

Oracle Financial Services Software Limited

Unaudited Condensed Consolidated Balance Sheet as at June 30, 2012

(Amounts in ₹ million)

	June 30, 2012	March 31, 2012
<u>EQUITY AND LIABILITIES</u>		
Shareholders' funds		
Share capital	419.90	419.87
Reserves and surplus	66,404.55	62,753.79
	66,824.45	63,173.66
Share application money pending allotment	1.07	1.24
Non- current liabilities		
Deferred tax liability	58.48	92.58
Other Long-term liabilities	208.10	228.54
Long-term provisions	618.32	563.58
	884.90	884.70
Current liabilities		
Trade payable	383.62	272.15
Other current liabilities	7,210.73	6,917.97
Short-term provisions	967.10	929.99
	8,561.45	8,120.11
TOTAL	76,271.87	72,179.71
<u>ASSETS</u>		
Non-current assets		
Fixed assets		
Tangible assets	4,136.58	3,726.89
Intangible assets	6,086.63	6,086.63
Capital work-in-progress	246.41	544.47
Non-current investments	-	-
Deferred tax assets	721.85	707.33
Long-term loans and advances	4,729.02	4,962.84
Other non-current assets	2.76	2.85
	15,923.25	16,031.01
Current assets		
Current investments	9.98	9.98
Trade receivables	8,276.68	8,972.14
Cash and bank balances	44,456.75	39,475.91
Short-term loans and advances	2,182.27	2,939.08
Other current assets	5,422.94	4,751.59
	60,348.62	56,148.70
TOTAL	76,271.87	72,179.71

Notes attached herein form an integral part of the unaudited condensed consolidated balance sheet.

Oracle Financial Services Software Limited

Unaudited Condensed Consolidated Statement of Profit and Loss for the three month period ended June 30, 2012

(Amounts in ₹ million, except per share data)

	Three month period ended June 30,	
	2012	2011
<u>INCOME</u>		
Revenue from operations	9,463.32	7,120.76
Other income, net		
Interest income	889.07	607.61
Foreign exchange gain, net	816.77	145.56
Miscellaneous income (expense), net	18.02	(3.19)
Total income	<u>11,187.18</u>	<u>7,870.74</u>
<u>EXPENSES</u>		
Employee cost	4,038.65	3,565.48
Travel related expenses (net of recoveries)	490.14	345.82
Professional fees	490.45	490.41
Other expenses	592.32	423.63
Depreciation and amortisation	138.05	100.71
Total expenses	<u>5,749.61</u>	<u>4,926.05</u>
Profit before tax	5,437.57	2,944.69
Tax expenses		
Current tax	1,809.19	899.62
Deferred tax	(52.20)	2.90
Total tax expenses	<u>1,756.99</u>	<u>902.52</u>
Profit for the period	<u>3,680.58</u>	<u>2,042.17</u>
Earnings per equity share of par value of ₹ 5 (June 30, 2011 ₹ 5) each (in ₹)		
Basic	43.83	24.34
Diluted	43.72	24.31
Number of shares used in computing earnings per share		
Basic	83,976,030	83,899,949
Diluted	84,185,303	84,006,156

Notes attached herein form an integral part of the unaudited condensed consolidated statement of profit and loss.

Oracle Financial Services Software Limited

Notes annexed to and forming part of the unaudited condensed consolidated financial statements for three month period ended June 30, 2012

(Amount in ₹ millions, except share data)

1. Background and nature of operations

Oracle Financial Services Software Limited (“OFSS” or the “Company”) was incorporated in India with limited liability on September 27, 1989. The Company along with its subsidiaries and associate is principally engaged in the business of providing information technology solutions and business process outsourcing services to the financial services industry worldwide. OFSS has a suite of banking products, which caters to the needs of corporate, retail, investment banking, treasury operations and data warehousing.

Oracle Financial Services Software Limited is a subsidiary of Oracle Global (Mauritius) Limited (“Oracle”) with Oracle having 80.36% ownership interest in the Company as at June 30, 2012.

The Company has following subsidiaries and associate (hereinafter collectively referred as the “Group”):

Companies	Country of Incorporation	Ownership Interest	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
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.			
Mantas Limited (dissolved on April 10, 2012)	United Kingdom	100%	Subsidiary
Sotas Inc.	United States of America	100%	Subsidiary
Mantas Singapore Pte. Ltd. (dissolved on March 1, 2012)	Singapore	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

Oracle Financial Services Software Limited

Notes annexed to and forming part of the unaudited condensed consolidated financial statements for the three month period ended June 30, 2012
(Amounts in ₹ million)

2. Accounting policies

The Group has followed the same accounting policies in preparing the interim financial statements as were followed for the year ended March 31, 2012.

3. Capital Commitments

Particulars	June 30, 2012	March 31, 2012
Contracts remaining to be executed on capital account not provided for (Net of advances)	300.32	470.44

4. SEGMENT INFORMATION

The Group is organized by business segment and geographically. For management purposes the 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 Services ('BPO - Services')

Three month period ended June 30, 2012

Particulars	Products	Services	BPO - Services	Total
Revenue from operations	7,107.63	2,136.95	218.74	9,463.32
Segment result	3,255.02	600.16	88.18	3,943.36
Unallocable expenses				(229.65)
Interest income				889.07
Foreign exchange gain, net				816.77
Miscellaneous income, net				18.02
Profit before tax				5,437.57
Tax expenses				(1,756.99)
Profit for the period				3,680.58

Three month period ended June 30, 2011

Particulars	Products	Services	BPO - Services	Total
Revenue from operations	4,809.92	2,177.25	133.59	7,120.76
Segment result	1,919.40	634.64	(0.55)	2,553.49
Unallocable expenses				(358.78)
Interest income				607.61
Foreign exchange gain, net				145.56
Miscellaneous (expense), net				(3.19)
Profit before tax				2,944.69
Tax expenses				(902.52)
Profit for the period				2,042.17

Oracle Financial Services Software Limited

Notes annexed to and forming part of the unaudited condensed consolidated financial statements for the three month period ended June 30, 2012

(Amounts in ₹ million)

Three month period ended June 30, 2012

Particulars	Other information				Total
	Products	Services	BPO - Services	Unallocable	
Capital expenditure by segment					
Tangible assets	76.24	51.24	1.26	419.75	548.49
Depreciation and amortisation	70.16	43.45	5.03	19.41	138.05
Other non cash expenses	108.84	10.62	(0.98)	-	118.48
Segment assets	17,648.27	4,516.56	242.39	53,864.65	76,271.87
Segment liabilities	6,664.51	2,073.81	145.65	562.38	9,446.35
Share application money pending allotment	-	-	-	1.07	1.07
Shareholders' funds	-	-	-	66,824.45	66,824.45

Three month period ended June 30, 2011

Particulars	Other information				Total
	Products	Services	BPO - Services	Unallocable	
Capital expenditure by segment					
Tangible assets	1.44	1.30	0.58	4.65	7.97
Depreciation and amortization	35.81	44.42	5.61	14.87	100.71
Other non cash expenses	(50.40)	(29.99)	-	-	(80.39)
Segment assets	17,504.69	3,596.41	245.23	41,919.05	63,265.38
Segment liabilities	3,624.29	1,122.54	126.40	2,263.24	7,136.47
Share application money pending allotment	-	-	-	4.71	4.71
Shareholders' funds	-	-	-	56,124.20	56,124.20

- Employee costs for the three month period ended June 30, 2012 are net of ₹ 175.04 pertaining to write back of bonus provision of earlier year no longer required.
- Prior period's figures have been reclassified, where necessary to conform with current period's presentation.

Oracle Financial Services Software Limited

Unaudited Condensed Consolidated Statement of Cash Flow for the three month period ended June 30, 2012

(Amounts in ₹ million)

	Three month period ended June 30,	
	2012	2011
Net cash provided by operating activities	4,004.59	688.63
Net cash (used) in investing activities	(3,761.31)	(463.37)
Net cash provided by financing activities	5.12	26.36
Net increase in cash and cash equivalents	248.40	251.62
Cash and cash equivalents at beginning of the period	5,152.33	3,318.58
Effect of exchange difference on cash and bank balances	407.22	11.05
Cash and cash equivalents at end of the period	5,807.95	3,581.25

Component of cash and cash equivalents

Cash on hand	2.43	1.52
Cheques on hand	105.01	179.42
Balances with banks:		
Current accounts*	4,934.85	2,954.66
Deposit accounts with original maturity of less than 3 months	763.18	442.39
Unclaimed dividend accounts	2.48	3.26
Total cash and cash equivalents	5,807.95	3,581.25

* Includes balance of ₹ Nil (June 30, 2011 - ₹ 49.04) with Central Bank of Libya which is not freely remissible to the Company due to unstable conditions in Libya.