

Oracle Financial Services Software Limited

Consolidated balance sheet as at March 31, 2017

	(Amounts in ₹ million)		
	March 31, 2017	March 31, 2016	April 1, 2015
<u>ASSETS</u>			
Non-current assets			
Property, Plant and Equipment	2,509.24	2,561.96	2,934.10
Capital work-in-progress	8.16	47.94	3.25
Investment property	102.00	102.00	102.00
Goodwill	6,086.63	6,086.63	6,086.63
Investment in an associate	-	2.72	2.87
Financial assets	577.02	471.59	570.67
Deferred tax assets (net)	1,346.28	970.98	878.65
Income tax assets (net)	5,858.54	4,674.38	4,241.42
Other non-current assets	714.59	733.45	921.78
	17,202.46	15,651.65	15,741.37
Current assets			
Financial Assets			
Trade receivables	7,180.14	8,310.92	6,155.64
Cash and cash equivalents	25,914.71	5,789.66	6,244.58
Other bank balances	4,402.24	22,065.26	29,921.06
Other current financials assets	4,916.81	4,149.80	4,144.32
Income tax assets (net)	78.03	167.04	79.55
Other current assets	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
<u>EQUITY AND LIABILITIES</u>			
Equity			
Equity Share capital	424.70	423.45	422.24
Other Equity	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	23.90	26.81	24.72
Other non-current liabilities	244.77	191.65	196.27
Employee benefit obligations	784.21	665.65	606.67
Deferred tax liability (net)	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	108.37	377.59	362.54
Other current financial liabilities	19,733.03	1,926.23	2,477.29
Other current liabilities	4,136.93	4,490.15	4,588.06
Employee benefit obligations	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

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

Oracle Financial Services Software Limited

Consolidated statement of Profit and Loss for year ended March 31, 2017

(Amounts in ₹ million, except share data)

	Year ended March 31,	
	2017	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
<u>EXPENSES</u>		
Employee benefit expenses	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	2,216.46	2,099.24
Depreciation and amortization	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	(2.72)	(0.15)
Profit before exceptional item and tax	18,198.03	17,695.22
Exceptional item [Refer note 7]	(628.25)	(219.33)
Profit before tax	17,569.78	17,475.89
Tax expenses		
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 ₹)		
Basic	139.76	123.78
Diluted	139.29	123.12

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

Oracle Financial Services Software Limited

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

Year ended March 31, 2017

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity						Total equity attributable to equity holders of the Company	
	No of shares	Share capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Retained earnings	Other comprehensive income		
								Foreign currency transaltion reserve		Remeasurement of defined benefit obligation
Balance as of April 1, 2016	84,690,036	423.45	3.00	11,690.40	10,145.19	1,345.71	22,607.70	561.58	(38.29)	46,738.74
Changes in equity for year ended March 31, 2017										
Application money received for exercised options			589.42							589.42
Shares issued for exercised options	250,228	1.25	(566.26)	565.01						-
Stock compensation charge						780.44				780.44
Forfeiture of options						(17.65)	17.65			-
Stock compensation related to options exercised				273.45		(273.45)				-
Profit for the year							11,853.85			11,853.85
Final equity dividend including dividend distribution tax thereon							(9,902.95)			(9,902.95)
Interim equity dividend including dividend distribution tax							(17,205.48)			(17,205.48)
Acturial loss on gratuity fund including deferred tax thereon									(31.71)	(31.71)
Exchange differences on translation of foreign operations								(176.45)		(176.45)
Balance as of March 31, 2017	84,940,264	424.70	26.16	12,528.86	10,145.19	1,835.05	7,370.77	385.13	(70.00)	32,645.86

Year ended March 31, 2016

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity						Total equity attributable to equity holders of the Company	
	No of shares	Share capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Retained earnings	Other comprehensive income		
								Foreign currency transaltion reserve		Remeasurement of defined benefit obligation
Balance as of April 1, 2015	84,448,717	422.24	0.63	11,046.35	10,145.19	723.99	30,430.03	-	-	52,768.43
Changes in equity for year ended March 31, 2016										
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						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)
Acturial loss on gratuity fund including deferred tax thereon									(38.29)	(38.29)
Exchange differences on translation of foreign operations								561.58		561.58
Balance as of March 31, 2016	84,690,036	423.45	3.00	11,690.40	10,145.19	1,345.71	22,607.70	561.58	(38.29)	46,738.74

Oracle Financial Services Software Limited

Notes annexed to and forming part of the audited 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 (“Oracle”) with Oracle holding as at March 31, 2017, ownership interest of 74.23% (March 31, 2016 - 74.45%).

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	Republic of China	100%	Subsidiary
i-flex Employee Stock Option Trust	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

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

Note 2: 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 Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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). These consolidated financial statements are the first financial statements of OFSS group prepared under Ind AS. 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 of the comprehensive income for the year ended March 31, 2016.

Previous period comparative numbers in the 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 or revalued amount:

- certain financial assets and liabilities (including derivative instruments) and contingent consideration that are measured at fair value
- assets held for sale
- defined benefit plan
- share-based payments

Note 3: 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

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

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.

Note 4: First time adoption of Ind AS

The OFSS group's date of transition to Ind AS is April 1, 2015. Ind AS 101 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, 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 recognised 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.
- 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 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 for historical cost of Intangible assets as per Previous GAAP as the deemed cost on the opening balance sheet date.

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

Note 5: Reconciliations between Previous GAAP and Ind AS

Equity reconciliation

(Amounts in ₹ million)

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

Comprehensive income reconciliation

(Amounts in ₹ million)

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

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

Note 6: 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 organised on a worldwide basis into three business segments:

- a) Product licenses and related activities ('Products')
- b) IT solutions and consulting services ('Services') and
- c) Business Processing 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 7(a)]	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 7(b)]	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

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

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 amortisation	562.59	87.63	30.87	20.83	701.92
Other non cash expenses [Refer note 7(a)]	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.

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

Geographical segments

The following table shows the distribution of the OFSS group's consolidated sales by geographical market :

Regions	Year ended March 31,			
	2017		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 ₹		Amounts in ₹		Amounts in ₹	
	million	%	million	%	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.

Note 7: 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 has settled the said dispute for full release of all claims and recorded net expense of ₹ 219.33 million.

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Consolidated statement of cash flow for year ended March 31, 2017

	(Amounts in ₹ million)	
	Year ended March 31,	
	2017	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 recognised / (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)
Unrealised 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
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

Oracle Financial Services Software Limited

Consolidated statement of cash flow for year ended March 31, 2017 (continued)

Component of cash and cash equivalents	(Amounts in ₹ million)	
	2017	2016
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	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.