

Oracle Financial Services Software Limited

Unaudited Condensed Consolidated Balance Sheet as at December 31, 2015

(Amounts in ₹ million)

	December 31, 2015	March 31, 2015
<u>EQUITY AND LIABILITIES</u>		
Shareholders' funds		
Share capital	424.12	423.07
Reserves and surplus	44,092.64	34,017.61
	44,516.76	34,440.68
Share application money pending allotment	2.44	0.63
Non- current liabilities		
Deferred tax liability	0.45	19.11
Other Long-term liabilities	196.78	220.99
Long-term provisions	906.16	840.84
	1,103.39	1,080.94
Current liabilities		
Trade payable	249.74	361.76
Other current liabilities	6,315.50	6,932.87
Short-term provisions	1,752.89	19,890.09
	8,318.13	27,184.72
TOTAL	53,940.72	62,706.97
<u>ASSETS</u>		
Non-current assets		
Fixed assets		
Tangible assets	2,683.06	3,024.40
Intangible assets	6,086.63	6,086.63
Capital work-in-progress	40.06	3.33
Non-current investments	-	-
Deferred tax assets	1,040.38	1,006.09
Long-term loans and advances	5,835.06	5,865.65
	15,685.19	15,986.10
Current assets		
Trade receivables	5,279.12	6,016.21
Cash and bank balances	25,247.96	35,638.25
Short-term loans and advances	1,131.67	793.39
Other current assets	6,596.78	4,273.02
	38,255.53	46,720.87
TOTAL	53,940.72	62,706.97

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 three and nine month period ended December 31, 2015

(Amounts in ₹ million, except share data)

	Three month period ended December 31,		Nine month period ended December 31,	
	2015	2014	2015	2014
<u>INCOME</u>				
Revenue from operations	10,198.26	9,376.90	30,798.10	29,551.47
Other income, net				
Interest income	361.93	529.99	1,676.07	3,507.84
Foreign exchange (loss) gain, net	(72.23)	(101.27)	194.99	(202.80)
Miscellaneous income, net	33.80	17.53	59.21	138.87
Total income	<u>10,521.76</u>	<u>9,823.15</u>	<u>32,728.37</u>	<u>32,995.38</u>
<u>EXPENSES</u>				
Employee cost	4,954.54	4,684.75	14,331.28	13,955.98
Travel related expenses (net of recoveries)	451.61	396.90	1,216.26	1,006.41
Professional fees	390.06	443.73	1,057.54	1,375.96
Other expenses	369.47	421.23	1,021.64	1,408.06
Depreciation and amortisation	125.61	153.39	397.65	505.04
Total expenses	<u>6,291.29</u>	<u>6,100.00</u>	<u>18,024.37</u>	<u>18,251.45</u>
Profit before exceptional item and tax	4,230.47	3,723.15	14,704.00	14,743.93
Exceptional item [Refer note 5]	217.84	-	(219.33)	-
Profit before tax	4,448.31	3,723.15	14,484.67	14,743.93
Tax expenses				
Current tax	1,540.61	1,234.04	5,118.83	5,299.55
Deferred tax	12.94	(7.63)	(48.33)	(175.12)
Total tax expenses	<u>1,553.55</u>	<u>1,226.41</u>	<u>5,070.50</u>	<u>5,124.43</u>
Profit for the period	<u><u>2,894.76</u></u>	<u><u>2,496.74</u></u>	<u><u>9,414.17</u></u>	<u><u>9,619.50</u></u>
Earnings per equity share of par value of ₹ 5 (December 31, 2014 ₹ 5) each (in ₹)				
Basic	34.14	29.52	111.15	114.10
Diluted	33.89	29.42	110.33	113.54
Number of shares used in computing earnings per share				
Basic	84,795,450	84,577,830	84,701,552	84,310,609
Diluted	85,424,153	84,876,099	85,326,133	84,719,854

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, 2015
(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 74.33% ownership interest in the Company as at December 31, 2015.

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, 2015

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, 2015.

3. Capital Commitments

Particulars	(Amounts in ₹ million)	
	December 31, 2015	March 31, 2015
Contracts remaining to be executed on capital account not provided for (net of advances)	258.61	177.24

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, 2015 (Amounts in ₹ million)

Particulars	Products	Services	BPO - Services	Total
Revenue from operations	8,604.05	1,310.22	283.99	10,198.26
Segment result [Refer note 5]	3,937.13	124.14	311.75	4,373.02
Unallocable expenses				(248.21)
Interest income				361.93
Foreign exchange (loss), net				(72.23)
Miscellaneous income, net				33.80
Profit before tax				4,448.31
Tax expenses				(1,553.55)
Profit for the period				2,894.76

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				2,496.74

Nine month period ended December 31, 2015 (Amounts in ₹ million)

Particulars	Products	Services	BPO - Services	Total
Revenue from operations	25,713.83	4,227.99	856.28	30,798.10
Segment result [Refer note 5]	12,515.50	644.83	94.31	13,254.64
Unallocable expenses				(700.24)
Interest income				1,676.07
Foreign exchange gain, net				194.99
Miscellaneous income, net				59.21
Profit before tax				14,484.67
Tax expenses				(5,070.50)
Profit for the period				9,414.17

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				9,619.50

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, 2015

Three month period ended December 31, 2015 (Amounts in ₹ million)

Particulars	Other information				Total
	Products	Services	BPO - Services	Unallocable	
Capital expenditure by segment					
Tangible assets	42.09	3.10	0.45	4.99	50.63
Depreciation and amortisation	88.64	24.01	6.07	6.89	125.61
Other non cash expenses	(6.75)	(9.01)	17.52	-	1.76
Segment assets	16,246.26	2,783.84	292.18	34,618.44	53,940.72
Segment liabilities	6,604.06	1,044.66	152.56	1,620.24	9,421.52
Share application money pending allotment	-	-	-	2.44	2.44
Shareholders' funds	-	-	-	44,516.76	44,516.76

Three month period ended December 31, 2014 (Amounts in ₹ million)

Particulars	Other information				Total
	Products	Services	BPO - Services	Unallocable	
Capital expenditure by segment					
Tangible assets	28.23	7.08	0.67	3.21	39.19
Depreciation and amortization	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

Nine month period ended December 31, 2015 (Amounts in ₹ million)

Particulars	Other information				Total
	Products	Services	BPO - Services	Unallocable	
Capital expenditure by segment					
Tangible assets	95.15	16.89	0.45	15.73	128.22
Depreciation and amortisation	286.57	72.19	20.95	17.94	397.65
Other non cash expenses	(101.92)	3.58	17.52	-	(80.82)
Segment assets	16,246.26	2,783.84	292.18	34,618.44	53,940.72
Segment liabilities	6,604.06	1,044.66	152.56	1,620.24	9,421.52
Share application money pending allotment	-	-	-	2.44	2.44
Shareholders' funds	-	-	-	44,516.76	44,516.76

Nine month period ended December 31, 2014 (Amounts in ₹ million)

Particulars	Other information				Total
	Products	Services	BPO - Services	Unallocable	
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

5. In the three month period ended June 30, 2015, the Company had charged an amount of ₹ 437.17 million in relation to an Arbitration award passed against a wholly owned subsidiary company. During the three month period ended December 31, 2015, the subsidiary company has settled the said dispute for full release of all claims and accordingly, has reversed the resultant excess provision of ₹ 217.84 lacs. The same has been disclosed as an exceptional item.

6. 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, 2015

	(Amounts in ₹ million)	
	Nine month period ended December 31,	
	2015	2014
Net cash provided by operating activities	6,367.57	8,965.34
Net cash provided by investing activities	13,402.37	42,282.19
Net cash (used in) financing activities	(17,861.41)	(46,948.54)
Net increase in cash and cash equivalents	1,908.53	4,298.99
Cash and cash equivalents at beginning of the period	5,914.49	5,194.12
Effect of exchange difference on cash and bank balances	307.12	(171.95)
Cash and cash equivalents at end of the period	8,130.14	9,321.16

Component of cash and cash equivalents

Balances with banks:		
Current accounts	7,143.51	9,003.93
Deposit accounts with original maturity of less than 3 months	846.80	209.00
Unclaimed dividend account*	139.83	108.23
Total cash and cash equivalents	8,130.14	9,321.16

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