

# Oracle Financial Services Software Limited

## Unaudited Condensed Consolidated Balance Sheet as at December 31, 2012

(Amounts in ₹ million)

	December 31, 2012	March 31, 2012
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Shareholders' funds</b>		
Share capital	420.13	419.87
Reserves and surplus	70,751.68	62,753.79
	<b>71,171.81</b>	<b>63,173.66</b>
<b>Share application money pending allotment</b>	<b>4.00</b>	<b>1.24</b>
<b>Non- current liabilities</b>		
Deferred tax liability	26.78	92.58
Other Long-term liabilities	239.61	228.54
Long-term provisions	561.01	563.58
	<b>827.40</b>	<b>884.70</b>
<b>Current liabilities</b>		
Trade payable	247.83	272.15
Other current liabilities	7,830.24	6,917.97
Short-term provisions	1,205.79	929.99
	<b>9,283.86</b>	<b>8,120.11</b>
<b>TOTAL</b>	<b>81,287.07</b>	<b>72,179.71</b>
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Fixed assets		
Tangible assets	3,997.51	3,726.89
Intangible assets	6,086.63	6,086.63
Capital work-in-progress	133.02	544.47
Non-current investments	-	-
Deferred tax assets	693.88	707.33
Long-term loans and advances	6,001.81	4,962.84
Other non-current assets	1.23	2.85
	<b>16,914.08</b>	<b>16,031.01</b>
<b>Current assets</b>		
Current investments	9.98	9.98
Trade receivables	7,112.65	8,972.14
Cash and bank balances	51,938.46	39,475.91
Short-term loans and advances	1,039.46	2,939.08
Other current assets	4,272.44	4,751.59
	<b>64,372.99</b>	<b>56,148.70</b>
<b>TOTAL</b>	<b>81,287.07</b>	<b>72,179.71</b>

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 and nine month period ended December 31, 2012

(Amounts in ₹ million, except per share data)

	Three month period ended December 31,		Nine month period ended December 31,	
	2012	2011	2012	2011
<b><u>INCOME</u></b>				
Revenue from operations	8,527.54	8,159.21	25,925.48	22,841.71
Other income, net				
Interest income	994.47	698.77	2,936.23	1,963.75
Foreign exchange gain, net	342.96	903.44	643.04	1,788.37
Miscellaneous income (expense), net	5.81	(13.84)	28.10	(20.27)
Total income	9,870.78	9,747.58	29,532.85	26,573.56
<b><u>EXPENSES</u></b>				
Employee cost	4,382.52	3,877.79	12,855.42	11,165.22
Travel related expenses (net of recoveries)	474.64	374.63	1,351.95	1,038.26
Professional fees	498.59	540.02	1,393.40	1,557.33
Other expenses	335.54	519.69	1,442.71	1,454.90
Depreciation and amortisation	164.31	135.21	489.07	334.61
Total expenses	5,855.60	5,447.34	17,532.55	15,550.32
Profit before exceptional items and tax	4,015.18	4,300.24	12,000.30	11,023.24
Exceptional items	-	172.23	-	(693.32)
Profit before tax	4,015.18	4,472.47	12,000.30	10,329.92
Tax expenses				
Current tax	1,274.89	1,137.36	4,118.13	3,244.67
Deferred tax	57.39	305.39	(55.70)	(73.38)
Total tax expenses	1,332.28	1,442.75	4,062.43	3,171.29
Profit for the period	2,682.90	3,029.72	7,937.87	7,158.63
Earnings per equity share of par value of ₹ 5 (December 31, 2011 ₹ 5) each (in ₹)				
Basic	31.94	36.09	94.51	85.30
Diluted	31.79	36.07	94.10	85.23
Number of shares used in computing earnings per share				
Basic	84,011,057	83,937,995	83,991,623	83,922,859
Diluted	84,381,959	84,002,147	84,352,542	83,993,643

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 and nine month period ended December 31, 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 80.31% ownership interest in the Company as at December 31, 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 three and nine month period ended December 31, 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	December 31, 2012	March 31, 2012
Contracts remaining to be executed on capital account not provided for (net of advances)	187.27	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 December 31, 2012**

Particulars	Products	Services	BPO - Services	Total
Revenue from operations	6,245.45	2,024.50	257.59	8,527.54
Segment result	2,300.91	526.63	117.03	2,944.57
Unallocable expenses				(272.63)
Interest income				994.47
Foreign exchange gain, net				342.96
Miscellaneous income, net				5.81
Profit before tax				4,015.18
Tax expenses				(1,332.28)
Profit for the period				2,682.90

**Three month period ended December 31, 2011**

Particulars	Products	Services	BPO - Services	Total
Revenue from operations	6,044.85	1,894.78	219.58	8,159.21
Segment result	2,523.04	430.14	79.80	3,032.98
Unallocable expenses				(321.11)
Interest income				698.77
Foreign exchange gain, net				903.44
Miscellaneous expense, net				(13.84)
Profit before exceptional items and tax				4,300.24
Exceptional items				172.23
Profit before tax				4,472.47
Tax expenses				(1,442.75)
Profit for the period				3,029.72

**Nine month period ended December 31, 2012**

Particulars	Products	Services	BPO - Services	Total
Revenue from operations	19,197.12	5,973.81	754.55	25,925.48
Segment result	7,539.95	1,320.91	339.58	9,200.44
Unallocable expenses				(807.51)
Interest income				2,936.23
Foreign exchange gain, net				643.04
Miscellaneous income, net				28.10
Profit before tax				12,000.30
Tax expenses				(4,062.43)
Profit for the period				7,937.87

**Nine month period ended December 31, 2011**

Particulars	Products	Services	BPO - Services	Total
Revenue from operations	16,099.45	6,134.41	607.85	22,841.71
Segment result	6,448.81	1,715.74	203.47	8,368.02
Unallocable expenses				(1,076.63)
Interest income				1,963.75
Foreign exchange gain, net				1,788.37
Miscellaneous expense, net				(20.27)
Profit before exceptional items and tax				11,023.24
Exceptional items				(693.32)
Profit before tax				10,329.92
Tax expenses				(3,171.29)
Profit for the period				7,158.63

**Oracle Financial Services Software Limited**

**Notes annexed to and forming part of the unaudited condensed consolidated financial statements for three and nine month period ended December 31, 2012**  
(Amounts in ₹ million)

**Three month period ended December 31, 2012**

Three month period ended December 31, 2012					
Particulars	Other information				
	Products	Services	BPO - Services	Unallocable	Total
Capital expenditure by segment					
Tangible assets	(1.07)	(2.95)	0.16	7.14	3.28
Depreciation and amortisation	89.59	54.39	2.36	17.97	164.31
Other non cash expenses	(31.04)	(12.46)	-	-	(43.50)
Segment assets	15,840.98	4,607.11	240.20	60,598.78	81,287.07
Segment liabilities	7,912.64	1,543.06	136.17	519.39	10,111.26
Share application money pending allotment	-	-	-	4.00	4.00
Shareholders' funds	-	-	-	71,171.81	71,171.81

**Three month period ended December 31, 2011**

Three month period ended December 31, 2017					
Particulars	Other information				Total
	Products	Services	BPO - Services	Unallocable	
Capital expenditure by segment					
Tangible assets	406.95	317.69	0.46	96.10	821.20
Depreciation and amortization	62.06	43.42	6.33	23.40	135.21
Other non cash expenses	30.40	5.73	-	-	36.13
Segment assets	18,087.83	3,897.67	238.21	49,243.24	71,466.95
Segment liabilities	6,367.37	853.04	132.84	2,903.89	10,257.14
Share application money pending allotment	-	-	-	8.75	8.75
Shareholders' funds	-	-	-	61,201.06	61,201.06

**Nine month period ended December 31, 2012**

Nine month period ended December 31, 2012					
Particulars	Other information				
	Products	Services	BPO - Services	Unallocable	Total
Capital expenditure by segment					
Tangible assets	143.37	81.67	1.97	534.75	761.76
Depreciation and amortisation	263.42	154.69	10.57	60.39	489.07
Other non cash expenses	87.75	(4.82)	(0.98)	-	81.95
Segment assets	15,840.98	4,607.11	240.20	60,598.78	81,287.07
Segment liabilities	7,912.64	1,543.06	136.17	519.39	10,111.26
Share application money pending allotment	-	-	-	4.00	4.00
Shareholders' funds	-	-	-	71,171.81	71,171.81

**Nine month period ended December 31, 2011**

Three month period ended December 31, 2011					
Particulars	Other information				
	Products	Services	BPO - Services	Unallocable	Total
Capital expenditure by segment					
Tangible assets	417.15	324.54	1.12	115.54	858.35
Depreciation and amortization	131.34	122.42	17.15	63.70	334.61
Other non cash expenses	6.16	(30.44)	-	-	(24.28)
Segment assets	18,087.83	3,897.67	238.21	49,243.24	71,466.95
Segment liabilities	6,367.37	853.04	132.84	2,903.89	10,257.14
Share application money pending allotment	-	-	-	8.75	8.75
Shareholders' funds	-	-	-	61,201.06	61,201.06

5. Employee costs for the three month period ended December 31, 2012 are net of ₹ 154.50 pertaining to write back of bonus provision for the six month period ended September 30, 2012, no longer required. Employee costs for the nine month period ended December 31, 2012 are net of ₹ 156.50 pertaining to write back of bonus provision of earlier years, no longer required.
6. A customer had filed a lawsuit against the Company and one of its subsidiaries, claiming damages of upwards of ₹ 5,784.19. During the three and nine month period ended December 31, 2011, the Company has settled the said customer dispute for full release of all alleged claims and accordingly has accounted the full settlement amount, net of insurance claim. As a result, the Company has reversed the excess provision of ₹ 172.23 during the three month period ended December 31, 2011 and disclosed the same as an exceptional item.
7. During the three and nine month period ended December 31, 2011, the Group has recorded net income tax expense reversal of ₹ 81.93 related to previous year.
8. 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 nine month period ended December 31, 2012**

(Amounts in ₹ million)

	<b>Nine month period ended December 31,</b>	
	<b>2012</b>	<b>2011</b>
Net cash provided by operating activities	9,596.92	6,429.50
Net cash (used) in investing activities	(8,295.41)	(4,316.40)
Net cash provided by financing activities	81.95	51.81
Net increase in cash and cash equivalents	1,383.46	2,164.91
Cash and cash equivalents at beginning of the period	5,152.33	3,318.58
Effect of exchange difference on cash and bank balances	312.87	646.31
<b>Cash and cash equivalents at end of the period</b>	<b>6,848.66</b>	<b>6,129.80</b>
<b>Component of cash and cash equivalents</b>		
Cash on hand	1.83	2.06
Funds in transit	6.22	0.56
Balances with banks:		
Current accounts*	6,789.77	5,579.92
Deposit accounts with original maturity of less than 3 months	50.00	545.04
Unclaimed dividend accounts	0.84	2.22
<b>Total cash and cash equivalents</b>	<b>6,848.66</b>	<b>6,129.80</b>