

Oracle Financial Services Software Limited

Unaudited Condensed Consolidated Balance Sheet as at December 31, 2014

(Amounts in ₹ million)

	December 31, 2014	March 31, 2014
<u>EQUITY AND LIABILITIES</u>		
Shareholders' funds		
Share capital	422.92	420.72
Reserves and surplus	49,987.84	87,344.77
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	50,410.76	87,765.49
Share application money pending allotment	6.77	3.59
Non- current liabilities		
Deferred tax liability	37.38	67.82
Other Long-term liabilities	246.49	260.26
Long-term provisions	863.03	719.12
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	1,146.90	1,047.20
Current liabilities		
Trade payable	217.78	473.67
Other current liabilities	6,862.42	6,589.14
Short-term provisions	1,616.60	1,372.23
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	8,696.80	8,435.04
TOTAL	60,261.23	97,251.32
<u>ASSETS</u>		
Non-current assets		
Fixed assets		
Tangible assets	3,024.41	3,448.48
Intangible assets	6,086.63	6,086.63
Capital work-in-progress	136.50	125.20
Non-current investments	-	-
Deferred tax assets	1,008.10	866.95
Long-term loans and advances	4,810.12	5,134.23
Other non-current assets	-	0.25
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	15,065.76	15,661.74
Current assets		
Trade receivables	7,379.91	6,807.44
Cash and bank balances	32,360.48	66,726.07
Short-term loans and advances	916.86	948.41
Other current assets	4,538.22	7,107.66
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	45,195.47	81,589.58
TOTAL	60,261.23	97,251.32

Oracle Financial Services Software Limited

Unaudited Condensed Consolidated Statement of Profit and Loss for three and nine month period ended December 31, 2014

	Three month period ended December 31,		Nine month period ended December 31,	
	2014	2013	2014	2013
<u>INCOME</u>				
Revenue from operations	9,376.90	9,816.94	29,551.47	28,461.34
Other income, net				
Interest income	529.99	1,429.09	3,507.84	3,711.39
Foreign exchange (loss) gain, net	(101.27)	(83.28)	(202.80)	1,467.55
Miscellaneous income (expense), net	17.53	(0.89)	138.87	61.49
Total income	<u>9,823.15</u>	<u>11,161.86</u>	<u>32,995.38</u>	<u>33,701.77</u>
<u>EXPENSES</u>				
Employee cost	4,684.75	5,027.25	13,955.98	13,965.67
Travel related expenses (net of recoveries)	396.90	351.96	1,006.41	1,064.60
Professional fees	443.73	409.04	1,375.96	1,394.58
Other expenses	421.23	432.12	1,408.06	1,402.69
Depreciation and amortisation	153.39	179.34	505.04	535.43
Total expenses	<u>6,100.00</u>	<u>6,399.71</u>	<u>18,251.45</u>	<u>18,362.97</u>
Profit before tax	3,723.15	4,762.15	14,743.93	15,338.80
Tax expenses				
Current tax	1,234.04	1,600.49	5,299.55	4,965.52
Deferred tax	(7.63)	(66.71)	(175.12)	(112.37)
Total tax expenses	<u>1,226.41</u>	<u>1,533.78</u>	<u>5,124.43</u>	<u>4,853.15</u>
Profit for the period	<u>2,496.74</u>	<u>3,228.37</u>	<u>9,619.50</u>	<u>10,485.65</u>

Earnings per equity share of par value of ₹ 5

(December 31, 2013 ₹ 5) each (in ₹)

Basic	29.52	38.39	114.10	124.70
Diluted	29.42	38.23	113.54	124.27

Number of shares used in computing earnings per share

Basic	84,577,830	84,100,160	84,310,609	84,084,142
Diluted	84,876,099	84,446,551	84,719,854	84,380,752

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, 2014 (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 74.54% ownership interest in the Company as at December 31, 2014.

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.			
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

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, 2014

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, 2014.

3. Capital Commitments

Particulars	(Amounts in ₹ million)	
	December 31, 2014	March 31, 2014
Contracts remaining to be executed on capital account not provided for (net of advances)	199.09	169.83

4. Employee costs for the three month period ended December 31, 2013 includes ₹ 252.74 million being net additional bonus payable for earlier quarters based on determination of final payout. Employee costs for the nine month period ended December 31, 2013 are net of ₹ 243.51 million pertaining to write back of bonus provision of earlier year no longer required.

5. The Board of Directors of the Company declared an interim dividend of ₹ 485/- per equity share of face value ₹ 5 each at its meeting held on September 12, 2014 and the same was distributed to the members of the Company during the three month period ended September 30, 2014.

6. SEGMENT INFORMATION

The Group is organized by business and geographical segment. 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, 2014	(Amounts in ₹ million)			
Particulars	Products	Services	BPO - Services	Total
Revenue from operations	7,546.28	1,496.82	333.80	9,376.90
Segment result	3,213.08	134.14	158.06	3,505.28
Unallocable expenses				(228.38)
Interest income				529.99
Foreign exchange (loss), net				(101.27)
Miscellaneous income, net				17.53
Profit before tax				3,723.15
Tax expenses				(1,226.41)
Profit for the period				<u><u>2,496.74</u></u>

Three month period ended December 31, 2013	(Amounts in ₹ million)			
Particulars	Products	Services	BPO - Services	Total
Revenue from operations	7,591.14	1,926.07	299.73	9,816.94
Segment result	3,251.30	281.38	147.05	3,679.73
Unallocable expenses				(262.50)
Interest income				1,429.09
Foreign exchange (loss), net				(83.28)
Miscellaneous (expense), net				(0.89)
Profit before tax				4,762.15
Tax expenses				(1,533.78)
Profit for the period				<u><u>3,228.37</u></u>

Nine month period ended December 31, 2014	(Amounts in ₹ million)			
Particulars	Products	Services	BPO - Services	Total
Revenue from operations	24,059.78	4,722.76	768.93	29,551.47
Segment result	10,898.24	824.09	221.52	11,943.85
Unallocable expenses				(643.83)
Interest income				3,507.84
Foreign exchange (loss), net				(202.80)
Miscellaneous income, net				138.87
Profit before tax				14,743.93
Tax expenses				(5,124.43)
Profit for the period				<u><u>9,619.50</u></u>

Nine month period ended December 31, 2013	(Amounts in ₹ million)			
Particulars	Products	Services	BPO - Services	Total
Revenue from operations	22,007.60	5,682.44	771.30	28,461.34
Segment result	9,534.44	1,161.83	298.91	10,995.18
Unallocable expenses				(896.81)
Interest income				3,711.39
Foreign exchange gain, net				1,467.55
Miscellaneous income, net				61.49
Profit before tax				15,338.80
Tax expenses				(4,853.15)
Profit for the period				<u><u>10,485.65</u></u>

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, 2014

Three month period ended December 31, 2014

Particulars	Other information					(Amounts in ₹ million)
	Products	Services	BPO - Services	Unallocable	Total	
Capital expenditure by segment						
Tangible assets	28.23	7.08	0.67	3.21	39.19	
Depreciation and amortisation	109.29	29.16	8.87	6.07	153.39	
Other non cash expenses	(4.60)	9.81	-	-	5.21	
Segment assets	15,779.79	3,198.93	266.18	41,016.33	60,261.23	
Segment liabilities	6,756.63	1,249.40	168.44	1,669.23	9,843.70	
Share application money pending allotment	-	-	-	6.77	6.77	
Shareholders' funds	-	-	-	50,410.76	50,410.76	

Three month period ended December 31, 2013

Particulars	Other information					(Amounts in ₹ million)
	Products	Services	BPO - Services	Unallocable	Total	
Capital expenditure by segment						
Tangible assets	23.72	2.12	1.34	1.90	29.08	
Depreciation and amortization	117.05	41.00	10.42	10.87	179.34	
Other non cash expenses	(33.05)	32.39	-	-	(0.66)	
Segment assets	18,753.49	4,296.94	249.36	71,388.15	94,687.94	
Segment liabilities	6,759.95	1,534.45	162.20	1,647.60	10,104.20	
Share application money pending allotment	-	-	-	-	-	
Shareholders' funds	-	-	-	84,583.74	84,583.74	

Nine month period ended December 31, 2014

Particulars	Other information					(Amounts in ₹ million)
	Products	Services	BPO - Services	Unallocable	Total	
Capital expenditure by segment						
Tangible assets	59.64	17.38	9.51	17.23	103.76	
Depreciation and amortisation	348.27	102.73	28.98	25.06	505.04	
Other non cash expenses	81.08	33.89	-	-	114.97	
Segment assets	15,779.79	3,198.93	266.18	41,016.33	60,261.23	
Segment liabilities	6,756.63	1,249.40	168.44	1,669.23	9,843.70	
Share application money pending allotment	-	-	-	6.77	6.77	
Shareholders' funds	-	-	-	50,410.76	50,410.76	

Nine month period ended December 31, 2013

Particulars	Other information					(Amounts in ₹ million)
	Products	Services	BPO - Services	Unallocable	Total	
Capital expenditure by segment						
Tangible assets	162.57	74.52	8.38	18.07	263.54	
Depreciation and amortisation	340.46	124.13	24.88	45.96	535.43	
Other non cash expenses	20.82	74.84	(3.25)	-	92.41	
Segment assets	18,753.49	4,296.94	249.36	71,388.15	94,687.94	
Segment liabilities	6,759.95	1,534.45	162.20	1,647.60	10,104.20	
Share application money pending allotment	-	-	-	-	-	
Shareholders' funds	-	-	-	84,583.74	84,583.74	

7. 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, 2014

	(Amounts in ₹ million)	
	Nine month period ended December 31,	
	2014	2013
Net cash provided by operating activities	8,965.34	4,278.93
Net cash provided by (used in) investing activities	42,282.19	(1,608.29)
Net cash (used in) provided by financing activities	<u>(46,948.54)</u>	88.26
Net increase in cash and cash equivalents	4,298.99	2,758.90
Cash and cash equivalents at beginning of the period	5,194.12	5,044.99
Effect of exchange difference on cash and bank balances	<u>(171.95)</u>	(18.28)
Cash and cash equivalents at end of the period	9,321.16	7,785.61
Component of cash and cash equivalents		
Balances with banks:		
Current accounts	9,003.93	7,747.11
Deposit accounts with original maturity of less than 3 months	209.00	38.50
Unpaid dividend account*	<u>108.23</u>	-
Total cash and cash equivalents	9,321.16	7,785.61

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