017		(Amounts in ₹ million)		
Particulars	Less than 1 year	More than 1 year	Total	
Trade payable	108.37	–	108.37	
Accrued compensation to employees	682.65	23.90	706.55	
Accrued Expenses	1,533.01	–	1,533.01	
Interim equity dividend payable	14,439.84	–	14,439.84	
Tax on interim equity dividend payable	2,765.64	–	2,765.64	
Advance from customers	192.45	–	192.45	
Unpaid dividends	119.11	–	119.11	
Foreign exchange forward contract, net	0.33	–	0.33	
	19,841.40	23.90	19,865.30	

As at March 31, 2016				
Particulars	Less than 1 year	More than 1 year	Total	
Trade payable	377.59	–	377.59	
Accrued compensation to employees	535.60	26.81	562.41	
Accrued Expenses	1,157.45	–	1,157.45	
Advance from customers	97.93	–	97.93	
Unpaid dividends	135.25	–	135.25	
	2,303.82	26.81	2,330.63	

As at April 1, 2015				
Particulars	Less than 1 year	More than 1 year	Total	
Trade payable	362.54	–	362.54	
Accrued compensation to employees	807.90	24.72	832.62	
Accrued Expenses	1,320.67	–	1,320.67	
Advance from customers	136.62	–	136.62	
Unpaid dividends	102.40	–	102.40	
Foreign exchange forward contract, net	109.70	–	109.70	
	2,839.83	24.72	2,864.55	

The OFSS group has sufficient liquid funds in cash and cash equivalent 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 OFSS group 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 8.

Cash and Bank balances

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

OFSS group follows a conservative philosophy and aims to invest surplus funds mainly in India and only in time deposits with well-known and highly rated banks. The duration of such time deposits will not exceed 364 days. The OFSS group, 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 33: Capital management

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

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

Note 34: Derivative instruments

The Company enters into forward foreign exchange contracts where the counter party is a bank. The Company purchases forward foreign exchange contracts to mitigate the risks of change in foreign exchange rate on receivables denominated in certain foreign currencies. The Company considers the risk of non-performance by the counter party as non-material. As at March 31, 2017 the Company has following outstanding derivative instrument:

Particulars	(Amounts in US Dollar million)		
	March 31, 2017	March 31, 2016	April 1, 2015
Forward contracts – Sell in US Dollar	20.00	64.65	122.33

Note 35: Recent accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The OFSS group is evaluating the requirements of the amendment and the effect on the consolidated financial statements.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

The OFSS group does not have any cash-settled awards as at March 31, 2017.

Note 36: Summary of Net Assets and Share in Profit or loss of the Group

March 31, 2017

Name of the Entity	(Amounts in ₹ million)							
	Net Assets	%	Share in Profit or (loss)	%	Share in other comprehensive income	%	Share in total comprehensive income	%
Parent								
Oracle Financial Services Software Limited	19,209.63	59%	12,880.97	109%	12.98	-6%	12,893.95	111%
Subsidiaries								
Indian								
Oracle (OFSS) Processing Services Limited	170.44	1%	38.67	0%	0.67	0%	39.34	0%
Oracle (OFSS) BPO Services Limited	266.90	1%	18.92	0%	(0.74)	0%	18.18	0%
Oracle (OFSS) ASP Private Limited	39.15	0%	2.01	0%	-	0%	2.01	0%
Mantas India Private Limited	18.83	0%	0.74	0%	-	0%	0.74	0%
Foreign								
Oracle Financial Services Software B.V.	666.34	2%	523.17	4%	(35.78)	17%	487.39	4%
Oracle Financial Services Software SA	859.97	3%	24.19	0%	(29.88)	14%	(5.69)	0%
Oracle Financial Services Software Pte. Ltd.	634.03	2%	27.10	0%	(10.52)	5%	16.58	0%
Oracle Financial Services Consulting Pte. Ltd.	(186.75)	-1%	0.38	0%	12.65	-6%	13.03	0%
Oracle Financial Services Software America, Inc.	18.04	0%	946.32	8%	(13.24)	6%	933.08	8%
Oracle Financial Services Software, Inc.	5,412.48	18%	1,306.53	11%	(125.16)	60%	1,181.37	10%
Mantas Inc.	4,888.35	15%	0.18	0%	(4.05)	2%	(3.87)	0%
Sotas Inc.	-	0%	-	0%	-	0%	-	0%
ISP Internet Mauritius Company	391.59	1%	8.24	0%	-	0%	8.24	0%
Oracle (OFSS) BPO Services Inc.	(679.75)	-2%	51.87	0%	13.28	-6%	65.15	1%
Oracle Financial Services Software Chile Limitada	342.20	1%	138.67	1%	(7.82)	4%	130.85	1%
Oracle Financial Services Software (Shanghai) Limited	187.79	1%	(37.00)	0%	(20.55)	10%	(57.55)	0%
Controlled trust								
Indian								
i-flex Employee Stock Option Trust	406.62	1%	48.60	0%	-	0%	48.60	0%
Associate								
Foreign								
Login SA	-	0%	(2.72)	0%	-	0%	(2.72)	0%
Inter-company dividend			(4,122.99)	-35%	-	0%	(4,122.99)	-35%
Total	32,645.86	100%	11,853.85	100%	(208.16)	100%	11,645.69	100%

March 31, 2016

Name of the Entity	Net Assets	%	Share in Profit or (loss)	%	Share in other comprehensive income	%	Share in total comprehensive income	%
Parent								
Oracle Financial Services Software Limited	32,089.36	69%	8,977.55	86%	(73.23)	-14%	8,904.32	81%
Subsidiaries								
Indian								
Oracle (OFSS) Processing Services Limited	581.25	1%	79.47	1%	(1.46)	0%	78.01	1%
Oracle (OFSS) BPO Services Limited	367.30	1%	34.74	0%	(2.52)	0%	32.22	0%
Oracle (OFSS) ASP Private Limited	37.14	0%	0.86	0%	—	0%	0.86	0%
Mantas India Private Limited	18.09	0%	0.13	0%	—	0%	0.13	0%
Foreign								
Oracle Financial Services Software B.V.	1,320.28	3%	(84.87)	-1%	273.43	52%	188.56	2%
Oracle Financial Services Software SA	1,075.00	2%	(33.20)	0%	38.01	7%	4.81	0%
Oracle Financial Services Software Pte. Ltd.	1,852.39	4%	403.07	4%	159.53	30%	562.60	5%
Oracle Financial Services Consulting Pte. Ltd.	(199.78)	0%	1.03	0%	(17.43)	-3%	(16.40)	0%
Oracle Financial Services Software America, Inc.	(915.04)	-2%	(15.44)	0%	(50.37)	-10%	(65.81)	-1%
Oracle Financial Services Software, Inc.	5,167.20	12%	1,098.99	10%	237.81	45%	1,336.80	12%
Mantas Inc.	4,892.22	10%	(0.03)	0%	10.93	2%	10.90	0%
Sotas Inc.	—	0%	—	0%	—	0%	—	0%
ISP Internet Mauritius Company	383.35	1%	165.21	2%	—	0%	165.21	2%
Oracle (OFSS) BPO Services Inc.	(744.96)	-2%	(190.20)	-2%	(48.28)	-9%	(238.48)	-2%
Oracle Financial Services Software Chile Limitada	209.03	0%	64.06	1%	(7.19)	-1%	56.87	1%
Oracle Financial Services Software (Shanghai) Limited	245.17	1%	(11.86)	0%	4.06	1%	(7.80)	0%
Controlled trust								
Indian								
i-flex Employee Stock Option Trust	358.02	1%	29.47	0%	—	0%	29.47	0%
Associate								
Foreign								
Login SA	2.72	0%	(0.15)	0%	—	0%	(0.15)	0%
Inter-company dividend	—	0%	(29.90)	0%	—	0%	(29.90)	0%
Total	46,738.74	100%	10,488.93	100%	523.29	100%	11,012.22	100%

Note 37: Fair values

The management has assessed that fair value of financial instruments approximates their carrying amounts largely due to the short term maturities of these instruments.

Fair value hierarchy:

The following table provides the fair value measurement hierarchy of the OFSS group's assets and liabilities.

Fair value measurement hierarchy for assets and liabilities as at March 31, 2017:

(Amounts in ₹ million)

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed					
Investment property [Refer note 4]	March 31, 2017	225.67	–	225.67	–
Liabilities measured at fair value:					
Foreign exchange forward contract, net	March 31, 2017	0.33	–	0.33	–

Fair value measurement hierarchy for assets and liabilities as at March 31, 2016:

(Amounts in ₹ million)

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Foreign exchange forward contract, net	March 31, 2016	60.72	–	60.72	–
Assets for which fair values are disclosed					
Investment property [Refer note 4]	March 31, 2016	227.20	–	227.20	–

Fair value measurement hierarchy for assets and liabilities as at April 1, 2015:

(Amounts in ₹ million)

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed					
Investment property [Refer note 4]	April 1, 2015	216.70	–	216.70	–
Liabilities measured at fair value:					
Foreign exchange forward contract, net	April 1, 2015	109.70	–	109.70	–

The following methods and assumptions are used to estimate the fair values:

The OFSS group enters into derivative financial instruments with various banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies.

There have been no transfers between Level 1 and Level 2 during the periods March 31, 2017, March 31, 2016 and April 1, 2015.

Note 38: Names of Related Parties and description of relationship:

Relationship	Names of related parties
(i) Related parties where control exists	
Ultimate Holding Company	Oracle Corporation
Holding Company	Oracle Global (Mauritius) Limited
(ii) Related parties with whom transactions have taken place during the year	
Fellow Subsidiaries	Oracle America, Inc. Oracle Austria GmbH Oracle Belgium B.V.B.A/SPRL. Oracle Bilgisayar Sistemleri Limited Sirketi Oracle Canada ULC Oracle Caribbean, Inc. Oracle (China) Software Systems Company Limited Oracle Colombia Limitada Oracle Consulting Kazakhstan LLP Oracle Corporation (Thailand) Company Limited Oracle Corporation Australia Pty. Limited Oracle Corporation Japan Oracle Corporation Malaysia Sdn. Bhd. Oracle Corporation Singapore Pte. Ltd. Oracle Corporation (South Africa) (Pty) Limited Oracle Corporation UK Limited Oracle Czech s.r.o. Oracle Danmark ApS Oracle de Centroamerica, S.A. Oracle de Mexico, S.A. de C.V. Oracle Deutschland B.V & Co. KG Oracle de Venezuela, C.A. Oracle Do Brasil Sistemas Limitada Oracle East Central Europe Limited Oracle East Central Europe Services B.V. Oracle Egypt Limited Oracle EMEA Limited Oracle France, S.A.S. Oracle Hardware ZAO Oracle Hrvatska d.o.o. Oracle Hellas, S.A. Oracle Iberica, S.R.L. Oracle Hungary Kft. Oracle Italia S.r.l. Oracle India Private Limited Oracle Korea, Ltd. Oracle Luxembourg S.a.r.l. Oracle Nederland B.V. Oracle New Zealand Oracle Norge AS Oracle (Philippines) Corporation Oracle Polska, Sp.z.o.o. Oracle Portugal - Sistemas de Informacao Lda. Oracle Research & Development Center, Shenzhen, Ltd. Oracle Research and Development Centre, Beijing, Ltd.

	Oracle Romania SRL
	Oracle Serbia and Montenegro d.o.o
	Oracle Software (Schweiz) GmbH
	Oracle Solution Services (India) Private Ltd.
	Oracle Svenska AB
	Oracle SRBIJA CRNA GORA d.o.o.
	Oracle Systems Hong Kong Limited
	Oracle Systems Limited
	Oracle Systems Pakistan (Private) Limited
	Oracle Taiwan LLC
	Oracle Technology Systems (Kenya) Limited
	Oracle Vietnam Pte. Ltd.
	PT Oracle Indonesia
	Sistemas Oracle de Chile, S.A.
	Sistemas Oracle del Peru, S.A.
(iii) Key Managerial Personnel ('KMP')	Chaitanya Kamat - Managing Director and Chief Executive Officer Makarand Padalkar - Chief Financial Officer Onkarnath Banerjee - Company Secretary & Compliance Officer (from June 1, 2015) Jayant Joshi - Company Secretary & Compliance Officer (from September 29, 2014 till May 31, 2015)
(iv) Independent Directors	S Venkatachalam Sridhar Srinivasan (from July 23, 2015) Richard Jackson

Transactions and balances outstanding with these parties are described below:

(Amounts in ₹ million)

	Transaction		Amount receivable (payable)		
	Year ended March 31, 2017	Year ended March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Revenue					
<i>Fellow subsidiaries</i>					
Oracle America, Inc.	4,542.88	3,859.06	80.72	1,046.53	96.62
Oracle Austria GmbH	15.01	29.66	1.25	2.48	2.65
Oracle Belgium B.V.B.A./SPRL.	70.12	29.09	12.35	1.50	—
Oracle Bilgisayar Sistemleri Limited Sirketi	72.26	15.94	13.67	6.36	1.00
Oracle Canada ULC	1,244.52	442.23	177.00	143.05	177.98
Oracle Caribbean, Inc.	33.62	21.91	6.69	36.76	—
Oracle (China) Software Systems Company Limited	36.94	59.54	43.54	61.98	40.02
Oracle Colombia Limitada	227.24	402.30	41.14	54.73	34.97
Oracle Consulting Kazakhstan LLP	1.21	0.93	0.19	1.15	0.65
Oracle Corporation Japan	1,737.52	907.42	(99.91)	36.35	37.85
Oracle Corporation (South Africa) (Pty) Limited	736.10	789.19	73.99	41.00	(6.48)
Oracle Corporation (Thailand) Company Limited	129.10	158.62	17.59	13.64	(13.86)
Oracle Corporation Australia Pty. Limited	3,825.98	3,775.39	344.30	356.51	926.68
Oracle Corporation Malaysia Sdn. Bhd.	304.78	157.06	34.55	20.18	8.23
Oracle Corporation Singapore Pte. Ltd.	335.07	857.90	112.28	144.24	37.82
Oracle Corporation UK Limited	512.01	512.54	38.75	198.45	4.98
Oracle Czech s.r.o.	14.87	45.29	0.89	3.10	(1.45)

(Amounts in ₹ million)

	Transaction		Amount receivable (payable)		
	Year ended March 31, 2017	Year ended March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Oracle Danmark ApS	15.06	47.90	1.33	4.33	4.88
Oracle de Centroamerica, S.A.	2.39	2.96	0.29	0.49	0.36
Oracle de Mexico, S.A. de C.V.	85.82	94.63	21.17	8.46	9.11
Oracle Deutschland B.V & Co. KG	34.65	30.52	0.46	6.20	5.01
Oracle de Venezuela, C.A.	0.15	0.05	0.01	0.03	–
Oracle Do Brasil Sistemas Limitada	78.07	102.43	2.05	36.57	89.65
Oracle East Central Europe Limited	252.11	117.66	8.71	22.30	85.63
Oracle East Central Europe Services B.V.	84.06	147.48	309.38	133.37	32.59
Oracle Egypt Limited	756.46	854.32	1,854.90	925.19	70.85
Oracle France, S.A.S.	78.80	92.04	0.02	4.35	8.15
Oracle Hardware ZAO	–	276.47	231.65	231.38	–
Oracle Hellas, S.A.	34.47	1.78	10.54	2.46	0.18
Oracle Hrvatska d.o.o.	0.50	0.41	0.17	0.17	0.02
Oracle Hungary Kft.	403.29	236.76	53.69	9.03	0.14
Oracle Iberica, S.R.L.	68.63	10.88	1.91	6.74	(3.57)
Oracle India Private Limited	161.74	148.68	5.07	98.58	0.08
Oracle Italia S.r.l.	123.07	69.21	124.07	16.04	9.60
Oracle Korea, Ltd.	34.06	37.26	7.99	17.00	6.51
Oracle Luxembourg S.a.r.l.	17.31	5.73	2.12	1.44	–
Oracle Nederland B.V.	576.90	109.57	79.19	24.54	13.35
Oracle New Zealand	289.51	299.80	19.74	142.73	0.84
Oracle (Philippines) Corporation	193.89	264.41	(34.55)	28.40	6.16
Oracle Polska, Sp.z.o.o.	70.27	71.47	(7.82)	65.72	13.33
Oracle Portugal - Sistemas de Informacao Lda.	36.61	54.65	6.66	18.33	(21.81)
Oracle Serbia and Montenegro d.o.o	15.41	–	154.89	45.60	16.09
Oracle SRBIJA CRNA GORA d.o.o.	307.32	39.40	–	0.10	(2.04)
Oracle Software (Schweiz) GmbH	6.84	–	–	–	–
Oracle Svenska AB	15.50	18.66	0.94	4.54	(3.00)
Oracle Systems Hong Kong Limited	325.34	224.97	29.80	26.95	15.47
Oracle Systems Limited	925.09	860.71	326.99	103.05	(27.60)
Oracle Systems Pakistan (Private) Limited	312.50	257.49	135.64	149.91	212.22
Oracle Taiwan LLC	185.00	131.33	33.55	49.19	20.27
Oracle Technology Systems (Kenya) Limited	75.66	150.77	26.18	203.66	–
Oracle Vietnam Pte. Ltd.	68.01	119.55	21.47	36.81	258.56
PT Oracle Indonesia	188.07	308.07	8.00	33.75	90.62
Oracle Romania SRL	84.81	198.41	34.02	51.11	46.75
Sistemas Oracle de Chile, S.A.	10.07	13.61	19.81	22.90	9.08
Sistemas Oracle del Peru, S.A.	0.17	0.15	0.05	0.32	0.18
Impairment allowance					
<i>Fellow subsidiaries</i>					
Oracle America, Inc.	2.59	(5.10)	(2.59)	–	(5.10)
Oracle (China) Software Systems Company Limited	2.66	(4.14)	(6.68)	(4.02)	(8.16)
Oracle (Philippines) Corporation	(0.03)	(0.31)	(0.77)	(0.80)	(1.11)
Oracle Austria GmbH	(0.01)	(0.10)	–	(0.01)	(0.11)
Oracle Belgium B.V.B.A/SPRL.	0.03	0.01	(0.04)	(0.01)	–
Oracle Bilgisayar Sistemleri Limited Sirketi	(0.18)	0.31	(0.25)	(0.43)	(0.12)

(Amounts in ₹ million)

	Transaction		Amount receivable (payable)		
	Year ended March 31, 2017	Year ended March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Oracle Canada ULC	(2.93)	4.56	(6.24)	(9.17)	(4.61)
Oracle Caribbean, Inc.	(1.03)	1.07	(0.04)	(1.07)	–
Oracle Colombia Limitada	(0.28)	(0.51)	(0.35)	(0.63)	(1.14)
Oracle Consulting Kazakhstan LLP	(0.23)	0.21	–	(0.23)	(0.02)
Oracle Corporation (South Africa) (Pty) Limited	11.80	(0.60)	(11.80)	–	(0.60)
Oracle Corporation (Thailand) Company Limited	1.53	0.25	(1.78)	(0.25)	–
Oracle Corporation Australia Pty. Limited	(6.49)	2.77	–	(6.49)	(3.72)
Oracle Corporation Japan	(0.16)	–	0.01	(0.15)	(0.15)
Oracle Corporation Malaysia Sdn. Bhd.	0.14	0.09	(0.60)	(0.46)	(0.37)
Oracle Corporation Singapore Pte. Ltd.	(8.04)	5.60	0.09	(7.95)	(2.35)
Oracle Corporation UK Limited	(4.92)	5.18	(0.52)	(5.44)	(0.26)
Oracle Czech s.r.o.	(0.02)	0.02	–	(0.02)	–
Oracle Danmark ApS	(0.04)	0.06	(0.02)	(0.06)	–
Oracle de Mexico, S.A. de C.V.	0.81	(0.10)	(0.90)	(0.09)	(0.19)
Oracle Deutschland B.V & Co. KG	–	–	(0.02)	(0.03)	(0.03)
Oracle Do Brasil Sistemas Limitada	(0.74)	(1.57)	(0.16)	(0.90)	(2.47)
Oracle East Central Europe Limited	–	(1.03)	–	–	(1.03)
Oracle East Central Europe Services B.V.	(1.64)	14.37	(13.49)	(15.13)	(0.76)
Oracle Egypt Limited	689.39	64.76	(757.97)	(68.58)	(3.82)
Oracle France, S.A.S.	(0.02)	(0.02)	–	(0.02)	(0.04)
Oracle Hardware ZAO	21.24	3.15	(24.39)	(3.15)	–
Oracle Hellas, S.A.	(0.13)	0.16	(0.03)	(0.16)	–
Oracle Hungary Kft.	0.09	0.06	(0.16)	(0.07)	(0.01)
Oracle Iberica, S.R.L.	(0.01)	0.02	(0.01)	(0.02)	–
Oracle India Private Limited	(3.41)	3.39	–	(3.41)	(0.02)
Oracle Italia S.r.l.	(0.05)	0.36	(0.36)	(0.41)	(0.05)
Oracle Korea, Ltd.	(1.51)	1.11	(0.04)	(1.55)	(0.44)
Oracle Luxembourg S.a.r.l.	(0.04)	0.05	(0.01)	(0.05)	–
Oracle Nederland B.V.	–	–	(1.21)	(0.04)	(0.04)
Oracle New Zealand	(6.04)	6.05	(0.01)	(6.05)	–
Oracle Polska, Sp.z.o.o.	(0.10)	0.10	–	(0.10)	–
Oracle Portugal – Sistemas de Informacao Lda.	0.03	(7.27)	(0.23)	(0.20)	(7.47)
Oracle Romania SRL	(4.03)	1.56	(0.20)	(4.23)	(2.67)
Oracle Serbia and Montenegro d.o.o	(5.64)	5.84	(0.43)	(6.07)	(0.23)
Oracle SRBIJA CRNA GORA d.o.o.	–	0.01	–	(0.01)	–
Oracle Svenska AB	0.01	–	(0.01)	–	–
Oracle Systems Hong Kong Limited	0.12	1.24	(1.70)	(1.58)	(0.34)
Oracle Systems Limited	0.51	(3.11)	(9.41)	(8.90)	(12.01)
Oracle Systems Pakistan (Private) Limited	(6.11)	1.02	(5.92)	(12.03)	(11.01)
Oracle Taiwan LLC	0.66	3.53	(6.10)	(5.44)	(1.91)
Oracle Technology Systems (Kenya) Limited	(5.87)	7.73	(1.86)	(7.73)	–
Oracle Vietnam Pte. Ltd.	0.01	(12.78)	(1.56)	(1.55)	(14.33)
PT Oracle Indonesia	0.37	(0.79)	(0.50)	(0.13)	(0.92)
Sistemas Oracle de Chile, S.A.	(2.12)	2.43	(0.68)	(2.80)	(0.37)
Sistemas Oracle del Peru, S.A.	(0.09)	0.11	(0.02)	(0.11)	–

(Amounts in ₹ million)

	Transaction		Amount receivable (payable)		
	Year ended March 31, 2017	Year ended March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Bad debts					
<i>Fellow subsidiaries</i>					
Oracle Portugal - Sistemas de Informacao Lda.	8.76	—	—	—	—
Oracle Serbia and Montenegro d.o.o	0.15	—	—	—	—
Advance received from Customers					
<i>Fellow subsidiaries</i>					
Oracle America, Inc.	—	(22.09)	—	—	(22.09)
Oracle Belgium B.V.B.A/SPRL.	—	(1.43)	—	—	(1.43)
Oracle Corporation Australia Pty. Limited	—	(55.81)	—	—	(55.81)
Oracle Corporation Malaysia Sdn. Bhd.	(0.13)	2.46	(2.33)	(2.46)	—
Oracle Corporation (South Africa) (Pty) Limited	91.34	—	(91.34)	—	—
Oracle East Central Europe Limited	—	(0.53)	—	—	(0.53)
Oracle (Philippines) Corporation	—	(22.88)	—	—	(22.88)
Oracle Hungary Kft.	(0.02)	0.16	(0.14)	(0.16)	—
Oracle SRBIJA CRNA GORA d.o.o.	(0.20)	2.63	(2.43)	(2.63)	—
Oracle Systems Hong Kong Limited	(0.72)	0.72	—	(0.72)	—
Oracle Systems Limited	90.25	(6.46)	(90.25)	—	(6.46)
PT Oracle Indonesia	(0.06)	0.16	(2.77)	(2.83)	(2.67)
Deferred Revenue					
<i>Fellow subsidiaries</i>					
Oracle America, Inc.	—	—	—	—	(12.26)
Oracle Austria GmbH	—	—	—	—	(0.27)
Oracle (China) Software Systems Company Limited	—	—	—	—	(0.10)
Oracle Canada ULC	—	—	—	—	(1.24)
Oracle Colombia Limitada	—	—	—	—	(0.92)
Oracle Corporation (Thailand) Company Limited	—	—	—	—	(0.65)
Oracle Corporation Australia Pty. Limited	—	—	—	—	(10.64)
Oracle Corporation Japan	—	—	(12.50)	(73.18)	(5.72)
Oracle Corporation Malaysia Sdn. Bhd.	—	—	—	(3.39)	(5.67)
Oracle Corporation Singapore Pte. Ltd.	—	—	—	(16.22)	(0.01)
Oracle Corporation UK Limited	—	—	—	—	(15.08)
Oracle Corporation (South Africa) (Pty) Limited	—	—	(0.03)	(4.17)	(8.56)
Oracle East Central Europe Limited	—	—	—	—	(0.64)
Oracle de Mexico, S.A. de C.V.	—	—	—	—	(1.67)
Oracle do Brasil Sistemas Limitada	—	—	—	—	(2.63)
Oracle Egypt Limited	—	—	(263.99)	(45.98)	(24.77)
Oracle France, S.A.S.	—	—	—	—	(3.69)
Oracle Iberica, S.R.L.	—	—	—	(8.24)	(2.40)
Oracle India Private Limited	—	—	—	—	(53.45)
Oracle Italia S.r.l.	—	—	(45.98)	—	—
Oracle Nederland B.V.	—	—	—	—	(5.04)
Oracle New Zealand	—	—	(6.07)	(18.87)	(0.62)
Oracle (Philippines) Corporation	—	—	—	(5.53)	(2.80)
Oracle Polska, Sp.z.o.o.	—	—	—	(8.18)	(12.42)

(Amounts in ₹ million)

	Transaction		Amount receivable (payable)		
	Year ended March 31, 2017	Year ended March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Oracle Portugal - Sistemas de Informacao Lda.	—	—	—	—	(0.08)
Oracle Serbia and Montenegro d.o.o	—	—	—	—	(0.23)
Oracle Systems Hong Kong Limited	—	—	—	—	(36.01)
Oracle Systems Limited	—	—	(6.54)	(6.24)	(61.49)
Oracle Systems Pakistan (Private) Limited	—	—	—	—	(1.50)
Oracle Taiwan LLC	—	—	—	—	(0.93)
Oracle Vietnam Pte. Ltd.	—	—	—	—	(0.42)
Oracle Romania SRL	—	—	—	—	(0.79)
Sistemas Oracle del Peru, S.A.	—	—	—	—	(0.02)
Unbilled revenue					
<i>Fellow subsidiaries</i>					
Oracle America, Inc.	—	—	573.87	443.52	422.92
Oracle Austria GmbH	—	—	(0.05)	6.93	2.63
Oracle Belgium B.V.B.A/SPRL.	—	—	0.81	6.97	5.88
Oracle Bilgisayar Sistemleri Limited Sirketi	—	—	4.46	5.26	1.68
Oracle (China) Software Systems Company Limited	—	—	10.19	3.63	1.54
Oracle Canada ULC	—	—	421.63	34.58	68.54
Oracle Caribbean, Inc.	—	—	2.89	1.83	6.41
Oracle Colombia Limitada	—	—	10.72	113.22	15.41
Oracle Consulting Kazakhstan LLP	—	—	0.19	0.09	0.02
Oracle Corporation (South Africa) (Pty) Limited	—	—	87.13	56.07	212.03
Oracle Corporation (Thailand) Company Limited	—	—	8.00	32.28	6.22
Oracle Corporation Australia Pty. Limited	—	—	548.38	179.82	474.70
Oracle Corporation Japan	—	—	328.55	687.03	—
Oracle Corporation Malaysia Sdn. Bhd.	—	—	102.98	—	9.87
Oracle Corporation Singapore Pte. Ltd.	—	—	32.29	6.46	5.84
Oracle Corporation UK Limited	—	—	167.41	33.90	245.55
Oracle Czech s.r.o.	—	—	2.57	21.38	9.89
Oracle Danmark ApS	—	—	7.77	10.53	38.76
Oracle de Centroamerica, S.A.	—	—	0.33	0.34	9.47
Oracle Deutschland B.V & Co. KG	—	—	11.91	6.30	5.60
Oracle East Central Europe Limited	—	—	20.87	2.13	6.01
Oracle de Mexico, S.A. de C.V.	—	—	0.94	3.49	18.81
Oracle do Brasil Sistemas Limitada	—	—	28.46	11.07	4.34
Oracle France, S.A.S.	—	—	13.36	18.15	124.02
Oracle East Central Europe Services B.V.	—	—	55.63	25.95	10.75
Oracle Egypt Limited	—	—	—	5.45	25.82
Oracle Hardware ZAO	—	—	—	0.25	—
Oracle Hellas, S.A.	—	—	26.31	1.79	1.74
Oracle Hrvatska d.o.o.	—	—	(0.01)	0.05	—
Oracle Hungary Kft.	—	—	(0.51)	7.30	147.31
Oracle Iberica, S.R.L.	—	—	1.38	—	2.88
Oracle India Private Limited	—	—	102.51	27.38	73.03
Oracle Italia S.r.l.	—	—	(9.07)	5.55	11.52
Oracle Korea, Ltd.	—	—	5.78	4.80	2.19
Oracle Luxembourg S.a.r.l.	—	—	2.03	0.59	9.45

(Amounts in ₹ million)

	Transaction		Amount receivable (payable)		
	Year ended March 31, 2017	Year ended March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Oracle Nederland B.V.	—	—	163.29	3.61	16.16
Oracle New Zealand	—	—	13.42	—	6.41
Oracle (Philippines) Corporation	—	—	8.49	33.32	8.43
Oracle Serbia and Montenegro d.o.o	—	—	1.28	—	4.83
Oracle SRBIJA CRNA GORA d.o.o.	—	—	—	4.42	5.95
Oracle Polska, Sp.z.o.o.	—	—	(5.75)	—	1.16
Oracle Portugal - Sistemas de Informacao Lda.	—	—	(1.56)	7.21	11.34
Oracle Romania SRL	—	—	5.51	9.05	15.90
Oracle Svenska AB	—	—	0.51	1.43	—
Oracle Systems Hong Kong Limited	—	—	33.42	8.09	21.00
Oracle Systems Limited	—	—	14.46	25.10	210.08
Oracle Systems Pakistan (Private) Limited	—	—	24.62	4.45	4.74
Oracle Taiwan LLC	—	—	(0.80)	13.09	17.41
Oracle Technology Systems (Kenya) Limited	—	—	3.31	6.19	47.82
Oracle Vietnam Pte. Ltd.	—	—	(0.24)	19.39	0.58
PT Oracle Indonesia	—	—	2.93	30.46	56.46
Sistemas Oracle de Chile, S.A.	—	—	0.23	16.65	47.53
Sistemas Oracle del Peru, S.A.	—	—	0.27	0.09	—
Rent expenses					
<i>Fellow subsidiaries</i>					
Oracle India Private Limited	1.69	0.98	(0.13)	(0.26)	—
Oracle (China) Software Systems Company Limited	0.98	1.74	(0.37)	(0.09)	(0.51)
Oracle Corporation Australia Pty. Limited	5.09	3.83	(0.41)	(1.62)	(0.88)
Oracle Corporation Singapore Pte. Ltd.	—	3.23	—	(0.89)	(3.34)
Oracle Corporation UK Limited	(0.13)	—	—	—	—
Oracle EMEA Limited	0.49	0.20	(0.35)	(0.20)	—
Oracle Hellas, S.A.	6.65	8.06	—	(0.23)	(0.99)
Oracle America, Inc.	23.01	22.23	—	—	—
Oracle Nederland B.V.	3.87	6.06	(0.36)	(3.72)	—
Oracle France, S.A.S.	2.76	2.62	—	—	—
Oracle Taiwan LLC	—	—	—	—	0.04
Oracle Corporation Japan	6.61	5.75	—	—	(2.81)
Sistemas Oracle de Chile, S.A.	6.34	7.38	—	—	—
Oracle Systems Limited	—	5.13	—	—	—
Professional fee expenses					
<i>Fellow subsidiaries</i>					
Oracle America, Inc.	—	4.77	—	—	(40.02)
Oracle Belgium B.V.B.A/SPRL.	0.37	—	—	—	—
Oracle Corporation Australia Pty. Limited	33.28	—	—	—	—
Oracle Corporation Japan	17.40	—	—	—	—
Oracle Corporation (South Africa) (Pty) Limited	8.15	12.79	(36.31)	(28.16)	(13.79)
Oracle Corporation UK Limited	15.30	—	(1.55)	—	—
Oracle Danmark APS	0.36	—	—	—	—
Oracle India Private Limited	420.05	435.91	(207.26)	(113.74)	(111.30)
Oracle Italia S.R.L.	0.78	0.75	—	(1.20)	(0.45)
Oracle Luxembourg S.a.r.l.	(0.02)	0.04	—	(0.79)	(0.75)
Oracle Systems Limited	9.22	(12.97)	—	(3.42)	(12.32)

(Amounts in ₹ million)

	Transaction		Amount receivable (payable)		
	Year ended March 31, 2017	Year ended March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Oracle Technology Systems (Kenya) Limited	1.86	2.09	(4.78)	(2.92)	(0.83)
Oracle Hungary Kft.	—	—	—	(0.08)	(0.08)
Oracle Hellas, S.A.	1.10	—	—	—	—
Oracle Romania SRL	0.30	0.12	—	(0.18)	(0.06)
Oracle East Central Europe Limited	4.48	2.16	—	(3.66)	(1.50)
Oracle East Central Europe Services B.V.	0.19	0.83	—	(1.82)	(0.99)
Oracle de Mexico, S.A. de C.V.	12.11	39.10	—	(0.42)	(8.40)
Oracle Research & Development Center, Shenzhen, Ltd.	38.80	59.33	(12.91)	(13.42)	(9.39)
Oracle Research and Development Centre, Beijing, Ltd.	0.35	1.71	(0.13)	(0.27)	(0.21)
Oracle Canada ULC	19.58	4.69	—	(7.93)	(3.48)
Oracle Do Brasil Sistemas Limitada	1.29	0.38	—	(1.50)	(1.12)
Oracle Corporation (Thailand) Company Limited	0.45	61.46	—	(3.22)	(2.65)
Oracle Corporation Malaysia Sdn. Bhd.	1.36	1.21	—	(1.39)	(0.18)
Oracle Czech s.r.o.	0.32	0.50	—	(0.50)	—
Oracle Korea, Ltd.	(0.05)	0.05	—	(0.05)	—
Oracle Nederland B.V.	2.92	—	(2.91)	—	—
Oracle New Zealand	3.43	1.65	—	(1.65)	—
Oracle Taiwan LLC	1.32	1.95	—	(1.95)	—
Oracle Egypt Limited	3.33	21.12	(6.27)	(2.95)	(2.78)
Oracle Polska, Sp.z.o.o.	2.07	2.46	—	(4.18)	(1.71)
Oracle EMEA Limited	8.99	9.79	(30.30)	(23.14)	(13.35)
Oracle (Philippines) Corporation	4.68	1.93	—	(2.15)	(0.22)
Oracle Portugal - Sistemas de Informacao Lda.	33.32	8.01	(10.11)	(7.70)	(7.70)
Oracle Systems Hong Kong limited	(0.08)	1.31	—	(3.81)	(2.50)
Oracle Vietnam Pte. Ltd.	0.98	0.86	—	(2.00)	(1.14)
PT Oracle Indonesia	1.75	5.11	—	(5.11)	—
Application software expenses					
<i>Fellow subsidiaries</i>					
Oracle India Private Limited	16.03	10.25	—	—	(1.28)
Oracle America, Inc.	—	4.24	—	—	—
Other expenses					
<i>Fellow subsidiaries</i>					
Oracle America, Inc.	(0.24)	0.29	5.55	3.49	(1.04)
Oracle Italia S.R.L.	(0.04)	0.05	(0.44)	(0.48)	(0.43)
Oracle Corporation UK Limited	5.75	0.04	(0.38)	(1.67)	(1.63)
Oracle Corporation Australia Pty. Limited	0.01	58.04	—	(0.91)	—
Oracle de Mexico, S.A. de C.V.	0.25	1.01	(0.57)	(0.31)	—
Oracle East Central Europe Services B.V.	3.77	2.26	(3.71)	(2.26)	—
Oracle EMEA Limited	(1.73)	22.71	(20.99)	(22.71)	—
Oracle Technology Systems (Kenya) Limited	1.03	2.33	(3.36)	(2.33)	—
Oracle Corporation Japan	—	0.03	—	(0.03)	—
Oracle (China) Software Systems Company Limited	(0.78)	0.78	(0.01)	(0.78)	—
Oracle Systems Hong Kong Limited	0.62	—	—	—	—
Oracle Taiwan LLC	1.19	1.48	(5.70)	(4.51)	(3.03)

(Amounts in ₹ million)

	Transaction		Amount receivable (payable)		
	Year ended March 31, 2017	Year ended March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Oracle Czech s.r.o.	0.02	1.25	(0.33)	(0.31)	(0.72)
Oracle Egypt Limited	1.33	7.03	—	(6.83)	(9.20)
Oracle East Central Europe Limited	0.76	2.93	(0.76)	(2.31)	(2.94)
Oracle India Private Limited	24.01	7.63	(0.13)	(2.23)	(0.30)
Oracle Canada ULC	10.34	24.13	—	(23.43)	(23.50)
Oracle Corporation Singapore Pte. Ltd.	0.05	0.48	—	—	—
Oracle Corporation (South Africa) (Pty) Limited	18.52	40.95	(14.75)	(16.40)	(69.05)
Oracle Hellas, S.A.	—	—	—	—	(1.51)
Oracle Norge AS	—	—	—	—	(62.64)
Oracle New Zealand	9.47	—	(9.47)	—	—
Oracle Polska, Sp.z.o.o.	4.59	9.18	(1.86)	(2.08)	(11.10)
Oracle Portugal - Sistemas de Informacao Lda.	4.90	104.13	(3.27)	(5.86)	(23.58)
Oracle Romania SRL	0.04	1.94	—	(6.71)	(6.43)
Oracle Corporation Malaysia Sdn. Bhd.	3.60	1.99	(1.81)	(1.59)	(2.38)
Oracle Corporation (Thailand) Company Limited	1.67	1.18	(1.48)	(0.91)	(2.44)
Oracle Vietnam Pte. Ltd.	5.45	1.10	(12.38)	(6.93)	(5.84)
Oracle (Philippines) Corporation	9.30	7.06	(11.85)	(6.22)	(1.59)
PT Oracle Indonesia	0.92	—	(0.92)	—	—
Rent income					
<i>Fellow subsidiaries</i>					
Oracle America, Inc.	24.87	16.19	1.43	—	—
Oracle Corporation UK Limited	22.46	12.23	—	—	—
Oracle Solution Services (India) Private Ltd.	13.68	7.00	—	—	0.23
Oracle India Private Limited	61.70	69.56	—	8.89	3.52
Payment of equity dividend					
<i>Holding Company</i>					
Oracle Global (Mauritius) Limited	6,305.12	11,349.22	—	—	—
<i>Key Managerial personnel</i>	9.52	13.16	—	—	—
Key managerial personnel [Refer note 1]					
Short-term employment benefits	63.79	50.14	—	—	—
Post-employment gratuity benefits	0.33	0.21	—	—	—
Share based payments	186.62	90.41	—	—	—
Commission					
<i>Independent Directors</i>	7.10	6.52	—	—	—
Reimbursement of expenses					
<i>Directors</i>	2.84	4.21	—	—	—

Note 1: Remuneration includes salary, bonus and perquisites. The bonus is included on payment basis. During the year, 35,500 OSUs under OFSS Stock Plan 2014 (March 31, 2016 – 35,375 OSUs under OFSS Stock Plan 2014) were granted to KMP.

Note 2: Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year end are unsecured and interest free and settlement occurs in cash.

Note 39: First time adoption of Ind AS

The OFSS group's date of transition to Ind AS is April 1, 2015. Ind AS 101 First-time adoption of Indian Accounting Standards allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The OFSS group has applied the following material exemptions:

- Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries and an associate, which are considered businesses under Ind AS that occurred before April 1, 2015. Use of this exemption means that the Previous GAAP carrying amounts of assets and liabilities, that are required to be recognized under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS.
- Ind AS 101 also requires that Previous GAAP carrying amount of goodwill must be used in the opening Ind AS balance sheet (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets, if any). In accordance with Ind AS 101, the OFSS Group has tested goodwill for impairment at the date of transition to Ind AS. No goodwill impairment was deemed necessary at April 1, 2015.
- Goodwill arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS, is treated as asset of the Company rather than as asset of the foreign operation. Therefore, goodwill is expressed in functional currency of the Company and no further translation differences occur.
- Cumulative currency translation differences for all foreign operations are deemed to be zero as at April 1, 2015.
- Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2015.
- Appendix C to Ind AS 17 Leases requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the OFSS group has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as at the date of transition.
- OFSS group has opted to continue with carrying value for all its Intangible assets as recognized in its Previous GAAP, as the deemed cost at the transition date.

Note 40: Reconciliations between Previous GAAP and Ind AS

(a) Equity reconciliation

Particulars	Notes	(Amounts in ₹ million)	
		As at March 31, 2016	As at April 1, 2015
Equity under Previous GAAP		36,754.08	34,441.31
Adjustments:			
Reversal of proposed final equity dividend including dividend distribution tax thereon	(i)	10,243.03	18,331.34
Deferred Taxes including taxes on undistributed earnings of subsidiaries	(ii)	(142.19)	(145.45)
Consolidation of i-flex Employee Stock Option Trust	(iii)	328.11	328.55
Fair valuation of Financial Assets along with Expected Credit Loss thereon	(iv)	(154.17)	(109.92)
Deferral of revenue including discounting due to extended payment terms	(v)	(312.91)	(215.66)
Exchange differences on translation of foreign operations	(vii)	13.72	136.91
Others		9.07	1.35
Equity under Ind AS		46,738.74	52,768.43

(b) Comprehensive income reconciliation

Particulars	Notes	(Amounts in ₹ million)	
		Year ended March 31, 2016	
Net income for the year under Previous GAAP		11,657.76	
Adjustments:			
Stock Compensation Charge	(viii)	(348.91)	
Fair valuation of Financial Assets along with Expected Credit Loss thereon	(iv)	(44.25)	
Deferred Taxes including taxes on undistributed earnings of subsidiaries	(ii)	(17.00)	
Reclass of actuarial gain / loss on gratuity fund to Other Comprehensive Income	(vi)	58.55	
Deferral of revenue including discounting due to extended payment terms	(v)	(97.22)	
Exchange differences on translation of foreign operations	(vii)	(727.29)	
Others		7.29	
Profit for the year under Ind AS		10,488.93	
Other comprehensive income	(vi) & (vii)	523.29	
Comprehensive income under Ind AS		11,012.22	

(c) Cash flow statement

There were no significant reconciliation items between cash flows prepared under Previous GAAP and those prepared under Ind AS.

Notes to Equity reconciliation and Comprehensive income reconciliation:

(i) Dividend (including dividend tax)

Under Ind AS, liability for dividend is recognized in the period in which the obligation to pay is established. Under Previous GAAP, dividend payable is recorded as liability in the period to which the dividend relates, even though the dividend may be approved by the shareholders subsequent to the reporting date. This has resulted in an increase in equity.

(ii) Tax adjustments

Tax adjustments include deferred tax impact on account of differences between Ind AS and Previous GAAP. This has resulted reduction in equity.

(iii) Consolidation of Stock Option Trust

As per the provisions of Ind AS 110 - Consolidated Financial Statements, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. i-flex Employee Stock Option Trust has been formed for the benefit of employees of the Company, in light of which i-flex Employee Stock Option Trust has been consolidated. Under Previous GAAP, this was not required to be consolidated. This has resulted an increase in equity.

(iv) Fair Valuation

Under Ind AS, financial assets and financial liabilities designated at fair value through profit and loss (FVTPL) are fair valued at each reporting date with changes in fair value recognized in the statement of profit and loss, while financial assets and financial liabilities which are measured at amortized cost are fair valued on the date when they are recognized initially and subsequently amortized using effective interest method and subsequently at amortized cost using effective interest method. Under Previous GAAP, they were measured at cost.

This has also resulted into reclass of Deposit for premises. Under Ind AS, Deposit for premises are measured at fair value on initial recognition. The same were recorded at cost under Previous GAAP and accordingly, the resultant impact of ₹ 512.04 million and ₹ 396.20 million has been reclassified to prepaid expenses as at April 1, 2015 and March 31, 2016 respectively.

(v) Deferral of Revenue

As per Ind AS 18, when the product / Services are delivered but the billing is on an extended term then all the payments (including tax) shall be discounted back to their Net Present Value (NPV) with this amount recorded as a reduction to revenue. Further revenue has been adjusted to meet revenue recognition principles of Ind AS 18. This has resulted reduction in equity.

(vi) Actuarial gain / (loss) on gratuity fund

Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognized in other comprehensive income. Under Previous GAAP, actuarial gains and losses were recognized in the statement of profit and loss. Consequently, impact along with tax effect of the same has been recognized in other comprehensive income under Ind AS.

(vii) Exchange differences

Primarily on account of translation of the functional currency of foreign operations in to presentation currency as per the provisions of Ind AS 21.

(viii) Stock Compensation Charge

Under Ind AS, the OFSS group followed 'Fair Value' method using an appropriate valuation model to determine Fair Value of stock Options/OSU as on the date of the grant as against 'intrinsic value' method in the Previous GAAP. This has resulted in additional stock compensation charge considered under comprehensive income to the statement of profit and loss.

Note 41: Litigations

The Group has some litigations in respect of which the Group has made aggregate provisions of ₹ 945.50 million as at March 31, 2017 (as at March 31, 2016 ₹ 945.50 million).

Note 42: Segment information

Business segments are defined as a distinguishable component of an enterprise that is engaged in providing a group of related products or services and that is subject to differing risks and returns and about which separate financial information is available. This information is reviewed and evaluated regularly by the management in deciding how to allocate resources and in assessing the performance.

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

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

The business segments are the basis on which the OFSS group reports its primary operational information to management. Product licenses and related activities segment deals with various banking software products. The related activities include enhancements, implementation and maintenance activities.

IT solutions and consulting services segment offers services spanning the entire lifecycle of applications used by financial service institutions. The division's portfolio includes Consulting, Application, Support and Technology Services that help institutions improve efficiency, optimize costs, meet risk and compliance mandates and implement IT solutions finely attuned to their business needs.

BPO - Services comprises of business process outsourcing services to the Lending, Collections, Customer Service and Capital Markets industry.

Year ended March 31, 2017				(Amounts in ₹ million)
Particulars	Products	Services	BPO - Services	Total
Revenue	37,613.50	5,437.54	1,214.29	44,265.33
Segment result [Refer note 23]	16,285.90	682.16	415.25	17,383.31
Unallocable expenses				(1,374.50)
Finance income				1,491.16
Other income, net				72.53
Share in (loss) of associate				(2.72)
Profit before tax				17,569.78
Tax expenses				(5,715.93)
Net profit				11,853.85

Year ended March 31, 2016				(Amounts in ₹ million)
Particulars	Products	Services	BPO - Services	Total
Revenue	34,680.42	5,475.63	1,156.12	41,312.17
Segment result [Refer note 23]	15,836.32	612.42	180.70	16,629.44
Unallocable expenses				(1,260.80)
Finance income				2,180.22
Other income, net				(72.82)
Share in (loss) of associate				(0.15)
Profit before tax				17,475.89
Tax expenses				(6,986.96)
Net profit				10,488.93

Other information

Year ended March 31, 2017

(Amounts in ₹ million)

Particulars	Products	Services	BPO - Services	Unallocable	Total
Capital expenditure by segment					
Property, Plant and Equipment	439.53	123.63	49.23	39.92	652.31
Depreciation and amortization	562.59	87.63	30.87	20.83	701.92
Other non cash expenses	846.30	4.72	0.05	0.13	851.20
Segment assets	17,710.60	2,684.22	687.12	39,126.42	60,208.36
Segment liabilities	7,076.01	804.02	109.02	19,573.45	27,562.50
Equity				32,645.86	32,645.86

Year ended March 31, 2016

(Amounts in ₹ million)

Particulars	Products	Services	BPO - Services	Unallocable	Total
Capital expenditure by segment					
Property, Plant and Equipment	174.70	31.45	1.00	18.87	226.02
Depreciation and amortization	384.82	96.66	26.40	21.39	529.27
Other non cash expenses	133.67	18.20	15.76	0.06	167.69
Segment assets	18,561.99	2,614.31	281.86	35,398.78	56,856.94
Segment liabilities	7,040.42	859.21	120.91	2,097.66	10,118.20
Equity				46,738.74	46,738.74

As at April 1, 2015

(Amounts in ₹ million)

Particulars	Products	Services	BPO - Services	Unallocable	Total
Segment assets	16,430.96	3,089.92	266.48	43,068.23	62,855.59
Segment liabilities	7,162.61	1,075.55	146.63	1,702.37	10,087.16
Equity				52,768.43	52,768.43

Segment revenue and expense:

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

Segment assets and liabilities:

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

Geographical segments

The following table shows the distribution of the OFSS group's consolidated sales by geographical market :

Regions	Year ended March 31, 2017		Year ended March 31, 2016	
	Amounts in ₹ million	%	Amounts in ₹ million	%
India	2,460.36	6%	2,245.57	5%
Outside India				
Americas				
United States of America	13,619.72	30%	12,309.93	31%
Rest of America	3,131.61	7%	2,569.98	6%
Europe	7,495.51	17%	7,154.81	17%
Asia Pacific	11,080.88	25%	10,370.50	25%
Middle East and Africa	6,477.25	15%	6,661.38	16%
	44,265.33	100%	41,312.17	100%

Revenue of ₹ 19,756.84 million (March 31, 2016 ₹ 17,464.26 million) is derived from a single customer in 'Products' and 'Services' segment.

The following table shows the OFSS group's consolidated non current assets by geographical market :

Regions	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Amounts in ₹ million	%	Amounts in ₹ million	%	Amounts in ₹ million	%
India	8,713.29	57%	7,206.60	51%	7,430.14	52%
Outside India						
Americas						
United States of America	5,135.99	34%	5,135.97	36%	5,141.28	36%
Rest of America	0.91	0%	0.87	0%	1.32	0%
Europe	936.03	6%	978.11	7%	1,198.25	8%
Asia Pacific	485.17	3%	865.99	6%	515.66	4%
Middle East and Africa	7.77	0%	18.82	0%	2.53	0%
	15,279.16	100%	14,206.36	100%	14,289.18	100%

Non current assets for this purpose consist of Property, Plant and Equipment, Intangible assets, Investment property, non-current income tax asset and other non-current assets.

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

As per our report of even date

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

per **Amit Majmudar**
Partner
Membership No. 36656

Mumbai, India
May 16, 2017

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

S Venkatachalam
Chairman

Richard Jackson
Director

Mumbai, India
May 16, 2017

Chaitanya Kamat
Managing Director
& Chief Executive Officer

Makarand Padalkar
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Compliance Officer

Consolidated statement of cash flow

for the year ended March 31, 2017

	(Amounts in ₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Cash flows from operating activities		
Profit before tax	17,569.78	17,475.89
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities :		
Depreciation and amortization	701.92	529.27
(Profit)/loss on sale/disposal of fixed assets, net	(38.53)	62.46
Impairment loss recognized / (reversed) on financial assets	593.73	(11.77)
Bad debts	257.47	179.46
Finance income	(1,491.16)	(2,180.22)
Employee stock compensation expense	780.44	718.86
Share of (loss) of an associate	2.72	0.15
Effect of exchange rate changes in cash and cash equivalent	259.15	(377.00)
Unrealized exchange loss, net	(41.97)	305.87
Deferred rent	(0.60)	(46.86)
Finance charge on leased assets	–	0.04
Operating Profit before Working Capital changes	18,592.95	16,656.15
Movements in working capital		
Decrease in other non current assets	18.86	188.26
Decrease (Increase) in trade receivables	43.72	(2,005.98)
(Increase) decrease in other financial assets	(1,030.79)	238.13
Decrease (Increase) in other current assets	194.83	(145.37)
(Decrease) increase in non current financial liabilities	(2.66)	1.65
Increase (decrease) in other non-current liabilities	57.99	(5.56)
Increase in non current employee benefit obligations	118.56	58.99
(Decrease) increase in trade payables	(269.61)	12.14
Increase (decrease) in other current financial liabilities	710.71	(699.08)
(Decrease) in current liabilities	(150.41)	(299.84)
Increase in current employee benefit obligations	102.92	151.53
Cash from operating activities	18,387.07	14,151.02
Payment of domestic and foreign taxes	(7,175.74)	(7,027.96)
Net cash provided by operating activities	11,211.33	7,123.06
Cash flows from investing activities		
Additions to fixed assets including capital work in progress	(612.53)	(270.71)
Refund of deposits for premises and others	50.04	190.57
Proceeds from sale of fixed assets	38.64	9.60
Bank fixed deposits having maturity of more than three months matured	24,969.58	33,713.79
Bank fixed deposits having maturity of more than three months booked	(7,524.06)	(25,881.78)
Proceeds from maturity of margin money	3.72	–
Interest received	1,561.01	2,045.38
Net cash provided by investing activities	18,486.40	9,806.85

Consolidated statement of cash flow

for the year ended March 31, 2017 (continued)

	(Amounts in ₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Cash flows from financing activities		
Issue of shares under employee stock option plan	589.42	575.18
Payment of lease obligations	–	(1.06)
Final dividend paid on equity shares	(8,484.59)	(15,229.45)
Tax on final equity dividend paid	(1,418.36)	(3,106.50)
Net cash (used in) financing activities	(9,313.53)	(17,761.83)
Net increase (decrease) in cash and cash equivalents	20,384.20	(831.92)
Cash and cash equivalents at beginning of the year	5,789.66	6,244.58
Effect of exchange rate changes in cash and cash equivalents	(259.15)	377.00
Cash and cash equivalents at end of the year	25,914.71	5,789.66
Component of cash and cash equivalents		
Balances with banks:		
In current accounts*	5,707.33	5,382.31
In deposit accounts with original maturity of less than 3 months	5,494.34	272.10
In unpaid dividend account**	14,593.93	–
In unclaimed dividend account***	119.11	135.25
Total cash and cash equivalents [Refer note 9 (a)]	25,914.71	5,789.66

* Current account includes ₹ 0.92 million (March 31, 2016 ₹ 358.87 million) on account of restricted cash and bank balances held by i-flex Employee Stock Option Trust controlled by the Company.

** These balances includes amount earmarked towards dividend declared on March 29, 2017.

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

As per our report of even date

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

per **Amit Majmudar**
Partner
Membership No. 36656

Mumbai, India
May 16, 2017

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

S Venkatachalam
Chairman

Richard Jackson
Director

Mumbai, India
May 16, 2017

Chaitanya Kamat
Managing Director
& Chief Executive Officer

Makarand Padalkar
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Compliance Officer

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

Sl. No.	Name of the Subsidiary	Reporting period	Reporting Currency	Exchange rate	Share capital	Reserves and Surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding
<i>Subsidiaries</i>															
1.	Oracle Financial Services Software B.V.	31-Mar-17	EURO	69.22	796.02	606.37	4,027.02	3,357.71	733.08	9,952.72	842.96	319.79	523.17	—	100%
2.	Oracle Financial Services Software SA	31-Mar-17	EURO	69.22	724.51	135.46	1,091.50	231.53	—	334.91	60.61	36.42	24.19	—	100%
3.	Oracle Financial Services Software Pte. Ltd.	31-Mar-17	USD	64.83	94.94	585.43	3,275.92	2,641.92	46.37	10,459.66	613.15	586.05	27.10	—	100%
4.	Oracle Financial Services Consulting Pte. Ltd.	31-Mar-17	USD	64.83	46.37	(233.11)	60.15	246.89	—	—	0.38	—	0.38	—	100%
5.	Oracle Financial Services Software America, Inc.	31-Mar-17	USD	64.83	5,863.44	444.13	18.61	0.57	6,289.53	—	941.41	(4.91)	946.32	—	100%
6.	Oracle Financial Services Software, Inc.	31-Mar-17	USD	64.83	49.51	5,364.35	7,074.79	1,660.93	—	15,508.40	1,970.21	663.68	1,306.53	—	100%
7.	Mantas Inc.	31-Mar-17	USD	64.83	5,650.17	(746.82)	4,888.35	—	15.00	—	0.18	—	0.18	—	100%
8.	Sotas Inc.	31-Mar-17	USD	64.83	—	—	—	—	—	—	—	—	—	—	100%
9.	Mantas India Private Limited	31-Mar-17	INR	1.00	15.00	3.86	18.89	0.03	—	—	1.11	0.34	0.77	—	100%
10.	ISP Internet Mauritius Company	31-Mar-17	USD	64.83	—	449.62	391.87	0.28	58.03	—	8.24	—	8.24	—	100%
11.	Oracle (OFSS) BPO Services Inc.	31-Mar-17	USD	64.83	0.43	(680.19)	127.54	807.30	—	373.05	54.55	2.68	51.87	—	100%
12.	Oracle (OFSS) BPO Services Limited	31-Mar-17	INR	1.00	177.74	93.86	345.92	74.32	—	311.99	30.40	13.79	16.61	—	100%
13.	Oracle (OFSS) Processing Services Limited	31-Mar-17	INR	1.00	13.00	169.17	221.19	39.19	0.17	291.51	83.30	30.74	52.56	—	100%
14.	Oracle (OFSS) ASP Private Limited	31-Mar-17	INR	1.00	51.70	(12.54)	39.81	0.65	—	—	2.01	—	2.01	—	100%
15.	Oracle Financial Services Software Chile Limitada	31-Dec-16	CLP	0.10	78.31	263.88	633.62	291.43	—	575.92	203.79	65.12	138.67	—	100%
16.	Oracle Financial Services Software (Shanghai) Limited	31-Dec-16	CNY	9.40	45.75	142.03	1,814.43	1,626.65	—	487.94	(11.87)	25.13	(37.00)	—	100%
<i>Controlled Trust</i>															
17.	i-flex Employee Stock Option Trust Associate	31-Mar-17	INR	1.00	—	414.09	386.62	(27.47)	—	—	58.72	10.12	48.60	—	—
18.	Login SA	31-Dec-16	EURO	69.22	13.84	(32.50)	94.96	113.67	0.05	168.68	(25.18)	1.19	(26.37)	—	33%
Total											4,834	1,750	3,084		

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

S Venkatachalam
Chairperson

Mumbai, India
July 12, 2017

Unconsolidated financials

Financial statements for the year ended March 31, 2017 prepared in accordance with Ind AS (Unconsolidated).

Independent Auditor's Report

To the Members of Oracle Financial Services Software Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Oracle Financial Services Software Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 the 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.

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, 2017, 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 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 37 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;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. As per books of accounts of the Company and represented by the management, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Amit Majmudar

Partner

Membership Number: 36656

Place of Signature: Mumbai

Date: May 16, 2017

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

Re: Oracle Financial Services Software 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, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Companies (Auditor's report) Order, 2016 ("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, provisions of section 186 of the Act in respect of investments made have been complied with by the Company. In our opinion and according to the information and explanations given to us, there are no loans, guarantees and securities granted in respect of which provisions of section 185 and section 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 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) Undisputed statutory dues including provident fund, income-tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there have been considerable delays in few cases of foreign income taxes and foreign withholding tax. As explained to us, the Company did not have any dues of excise duty.
- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, income-tax, service tax, sales-tax, duty of customs, value added tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Due Date	Date of Payment
Foreign Tax	Income Tax	413,761,143	April 2005 to March 2016	Various dates	Not yet paid
	Withholding Tax	1,423,541	January 2012 to July 2015	Various dates	Not yet paid

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

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax and interest thereon	81,279,735	April 2007 to March 2008	Commissioner of Appeal (Income-tax)
The Income Tax Act, 1961	Income Tax	1,659,016,392	April 2012 to March 2013	Commissioner of Appeal (Income-tax)

- (viii) 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) 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 managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (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) 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.
- (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 Amit Majmudar

Partner

Membership Number: 36656

Place of Signature: Mumbai

Date: May 16, 2017

Annexure 2 to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of Oracle Financial Services Software 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 Financial Services Software Limited ("the Company") as of March 31, 2017 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 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, 2017, 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 Amit Majmudar

Partner

Membership Number: 36656

Place of Signature: Mumbai

Date: May 16, 2017

Balance sheet

as at March 31, 2017

		(Amounts in ₹ million)		
	Notes	March 31, 2017	March 31, 2016	April 01, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	2,428.13	2,513.90	2,870.65
Capital work-in-progress	3	6.55	24.53	2.96
Investment property	4	102.00	102.00	102.00
Financial assets				
Investments in subsidiaries and associate	5	7,549.57	7,483.25	7,506.31
Other non-current financial assets	6	550.17	1,285.08	1,484.75
Income tax assets (net)		5,680.53	4,242.09	4,121.60
Deferred tax assets (net)	15(c)	1,102.19	646.52	522.29
Other non-current assets	9	713.52	730.41	916.45
		18,132.66	17,027.78	17,527.01
Current assets				
Financial assets				
Trade receivables	7	5,075.12	8,046.77	6,318.65
Cash and cash equivalents	8(a)	20,990.75	1,358.23	908.92
Other bank balances	8(b)	3,385.97	20,553.17	29,434.97
Other current financial assets	6	3,069.48	2,752.35	2,444.09
Other current assets	9	369.22	486.32	326.31
		32,890.54	33,196.84	39,432.94
TOTAL		51,023.20	50,224.62	56,959.95
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10	425.53	424.28	423.07
Other equity	11	26,333.67	39,148.33	47,318.33
Total equity		26,759.20	39,572.61	47,741.40
Non-current liabilities				
Financial liabilities				
Other non-current liabilities	12(b)	21.14	23.03	19.82
Other non-current liabilities	13	136.86	161.46	156.75
Employee benefit obligations	14	744.83	633.70	576.77
		902.83	818.19	753.34
Current liabilities				
Financial liabilities				
Trade payables	12(a)	75.49	265.65	242.65
Other current financial liabilities	12(b)	20,574.82	7,080.10	6,092.82
Other current liabilities	13	1,090.85	981.89	935.08
Employee benefit obligations	14	1,153.48	1,075.41	935.95
Income tax liabilities (net)		466.53	430.77	258.71
		23,361.17	9,833.82	8,465.21
TOTAL		51,023.20	50,224.62	56,959.95
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 Amit Majmudar
Partner
Membership No. 36656

Mumbai, India
May 16, 2017

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

S Venkatachalam
Chairman

Richard Jackson
Director

Mumbai, India
May 16, 2017

Chaitanya Kamat
Managing Director
& Chief Executive Officer

Makarand Padalkar
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Compliance Officer

Statement of profit and loss

for the year ended March 31, 2017

(Amounts in ₹ million, except share data)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations	16	37,363.12	35,284.31
Finance income	17	1,420.83	2,151.82
Other income, net	18	215.76	(23.14)
Total income		38,999.71	37,412.99
Expenses			
Employee benefit expenses	19	18,108.63	16,908.62
Travel related expenses		2,048.80	1,847.56
Professional fees		1,850.38	1,638.94
Other operating expenses	20	1,660.57	1,839.14
Depreciation and amortization	3	667.99	497.71
Total expenses		24,336.37	22,731.97
Profit before exceptional item and tax		14,663.34	14,681.02
Exceptional item	41	2,162.59	—
Profit before tax		16,825.93	14,681.02
Tax expenses	15		
Current tax		4,383.88	5,809.58
Deferred tax		(438.92)	(106.11)
Total tax expenses		3,944.96	5,703.47
Profit for the year		12,880.97	8,977.55
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Actuarial (loss) gain on gratuity fund		(48.38)	(52.47)
Deferred tax		16.74	18.16
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		44.62	(38.92)
Total other comprehensive income for the year, net of tax		12.98	(73.23)
Total comprehensive income for the year		12,893.95	8,904.32
Earnings per equity share of par value of ₹ 5 (March 31, 2016 ₹ 5) each	21		
Basic		151.57	105.95
Diluted		151.06	105.38
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 **Amit Majmudar**
Partner
Membership No. 36656

Mumbai, India
May 16, 2017

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

S Venkatachalam
Chairman

Richard Jackson
Director

Mumbai, India
May 16, 2017

Chaitanya Kamat
Managing Director
& Chief Executive Officer

Makarand Padalkar
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Compliance Officer

Statement of changes in equity for the year ended March 31, 2017

(a) Year ended March 31, 2017

Particulars	(Amounts in ₹ million, except share data)										
	Equity share capital			Other equity			Total equity attributable to equity shareholders of the Company				
	Number of shares	Share Capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Retained earnings	Other comprehensive income	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 year	—	—	—	—	—	—	12,880.97	—	—	—	12,880.97
Final equity dividend including dividend distribution tax thereon	—	—	—	—	—	—	(9,843.42)	—	—	—	(9,843.42)
Interim equity dividend including dividend distribution tax thereon	—	—	—	—	—	—	(17,233.73)	—	—	—	(17,233.73)
Actuarial 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

(b) Year ended March 31, 2016

Particulars	(Amounts in ₹ million, except share data)										
	Equity share capital			Other equity				Total equity			
	Number of shares	Share Capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Retained earnings	Other comprehensive income	Foreign currency translation reserve	Remeasurement of defined benefit obligation	attributable to equity shareholders of the Company
Balance as of April 1, 2015	84,614,859	423.07	0.63	11,046.05	10,145.19	723.99	25,402.47	—	—	—	47,741.40
<i>Changes in equity for the year ended March 31, 2016</i>											
Application money received for exercised options	—	—	575.18	—	—	—	—	—	—	—	575.18
Shares issued for exercised options	241,319	1.21	(572.81)	571.60	—	—	—	—	—	—	—
Stock compensation charge	—	—	—	—	—	717.56	—	—	—	—	717.56
Forfeiture of options	—	—	—	—	—	(23.39)	23.39	—	—	—	—
Stock compensation related to options exercised	—	—	—	72.45	—	(72.45)	—	—	—	—	—
Profit for the year	—	—	—	—	—	—	8,977.55	—	—	—	8,977.55
Final equity dividend including dividend distribution tax thereon	—	—	—	—	—	—	(18,365.85)	—	—	—	(18,365.85)
Actuarial loss on gratuity fund including deferred tax thereon	—	—	—	—	—	—	—	—	—	(34.31)	(34.31)
Exchange differences on translation of foreign operations	—	—	—	—	—	—	—	(38.92)	—	—	(38.92)
Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings	—	—	—	—	—	—	(34.31)	—	—	34.31	—
Balance as of March 31, 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

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

As per our report of even date

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

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No. 101049W/E300004

per Amit Majmudar

Partner
Membership No. 36656

Mumbai, India
May 16, 2017

S Venkatchalam

Chairman

Mumbai, India
May 16, 2017

Richard Jackson

Director

Chaitanya Kamat

Managing Director
& Chief Executive Officer

Makarand Padalkar

Chief Financial Officer

Onkarnath Banerjee

Company Secretary
& Compliance Officer

Notes annexed to and forming part of financial statements for the year ended March 31, 2017

Note 1: Corporate information

Oracle Financial Services Software Limited (the 'Company') was incorporated in India with limited liability on September 27, 1989. The Company is domiciled in India and has its registered office at Mumbai, Maharashtra, India. The Company is a subsidiary of Oracle Global (Mauritius) Limited holding 74.09% (March 31, 2016 – 74.30%) ownership interest in the Company as at March 31, 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 standalone financial statements for the year ended March 31, 2017 were approved by the Company's Board of Directors and authorized for issue on May 16, 2017.

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 ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. These standalone 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, 2017 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). These standalone financial statements are the first financial statements of Company prepared under Ind AS.

For all periods up to and including the year ended March 31, 2016, the Company prepared its standalone financial statements in accordance with accounting standards notified under the section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). In accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards, the Company has presented reconciliation under Previous GAAP to Ind AS of shareholders' equity as at March 31, 2016 and April 1, 2015, and of the comprehensive income for the year ended March 31, 2016.

Previous period comparative numbers in the standalone financial statements are presented for opening balance sheet as at April 1, 2015 along with March 31, 2016 and have been restated to Ind AS.

The standalone 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, including derivative instruments, that are measured at fair value
- assets held for sale
- defined benefit plan
- share-based payments

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

Freehold land is stated at cost. All other items of property, plant and equipment and capital work in progress, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. 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 present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. All additions during the reported year are considered at cost.

The Company purchases certain specific-use application software, which is in ready to use condition, for internal use. It is estimated that such software has a relatively short useful life, usually less than one year. The Company, therefore, charges to income the cost of acquiring such software.

Depreciation

Depreciation is computed as per the 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:

Asset description	Asset life (in years)
Improvement of leasehold premises	Lesser of 7 years or lease term
Buildings	20
Computer equipments	3
Office equipments	2-5
Electricals and other installations	2-7
Furniture and fixtures	2-7
Vehicles under finance Lease	Lesser of 3 to 5 years or lease term

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, supported by an independent assessment by professionals, the useful lives of buildings as 20 years. These lives are lower than those indicated in schedule II to the Act.

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 equipment's forming part of computer equipment's 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 and electrical and other installations are estimated at 2-7 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 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, quoted share prices for publicly traded companies 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 standalone financial statements are presented in Indian Rupees ("INR"), which is the functional currency of the Company. For each branch, the Company determines the functional currency and items included in the financial statements of each branch are measured using that functional currency.

Foreign currency balances

Transactions in foreign currencies are initially recorded by the Company's branches at their respective functional currency using spot rates on the date 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.

The assets and liabilities of foreign branch are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the date of the transactions. For practical reasons, the Company uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the date of the transactions. The exchange differences arising on translation for branch consolidation are recognized in Other Comprehensive Income ("OCI").

Cumulative currency translation differences of the foreign branches are deemed to be zero at the date of transition i.e. April 1, 2015 (Refer note 45).

(d) Research and development expenses for software products

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical feasibility of project is established, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the cost can be measured reliably.

Software product development costs incurred subsequent to the achievement of technical feasibility are not material and are expensed as incurred.

(e) Revenue recognition

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 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 the 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.

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 18 - Revenue, by applying the revenue recognition criteria for each separately identifiable component of a single transaction. The arrangements generally meet the criteria for considering software development and related services as separately identifiable components. For allocating the consideration, the Company has measured the revenue in respect of each separable component of a transaction at its fair value, in accordance with principles given in Ind AS 18. The price that is regularly charged for an item when sold separately is the best evidence of its fair value. In cases where the Company is unable to establish objective and reliable evidence of fair value for the software development and related services, the Company has used a residual method to allocate the arrangement consideration. In these cases, the balance of the consideration, after allocating the fair values of undelivered components of a transaction, has been allocated to the delivered components for which specific fair values do not exist.

Revenue is recognized for fixed price contracts by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered.

Revenue from contracts on time and material basis is recognized as services are performed. Product maintenance revenue is recognized rateably over the period of the contract.

The Company presents revenues net of service tax and value added tax in its statement of profit and loss.

Revenue in excess of billing is classified as unbilled revenue while billing in excess of revenue is classified as deferred 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.

(f) 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 the countries where the Company and its branches operate and generate 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 initial recognition of goodwill or 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.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized 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 and the deferred taxes relate to the same taxable entity and the same taxation authority.

(g) Investment properties

Investment properties are measured initially and subsequently at cost. Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed annually in the notes which form an integral part of the financial statements. Fair values are determined based on an evaluation performed by an accredited external independent valuer applying a valuation technique as per the international norms and standards. Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from such disposal. The difference between the net sale proceeds and the carrying amount of asset is recognized in statement of profit and loss in the period of de-recognition.

(h) Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts shall be recovered principally through a sale rather than through continuing use. Sale transactions shall include exchanges of non-current assets for other non-current assets when the exchange has commercial substance.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment once classified as held for sale are not depreciated.

All other notes to the standalone financial statements primarily include amounts for continuing operations, unless otherwise mentioned.

(i) 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 standalone 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 standalone 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.

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.

(j) 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 subsidiaries and associate 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 financials 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.

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 with net changes in fair value recognized in the statement of profit or loss.

Derecognition

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 across the globe and therefore the Company also considers the socio-economic conditions of the regions where the customers are located.

On that basis, the Company estimates the following provision matrix at the reporting date:

Ageing	0-30 days	31-60 days	61-90 days	91-180 days	181-360 days	More than 360 days
Africa	9.6%	18.9%	0.1%	26.1%	44.3%	36.0%
Asia Pacific	–	0.1%	0.7%	5.7%	13.9%	49.2%
Europe & Middle East	0.3%	0.3%	–	0.9%	3.4%	10.5%
United States of America & Latin America	0.1%	0.1%	0.3%	1.6%	7.6%	44.7%

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

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, accrued compensation to employees, advance from customers, amount due to subsidiaries, dividend and dividend tax payable along with unpaid dividends.

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.

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.

Derecognition

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.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating

or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109 - Financial Instruments, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss, unless designated as effective hedging instruments.

(k) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

The Company enters into foreign currency forward contracts that is used to hedge risk of exposure of changes in the fair value of trade receivable on account of foreign currency rate movement. These derivative contracts are not designated as hedges and accounted for at fair value through statement of profit or loss and are included in other income, net.

(l) 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.

For arrangements entered into prior to April 1, 2015, the Company has examined and determined whether the arrangements contain lease on the basis of facts and circumstances existing on the date of transition.

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.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability which leads to constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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.

(m) Share based payments

Employees of the Company also receive remuneration in the form of share-based payments.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognized, together with a corresponding increase in 'employee stock options outstanding' in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefit expenses. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest (Refer note 45).

The statement of profit and loss expense or credit recognized in employee benefit expense represents the movement in cumulative expense recognized as at the beginning or end of the year.

(n) 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.

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.

(o) 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.

The Company operates a defined benefit gratuity plan in India, under which the Company makes contributions to a fund administered and managed by the Life Insurance Corporation of India ('LIC') to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the Company, although LIC administers the scheme.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), 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.

Non vested past service cost has been adjusted against the retained earnings on the date of transition to Ind AS.

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.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net 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.

(p) Cash dividend to equity shareholders of the Company

The Company recognizes a liability to make cash or non-cash distributions to equity shareholders 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.

(q) 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.

(r) 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.

Note 3: Property, plant and equipment

Year ended March 31, 2017

Particulars	Gross carrying value				Depreciation				Net carrying value As at March 31, 2017	
	As at April 01, 2016	Additions	Sale/ deletions	Translation gain (loss)	As at March 31, 2017	As at April 01, 2016	Additions	Sale/ deletions		Translation gain (loss)
Freehold land	436.31	—	—	—	436.31	—	—	—	—	436.31
Improvement to leasehold premises	299.68	15.02	30.85	(0.29)	283.56	176.85	54.10	30.85	(0.70)	199.40
Buildings [Refer note below]	2,085.00	—	7.13	—	2,077.87	761.02	103.63	7.07	—	857.58
Computer equipments	1,585.46	394.38	127.89	(0.46)	1,851.49	1,431.72	268.31	127.87	0.50	1,572.66
Office equipments	173.47	135.23	18.35	(0.07)	290.28	168.21	77.20	18.35	(0.61)	226.45
Electricals and other installations	996.80	3.96	66.88	—	933.88	749.43	85.56	66.88	—	768.11
Furniture and fixtures	801.91	33.72	13.95	(0.01)	821.67	577.50	79.19	13.95	(0.01)	642.73
Vehicles under finance lease	—	—	—	—	—	—	—	—	—	—
Total	6,378.63	582.31	265.05	(0.83)	6,695.06	3,864.73	667.99	264.97	(0.82)	4,266.93
										Capital work-in-progress
										6.55
										2,428.13
										2,434.68

Year ended March 31, 2016

Particulars	Gross carrying value				Depreciation				Net carrying value As at March 31, 2016	
	As at April 01, 2015	Additions	Sale/ deletions	Translation gain (loss)	As at March 31, 2016	As at April 01, 2015	Additions	Sale/ deletions		Translation gain (loss)
Freehold land	436.31	—	—	—	436.31	—	—	—	—	436.31
Improvement to leasehold premises	337.90	22.29	60.73	0.22	299.68	163.77	43.30	30.14	(0.08)	176.85
Buildings [Refer note below]	2,085.00	—	—	—	2,085.00	653.03	107.99	—	—	761.02
Computer equipments	1,757.97	115.23	288.54	0.80	1,585.46	1,550.79	169.02	288.46	0.37	1,431.72
Office equipments	180.99	3.41	11.00	0.07	173.47	172.96	6.08	10.96	0.13	168.21
Electricals and other installations	1,016.81	26.73	46.74	—	996.80	679.10	100.36	30.03	—	749.43
Furniture and fixtures	822.68	43.40	64.13	(0.04)	801.91	547.37	70.95	40.83	0.01	577.50
Vehicles under finance lease	0.90	—	0.90	—	—	0.89	0.01	0.90	—	—
Total	6,638.56	211.06	472.04	1.05	6,378.63	3,767.91	497.71	401.32	0.43	3,864.73
										Capital work-in-progress
										24.53
										2,538.43

Note:

Includes Nil (March 31, 2016 and April 1, 2015 - 10) shares of ₹ 50 each in Takshila Building No. 9, Co-op Housing Society Limited, Mumbai.

Note 4: Investment property

Year ended March 31, 2017

(Amounts in ₹ million)

Particulars	Gross carrying value				Depreciation				Net carrying value As at March 31, 2017
	As at April 01, 2016	Additions	Sale/ deletions	Translation gain (loss)	As at April 01, 2016	Additions	Sale/ deletions	Translation gain (loss)	
Freehold land	102.00	-	-	-	-	-	-	-	102.00
Total	102.00	-	-	-	-	-	-	-	102.00

Year ended March 31, 2016

(Amounts in ₹ million)

Particulars	Gross carrying value				Depreciation				Net carrying value As at March 31, 2016
	As at April 01, 2015	Additions	Sale/ deletions	Translation gain (loss)	As at April 01, 2015	Additions	Sale/ deletions	Translation gain (loss)	
Freehold land	102.00	-	-	-	-	-	-	-	102.00
Total	102.00	-	-	-	-	-	-	-	102.00

The Company's investment property consists of a portion of land at Pune, India.

The fair value of the investment property as at March 31, 2017, March 31, 2016 and April 1, 2015 is based on valuations performed by Rakesh Narula & Co; an accredited independent valuer. Rakesh Narula & Co. is one of the senior most and reputed company in the field of asset valuation. Rakesh Narula & Co. has been carrying out valuation as per the international norms and standards. The fair value of the above investment property as at March 31, 2017, March 31, 2016 and April 1, 2015 is ₹ 225.67 million, ₹ 227.20 million and ₹ 216.70 million respectively.

The direct operating expenses represent the proportionate amount of operating expenses incurred for the investment property and is included under Note 20 : Other operating expenses. The proportionate amount of these expenses paid for the financial year ended March 31, 2017 and March 31, 2016 are ₹ 3.49 million and ₹ 2.78 million respectively.

The Company has no restrictions on the realizability of its investment properties and has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. Fair value hierarchy disclosures for investment properties have been provided in note 22 on fair value measurement.

Reconciliation of fair value:		(Amounts in ₹ million)
Fair Value of Investment Property as on April 1, 2015		216.70
Adjustment towards Fair Values for the financial year ended March 31, 2016		10.50
Fair Value of Investment Property as on March 31, 2016		227.20
Adjustment towards Fair Values for the financial year ended March 31, 2017		(1.53)
Fair Value of Investment Property as on March 31, 2017		225.67

Description of valuation techniques used and key inputs to valuation on investment properties:

Investment property	Valuation technique	Significant unobservable inputs	Range (weighted average)	(Amounts in ₹)
Freehold land	Market approach (Sale Comparison Method)	Estimated market rate per sq. mt. of freehold land Negotiation, location and physical adjustments Final adjusted price per sq. mt.	March 31, 2017 ₹ 14,827 to ₹ 28,481 -35% to +40%	April 1, 2015 ₹ 13,000 to ₹ 22,605 -25% to +40%
			March 31, 2016 ₹ 13,000 to ₹ 22,605 -25% to +40%	₹ 13,000 to ₹ 22,605 -25% to +40%
				₹ 13,959 to ₹ 14,850

The fair market value of the portion of land is computed using the market approach (Sale Comparison Method). The prevalent market rates of comparable property in the vicinity are considered to estimate the market value of the subject property. To estimate the market rate of land, a local enquiry as well as a market survey has been conducted with property dealers, brokers, owners of similar property in the surrounding areas and the rates from Joint Sub-Registrars' Office for actual transactions and the Ready Reckoner rates have also been considered. Weightages to additional factors like shape, size, location, frontage, access to main road and the demand and supply of similar properties have been considered while computing the market value of the subject property.

Note 5: Investments in subsidiaries and associate (unquoted) (at cost, unless otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
(i) In wholly owned subsidiaries			
Oracle (OFSS) ASP Private Limited			
5,170,000 (March 31, 2016 and April 1, 2015 - 5,170,000) equity shares of ₹ 10 each, fully paid-up	46.10	46.10	46.10
Less: Provision for diminution in value of investment	(46.10)	(46.10)	(46.10)
	—	—	—
Oracle Financial Services Software B.V.			
140,000 (March 31, 2016 and April 1, 2015 - 140,000) equity shares of EUR 100 each, fully paid-up	776.31	776.31	776.31
Equity contribution for stock Options/OSUs	20.58	15.22	10.85
	796.89	791.53	787.16
Oracle Financial Services Software Pte. Ltd.			
250,000 (March 31, 2016 and April 1, 2015 - 250,000) equity shares of SGD 1 each, fully paid-up	6.63	6.63	6.63
Equity contribution for stock Options/OSUs	88.31	53.18	27.15
	94.94	59.81	33.78
Oracle Financial Services Software America, Inc.			
1 (March 31, 2016 and April 1, 2015 - 1) equity share of USD 0.01 each, fully paid-up	3,452.26	3,452.26	3,452.26
100 (March 31, 2016 and April 1, 2015 - 100) Series A Convertible Participating Preference Shares of USD 0.01 each, fully paid-up	2,839.49	2,839.49	2,839.49
Fair valuation of loan	52.88	52.88	52.88
Equity contribution for stock Options/OSUs	49.50	31.62	14.36
	6,394.13	6,376.25	6,358.99
Oracle Financial Services Software (Shanghai) Limited			
100% (March 31, 2016 and April 1, 2015 - 100%) subscription to the registered capital	45.51	45.51	45.51
Equity contribution for stock Options/OSUs	0.24	0.07	—
	45.75	45.58	45.51
Oracle Financial Services Software Chile Limitada			
100% (March 31, 2016 and April 1, 2015 - 100%) subscription to the registered capital	70.49	70.49	70.49
Equity contribution for stock Options/OSUs	7.84	5.49	3.05
	78.33	75.98	73.54
ISP Internet Mauritius Company			
30,000 (March 31, 2016 and April 1, 2015 - 30,000) equity shares of USD 1 each, fully paid-up	192.12	192.12	192.12
Less: Provision for diminution in value of investment	(192.12)	(192.12)	(120.00)
Fair valuation of loan	113.70	113.70	113.70
Less: Provision for loss in fair value of loan	(4.63)	(4.63)	—
Equity contribution for stock Options/OSUs	10.87	5.44	1.92
	119.94	114.51	187.74
Oracle (OFSS) Processing Services Limited			
1,300,000 (March 31, 2016 and April 1, 2015 - 1,300,000) equity shares of ₹ 10 each, fully paid-up	13.00	13.00	13.00
(ii) In associate			
Login SA			
33,000 (March 31, 2016 and April 1, 2015 - 33,000) equity shares of EUR 2 each, fully paid-up	6.59	6.59	6.59
Aggregate amount of unquoted investments	7,549.57	7,483.25	7,506.31
Aggregate amount of impairment of unquoted investments	242.85	242.85	166.10

Note 6: Financial assets

Non-current

Other financial assets at fair value through profit or loss

Investment in Sarvatra Technologies Private Limited (unquoted)*

242,240 (March 31, 2016 and April 1, 2015 - 242,240) equity shares of ₹ 10 each, fully paid-up

Other financial assets measured at amortized cost

Loan to subsidiaries

Deposits for premises and others

Current

Derivative instruments at fair value through profit or loss

Derivatives not designated as hedges

Foreign exchange forward contract, net**

Other financial assets measured at amortized cost

Loan to subsidiaries

Deposits for premises and others

Unbilled revenue

Other advances

* The Company had made an investment of ₹ 45 million and the same has been fair valued as at the balance sheet date.

** The Company entered into foreign exchange forward contracts with the intention of reducing the foreign exchange risk of trade receivables; these contracts are not designated in hedge relationships and are measured at fair value through statement of profit or loss.

Breakup of financial assets measured at amortized cost

Loan to subsidiaries (note 6)

Deposits for premises and others (note 6)

Unbilled revenue (note 6)

Other advances (note 6)

Trade receivables (note 7)

Cash and bank balances (note 8)

Note 7: Trade receivables

Break-up for security details:

Secured, considered good

Unsecured, considered good

Considered doubtful

Impairment Allowance

Unsecured, considered good

Considered doubtful

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 30 to 90 days.

Note 8: Cash and bank balance

(a) Cash and cash equivalents			
Balances with banks:			
In current accounts	828.45	1,052.95	806.52
In deposit accounts with original maturity of less than 3 months	5,449.27	170.03	–
In unpaid dividend account	14,593.93	–	–
In unclaimed dividend accounts	119.10	135.25	102.40
	20,990.75	1,358.23	908.92
(b) Other bank balances			
Balances with banks:			
In deposit accounts with original maturity of more than 3 months but less than 12 months	3,384.38	20,547.92	29,429.72
In margin money deposit accounts	1.59	5.25	5.25
	3,385.97	20,553.17	29,434.97
	24,376.72	21,911.40	30,343.89

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.

As on November 8, 2016 and December 30, 2016, the Company did not hold any Specified Bank Notes and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017. The Company has not transacted during the period from November 8, 2016 to December 30, 2016 in Specified Bank Notes and other denomination notes.

Note 9: Other assets

Non-current			
VAT, Service tax and other indirect taxes	460.57	460.57	548.85
Prepaid expenses	252.95	269.84	367.60
	713.52	730.41	916.45
Current			
VAT, Service tax and other indirect taxes	173.92	293.44	159.20
Prepaid expenses	195.30	192.88	167.11
	369.22	486.32	326.31

(Amounts in ₹ million)

March 31, 2017 March 31, 2016 April 1, 2015

Note 10: Equity share capital

Authorized:

100,000,000 (March 31, 2016 - 100,000,000 and April 1, 2015 - 100,000,000) equity shares of ₹ 5 each	500.00	500.00	500.00
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Issued, subscribed and fully paid-up:

85,106,406 (March 31, 2016 - 84,856,178 and April 1, 2015 - 84,614,859) equity shares of ₹ 5 each	425.53	424.28	423.07
--	--------	--------	--------

(a) The Company has only one class of equity shares having a par value of ₹ 5 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

Name and relationship of shareholder :	March 31, 2017	March 31, 2016	April 1, 2015
Oracle Global (Mauritius) Limited, holding company			
Number of equity shares	63,051,197	63,051,197	63,051,197
% of equity shares	74.09%	74.30%	74.52%

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

	Number of equity shares	Amounts in ₹ million
Outstanding as at April 1, 2015	84,614,859	423.07
Issued during the year ended March 31, 2016 under the employee stock option plan (ESOP)	241,319	1.21
Outstanding as at March 31, 2016	84,856,178	424.28
Issued during the year ended March 31, 2017 under the employee stock option plan (ESOP)	250,228	1.25
Outstanding as at March 31, 2017	85,106,406	425.53

(d) Refer note 26 (b) for details of shares reserved for issue under the employee stock option plan (ESOP) of the Company.

March 31, 2017 March 31, 2016 April 1, 2015

Note 11: Other equity

Share application money pending allotment [refer note below]	26.16	3.00	0.63
Securities premium	12,528.56	11,690.10	11,046.05
Employee stock options outstanding	1,835.05	1,345.71	723.99
General reserve	10,145.19	10,145.19	10,145.19
Retained earnings	1,793.01	16,003.25	25,402.47
Other comprehensive income	5.70	(38.92)	—
	26,333.67	39,148.33	47,318.33

Note: Share application money pending allotment for the year ended March 31, 2017 represents the money received from employees of the Company towards exercise of 480 stock options at the exercise price of ₹ 2,050.00 under Employee Stock Option Plan 2010 Scheme ("Scheme 2010"), 3,053 stock options at the exercise price of ₹ 1,929.95, 2,612 stock options at the exercise price of ₹ 3,076.85 and 3,243 stock options at the exercise price of ₹ 3,126.85 under Employee Stock Option Plan 2011 Scheme ("Scheme 2011") and 2,658 OFSS Stock Units ("OSUs") at the exercise price of ₹ 5 and 338 stock options at the exercise price of ₹ 3,241.25 under Oracle Financial Services Software Limited Stock Plan 2014 ("OFSS Stock Plan 2014"). Each stock option and OSUs will entitle one equity share of ₹ 5 each of the Company.

(Amounts in ₹ million)

	March 31, 2017	March 31, 2016
Share application money pending allotment		
Balance, beginning of the year	3.00	0.63
Application money received for exercised options	589.42	575.18
Shares issued for exercised options	(566.26)	(572.81)
Balance, end of the year	26.16	3.00
Securities premium		
Balance, beginning of the year	11,690.10	11,046.05
Received during the period on exercise of employee stock options	565.01	571.60
Stock compensation related to options exercised	273.45	72.45
Balance, end of the year	12,528.56	11,690.10
Employee stock options outstanding		
Balance, beginning of the year	1,345.71	723.99
Stock compensation charge	780.37	717.56
Forfeiture of options	(17.58)	(23.39)
Stock compensation related to options exercised	(273.45)	(72.45)
Balance, end of the year	1,835.05	1,345.71
Retained earnings		
Balance, beginning of the year	16,003.25	25,402.47
Profit for the year	12,880.97	8,977.55
Balance, end of the year	28,884.22	34,380.02
Forfeiture of options	17.58	23.39
Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings	(31.64)	(34.31)
Less : Dividends on equity shares, declared and paid [Refer note below]		
Final equity dividend	(8,501.20)	(15,259.35)
Interim equity dividend	(14,468.09)	—
Tax on equity dividend (interim and final)	(4,107.86)	(3,106.50)
Balance, end of the year	1,793.01	16,003.25
Note: The Board of Directors have declared an interim dividend on March 29, 2017 of ₹ 170 per share for the year ended March 31, 2017 which was paid subsequent to the date of balance sheet (March 31, 2016 - ₹ Nil). The Board of Directors have proposed a final dividend of ₹ Nil for the year ended March 31, 2017 (March 31, 2016 - ₹ 100 and March 31, 2015 - ₹ 180).		
Other comprehensive income		
Balance, beginning of the year	(38.92)	—
Actuarial gain (loss) on gratuity fund including deferred tax thereon	(31.64)	(34.31)
Exchange differences on translation of foreign operations	44.62	(38.92)
	(25.94)	(73.23)
Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings	31.64	34.31
Balance, end of the year	5.70	(38.92)

Note 12: Financial liabilities

(a)	Trade Payables measured at amortized cost			
	Current			
	Payable to micro and small enterprises*	—	—	—
	Payable to others	75.49	265.65	242.65
		75.49	265.65	242.65
(b)	Other financial liabilities			
	Non-current			
	Financial liabilities measured at amortized cost			
	Accrued compensation to employees	21.14	23.03	19.82
		21.14	23.03	19.82
	Current			
	Derivative instruments at fair value through profit or loss			
	Derivatives not designated as hedges			
	Foreign exchange forward contract, net **	0.33	—	109.70
		0.33	—	109.70
	Other financial liabilities measured at amortized cost			
	Amount due to subsidiaries	648.84	5,007.24	3,582.34
	Accrued expenses	1,517.44	1,020.26	1,226.44
	Accrued compensation to employees	964.03	827.65	1,064.02
	Interim equity dividend payable	14,468.09	—	—
	Tax on interim equity dividend payable	2,765.64	—	—
	Advances from customers	91.35	89.70	7.92
	Unpaid dividends***	119.10	135.25	102.40
		20,574.49	7,080.10	5,983.12
		20,574.82	7,080.10	6,092.82

* The identification of Micro and Small Enterprises is based on Management's knowledge of their status.

** The Company entered into foreign exchange forward contracts with the intention of reducing the foreign exchange risk of trade receivables; these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

*** There is no amount due and outstanding as at balance sheet date to be credited to the Investor Education and Protection Fund.

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

Note 13: Other liabilities

	Non-current			
	Deferred revenues	—	28.92	—
	Deferred rent	136.86	132.54	156.75
		136.86	161.46	156.75
	Current			
	Deferred revenues	839.92	811.87	779.82
	Withholding and other taxes	174.49	93.77	80.75
	Other statutory dues	75.56	71.61	68.33
	Deferred rent	0.88	4.64	6.18
		1,090.85	981.89	935.08

Note 14: Employee benefit obligations

Non-current

For Gratuity (refer note 27)	744.83	633.70	576.77
	744.83	633.70	576.77

Current

For Gratuity (refer note 27)	103.15	98.17	73.99
For Compensated absence	1,050.33	977.24	861.96
	1,153.48	1,075.41	935.95

Year ended
March 31, 2017 Year ended
March 31, 2016

Note 15: Income taxes

(a) The major components of income tax expense for the year ended March 31, 2017 and March 31, 2016 are :

(i) Profit or loss section

Current taxes	4,383.88	5,809.58
Deferred tax	(438.92)	(106.11)
Income tax expense reported in the statement of profit and loss	3,944.96	5,703.47

(ii) OCI section

Deferred tax related to items recognized in OCI during the year

Actuarial (loss) gain on gratuity fund	(16.74)	(18.16)
Income tax (credit) / charge to OCI	(16.74)	(18.16)

Current tax charge for the year ended March 31, 2016 includes provision made in relation to foreign tax receivable of ₹ 413.03 million.

Deferred tax charge for the year ended March 31, 2017 and March 31, 2016 relates to origination and reversal of temporary differences.

(b) Reconciliation of tax expense and accounting profit for the year end March 31, 2017 and March 31, 2016:

Accounting profit before income tax	16,825.93	14,681.02
Enacted tax rates in India	34.608%	34.608%
Computed expected tax expenses	5,823.12	5,080.81
Tax effect		
of earlier years	(86.21)	32.05
on exempt income	(129.44)	—
on income at different rates	(681.27)	—
on undistributed profits	(284.10)	—
on non-deductible expenses for tax purpose	29.72	88.25
on weighted deduction for tax purpose	(806.74)	—
overseas taxes	32.02	472.26
others	47.86	30.10
At the effective income tax rate	3,944.96	5,703.47
Income tax expense reported in statement of profit and loss	3,944.96	5,703.47

(Amounts in ₹ million)

March 31, 2017 March 31, 2016 April 1, 2015

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

Deferred tax assets			
Difference between book and tax depreciation	136.82	166.06	112.11
Provision for compensated absence	320.14	296.16	249.19
Provision for gratuity	293.47	253.36	220.68
Impairment loss on financial assets	383.63	190.26	168.73
Tax on undistributed profits	(228.18)	(512.28)	(512.28)
Other timing differences	196.31	252.96	283.86
	1102.19	646.52	522.29

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

(Amounts in ₹ million)

Year ended
March 31, 2017 Year ended
March 31, 2016

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

Balance, beginning of year	646.52	522.29
Tax income during the year recognized in statement of profit or loss	438.92	106.11
Tax income/(expense) during the year recognized in other comprehensive income	16.74	18.16
Translation differences	0.01	-0.04
Balance, end of the year	1,102.19	646.52

Note 16: Revenue from operations

Product licenses and related activities	31,678.70	29,558.15
IT solutions and consulting services	5,684.42	5,726.16
	37,363.12	35,284.31

Note 17: Finance income

Interest on:

Bank deposits	1,343.39	1,978.94
Deposits for premises and others	44.69	136.80
Loan to subsidiaries	20.32	30.89
Others	12.43	5.19
	1,420.83	2,151.82

Note 18: Other income, net

Fair value gain (loss) on derivatives not designated as hedges	126.58	(92.76)
Foreign exchange (loss) gain, net	(283.99)	5.53
Profit (loss) on sale of fixed assets, net	35.15	(68.66)
Miscellaneous income (Refer note 42)	338.02	132.75
	215.76	(23.14)

Note 19: Employee benefit expenses

Salaries and bonus	16,030.99	15,001.85
Stock compensation expense	714.10	664.08
Staff welfare expenses	759.81	717.46
Contribution to provident and other funds	603.73	525.23
	18,108.63	16,908.62

(Amounts in ₹ million)

	Year ended March 31, 2017	Year ended March 31, 2016
Note 20: Other operating expenses		
Application software	51.24	51.57
Communication expenses	117.18	116.72
Rent	358.03	387.16
Power	199.60	196.33
Insurance	24.02	24.39
Repairs and maintenance:		
Buildings and leasehold premises	59.93	92.54
Computer equipments	15.40	18.11
Others	78.05	92.45
Rates and taxes	35.92	29.39
Provision for diminution in value of investments in subsidiary company	–	76.74
(Reversal) / provision for loss in fair value of loan	(82.72)	81.03
Impairment loss (reversed) / recognized on financial assets	(17.95)	25.89
Bad debts	200.27	131.09
Corporate Social Responsibility [Refer note below]	337.18	248.47
Auditors' remuneration	17.85	19.87
Miscellaneous expenses	266.57	247.39
	1,660.57	1,839.14

Note : As per the requirements of Section 135 of the Companies Act, 2013 the Company was required to spend an amount of ₹ 335.39 million (March 31, 2016 ₹ 334.48 million) on Corporate Social Responsibility expenditure based on the average net profits of the three immediately preceding financial years. The Company has spent an amount of ₹ 337.18 million (March 31, 2016 ₹ 248.47 million) against Corporate Social Responsibility expenditure.

Note 21: Reconciliation of basic and diluted equity shares used in computing earnings per share

	(Number of equity shares)	
	Year ended March 31, 2017	Year ended March 31, 2016
Weighted average shares outstanding for basic earnings per share	84,983,479	84,736,317
Add: Effect of dilutive component of stock options	284,762	454,323
Weighted average shares outstanding for diluted earnings per share	85,268,241	85,190,640

Note 22: Fair values

The management has assessed that fair value of financial instruments approximates their carrying amounts largely due to the short term maturities of these instruments.

Fair value hierarchy :

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Fair value measurement hierarchy for assets and liabilities as at March 31, 2017:

(Amounts in ₹ million)

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:					
Investment property [Refer note 4]	March 31, 2017	225.67	—	225.67	—
Liabilities measured at fair value:					
Foreign exchange forward contract, net	March 31, 2017	0.33	—	0.33	—

Fair value measurement hierarchy for assets and liabilities as at March 31, 2016:

(Amounts in ₹ million)

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:					
Investment property [Refer note 4]	March 31, 2016	227.20	—	227.20	—
Assets measured at fair value:					
Foreign exchange forward contract, net	March 31, 2016	60.72	—	60.72	—

Fair value measurement hierarchy for assets and liabilities as at April 1, 2015:

(Amounts in ₹ million)

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:					
Investment property [Refer note 4]	April 1, 2015	216.70	—	216.70	—
Liabilities measured at fair value:					
Foreign exchange forward contract, net	April 1, 2015	109.70	—	109.70	—

The following methods and assumptions are used to estimate the fair values:

The Company enters into derivative financial instruments with various banks. Foreign exchange forward contracts are valued using valuation techniques, which employ the use market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies.

There have been no transfers between Level 1 and Level 2 during the periods March 31, 2017, March 31, 2016 and April 1, 2015.

Note 23: Significant accounting judgements, estimates and assumptions

The preparation of the Company's standalone 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 standalone 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 offices. 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.

- **Fair value of investment property**

As per the Ind AS, the Company is required to disclose the fair value of the investment property. Accordingly, the Company has engaged an independent valuation specialist to assess the fair values of investment property as at April 1, 2015, March 31, 2016 and March 31, 2017. The investment property was valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the investment property. The key assumptions used to determine fair value of the investment property and sensitivity analysis are provided in note 4.

- **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the projections for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

- **Share based payments**

The Company measures share-based payments and transactions at fair value and recognizes over the vesting period using Black Scholes valuation model. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and model used for estimating fair value for share-based payment transactions are disclosed in note 26(b).

- **Taxes**

Deferred tax liability is recognized on the undistributed profits of subsidiaries where it is expected that the earnings of the subsidiary will be distributed in foreseeable future. Significant management judgement is required to determine the amount of deferred tax that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

- **Defined benefit plans (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 valuations. 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. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases is based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in note 27.

- **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 21 for further disclosures.

Note 24: Capital commitments and contingent liabilities

(Amounts in ₹ million)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
(a) Capital commitments			
Contracts remaining to be executed on capital account not provided for (net of advances).	197.32	226.80	177.24
(b) Contingent liabilities	Nil	Nil	Nil

Note 25: Leases

Where Company is lessee

Finance lease

The Company had taken vehicles under finance lease of up to five years. None of the lease agreements had any escalation clause. Future minimum lease payments under finance lease as at March 31, 2017 and March 31, 2016 are ₹ Nil and as at April 1, 2015 were as follows:

(Amounts in ₹ million)

Particulars	Principal	Interest	Total
Not later than one year	0.04	0.01	0.05
Later than one year but not later than five years	—	—	—
Total minimum payments	0.04	0.01	0.05

Operating lease

The Company has taken certain office premises under operating lease, which expire at various dates through year 2025. Some of the lease agreements have a price escalation clause. Gross rental expenses for the year ended March 31, 2017 aggregated to ₹ 307.87 million (March 31, 2016 - ₹ 257.61 million). The minimum rental payments to be made in future in respect of these leases are as follows:

(Amounts in ₹ million)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Not later than one year	350.57	295.31	261.23
Later than one year but not later than five years	1,056.94	547.18	463.60
Later than five years	381.40	494.92	565.23
	1,788.91	1,337.41	1,290.06

Note 26: Share based compensation / payments

(a) Employee Stock Purchase Scheme ("ESPS")

The Company had adopted the ESPS administered through a Trust with the name i-flex Employee Stock Option Trust ("the Trust") to provide equity based incentives to key employees of the Company. i-flex Solution Trustee Company Ltd. is the Trustee of this Trust.

No allocation of shares to the employees have been made through the Trust since 2005 and all selected employees under the Trust have exercised their right of purchase of shares prior to March 31, 2014. In this regard, the Trustee Company had filed a petition in the Honorable Bombay High Court to seek directions for utilization of the remaining unallocated shares along with the other assets held by the Trust for the benefit of the employees of the Company. As per the order of the Honorable Bombay High Court dated August 1, 2016, the trust funds would be utilized for the benefit of the employees.

As at March 31, 2017, the Trust is holding 166,142 equity shares (March 31, 2016 - 166,142 equity shares) of Oracle Financial Services Software Limited.

(b) Employee Stock Option Plan ("ESOP")

The Members at their Annual General Meeting held on August 14, 2001 approved grant of ESOPs to the employees / directors of the Company and its subsidiaries up to 7.5% of the issued and paid-up capital of the Company from time to time. This said limit was enhanced and approved up to 12.5% of the issued and paid-up capital of the Company from time to time, by the Members at their Annual General Meeting held on August 18, 2011. This extended limit is an all inclusive limit applicable for stock options granted in the past and in force and those that will be granted by the Company under this authorization.

Pursuant to ESOP scheme approved by the shareholders of the Company on August 14, 2001, the Board of Directors, on March 4, 2002 approved the Employees Stock Option Scheme ("Scheme 2002") for issue of 4,753,600 options to the employees and directors of the Company and its subsidiaries. According to the Scheme 2002, the Company has granted 4,548,920 options prior to the IPO and 619,000 options at various dates after IPO (including the grants of options out of options forfeited earlier).

On August 25, 2010, the Board of Directors approved the Employees Stock Option Plan 2010 Scheme (“Scheme 2010”) for issue of 618,000 options to the employees and directors of the Company and its subsidiaries. According to the Scheme 2010, the Company has granted 638,000 options (including the grants of options out of options forfeited earlier).

Pursuant to ESOP scheme approved by the shareholders of the Company in their meeting held on August 18, 2011, the Board of Directors approved the Employees Stock Option Plan 2011 Scheme (“Scheme 2011”). Accordingly, the Company has granted 1,950,500 options under the Scheme 2011. Nomination and Remuneration Committee in their meeting held on August 7, 2014 approved Oracle Financial Services Software Limited Stock Plan 2014 (“OFSS Stock Plan 2014”). Accordingly the Company granted 156,795 stock options and 457,601 OFSS Stock Units (“OSUs”) under OFSS Stock Plan 2014. The issuance terms of OSUs are the same as for stock options, employees may elect to receive 1 OSU in lieu of 4 awarded stock options at their respective exercise price.

As per the Scheme 2002, Scheme 2010 and Scheme 2011, each of 20% of the total options granted will vest on completion of 12, 24, 36, 48 and 60 months from the date of grant and is subject to continued employment of the employee or directorship of the director with the Company or its subsidiaries. Options have an exercise period of 10 years from the date of grant. The employee pays the exercise price upon exercise of options.

In respect of the OFSS Stock Plan 2014, each of 25% of the total stock Options/OSUs granted will vest on completion of 12, 24, 36 and 48 months from the date of grant and is subject to continued employment of the employee with the Company or its subsidiaries. Options/OSUs have exercise period of 10 years from the date of grant. The employee pays the exercise price upon exercise of Options/OSUs.

A summary of the activity in the Company’s ESOP (Scheme 2002) is as follows:

	Year ended March 31, 2017		Year ended March 31, 2016	
	Shares arising from options	Weighted average exercise price (₹)	Shares arising from options	Weighted average exercise price (₹)
Outstanding at beginning of year	23,000	1,835	36,400	1,978
Granted	–	–	–	–
Exercised	(5,000)	1,290	(13,400)	2,225
Forfeited	–	–	–	–
Lapsed	(6,000)	1,290	–	–
Outstanding at end of the year	12,000	2,333	23,000	1,835
Vested options	12,000		23,000	
Unvested options	–		–	

A summary of the activity in the Company’s ESOP (Scheme 2010) is as follows:

	Year ended March 31, 2017		Year ended March 31, 2016	
	Shares arising from options	Weighted average exercise price (₹)	Shares arising from options	Weighted average exercise price (₹)
Outstanding at beginning of year	95,344	2,062	164,690	2,064
Granted	–	–	–	–
Exercised	(30,869)	2,088	(63,666)	2,068
Forfeited	(7,800)	2,050	(5,680)	2,050
Outstanding at end of the year	56,675	2,050	95,344	2,062
Vested options	56,675		91,344	
Unvested options	–		4,000	

A summary of the activity in the Company's ESOP (Scheme 2011) is as follows:

	Year ended March 31, 2017		Year ended March 31, 2016	
	Shares arising from options	Weighted average exercise price (₹)	Shares arising from options	Weighted average exercise price (₹)
Outstanding at beginning of year	1,119,925	2,882	1,414,628	2,837
Granted	—	—	—	—
Exercised	(185,197)	2,660	(164,253)	2,504
Forfeited	(73,930)	2,970	(130,450)	2,872
Outstanding at end of the year	860,798	2,922	1,119,925	2,882
Vested options	559,948		477,225	
Unvested options	300,850		642,700	

A summary of the activity in the Company's ESOP (OFSS Stock Plan 2014) is as follows:

	Year ended March 31, 2017		Year ended March 31, 2016	
	Shares arising from options	Weighted average exercise price (₹)	Shares arising from options	Weighted average exercise price (₹)
Outstanding at beginning of year	386,361	858	206,259	921
Granted	217,773	958	190,364	783
Exercised	(29,162)	91	—	—
Forfeited	(40,435)	1,329	(10,262)	730
Outstanding at end of the year	534,537	905	386,361	858
Vested options	109,267		49,755	
Unvested options	425,270		336,606	

During the year ended March 31, 2017, the Company has granted 61,250 stock options and 156,523 OSUs under OFSS Stock Plan 2014 at an exercise price of ₹ 3,393 and ₹ 5 respectively.

The weighted average share price for the year over which stock options were exercised was ₹ 3,407 (March 31, 2016 - ₹ 3,740).

The details of Options/OSUs unvested and Options/OSUs vested and exercisable as on March 31, 2017 are as follows:

	Exercise prices (₹)	Number of Options	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Options/OSUs unvested	5	319,971	5	8.8
	3,077	204,100	3,077	6.5
	3,127	96,750	3,127	5.9
	3,241	26,049	3,241	8.0
	3,393	56,425	3,393	9.2
	3,987	22,825	3,987	8.6
Options/OSUs vested and exercisable	5	75,607	5	8.2
	1,930	130,788	1,930	4.7
	2,050	56,675	2,050	3.4
	2,333	12,000	2,333	3.6
	3,077	192,205	3,077	6.5
	3,127	236,955	3,127	5.9
	3,241	26,060	3,241	8.0
	3,987	7,600	3,987	8.6
		1,464,010	2,147	6.8

The details of Options/OSUs unvested and Options/OSUs vested and exercisable as on March 31, 2016 are as follows:

	Exercise prices (₹)	Number of Options	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Options/OSUs unvested	5	257,371	5	9.4
	1,930	78,750	1,930	5.7
	2,032	8,000	2,032	5.7
	2,342	4,000	2,342	5.2
	3,076	12,000	3,076	8.3
	3,077	334,350	3,077	7.5
	3,127	209,600	3,127	6.9
	3,241	42,060	3,241	9.0
	3,987	37,175	3,987	9.6
Options/OSUs vested and exercisable	5	35,745	5	9.0
	1,291	11,000	1,291	0.1
	1,930	122,328	1,930	5.7
	2,050	91,344	2,050	4.4
	2,333	12,000	2,333	4.6
	3,076	3,000	3,076	8.3
	3,077	148,700	3,077	7.5
	3,127	203,197	3,127	6.9
	3,241	14,010	3,241	9.0
		1,624,630	2,338	7.3

Stock Options/OSUs granted during the financial year ended March 31, 2017:

The weighted average fair value of stock Options/OSUs granted during the year was ₹ 2,703 (March 31, 2016 - ₹ 3,481).

The Black Scholes valuation model has been used for computing the above weighted average fair value of stock Options/OSUs granted considering the following inputs:

	Year Ended March 31, 2017					
	OFSS Stock Plan 2014 (stock options)	OFSS Stock Plan 2014 (OSUs)				
	June, 2016	April, 2016	June 2016	November, 2016	December, 2016	January, 2017
Weighted average share price (in ₹)	3,393	3,527	3,393	2,998	3,146	3,314
Exercise Price (in ₹)	3,393	5	5	5	5	5
Expected Volatility	24%	27%	27%	25%	25%	26%
Weighted average life (in years)	3.54	6.25	6.25	6.25	6.25	6.25
Expected dividend rate	Nil	Nil	Nil	Nil	Nil	Nil
Average risk-free interest rate	7.18%	7.55%	7.44%	6.50%	6.64%	6.65%

	Year Ended March 31, 2016	
	OFSS Stock Plan 2014 (stock options)	OFSS Stock Plan 2014 (OSUs)
	November 2015	November 2015
Weighted average share price (in ₹)	3,987	3,987
Exercise Price (in ₹)	3,987	5
Expected Volatility	25%	28%
Weighted average life (in years)	3.59	6.25
Expected dividend rate	Nil	Nil
Average risk-free interest rate	7.51%	7.66%

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life; the Company expects the volatility of its share price to reduce as it matures.

Note 27: Employee Benefit Obligation

Defined contribution plans

During year ended March 31, 2017 and 2016, the Company contributed following amounts to defined contributions plans:

Particulars	(Amounts in ₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Provident fund	318.51	298.76
Superannuation fund	135.65	124.12
	454.16	422.88

Defined benefit plan – gratuity

The amounts recognized in the statement of profit and loss for the year ended March 31, 2017 and 2016 are as follows:

Particulars	(Amounts in ₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Current service cost	87.84	52.97
Past service cost	4.76	–
Interest cost, net	52.81	46.15
Total included in employee benefit expense	145.41	99.12

Re-measurements recognized in other comprehensive income:

Particulars	(Amounts in ₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Due to change in demographic assumptions	–	(0.48)
Due to change in financial assumptions	25.59	7.01
Due to change in experience adjustments	21.39	44.89
(Return) on plan assets (excl. interest income)	1.40	1.05
Total re-measurements in other comprehensive income	48.38	52.47

The amounts recognized in the balance sheet are as follows:

Particulars	(Amounts in ₹ million)		
	March 31, 2017	March 31, 2016	April 1, 2015
Present value of funded obligations	760.67	667.38	623.34
Present value of unfunded obligations	95.81	65.89	33.24
Fair value of plan assets	(8.50)	(1.40)	(5.82)
Net liability	847.98	731.87	650.76

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

Particulars	(Amounts in ₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Defined benefit obligation at beginning of the year	733.27	656.58
Current service cost	87.84	52.97
Past service cost	4.76	—
Interest cost	52.93	46.59
Benefits paid	(69.30)	(74.29)
Re-measurements		
- Due to change in demographic assumptions	—	(0.48)
- Due to changes in financial assumptions	25.59	7.01
- Due to change in experience adjustments	21.39	44.89
Defined benefit obligation at end of the year	856.48	733.27

Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	(Amounts in ₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Fair value of plan assets at beginning of the year	1.40	5.82
Interest income	0.12	0.44
(Return) on plan assets (excl. interest income)	(1.40)	(1.05)
Contribution by employer	73.33	64.45
Benefits paid	(64.95)	(68.26)
Fair value of plan assets at end of the year	8.50	1.40

Plan assets are administered by LIC and 100% of the plan assets are invested in lower risk assets, primarily in debt securities.

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

	March 31, 2017	March 31, 2016
Discount rate	4.00% - 7.15%	3.90% - 7.70%
Expected return on plan assets	7.15%	7.50%
Salary escalation rate	3.00% - 8.00%	3.00% - 8.00%
Weighted average duration	7 years - 14 years	6.38 years - 13.62 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. Plan assets are administered by the LIC and invested in lower risk assets, primarily debt securities. The expected rate of return on plan assets is based on the expected average long term rate of return on investments of the fund during the terms of the obligation.

The Company's contribution to the fund for the year ending March 31, 2018 is expected to be ₹ 111.65 million (March 31, 2017 ₹ 99.56 million).

A quantitative sensitivity analysis for significant assumptions on defined benefit obligation as at March 31, 2017 and March 31, 2016 is as shown below:

Particulars	Sensitivity level	(Amounts in ₹ million)	
		Year ended March 31, 2017	Year ended March 31, 2016
Financial assumptions			
Discount rate	- 0.5%	888.55	759.56
	+ 0.5%	826.67	708.69
Salary escalation rate	- 0.5%	834.50	714.90
	+ 0.5%	878.98	751.92
Demographic assumptions			
Withdrawal rate	- 1%	851.88	728.03
	+ 1%	860.48	737.72

Note 28: Investment in associate

The Company has a 33% interest in Login S.A; a private company incorporated in France which specializes in trading, risk management and back-office software, dedicated to bank treasury and capital markets activities.

The Company has an investment of ₹ 6.59 million in Login S.A as against total investments of ₹ 7,549.57 million as at March 31, 2017 and accordingly the investment in Login S.A is considered as immaterial as per the guidelines of Ind AS 112.

The disclosures for profit and loss, other comprehensive income and total comprehensive income for Login S.A for the year ended March 31, 2017 and March 31, 2016 are as below:

Particulars	(Amounts in ₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
(Loss) for the year	(26.91)	(0.44)
Other Comprehensive Income for the year	—	—
Total Comprehensive Income for the year	(26.91)	(0.44)
Company's share in total Comprehensive Income for the year	(8.88)	(0.15)

Note 29: 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. As at the balance sheet date, the Company's net foreign currency exposure expressed in INR that is not hedged is ₹ 4,009.00 million (March 31, 2016 ₹ 427.35 million and April 1, 2015 ₹ (3,521.91) million).

Following are the carrying amounts of foreign currency denominated monetary items (net) of the Company where it has significant exposure as at the balance sheet date:

Currency	(Amounts in ₹ million)		
	March 31, 2017	March 31, 2016	April 1, 2015
USD	573.15	(601.70)	(4,739.42)
CNY	1,231.66	1,244.12	1,282.25
AUD	541.65	(202.51)	594.37
EUR	819.60	(129.47)	6.74

The Company manages its foreign currency risk by a hedging the receivables in the major currencies (USD, EUR and AUD) using hedging instrument as forward contracts. The period of the forward contracts is determined by the expected collection period for invoices which currently ranges between 30 to 120 days.

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 ₹ million)			
	March 31, 2017		March 31, 2016	
	+1%	-1%	+1%	-1%
USD	14.34	(14.34)	(4.02)	4.02
CNY	9.43	(9.43)	7.61	(7.61)
AUD	4.15	(4.15)	(1.24)	1.24
EUR	6.26	(6.26)	(0.79)	0.79

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. The Company's exposure to foreign currency changes for all other currencies is not material.

(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.

As at March 31, 2017		(Amounts in ₹ million)		
Particulars	Less than 1 year	More than 1 year	Total	
Trade payables	75.49	–	75.49	
Amount due to subsidiaries	648.84	–	648.84	
Accrued expenses	1,517.44	–	1,517.44	
Accrued compensation to employees	964.03	21.14	985.17	
Unpaid dividends	119.10	–	119.10	
Interim equity dividend payable	14,468.08	–	14,468.08	
Tax on interim equity dividend payable	2,765.64	–	2,765.64	
Advance from customers	91.35	–	91.35	
Foreign exchange forward contract, net	0.33	–	0.33	
	20,650.31	21.14	20,671.45	

As at March 31, 2016		(Amounts in ₹ million)		
Particulars	Less than 1 year	More than 1 year	Total	
Trade payables	265.65	–	265.65	
Amount due to subsidiaries	5,007.24	–	5,007.24	
Accrued expenses	1,020.26	–	1,020.26	
Accrued compensation to employees	827.65	23.03	850.68	
Advance from customers	89.70	–	89.70	
Unpaid dividends	135.25	–	135.25	
	7,345.75	23.03	7,368.78	

As at April 1, 2015		(Amounts in ₹ million)		
Particulars	Less than 1 year	More than 1 year	Total	
Trade payables	242.65	–	242.65	
Amount due to subsidiaries	3,582.34	–	3,582.34	
Accrued Expenses	1,226.44	–	1,226.44	
Accrued compensation to employees	1,064.02	19.82	1,083.84	
Advance from customers	7.92	–	7.92	
Unpaid dividends	102.40	–	102.40	
Foreign exchange forward contract, net	109.70	–	109.70	
	6,335.47	19.82	6,355.29	

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.

Cash and Bank balances

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.

Company follows a conservative philosophy and shall aim to invest surplus 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 30: Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity shareholders 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 31: Derivative instruments

The Company enters into forward foreign exchange contracts where the counter party is a bank. The Company purchases forward foreign exchange contracts to mitigate the risks of change in foreign exchange rate on receivables denominated in certain foreign currencies. The Company considers the risk of non-performance by the counter party as non-material. As at March 31, 2017 the Company has following outstanding derivative instrument:

Particulars	(Amounts in US Dollar million)		
	March 31, 2017	March 31, 2016	April 1, 2015
Forward contracts - Sell in US Dollar	20.00	64.65	122.33

Note 32: Names of Related Parties and description of relationship:

Relationship	Names of related parties
(i) Related parties where control exists	
Ultimate Holding Company	Oracle Corporation
Holding Company	Oracle Global (Mauritius) Limited
Direct Subsidiaries	Oracle Financial Services Software B.V. Oracle Financial Services Software Pte. Ltd. Oracle Financial Services Software Chile Limitada Oracle Financial Services Software (Shanghai) Limited Oracle Financial Services Software America, Inc. ISP Internet Mauritius Company Oracle (OFSS) Processing Services Limited Oracle (OFSS) ASP Private Limited
Subsidiaries of Subsidiaries	Subsidiary of Oracle Financial Services Software B.V. - Oracle Financial Services Software SA Subsidiary of Oracle Financial Services Software Pte. Ltd. - Oracle Financial Services Consulting Pte. Ltd. Subsidiaries of Oracle Financial Services Software America, Inc. - Oracle Financial Services Software, Inc. - Mantas Inc. Subsidiaries of Mantas Inc. - Sotas Inc. Subsidiary of Sotas Inc. - Mantas India Private Limited Subsidiaries of ISP Internet Mauritius Company - Oracle (OFSS) BPO Services Inc. - Oracle (OFSS) BPO Services Limited
(ii) Associate	Login S. A.
(iii) Related parties with whom transactions have taken place during the year	
Fellow Subsidiaries	Oracle Norge AS Oracle Egypt Ltd. Oracle Canada ULC Oracle Taiwan LLC Oracle Romania SRL Oracle Hungary Kft. Oracle EMEA Limited Oracle Czech s.r.o. Oracle America, Inc. Oracle Nederland B.V. Oracle Vietnam Pte. Ltd Oracle Italia S.R.L.

Relationship	Names of related parties Oracle Polska, Sp.z.o.o. Oracle India Private Limited Oracle East Central Europe Limited Oracle Systems Hong Kong Limited Oracle Corporation UK Limited Oracle (Philippines) Corporation Oracle do Brasil Sistemas Limitada Oracle Corporation Malaysia Sdn. Bhd. Oracle Systems Limited Oracle Corporation Singapore Pte. Ltd. Oracle East Central Europe Services BV Oracle Corporation Australia Pty. Limited Oracle Systems Pakistan (Private) Limited Oracle Solution Services (India) Private Ltd. Oracle Corporation (Thailand) Company Limited Oracle Portugal - Sistemas de Informação Lda. Oracle Corporation (South Africa) (Pty) Limited Oracle Research & Development Center, Beijing, Ltd. Oracle Research & Development Center, Shenzhen, Ltd. Oracle Technology Systems (Kenya) Limited Oracle Luxembourg S.a.r.l. Oracle de Mexico, S.A. de C.V. Oracle Korea, Ltd. Oracle New Zealand PT Oracle Indonesia Oracle (China) Software Systems Co. Ltd. Oracle Srbija & Crna Gora d.o.o. Beograd Oracle Corporation Japan Oracle Ukraine
(iv) Controlled Trust	i-flex ESOP Stock Option Trust
(v) Key Managerial Personnel ('KMP')	Chaitanya Kamat - Managing Director and Chief Executive Officer Makarand Padalkar - Chief Financial Officer Onkarnath Banerjee - Company Secretary & Compliance Officer (from June 1, 2015) Jayant Joshi - Company Secretary & Compliance Officer (from September 29, 2014 till May 31, 2015)
(vi) Independent Directors	S Venkatachalam Richard Jackson Sridhar Srinivasan (from July 23, 2015)

Transactions and balances outstanding with these parties are described below:

(Amounts in ₹ million)

Particulars	Transactions		Amount receivable (payable)		
	Year ended March 31, 2017	Year ended March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Revenue					
<i>Fellow Subsidiaries</i>					
Oracle America, Inc.	517.40	379.81	54.04	44.28	35.94
Oracle Corporation (South Africa) (Pty) Limited	664.73	699.72	73.85	(4.06)	(6.63)
Oracle Corporation Australia Pty. Limited	—	—	0.13	0.12	0.14
Oracle India Private Limited	148.88	148.69	0.63	98.58	0.08
Oracle Egypt Ltd.	756.43	855.20	1,854.29	925.19	70.85
Oracle Technology Systems (Kenya) Limited	(112.05)	62.67	(2.46)	127.38	—
Oracle Systems Limited	202.09	474.18	14.24	132.05	66.09
Oracle Portugal - Sistemas de Informação Lda.	—	0.08	0.04	0.05	0.04
Oracle do Brasil Sistemas Limitada	56.25	86.15	—	35.34	88.37
<i>Subsidiaries</i>					
Oracle Financial Services Software B.V.	8,469.07	7,642.94	954.56	838.45	(748.44)
Oracle Financial Services Software, Inc.	12,437.19	11,324.95	(448.72)	1,795.95	2,296.51
Oracle Financial Services Software Pte. Ltd.	8,438.72	7,982.88	873.89	1,279.17	2,459.04
Oracle Financial Services Software (Shanghai) Limited	392.37	267.09	1,424.22	1,598.76	1,436.55
Oracle Financial Services Software Chile Limitada	200.20	115.46	29.93	53.70	78.81
Oracle (OFSS) BPO Services Inc.	—	—	—	—	24.71
Oracle Financial Services Software SA	279.94	179.03	9.13	9.88	8.90
Advance from customers					
<i>Fellow Subsidiary</i>					
Oracle Corporation (South Africa)(Pty) Limited	91.34	—	(91.34)	—	—
Unbilled revenue					
<i>Fellow Subsidiaries</i>					
Oracle America, Inc.	—	—	35.70	37.13	27.66
Oracle Corporation (South Africa) (Pty) Limited	—	—	83.28	42.73	212.04
Oracle do Brasil Sistemas Limitada	—	—	6.89	8.57	4.20
Oracle India Private Limited	—	—	89.66	27.38	73.03
Oracle Systems Limited	—	—	(4.13)	29.11	26.82
Oracle Egypt Ltd.	—	—	—	5.45	24.97
Oracle Technology Systems (Kenya) Limited	—	—	0.00	6.37	47.82
<i>Subsidiaries</i>					
Oracle Financial Services Software B.V.	—	—	536.34	194.20	670.04
Oracle Financial Services Software, Inc.	—	—	727.92	502.22	408.91
Oracle Financial Services Software Pte. Ltd.	—	—	887.73	864.50	340.52
Oracle Financial Services Software (Shanghai) Limited	—	—	17.01	8.10	75.17

(Amounts in ₹ million)

Particulars	Transactions		Amount receivable (payable)		
	Year ended	Year ended	As at	As at	As at
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	April 1, 2015
Oracle Financial Services Software Chile Limitada	—	—	3.45	(0.04)	13.08
Oracle Financial Services Software SA	—	—	29.20	11.17	0.39
Deferred revenue					
<i>Fellow Subsidiaries</i>					
Oracle America, Inc.	—	—	—	—	(0.06)
Oracle Corporation (South Africa) (Pty) Limited	—	—	(0.03)	(4.17)	(8.56)
Oracle do Brasil Sistemas Limitada	—	—	—	—	(2.17)
Oracle India Private Limited	—	—	—	—	(53.45)
Oracle Systems Limited	—	—	—	—	(1.51)
Oracle Egypt Ltd.	—	—	(263.38)	—	(24.77)
Oracle Portugal - Sistemas de Informação Lda.	—	—	—	—	(0.08)
Oracle Technology Systems (Kenya) Limited	—	—	—	—	—
<i>Subsidiaries</i>					
Oracle Financial Services Software B.V.	—	—	(49.67)	(11.27)	(18.51)
Oracle Financial Services Software, Inc.	—	—	—	—	2.69
Oracle Financial Services Software (Shanghai) Limited	—	—	—	—	(1.33)
Oracle Financial Services Software Pte. Ltd.	—	—	(16.65)	(71.37)	(10.16)
Oracle Financial Services Software Chile Limitada	—	—	(9.13)	(15.80)	(6.99)
Bad debts					
<i>Subsidiaries</i>					
Oracle Financial Services Software, Inc.	29.65	131.09	—	—	—
Oracle Financial Services Software Pte. Ltd.	39.74	—	—	—	—
Oracle Financial Services Software B.V.	11.10	—	—	—	—
Oracle Financial Services Software (Shanghai) Limited	25.23	—	—	—	—
Impairment allowance					
<i>Fellow Subsidiaries</i>					
Oracle America, Inc.	4.39	(0.09)	(4.75)	(0.36)	(0.45)
Oracle Egypt Ltd.	689.39	64.75	(757.97)	(68.58)	(3.82)
Oracle Portugal – Sistemas de Informação Lda.	(0.02)	0.00	—	(0.02)	(0.02)
Oracle Corporation (South Africa) (Pty) Limited	11.80	(0.46)	(11.80)	—	(0.46)
Oracle Corporation Australia Pty. Limited	(0.12)	(0.02)	—	(0.12)	(0.14)
Oracle Systems Limited	(8.07)	(2.61)	(1.13)	(9.19)	(11.80)
Oracle India Private Limited	(7.85)	3.39	4.44	(3.41)	(0.02)
Oracle do Brasil Sistemas Limitada	(0.45)	(2.02)	—	(0.45)	(2.47)
Oracle Technology Systems (Kenya) Limited	(4.18)	3.25	0.92	(3.25)	—

(Amounts in ₹ million)

Particulars	Transactions		Amount receivable (payable)		
	Year ended	Year ended	As at	As at	As at
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	April 1, 2015
<i>Subsidiaries</i>					
Oracle Financial Services Software B.V.	71.31	19.86	(131.15)	(59.83)	(39.98)
Oracle Financial Services Software, Inc.	(15.92)	(122.72)	(21.71)	(37.63)	(160.35)
Oracle Financial Services Software Pte. Ltd.	(57.91)	12.72	(28.78)	(86.70)	(73.97)
Oracle Financial Services Software SA	(1.62)	(0.82)	(0.25)	(1.87)	(2.68)
Oracle Financial Services Software (Shanghai) Limited	(34.56)	(2.39)	(2.07)	(36.62)	(39.02)
Oracle Financial Services Software Chile Limitada	(2.22)	(5.78)	(0.45)	(2.68)	(8.45)
Oracle (OFSS) BPO Services Inc.	0.02	—	(0.02)	—	—
Application software expenses					
<i>Fellow Subsidiaries</i>					
Oracle India Private Limited	16.03	10.25	—	—	(1.28)
Oracle America, Inc.	—	4.24	—	—	—
Rent expenses					
<i>Fellow Subsidiaries</i>					
Oracle Nederland B.V.	4.25	5.67	(0.36)	(3.72)	—
Oracle Systems Limited	—	5.13	—	—	—
Oracle India Private Limited	1.69	0.98	(0.13)	(0.26)	—
Rent income					
<i>Fellow Subsidiaries</i>					
Oracle India Private Limited	61.70	69.56	—	8.89	3.52
Oracle Solution Services (India) Private Ltd.	13.68	7.00	—	—	0.23
<i>Subsidiary</i>					
Oracle (OFSS) Processing Services Limited	0.39	0.54	(0.06)	—	1.90
Miscellaneous income [Refer note 42]					
Oracle Financial Services Software, Inc.	245.04	—	—	—	—
Payment of equity dividend					
<i>Holding Company</i>					
Oracle Global (Mauritius) Limited	6,305.12	11,349.22	—	—	—
<i>Key managerial personnel</i>					
	9.52	13.16	—	—	—
<i>Controlled Trust</i>					
	16.61	29.91	—	—	—
Professional fee expenses					
<i>Fellow Subsidiaries</i>					
Oracle India Private Limited	420.05	435.91	(207.26)	(113.74)	(111.30)
Oracle Research & Development Center, Shenzhen, Ltd.	38.80	59.33	(12.91)	(13.42)	(9.39)
Oracle Research & Development Center, Beijing, Ltd.	0.35	1.71	(0.13)	(0.27)	(0.21)
Oracle EMEA Limited	7.16	9.79	(30.30)	(23.14)	(13.35)
Oracle Systems Limited	9.22	(12.97)	—	(3.42)	(12.32)

(Amounts in ₹ million)

Particulars	Transactions		Amount receivable (payable)		
	Year ended	Year ended	As at	As at	As at
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	April 1, 2015
Oracle Portugal - Sistemas de Informação Lda.	25.47	1.87	(10.11)	(7.70)	(5.83)
Oracle de Mexico, S.A. de C.V.	(0.42)	0.42	—	(0.42)	(8.40)
Oracle Corporation (South Africa) (Pty) Limited	8.15	12.79	(36.31)	(28.16)	(13.79)
Oracle Polska, Sp.z.o.o.	(4.18)	2.46	—	(4.18)	(1.71)
Oracle Romania SRL	(0.18)	0.12	—	(0.18)	(0.06)
Oracle Vietnam Pte. Ltd	(2.00)	0.86	—	(2.00)	(1.14)
Oracle Canada ULC	(7.93)	4.69	—	(7.93)	(3.48)
Oracle Corporation Malaysia Sdn. Bhd.	(1.39)	1.21	—	(1.39)	(0.18)
Oracle Corporation (Thailand) Company Limited	(3.22)	0.57	—	(3.22)	(2.65)
Oracle (Philippines) Corporation	(2.15)	1.93	—	(2.15)	(0.22)
Oracle Italia S.R.L.	(1.20)	0.75	—	(1.20)	(0.45)
Oracle Egypt Ltd.	3.33	21.12	(6.27)	(2.95)	(2.78)
Oracle do Brasil Sistemas Limitada	(1.50)	0.38	—	(1.50)	(1.12)
Oracle East Central Europe Limited	(3.66)	2.16	—	(3.66)	(1.50)
Oracle Systems Hong Kong Limited	(3.81)	1.31	—	(3.81)	(2.50)
Oracle Hungary Kft.	(0.08)	—	—	(0.08)	(0.08)
Oracle East Central Europe Services BV	(1.82)	0.83	—	(1.82)	(0.99)
Oracle Technology Systems (Kenya) Limited	1.86	2.09	(4.78)	(2.92)	(0.83)
Oracle Luxembourg S.a.r.l.	(0.79)	0.04	—	(0.79)	(0.75)
Oracle Czech s.r.o	(0.50)	0.50	—	(0.50)	—
Oracle Korea, Ltd.	(0.05)	0.05	—	(0.05)	—
Oracle New Zealand	(1.65)	1.65	—	(1.65)	—
Oracle Taiwan LLC	(1.95)	1.95	—	(1.95)	—
PT Oracle Indonesia	(5.11)	5.11	—	(5.11)	—
Oracle Nederland B.V.	2.92	—	(2.91)	—	—
<i>Subsidiaries</i>					
Oracle Financial Services Software, Inc.	18.22	27.81	(1.30)	(321.99)	(249.25)
Oracle Financial Services Software Pte. Ltd.	—	—	—	(20.83)	(19.27)
Oracle Financial Services Software B.V.	—	—	—	(5.87)	(5.29)
Oracle (OFSS) ASP Private Limited	—	—	—	—	2.32
Oracle (OFSS) Processing Services Limited	291.51	283.62	(50.51)	(48.66)	(120.18)
Oracle Financial Services Software Chile Limitada	—	—	(3.46)	(58.11)	(54.86)
Reimbursement of expenses					
<i>Subsidiaries</i>					
Oracle Financial Services Software B.V.	1,018.14	964.86	(220.87)	(705.60)	(446.47)
Oracle Financial Services Software, Inc.	4,265.38	4,154.40	(714.55)	(2,734.81)	(2,031.63)
Oracle Financial Services Software Pte. Ltd.	2,009.10	1,846.50	(400.06)	(1,370.99)	(1,063.25)
Oracle Financial Services Software Chile Limitada	4.33	—	(4.00)	0.58	1.47
Oracle Financial Services Software (Shanghai) Limited	322.07	245.02	(48.26)	(122.92)	(53.56)

(Amounts in ₹ million)

Particulars	Transactions		Amount receivable (payable)		
	Year ended	Year ended	As at	As at	As at
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	April 1, 2015
Oracle (OFSS) Processing Services Limited	–	–	0.08	1.13	4.03
Oracle (OFSS) BPO Services Limited	–	–	(0.33)	0.22	12.79
<i>Directors</i>	2.84	4.21	–	–	–
Key managerial personnel [Refer note 1]					
Short-term employment benefits	63.79	50.14	–	–	–
Post-employment gratuity benefits	0.33	0.21	–	–	–
Share based payments	186.62	90.41	–	–	–
Commission					
<i>Independent Directors</i>	7.10	6.52	–	–	–
Other expenses					
<i>Fellow Subsidiaries</i>					
Oracle America, Inc.	(0.24)	0.01	–	(0.24)	(0.23)
Oracle Corporation UK Limited	5.75	0.04	(0.38)	(1.67)	(1.63)
Oracle India Private Limited	24.01	7.63	(0.13)	(2.23)	(0.30)
Oracle Corporation Singapore Pte. Ltd.	0.05	0.48	–	–	–
Oracle (China) Software Systems Co. Ltd.	(0.78)	0.78	(0.01)	(0.78)	–
Oracle Corporation Australia Pty. Limited	0.01	1.95	–	(0.91)	–
Oracle Systems Hong Kong Limited	0.62	–	–	–	–
Oracle Norge AS	–	–	–	–	(62.64)
Oracle Systems Limited	0.01	–	–	–	–
Oracle Corporation (South Africa) (Pty) Limited	18.52	40.95	(14.75)	(16.40)	(69.05)
Oracle Portugal - Sistemas de Informação Lda.	4.90	104.13	(3.27)	(5.86)	(23.58)
Oracle Polska, Sp.z.o.o.	4.59	9.18	(1.86)	(2.08)	(11.10)
Oracle Romania SRL	0.04	1.94	–	(6.71)	(6.43)
Oracle Vietnam Pte. Ltd	5.45	1.10	(12.38)	(6.93)	(5.84)
Oracle Canada ULC	10.34	24.13	–	(23.43)	(23.50)
Oracle Corporation Malaysia Sdn. Bhd.	3.60	1.99	(1.81)	(1.59)	(2.38)
Oracle Corporation (Thailand) Company Limited	1.67	1.18	(1.48)	(0.91)	(2.44)
Oracle (Philippines) Corporation	9.30	7.06	(11.85)	(6.22)	(1.59)
Oracle Italia S.R.L.	(0.04)	0.05	(0.44)	(0.48)	(0.43)
Oracle Taiwan LLC	1.19	1.48	(5.70)	(4.51)	(3.03)
Oracle Czech s.r.o.	0.02	1.25	(0.33)	(0.31)	(0.72)
Oracle Egypt Ltd.	1.33	7.03	–	(6.83)	(9.20)
Oracle East Central Europe Limited	0.76	2.93	(0.76)	(2.31)	(2.94)
Oracle de Mexico, S.A. de C.V.	0.25	0.31	(0.57)	(0.31)	–
Oracle EMEA Limited	(1.73)	22.71	(20.99)	(22.71)	–
Oracle Technology Systems (Kenya) Limited	1.03	2.33	(3.36)	(2.33)	–
Oracle East Central Europe Services BV	–	2.26	–	(2.26)	–
Oracle Corporation Japan	–	0.03	–	(0.03)	–
Oracle Ukraine	3.77	–	(3.71)	–	–

(Amounts in ₹ million)

Particulars	Transactions		Amount receivable (payable)		
	Year ended	Year ended	As at	As at	As at
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	April 1, 2015
Oracle New Zealand	9.47	—	(9.47)	—	—
PT Oracle Indonesia	0.92	—	(0.92)	—	—
Procurement of fixed assets					
<i>Fellow Subsidiary</i>					
Oracle India Private Limited	322.79	—	—	—	—
Loan outstanding [Refer note 2 below]					
<i>Subsidiaries</i>					
Oracle Financial Services Software America, Inc.	(645.64)	36.06	—	645.64	609.58
ISP Internet Mauritius Company	—	(58.02)	—	—	58.02
Oracle (OFSS) BPO Services Limited	(11.55)	(80.00)	—	11.55	91.55
Interest accrued on loan given [Refer note 2 below]					
<i>Subsidiaries</i>					
Oracle Financial Services Software America, Inc.	(199.63)	25.05	—	199.63	174.58
ISP Internet Mauritius Company	—	(21.58)	—	—	21.58
Oracle (OFSS) BPO Services Limited	(16.28)	16.28	—	16.28	—
Interest received on loan [Refer note 2 below]					
<i>Subsidiaries</i>					
Oracle Financial Services Software America, Inc.	12.47	14.61	—	—	—
ISP Internet Mauritius Company	5.67	—	—	—	—
Oracle (OFSS) BPO Services Limited	2.18	16.28	—	—	—
Investments					
<i>Subsidiaries</i>					
Oracle Financial Services Software B.V.	5.36	4.37	796.89	791.53	787.16
Oracle Financial Services Software Pte. Ltd.	35.13	26.03	94.94	59.81	33.78
Oracle Financial Services Software America, Inc.	17.88	17.26	6,394.13	6,376.25	6,358.99
Oracle Financial Services Software (Shanghai) Limited	0.17	0.07	45.75	45.58	45.51
Oracle Financial Services Software Chile Limitada	2.35	2.44	78.33	75.98	73.54
ISP Internet Mauritius Company	5.43	(1.11)	312.06	306.63	307.74
Provision for diminution in investment					
<i>Subsidiaries</i>					
ISP Internet Mauritius Company	—	(72.12)	(192.12)	(192.12)	(120.00)
Oracle (OFSS) ASP Private Limited	—	—	(46.10)	(46.10)	(46.10)

Note 1: Remuneration includes salary, bonus and perquisites. The bonus is included on payment basis. During the year, 35,500 OSUs under OFSS Stock Plan 2014 (March 31, 2016 – 35,375 OSUs under OFSS Stock Plan 2014) were granted to KMP.

Note 2: Loan given to subsidiaries represents loan to Oracle Financial Services Software America, Inc. amounting to ₹ 662.03 million (interest LIBOR + 50 basis points), ISP Internet Mauritius Company amounting to ₹ 60.41 million (interest LIBOR + 50 basis points) and Oracle (OFSS) BPO Services Limited amounting to ₹ 30 million; as at March 31, 2016. During the year ended March 31, 2016 impairment has been provided against loan given to ISP Internet Mauritius Company including interest thereon. During the year ended March 31, 2017, all loans given to subsidiaries; including the interest accrued thereon were settled. Interest received on loans represents the interest for the year till the date of settlement of the loan.

Note 3: Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year end are unsecured and interest free and settlement occurs in cash.

Note 33: Earnings in foreign currency (on accrual basis)

	(Amounts in ₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Product licenses and related activities	29,688.14	27,628.01
IT solutions and consulting services	5,620.67	5,669.59
Dividend received	2,416.83	–
Interest income	18.14	14.61
	37,743.78	33,312.21

Note 34: Expenditure in foreign currency (on accrual basis)

	(Amounts in ₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Employee costs	7,326.05	7,106.05
Travel related expenses	463.64	403.17
Professional fees	1,248.31	962.38
Other expenses	136.15	286.02
Foreign taxes	230.56	521.61
	9,404.71	9,279.23

Note 35: Net equity dividend remitted in foreign exchange

	(Amounts in ₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Year of remittance (ending on)	March 31, 2017	March 31, 2016
Period to which it relates	March 31, 2016	March 31, 2015
Number of non-resident shareholders	1	1
Number of equity shares on which dividend was due	63,051,197	63,051,197
Amount remitted (in US\$ million)	94.68	170.79
Amount remitted (in ₹ million)	6,305.12	11,349.22

Note 36: Value of imports on CIF basis - capital goods

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Note 37: Litigations

The Company has some litigations in respect of which the Company has aggregate provisions of ₹ 945.50 million as at March 31, 2017 (as at March 31, 2016 - ₹ 945.50 million).

Note 38: Research and development expenditure

Six in-house research and development centers of the Company in India have been accorded recognition by the Department of Scientific and Industrial Research (DSIR) from February 26, 2016. The aggregate expenditure on research and development activities in these in-house R&D centers is as follows:

	(Amounts in ₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Revenue expenditure	2,100.73	2,711.00
Capital expenditure	230.35	35.27

Note 39: Payment to Auditors' (including service tax)

	(Amounts in ₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
As auditor		
Audit fees	8.62	8.28
Limited review	6.54	6.20
Tax audit	1.14	1.08
Certifications	3.11	0.89
For other services	—	5.38
Out-of-pocket expenses	1.12	0.92
	20.53	22.75

Note 40:

Other expenses for the year ended March 31, 2016 include a provision of ₹ 157.77 million against equity investment and loan including interest thereon to a subsidiary company.

Note 41: Exceptional item

- (a) During the year ended March 31, 2017, the Company has recorded a charge under the Products segment of ₹ 628.25 million on its receivables from customers in Egypt due to significant devaluation of Egyptian Pound post liberalization of exchange rates by the Egypt Government. The same has been disclosed as an exceptional item.
- (b) During the year ended March 31, 2017, the Company has received dividend of ₹ 1,146.73 million, ₹ 1,270.10 million and ₹ 374.01 million from its wholly owned subsidiaries Oracle Financial Services Software B.V., Oracle Financial Services Software Pte. Ltd and Oracle Processing Services Limited respectively. Considering the amount of dividend received, the same has been disclosed as an exceptional item. Tax expenses for the year ended March 31, 2017 includes applicable tax credits on this dividend income.

Note 42:

Other income for the year ended March 31, 2017 includes ₹ 245.04 million against liability written-back towards amount due to its wholly owned subsidiary Oracle Financial Services Software, Inc.

Note 43:

Previous year's figures have been reclassified, where necessary to conform with current year's presentation.

Note 44: Recent accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' The amendments are applicable to the Company from April 1, 2017.

(i) Amendment to Ind AS 7 – Statement of Cash Flows

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements.

(ii) Amendment to Ind AS 102 – Share-based Payment

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

The Company does not have any cash-settled awards as at March 31, 2017.

Note 45: First time adoption of Ind AS

The Company's date of transition to Ind AS is April 1, 2015. Ind AS 101 - First-time Adoption of Indian Accounting Standards allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following material exemptions:

- Cumulative currency translation differences for all foreign operations are deemed to be zero as at April 1, 2015.
- Ind AS 102 - Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2015.
- Appendix C to Ind AS 17 - Leases requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as at the date of transition.
- The Company has opted to continue with carrying value for all its intangible assets as recognized in its Previous GAAP, as deemed cost at the transition date.

Note 46: Reconciliations between Previous GAAP and Ind AS

(a) Equity reconciliation

Particulars	Notes	(Amounts in ₹ million)	
		As at March 31, 2016	As at April 1, 2015
Equity under Previous GAAP		29,893.32	29,907.33
<i>Adjustments:</i>			
Reversal of proposed final equity dividend including dividend distribution tax thereon	(i)	10,213.12	18,331.33
Deferred taxes	(ii)	(378.66)	(397.52)
Equity contribution for stock Options/OSU	(iii) (b)	111.01	57.33
Fair valuation of financial assets along with expected credit loss thereon	(iv)	(12.01)	28.03
Deferral of revenue including discounting due to extended payment terms	(v)	(293.31)	(201.43)
Exchange differences on translation of foreign operations	(vii)	39.68	16.68
Others		(0.54)	(0.35)
Equity under Ind AS		39,572.61	47,741.40

(b) Comprehensive income reconciliation

Particulars	Notes	(Amounts in ₹ million)	
		Year ended March 31, 2016	
Net profit for the year under Previous GAAP		9,288.50	
<i>Adjustments:</i>			
Stock compensation charge	(iii)	(294.12)	
Fair valuation of financial assets along with expected credit loss thereon	(iv)	(18.89)	
Deferred taxes	(ii)	18.86	
Deferral of revenue including discounting due to extended payment terms	(v)	(91.88)	
Exchange differences on translation of foreign operations	(vii)	23.00	
Reclass of actuarial gain / loss on gratuity fund to Other Comprehensive Income	(vi)	52.47	
Others		(0.39)	
Profit for the year under Ind AS		8,977.55	
Other Comprehensive Income	(vi) & (vii)	(73.23)	
Total Comprehensive Income for the year under Ind AS		8,904.32	

(c) Cash flow statement

There were no significant reconciliation items between cash flows prepared under Previous GAAP and those prepared under Ind AS.

(i) Dividend (including dividend tax)

Under Ind AS, liability for dividend is recognized in the period in which the obligation to pay is established. Under Previous GAAP, dividend payable is recorded as liability in the period to which the dividend relates, even though the dividend may be approved by the shareholders subsequent to the reporting date. This has resulted in an increase in equity.

(ii) Tax adjustments

Tax adjustments include deferred tax impact on account of differences between Ind AS and Previous GAAP. This has resulted reduction in equity.

(iii) Stock compensation adjustments

(a) Under Ind AS, the Company followed 'Fair Value' method using an appropriate valuation model to determine Fair Value of stock Options/OSU as on the date of the grant as against 'intrinsic value' method in the Previous GAAP. This has resulted in additional stock compensation charge considered under comprehensive income to the statement of profit and loss.

(b) Equity Contribution for stock Options/OSU granted to employees of subsidiaries of the Company.

(iv) Fair Valuation

Under Ind AS, financial assets and financial liabilities designated at fair value through profit and loss (FVTPL) are fair valued at each reporting date with changes in fair value recognized in the statement of profit and loss, while financial assets and financial liabilities which are measured at amortized cost are fair valued on the date when they are recognized initially and subsequently amortized using effective interest method. Under Previous GAAP, they were measured at cost.

This has also resulted into reclass of:

- Deposit for premises which are measured at fair value on initial recognition under Ind AS. The same were recorded at cost under Previous GAAP and accordingly, the resultant impact of ₹ 503.69 million and ₹ 389.43 million has been reclassified to prepaid expenses as at April 1, 2015 and March 31, 2016 respectively.
- Loans to subsidiaries which are measured at fair value on initial recognition under Ind AS. The same were recorded at cost under Previous GAAP and accordingly, the resultant impact of ₹ 160.58 & ₹ 181.09 million has been reclassified to investment in subsidiaries as at April 1, 2015 and March 31, 2016 respectively.

(v) Deferral of Revenue

As per Ind AS 18, when the product / services are delivered but the billing is on an extended term then all the payments (including tax) shall be discounted back to their Net Present Value (NPV) with this amount recorded as a reduction to revenue. Further revenue has been adjusted to meet revenue recognition principles of Ind AS 18. This has resulted reduction in equity.

(vi) Actuarial gain / (loss) on gratuity fund

Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognized in other comprehensive income. Under Previous GAAP, actuarial gains and losses were recognized in the statement of profit and loss. Consequently, impact along with tax effect of the same has been recognized in other comprehensive income under Ind AS.

(vii) Exchange differences

Primarily on account of translation of the functional currency of foreign operations in to presentation currency as per the provisions of Ind AS 21.

Note 47: Segment information

Business segments are defined as a distinguishable component of an enterprise that is engaged in providing a group of related products or services and that is subject to differing risks and returns and about which separate financial information is available. This information is reviewed and evaluated regularly by the management in deciding how to allocate resources and in assessing the performance.

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')

The business segments are the basis on which the Company reports its primary operational information to management. Product licenses and related activities segment deals with various banking software products. The related activities include enhancements, implementation and maintenance activities.

IT solutions and consulting services segment offers services spanning the entire lifecycle of applications used by financial service institutions. The division's portfolio includes Consulting, Application, Support and Technology Services that help institutions improve efficiency, optimize costs, meet risk and compliance mandates and implement IT solutions finely attuned to their business needs.

Year ended March 31, 2017		(Amounts in ₹ million)		
Particulars	Products	Services	Total	
Revenue from operations	31,678.70	5,684.42	37,363.12	
Segment result [Refer note 34(a)]	12,666.81	721.94	13,388.75	
Unallocable expenses			(990.25)	
Finance income			1,420.83	
Other income, net			215.76	
Profit before exceptional item and tax			14,035.09	
Exceptional item [Refer note 41 (b)]			2,790.84	
Profit before tax			16,825.93	
Tax expenses			(3,944.96)	
Profit for the year			12,880.97	

Year ended March 31, 2016		(Amounts in ₹ million)		
Particulars	Products	Services	Total	
Revenue from operations	29,558.15	5,726.16	35,284.31	
Segment result	12,948.96	698.49	13,647.45	
Unallocable expenses			(1,095.11)	
Finance income			2,151.82	
Other expense, net			(23.14)	
Profit before tax			14,681.02	
Tax expenses			(5,703.47)	
Profit for the year			8,977.55	

Other information

Year ended March 31, 2017		(Amounts in ₹ million)			
Particulars	Products	Services	Unallocable	Total	
Capital expenditure by segment					
Property, plant and equipment	439.53	123.63	19.15	582.31	
Depreciation and amortization	542.97	107.70	17.32	667.99	
Other non cash expenses [Refer note 41(a)]	803.99	6.49	(82.63)	727.85	
Segment assets	9,054.47	1,973.51	39,995.22	51,023.20	
Segment liabilities	5,300.61	1,005.66	17,957.73	24,264.00	
Equity	–	–	26,759.20	26,759.20	

Year ended March 31, 2016		(Amounts in ₹ million)			
Particulars	Products	Services	Unallocable	Total	
Capital expenditure by segment					
Property, plant and equipment	174.70	31.45	4.91	211.06	
Depreciation and amortization	362.79	116.65	18.27	497.71	
Other non cash expenses	158.03	(1.11)	157.83	314.75	
Segment assets	11,518.84	2,140.91	36,564.87	50,224.62	
Segment liabilities	8,345.52	1,585.60	720.89	10,652.01	
Equity	–	–	39,572.61	39,572.61	

As at April 1, 2015		(Amounts in ₹ million)			
Particulars	Products	Services	Unallocable	Total	
Segment assets	9,206.56	2,927.01	44,826.38	56,959.95	
Segment liabilities	6,856.45	1,723.22	638.88	9,218.55	
Equity	–	–	47,741.40	47,741.40	

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

Segment assets and liabilities:

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

Geographical segments

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

Regions	Year ended March 31, 2017		Year ended March 31, 2016	
	Amounts in ₹ million	%	Amounts in ₹ million	%
India	2,438.04	7%	2,234.15	6%
Outside India				
Americas				
United States of America	11,226.45	30%	10,304.93	29%
Rest of America	2,284.52	6%	1,971.59	6%
Europe	6,419.37	17%	6,095.69	17%
Asia Pacific	8,966.27	24%	8,320.82	24%
Middle East and Africa	6,028.47	16%	6,357.13	18%
	37,363.12	100%	35,284.31	100%

Revenue of ₹ 30,217.48 million (March 31, 2016 ₹ 27,512.35 million) is derived from a single customer in 'Products' and 'Services' segment.

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

Regions	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Amounts in ₹ million	%	Amounts in ₹ million	%	Amounts in ₹ million	%
India	8,582.69	97%	7,081.09	93%	7,317.56	91%
Outside India						
Europe	221.99	2%	240.10	3%	461.67	6%
Asia Pacific	118.28	1%	272.92	4%	231.90	3%
Middle East and Africa	7.77	0%	18.82	0%	2.53	0%
	8,930.73	100%	7,612.93	100%	8,013.66	100%

Non-current assets for this purpose consist of property, plant and equipment, capital work-in-progress, intangible assets, investment property, income tax assets (net) and other non-current assets.

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 Amit Majmudar
Partner
Membership No. 36656

Mumbai, India
May 16, 2017

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

S Venkatachalam
Chairman

Richard Jackson
Director

Mumbai, India
May 16, 2017

Chaitanya Kamat
Managing Director
& Chief Executive Officer

Makarand Padalkar
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Compliance Officer

Statement of cash flow

for the year ended March 31, 2017

(Amounts in ₹ million)

	Year ended March 31, 2017	Year ended March 31, 2016
Cash flows from operating activities		
Profit before tax	16,825.93	14,681.02
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities :		
Depreciation and amortization	667.99	497.71
(Profit) loss on sale / disposal of fixed assets, net	(35.15)	68.66
Employee stock compensation expense	714.10	664.08
Provision for diminution in investment in subsidiary company	–	76.74
(Reversal) / provision for loss in fair value of loan	(82.72)	81.03
Dividend received from subsidiary companies	(2,790.84)	–
Finance income	(1,420.83)	(2,151.82)
Effect of exchange rate changes in cash and cash equivalents	(24.09)	13.41
Unrealized exchange (gain) loss, net	(322.93)	(284.22)
Deferred rent	0.56	22.66
Impairment loss (reversed) / recognized on financial assets	610.30	25.89
Bad debts	200.27	131.09
Operating Profit before Working Capital changes	14,342.59	13,826.25
Movements in working capital		
Decrease in other non-current assets	16.89	235.92
Decrease (increase) in trade receivables	2,429.35	(1,554.10)
(Increase) in other current financial assets	(467.12)	(190.64)
Decrease (increase) in other current assets	118.11	(209.89)
(Decrease) increase in non-current financial liabilities	(1.89)	3.21
(Decrease) in other non-current liabilities	(28.92)	–
Increase in long term employee benefit obligations	62.75	4.46
(Decrease) increase in trade payables	(167.79)	23.00
(Decrease) increase in other current financial liabilities	(3,631.40)	818.24
Increase in other current liabilities	86.59	31.29
Increase in short term employee benefit obligations	78.23	139.47
Cash from operating activities	12,837.39	13,127.21
Payment of domestic and foreign taxes	(5,791.60)	(5,758.04)
Net cash provided by operating activities	7,045.79	7,369.17
Cash flows from investing activities		
Additions to fixed assets including capital work-in-progress	(564.33)	(232.41)
Proceeds from sale of fixed assets	35.23	2.05
Refund of deposits for premises and others	52.08	170.40
Repayment of loan by subsidiary companies	972.28	80.00
Bank fixed deposits having maturity of more than three months matured	20,847.78	32,549.77
Bank fixed deposits having maturity of more than three months booked	(3,801.50)	(23,652.73)
Refund of margin money deposit	3.72	–

Statement of cash flow

for the year ended March 31, 2017 (continued)

	(Amounts in ₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
Dividend received from subsidiaries	2,790.84	–
Interest received	1,480.54	1,968.20
Net cash provided by investing activities	21,816.64	10,885.28
Cash flows from financing activities		
Issue of shares under employee stock option plan	589.42	575.18
Payment of lease obligations	–	(1.06)
Final equity dividend paid	(8,501.20)	(15,259.35)
Tax on final equity dividend paid	(1,342.22)	(3,106.50)
Net cash (used in) financing activities	(9,254.00)	(17,791.73)
Net increase in cash and cash equivalents	19,608.43	462.72
Cash and cash equivalents at beginning of the year	1,358.23	908.92
Effect of exchange rate changes in cash and cash equivalents	24.09	(13.41)
Cash and cash equivalents at end of the year	20,990.75	1,358.23
Component of cash and cash equivalents		
Balances with banks:		
In current accounts	828.45	1,052.95
In deposit accounts with original maturity of less than three months	5,449.27	170.03
In unpaid dividend account *	14,593.93	–
In unclaimed dividend account **	119.10	135.25
Total cash and cash equivalents [Refer note 8(a)]	20,990.75	1,358.23

* These balances includes amount earmarked towards dividend declared on March 29, 2017.

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

As per our report of even date

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

per Amit Majmudar
Partner
Membership No. 36656

Mumbai, India
May 16, 2017

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

S Venkatachalam
Chairman

Richard Jackson
Director

Mumbai, India
May 16, 2017

Chaitanya Kamat
Managing Director
& Chief Executive Officer

Makarand Padalkar
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Compliance Officer

Notice of annual general meeting

Notice to members

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of Oracle Financial Services Software Limited (“the Company”) will be held at Shri Bhaidas Maganlal Sabhagriha, Bhaktivedanta Swami Marg, Vile Parle (West), Mumbai 400056 on Wednesday, September 20, 2017 at 2.30 p.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2017, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Ms. Maria Smith (DIN: 07182337), who retires by rotation and, being eligible, offers herself for re-appointment.
3. To confirm the payment of interim dividend of ₹ 170 per equity share and to confirm the interim dividend as the final dividend for the financial year ended March 31, 2017.
4. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting to be held in the year 2022 and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), as an Ordinary Resolution the following:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Company, M/s. Mukund M Chitale & Co., Chartered Accountants (ICAI Firm Registration no. 106655W), be and are hereby appointed as the Statutory Auditors of the Company, in place of the retiring auditors M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration no. 101049W/E300004), to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2022 (subject to ratification of the appointment by the Members at every Annual General Meeting to be held during the years 2018 to 2021) and that the Board of Directors of the Company be and is hereby authorized to fix such remuneration as may be determined in consultation with the Auditors plus applicable taxes and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.”

Special Business:

5. To consider and, if thought fit, to pass, with or without modification(s), as an Ordinary Resolution the following:
“RESOLVED THAT Ms. Kimberly Woolley (DIN: 07741017), who was appointed as an Additional Director of the Company on March 29, 2017 and who holds office until the date of this Annual General Meeting, pursuant to Section 161 of the Companies Act, 2013 and Article 109 of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing her candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
6. To consider and, if thought fit, to pass, with or without modification(s), as an Ordinary Resolution the following:
“RESOLVED THAT pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Board of Directors of the Company be and is hereby authorized to appoint Branch Auditors for any branch office of the Company, whether existing or which may be opened / acquired hereafter, in consultation with the Company's Auditors, any person(s) qualified to act as Branch Auditors and to fix their remuneration.”

By Order of the Board of Directors

Onkarnath Banerjee
Company Secretary and Compliance Officer
Membership no. ACS 8547

Mumbai
July 12, 2017

Registered Office:
Oracle Park
Off Western Express Highway
Goregaon (East), Mumbai 400063
Tel. no. +91 22 6718 3000 Fax no. +91 22 6718 4604
CIN: L72200MH1989PLC053666
Website: www.oracle.com/financialservices
Email: investors-vp-ofss_in_grp@oracle.com

Notes:

- a. The Statement of Material facts pursuant to Section 102(1) of the Companies Act, 2013 in respect of item nos. 4 to 6 as mentioned in the above Notice is annexed hereto.
- b. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, September 14, 2017 to Wednesday, September 20, 2017, both days inclusive, for the purpose of Annual General Meeting.
- c. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are requested to either send to the Company a certified true copy of their Board Resolution or such other authorization, authorizing the representatives to attend and vote on their behalf at the Annual General Meeting, or the authorized representatives shall carry such authorization along with them for attending the Annual General Meeting at the venue.
- d. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE IN THE ANNUAL GENERAL MEETING INSTEAD OF HIMSELF / HERSELF ON A POLL ONLY AND THAT A PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS A PROXY ON BEHALF OF NOT MORE THAN FIFTY (50) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN (10) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED AND SIGNED AND MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING. A BLANK PROXY FORM IS ANNEXED HERETO.
- e. The Members / proxies / authorized representatives are requested to bring duly completed Attendance Slip annexed herewith for attending the Annual General Meeting.
- f. The Members / proxies are requested to bring their copy of the Annual Report to the Annual General Meeting.
- g. The documents referred to in the Notice and the Explanatory Statement annexed hereto are available for inspection by the Members of the Company at the Registered Office of the Company between 2.00 p.m. and 4.00 p.m. on any working day of the Company.
- h. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the Annual General Meeting.
- i. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the Members at the Annual General Meeting.
- j. The Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- k. Additional information required as per Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting forms integral part of the Notice. The Directors have furnished the requisite declarations and consents for their appointment / re-appointment.
- l. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Registrar and Share Transfer Agents ("RTA") and / or Mr. Onkarnath Banerjee, Company Secretary and Compliance Officer, at the Company's registered office. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will, as per Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund ("IEPF"). Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the demat account of IEPF Authority as per the notifications issued by Ministry of Corporate Affairs pursuant to Section 124 of the Companies Act, 2013 and applicable rules. The details of list of shareholders whose dividend amounts are unclaimed are available on the Company's website: www.oracle.com/financialservices
- m. Members who hold shares in physical form are requested to notify promptly any change in their addresses, updates to their bank accounts and other relevant information to the Company's RTA, Link Intime Private Limited, having its office at C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India. Such Members are also requested to consider the option of holding shares in dematerialized form.
- n. Members are requested to address all correspondence, including dividend related correspondence, to the RTA of the Company.
- o. Members holding shares in physical form are advised to make nomination(s) in respect of their shareholding in the Company. Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014, the nomination form (Form No. SH-13) can be downloaded from the website of the RTA at: <http://linkintime.co.in/website/GeneralDownlds.aspx> under the section 'Nomination'.

Members who hold shares in demat mode are requested to make nomination in respect of their shareholding by contacting their Depository Participant(s). They should also notify promptly, any change in their addresses, bank particulars and other related information to their respective Depository Participant(s).

- p. Members may please note that the Company's RTA, Link Intime India Private Limited have set up a separate cell to address queries of the members of the Company. Accordingly, the queries may be directed to them on telephone number +91 22 4918 6000 or e-mailed to rnt.helpdesk@linkintime.co.in
- q. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, required to submit their PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's RTA.
- r. Pursuant to Sections 20, 101, 136 and other applicable provisions, if any, of the Companies Act, 2013 read with relevant rules framed thereunder, companies can serve Annual Reports and other communications through electronic mode to those members of the company who have registered their email addresses either with the RTA or with their Depository Participant(s). The Securities and Exchange Board of India has also permitted listed entities to supply soft copies of full annual reports to all those Members who have registered their email addresses for this purpose under Regulation 36(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In case there is any change in your registered email address, please update the same with RTA / Depository Participant(s). The Company has been annually sending communications to the Members of the Company, whose email addresses are not registered with RTA / Depository Participant(s), requesting them to communicate their preference for receiving corporate documents. Accordingly, the Company has issued / dispatched Annual Reports.
- s. Members who wish to seek any information / clarification with regard to the accounts are requested to write to the Company Secretary at the registered office address at an early date, to enable the Management to keep the information ready.
- t. Members may kindly note that due to security reasons, there could be certain restrictions and limitations in terms of movement of people, hand baggage and vehicles at the venue of the Annual General Meeting. People and their accompanied items would be subject to inspection. We solicit your co-operation.
- u. A route map of the venue is enclosed at the back of the attendance slip.
- v. No gifts or gift coupons shall be distributed to members at or in connection with the Annual General Meeting.
- w. Voting through electronic mode - In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, as substituted by the Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India (each as amended or modified from time to time), the Company is providing facility to its Members to exercise their votes electronically through the e-voting service facility arranged by National Securities Depository Limited (NSDL) on the items of business given in the Notice through an e-voting system, to the Members holding shares in the Company as on the close of business hours of Wednesday, September 13, 2017, being the cut-off date fixed for determining voting rights of Members entitled to participate in the remote e-voting process through the remote e-voting platform provided by NSDL. The facility of voting will also be made available at the Annual General Meeting. The Members who have not cast their votes by way of remote e-voting shall be able to exercise their right at the Annual General Meeting. Members who have cast their votes through remote e-voting prior to the Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their votes again.

The e-voting rights of the Members / Beneficial Owners shall be reckoned on the equity shares held by them as on the close of business hours of Wednesday, September 13, 2017. The e-voting period begins on Friday, September 15, 2017 (9.00 a.m. IST) and ends on Tuesday, September 19, 2017 (5.00 p.m. IST). During this period the Members holding their shares either in physical form or in dematerialized form may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

The instructions for remote e-voting are as under:

1. Members whose email addresses are registered with the depository participant(s) will receive an email from NSDL informing them with their User ID and password. On receiving the email, members will need to go through the following steps to complete the e-voting process:
 - a. Open the email and download the PDF file titled 'OFSS e-voting.pdf' using your Client ID or Folio No. as password. The PDF file contains your User ID and password for e-voting. Please note that the password is an initial password.
Note: Shareholders who have already registered with NSDL for e-voting will not receive the PDF file, 'OFSS e-voting.pdf'.
 - b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - c. Click on Shareholder - Login

- d. Enter the User ID and password (the initial password mentioned in the email sent by NSDL to the shareholders whose email addresses are registered with the Company / depository participant(s)). Click on Login.
 - e. Password change menu will appear. Change the password with new password of your choice. The new password should have a minimum 8 digits/characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - f. The home page of remote e-voting opens. Click on e-voting: Active Voting Cycles.
 - g. Select “EVEN” (E-Voting Event Number) of Oracle Financial Services Software Limited.
 - h. Now you are ready for e-voting as ‘Cast Vote’ page opens.
 - i. Cast your vote by selecting the option of your choice and click on “Submit” and also remember to “Confirm” when prompted.
 - j. Upon confirmation, the message ‘Vote cast successfully’ will be displayed.
 - k. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc., together with attested specimen signature(s) of the authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer via e-mail to pddiwan@yahoo.co.in with a copy marked to evoting@nsdl.co.in
2. For Members whose email addresses are not registered with the depository participant(s), the following instructions may be noted:
 - a. Member may obtain a User ID and password for casting his/her vote by remote e-voting by sending a request at evoting@nsdl.co.in or by contacting NSDL at the toll free no.: 1800 222 990 providing the details such as Demat account no. or Folio no., PAN, etc.
 - b. If you are already registered with NSDL for e-voting, you can use your existing User ID and password for casting your vote.
 - For shareholders holding shares in demat mode, User ID is the combination of DP ID + Client ID.
 - For shareholders holding shares in physical mode, User ID is the combination of EVEN No. + Folio No.
 - c. Please follow the instructions from Sl. No. (b) to (k) as mentioned in the step 1, to cast vote.
 3. For queries, refer to the Frequently Asked Questions (FAQs) and e-voting user manual for Members available in the ‘Downloads’ section of www.evoting.nsdl.com or call on toll free no.: 1800 222 990. Members can also contact Mr. Amit Vishal, Senior Manager, NSDL, to resolve any grievances with regard to e-voting, toll free no.: 1800 222 990, Tel no.: 022 2499 4360; Email: AmitV@nsdl.co.in and/or evoting@nsdl.co.in
 4. Login to e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on the site to reset the password.
 5. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 6. Other instructions:
 - a. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the close of business hours of Wednesday, September 13, 2017.
 - b. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice convening the Annual General Meeting and up to the cut-off date i.e. Wednesday, September 13, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in
 - c. The facility of voting (either through electronic voting or ballot) will also be made available at the Annual General Meeting. Members attending the Annual General Meeting who have not already cast their vote will be able to exercise their right at the Annual General Meeting. Please note that the Members who have cast their vote by e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

- d. The Company has appointed, Mr. Prashant Diwan, Practicing Company Secretary (Membership no. FCS 1403 and COP no. 1979) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- e. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, count the votes cast at the Annual General Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favor of or against, if any, not later than three working days from the date of conclusion of the e-voting period, to the Chairperson of the Company. The Chairperson, or any other person authorized by the Chairperson, shall declare the result of the voting forthwith.
- f. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.oracle.com/financialservices and on the website of National Securities Depository Limited www.nsdl.com, after the results are declared by the Chairperson, and the same shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed.

Annexure to notice

Explanatory Statement as required by Section 102(1) of the Companies Act, 2013

The following Explanatory Statement sets out all the material facts relating to item no. 4 and the special business mentioned under item nos. 5 and 6 in the accompanying Notice dated July 12, 2017.

Item no. 4:

This explanatory statement is provided though not required as per Section 102 of the Companies Act, 2013.

M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration no. 101049W/E300004), were appointed as the Statutory Auditors of the Company at the Twenty Fifth Annual General Meeting of the Company held on September 12, 2014 for a term of three years to hold office till the conclusion of this Annual General Meeting. M/s. S. R. Batliboi & Associates LLP have been the Auditors of the Company since financial year 2002-03.

Pursuant to Section 139 of the Companies Act, 2013 ("the Act") and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years, or in the Annual General Meeting of 2017, whichever is later. M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration no. 101049W/E300004) have served the company for over 10 years before the Companies Act, 2013 was notified and will be completing the maximum transitional period (three years) at the ensuing Annual General Meeting.

The Board of Directors has, based on the recommendation of the Audit Committee, at its meeting held on March 29, 2017, proposed the appointment of M/s. Mukund M Chitale & Co., Chartered Accountants (ICAI Firm Registration no. 106655W) as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2022 (subject to ratification of the appointment by the Members at every Annual General Meeting held after this Annual General Meeting).

M/s. Mukund M Chitale & Co. have consented to their appointment as the Statutory Auditors of the Company and have confirmed that, if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution set out at item no. 4 of the Notice.

Your Directors recommend the resolution at item no. 4 of the Notice.

Item no. 5:

Ms. Kimberly Woolley (DIN: 07741017) was appointed as an Additional Director of the Company by the Board of Directors on March 29, 2017. Pursuant to and in accordance with the provisions of the Section 161 of the Companies Act, 2013, and Article 109 of the Articles of Association of the Company, Ms. Woolley holds office up to the date of ensuing Annual General Meeting and is eligible for appointment as a Director of the Company, liable to retire by rotation. Ms. Woolley shall not draw any remuneration from the Company.

The Company has received a notice from a Member, along with the requisite deposit under Section 160 of the Companies Act, 2013, proposing her candidature for appointment as a Director of the Company. A brief profile on Ms. Woolley is provided under additional information forming part of the Notice.

Ms. Woolley is the Assistant General Counsel and Assistant Secretary for Oracle Corporation.

Except Ms. Woolley, none of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution set out at item no. 5 of the Notice.

Your Directors recommend the resolution at item no. 5 of the Notice.

Item no. 6:

The Company has branches within and outside India and may also open / acquire new branches in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches. The Members are requested to authorize the Board of Directors of the Company to appoint branch auditors in consultation with the Company's Statutory Auditors and fix their remuneration.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution at item no. 6 of the Notice.

Your Directors recommend the resolution set out at item no. 6 of the Notice.

ADDITIONAL INFORMATION PURSUANT TO REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 WITH REGARD TO DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 28TH ANNUAL GENERAL MEETING:

1. Ms. Maria Smith

Ms. Maria Smith (52), having DIN: 07182337, is a Vice President, Assistant Corporate Controller and Vice President, Mergers and Acquisitions Integration for Oracle Corporation. In her role, Ms. Smith is responsible for leading Global Controller & Accounting Operations for EMEA, Americas and JAPAC and also Corporate Accounting.

Ms. Smith joined Oracle in 1999. Prior to Oracle, she was the financial controller at Fujitsu Consulting and Amdahl Ireland.

Ms. Smith began her career with Ernst and Young and brings over 25 years of financial accounting and executive management experience.

Ms. Smith graduated from Dublin City University with a bachelor's degree in Accounting and Finance. She is a Fellow of the Institute of Chartered Accountants in Ireland.

In 2014, Ms. Smith was a winner at WXN Ireland's Most Powerful Women in the Corporate Executive Category and was shortlisted for the Image Business Woman of the year in 2015. In 2017, Ms. Smith won Dublin City University's Alumni Award from their Business School.

Ms. Smith does not hold any equity share of the Company as on date.

Ms. Smith holds directorships in the following companies:

List of other Directorships held	
Oracle CAPAC Services	Oracle EMEA Limited
Oracle Corporation Australia Pty Limited	Oracle Nederland B.V.
Oracle EMEA Holdings Limited	

Ms. Smith does not hold any committee membership / chairpersonship in the above companies.

Ms. Smith is a Member of Audit Committee of the Company.

2. Ms. Kimberly Woolley

Ms. Kimberly Woolley (45), having DIN: 07741017, was appointed as an Additional Director of the Company on March 29, 2017. Ms. Woolley is the Assistant General Counsel and Assistant Secretary for Oracle Corporation. Ms. Woolley has been practicing corporate law since 1998 and joined Oracle Corporation in May 2009. Ms. Woolley supports Oracle Corporation's Board of Directors and Committees of the Board. Ms. Woolley is a member of Oracle Corporation's Disclosure Committee and is responsible for Oracle's compliance with U.S. securities laws, including the review and preparation of the company's periodic reports (10-K, 10-Qs, 8-Ks), annual proxy statement and Section 16 filings. Ms. Woolley also supports Oracle's Treasury and Finance teams in capital markets transactions.

Prior to joining Oracle Corporation, Ms. Woolley was the Director and Associate General Counsel of Williams-Sonoma, Inc. where she served as the Head of Corporate and Securities law, reporting to the General Counsel. Ms. Woolley previously worked as an Associate at law firms Gibson, Dunn & Crutcher (London and San Francisco), and Sullivan & Cromwell (New York and London).

Ms. Woolley holds a Juris Doctorate degree with High Honors from The George Washington University Law School, and a Bachelor of Arts degree with Honors (Magna Cum Laude) in Politics and Government from Ripon College. Ms. Woolley is a member of the New York and California state bars.

Ms. Woolley does not hold any equity share of the Company as on date.

Ms. Woolley holds directorships in the following companies:

List of other Directorships held	
Ripon College	Tekelec Systems India Private Limited
Oracle NetSuite Spain US LLC	Waban Software Private Limited
GoAhead Software India Private Limited	Logfire Technology Solutions Private Limited
Responsys Business Solutions India Private Limited	Palerra Software Private Limited

Ms. Woolley does not hold any committee membership / chairpersonship in the above companies.

There are no inter-se relationships between the board members in terms of Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details on number of Meetings of the Board attended during the year and other Directorships, Memberships/ Chairpersonships of Committees of other Boards are given in the Report on Corporate Governance forming part of this Annual Report.

By Order of the Board of Directors

Onkarnath Banerjee
Company Secretary and Compliance Officer
Membership no. ACS 8547

Mumbai
July 12, 2017

Registered Office:
Oracle Park
Off Western Express Highway
Goregaon (East), Mumbai 400063
Tel. no. +91 22 6718 3000 Fax no. +91 22 6718 4604
CIN: L72200MH1989PLC053666
Website: www.oracle.com/financialservices
Email: investors-vp-ofss_in_grp@oracle.com

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ATTENDANCE SLIP

ORACLE FINANCIAL SERVICES SOFTWARE LIMITED

Registered Office: Oracle Park, Off Western Express Highway, Goregaon (East), Mumbai 400063
CIN: L72200MH1989PLC053666; Tel. no. +91 22 6718 3000; Fax no. +91 22 6718 4604
Website: www.oracle.com/financialservices; Email: investors-vp-ofss_in_grp@oracle.com

I hereby record my presence at the Twenty Eighth Annual General Meeting of the Company held on Wednesday, September 20, 2017 at 2.30 p.m. at Shri Bhaidas Maganlal Sabhagriha, Bhaktivedanta Swami Marg, Vile Parle (West), Mumbai 400056.

Full name of the Shareholder
(in block letters)

Ledger Folio No. DP ID Client ID.....

Number of Shares held

Full name of Proxy
(in block letters)

Signature of Shareholder or Proxy attending

Please provide full name of the 1st Joint Holder.

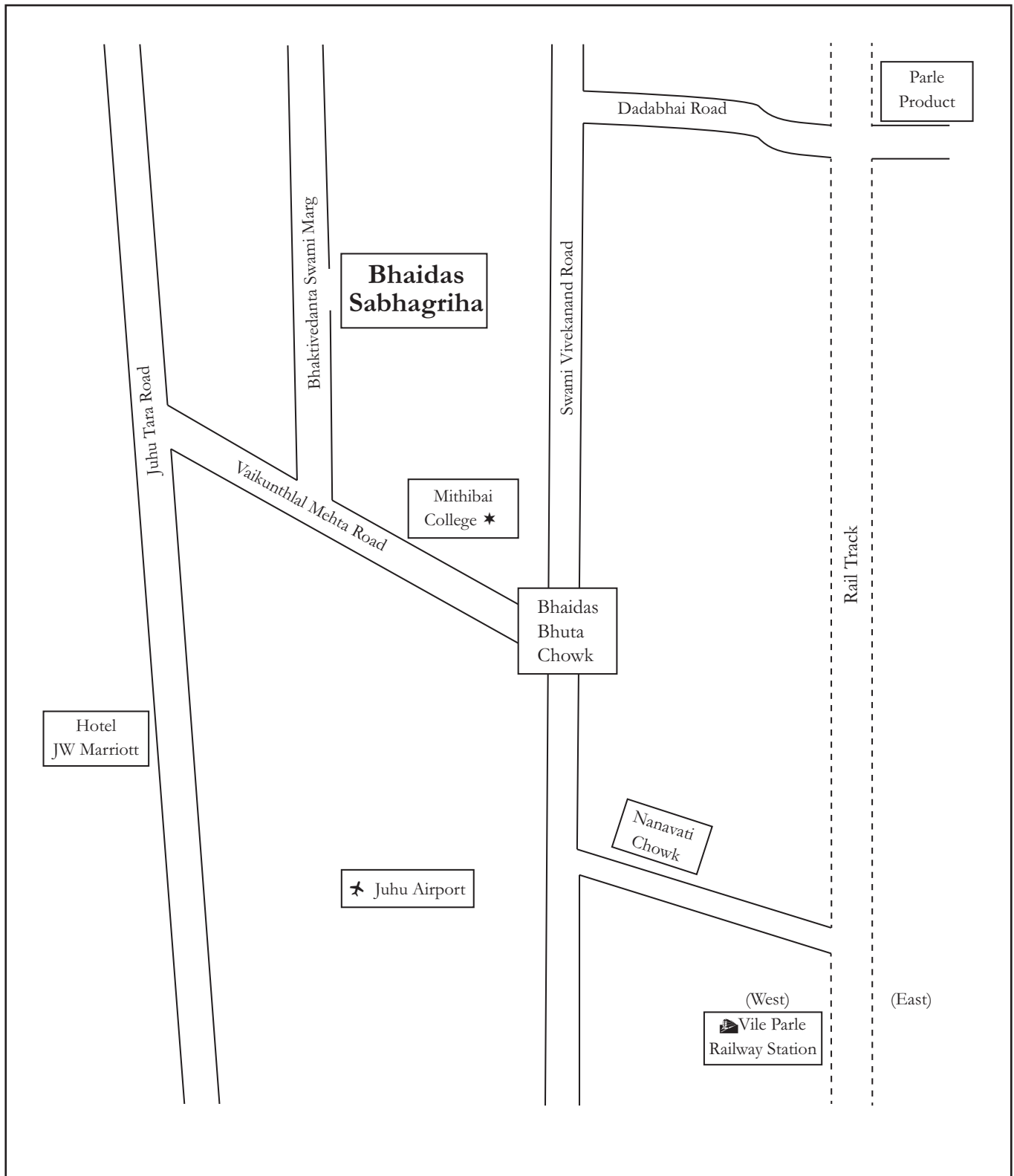
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Notes:

- (1) Members / Proxy holders are requested to produce the attendance slip duly signed for admission to the Meeting hall.
- (2) Members are requested to bring their copy of Annual Report for reference at the Annual General Meeting.



Route map to the venue of the Annual General Meeting



★ Landmark
Map not to scale

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

ORACLE FINANCIAL SERVICES SOFTWARE LIMITED

Registered Office: Oracle Park, Off Western Express Highway, Goregaon (East), Mumbai 400063

CIN: L72200MH1989PLC053666; Tel. no. +91 22 6718 3000; Fax no. +91 22 6718 4604

Website: www.oracle.com/financialservices; Email: investors-vp-ofss_in_grp@oracle.com

Name of the member(s)

Registered address

Email id

Folio No. / Client ID

DP ID

I/We, being the holder(s) of equity shares of the above named Company, hereby appoint

1. Name: Email Id:

Address:

..... Signature: _____ or failing him / her

2. Name: Email Id:

Address:

..... Signature: _____ or failing him / her

3. Name: Email Id:

Address:

..... Signature: _____



as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Twenty Eighth Annual General Meeting of the Company to be held on Wednesday, September 20, 2017 at 2.30 p.m. at Shri Bhaidas Maganlal Sabhagriha, Bhaktivedanta Swami Marg, Vile Parle (West), Mumbai 400056 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Resolutions	Vote (optional)*		
		For	Against	Abstain
Ordinary Business				
1	Adoption of Balance Sheet as on March 31, 2017, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.			
2	Appointment of a Director in place of Ms. Maria Smith (DIN: 07182337), who retires by rotation and, being eligible, offers herself for re-appointment.			
3	Confirmation of interim dividend of ₹ 170 per equity share for the financial year ended March 31, 2017 as the final dividend for the financial year ended March 31, 2017.			
4	Appointment of M/s. Mukund M Chitale & Co., Chartered Accountants (ICAI Firm Registration no. 106655W) as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2022, subject to annual ratification by the Members, and to fix their remuneration.			
Special Business				
5	Appointment of Ms. Kimberly Woolley (DIN: 07741017), as a Director of the Company, liable to retire by rotation.			
6	Appointment of Branch Auditors.			

* it is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

Signed this day of 2017.

Signature of Member(s)

Signature of proxy holder(s)

Please affix ₹ 1 revenue stamp and sign across
--

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. A person can act as proxy on behalf of the Members up to and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.



Oracle Financial Services Software Limited

Registered Office
Oracle Park, Off Western Express Highway
Goregaon (East), Mumbai 400063, Maharashtra, India

CIN: L72200MH1989PLC053666

Investor Enquiries
Phone: + 91.22.6718.3000
Fax: + 91.22.6718.4604
oracle.com/financialservices

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Oracle is committed to developing practices and products that help protect the environment