

Oracle Financial Services Software Limited

Unaudited condensed balance sheet as at December 31, 2012

(Amounts in ₹ million)

	December 31, 2012	March 31, 2012
<u>EQUITY AND LIABILITIES</u>		
Shareholders' funds		
Share capital	420.13	419.87
Reserves and surplus	69,764.48	62,049.31
	70,184.61	62,469.18
Share application money pending allotment	4.00	1.24
Non-current liabilities		
Other long-term liabilities	155.03	133.23
Long-term provisions	398.85	332.41
	553.88	465.64
Current liabilities		
Trade payables	158.80	181.74
Other current liabilities	8,508.06	7,215.90
Short-term provisions	898.07	804.45
	9,564.93	8,202.09
TOTAL	80,307.42	71,138.15
<u>ASSETS</u>		
Non-current assets		
Fixed assets		
Tangible assets	3,864.81	3,555.25
Intangible assets	-	-
Capital work-in-progress	132.20	544.47
Non-current investments	7,282.40	7,282.40
Deferred tax assets	662.21	640.56
Long-term loans and advances	6,446.63	5,383.44
Other non-current assets	157.95	142.86
	18,546.20	17,548.98
Current assets		
Current investments	9.98	9.98
Trade receivables	10,722.25	11,442.93
Cash and bank balances	46,100.07	35,109.20
Short-term loans and advances	905.35	2,887.35
Other current assets	4,023.57	4,139.71
	61,761.22	53,589.17
TOTAL	80,307.42	71,138.15

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

Oracle Financial Services Software Limited

Unaudited condensed statement of profit and loss for the three and nine month period ended December 31, 2012

(Amounts in ₹ million, except share and per share data)

	Three month period ended December 31,		Nine month period ended December 31,	
	2012	2011	2012	2011
<u>INCOME</u>				
Revenue from operations	7,261.61	6,800.09	21,982.46	18,802.50
Other income, net				
Interest income	988.58	686.73	2,908.98	1,931.90
Foreign exchange gain, net	201.10	562.86	436.52	1,270.87
Miscellaneous income (expense), net	4.97	(8.27)	17.50	(15.00)
Total income	8,456.26	8,041.41	25,345.46	21,990.27
<u>EXPENSES</u>				
Employee costs	3,606.14	3,240.02	10,631.56	9,266.58
Travel related expenses (net of recoveries)	372.00	273.17	1,016.95	771.11
Professional fees	426.23	349.05	1,061.51	1,055.08
Other expenses	170.47	338.47	917.07	1,011.18
Depreciation and amortisation	147.82	117.72	436.17	287.00
Total expenses	4,722.66	4,318.43	14,063.26	12,390.95
Profit before exceptional item and tax	3,733.60	3,722.98	11,282.20	9,599.32
Exceptional item	-	172.24	-	(693.32)
Profit before tax	3,733.60	3,895.22	11,282.20	8,906.00
Tax expenses				
Current tax	1,093.46	1,058.36	3,673.90	3,031.86
Deferred tax	88.08	320.08	(21.65)	(23.14)
Total tax expenses	1,181.54	1,378.44	3,652.25	3,008.72
Profit for the period	2,552.06	2,516.78	7,629.95	5,897.28
Earnings per equity share of par value of ₹ 5 (December 31, 2011 ₹ 5) each (in ₹)				
Basic	30.38	29.98	90.84	70.27
Diluted	30.24	29.96	90.45	70.21
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 statement of profit and loss.

Oracle Financial Services Software Limited

Notes annexed to and forming part of the unaudited condensed accounts for the three and nine month period ended December 31, 2012

(Amounts in ₹ million)

1. Accounting Policies

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

2. 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

3. Segment information

The Company is organised by business segment and geographically. For management purposes the Company is primarily organised on a worldwide basis into two business segments:

- a) Product licenses and related activities ('Products') and
- b) IT solutions and consulting services ('Services')

Three month period ended December 31, 2012

Particulars	Products	Services	Total
Revenue from operations	5,410.42	1,851.19	7,261.61
Segment result	2,213.12	528.62	2,741.74
Unallocable expenses			(202.79)
Interest income			988.58
Foreign exchange gain, net			201.10
Miscellaneous income, net			4.97
Profit before tax			3,733.60
Tax expenses			(1,181.54)
Profit for the period			2,552.06

Three month period ended December 31, 2011

Particulars	Products	Services	Total
Revenue from operations	5,151.24	1,648.85	6,800.09
Segment result	2,344.81	356.35	2,701.16
Unallocable expenses			(219.50)
Interest income			686.73
Foreign exchange gain, net			562.86
Miscellaneous expense, net			(8.27)
Profit before exceptional item and tax			3,722.98
Exceptional item			172.24
Profit before tax			3,895.22
Tax expenses			(1,378.44)
Profit for the period			2,516.78

Nine month period ended December 31, 2012

Particulars	Products	Services	Total
Revenue from operations	16,608.08	5,374.38	21,982.46
Segment result	7,315.38	1,144.37	8,459.75
Unallocable expenses			(540.55)
Interest income			2,908.98
Foreign exchange gain, net			436.52
Miscellaneous income, net			17.50
Profit before tax			11,282.20
Tax expenses			(3,652.25)
Profit for the period			7,629.95

Nine month period ended December 31, 2011

Particulars	Products	Services	Total
Revenue from operations	13,367.42	5,435.08	18,802.50
Segment result	5,727.37	1,499.79	7,227.16
Unallocable expenses			(815.61)
Interest income			1,931.90
Foreign exchange gain, net			1,270.87
Miscellaneous expense, net			(15.00)
Profit before exceptional item and tax			9,599.32
Exceptional item			(693.32)
Profit before tax			8,906.00
Tax expenses			(3,008.72)
Profit for the period			5,897.28

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

Other information

Three month period ended December 31, 2012

Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Tangible assets	(1.07)	(2.95)	2.70	(1.32)
Depreciation and amortisation	82.80	52.67	12.35	147.82
Other non cash expenses	(56.14)	(16.90)	-	(73.04)
Segment assets	14,171.49	4,933.35	61,202.58	80,307.42
Segment liabilities:	7,503.28	1,783.14	832.39	10,118.81
Share application money pending allotmen	-	-	4.00	4.00
Shareholders' funds	-	-	70,184.61	70,184.61

Three month period ended December 31, 2011

Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Tangible assets	408.39	318.99	53.35	780.73
Depreciation and amortisation	56.05	43.86	17.81	117.72
Other non cash expenses	22.93	5.30	-	28.23
Segment assets	13,035.32	4,284.70	50,510.36	67,830.38
Segment liabilities:	7,551.68	1,727.08	1,091.24	10,370.00
Share application money pending allotmen	-	-	8.75	8.75
Shareholders' funds	-	-	57,451.63	57,451.63

Nine month period ended December 31, 2012

Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Tangible assets	143.37	81.67	522.77	747.81
Depreciation and amortisation	242.25	150.95	42.97	436.17
Other non cash expenses	42.28	(10.45)	-	31.83
Segment assets	14,171.49	4,933.35	61,202.58	80,307.42
Segment liabilities:	7,503.28	1,783.14	832.39	10,118.81
Share application money pending allotmen	-	-	4.00	4.00
Shareholders' funds	-	-	70,184.61	70,184.61

Nine month period ended December 31, 2011

Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Tangible assets	417.18	324.54	53.98	795.70
Depreciation and amortisation	113.76	123.10	50.14	287.00
Other non cash expenses	13.20	(25.47)	-	(12.27)
Segment assets	13,035.32	4,284.70	50,510.36	67,830.38
Segment liabilities:	7,551.68	1,727.08	1,091.24	10,370.00
Share application money pending allotmen	-	-	8.75	8.75
Shareholders' funds	-	-	57,451.63	57,451.63

- Employee costs for the three month period ended December 31, 2012 are net of ₹ 143.76 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 ₹ 73.30 pertaining to write back of bonus provision of earlier years, no longer required.
- 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 ₹ 172.24 during the three month period ended December 31, 2011 and disclosed the same as an exceptional item.
- Revenue from product licenses and related activities for the nine month period ended December 31, 2011 includes prior year reversal of ₹ 159.56.
- During the three and nine month period ended December 31, 2011, the Company has recorded income tax expense of ₹ 13.71 related to the previous year.
- Prior period's figures have been reclassified, where necessary to conform with current period's presentation.

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Unaudited condensed statement of cash flow for the nine month period ended December 31, 2012

(Amounts in ₹ million)

	Nine month period ended December 31,	
	2012	2011
Net cash provided by operating activities	8,504.78	5,542.09
Net cash used in investing activities	(8,913.15)	(4,139.00)
Net cash provided by financing activities	81.92	51.80
Net decrease in cash and cash equivalents	(326.45)	1,454.89
Cash and cash equivalents at beginning of the period	1,598.75	1,077.47
Effect of exchange difference on cash and bank balances	(37.15)	3.97
Cash and cash equivalents at end of the period	1,235.15	2,536.33

Component of cash and cash equivalents

Cash on hand	0.36	0.34
Funds in transit	5.69	0.56
Balances with banks:		
Current accounts	1,178.28	2,548.03
Deposit accounts with original maturity of less than 3 months	49.98	(14.81)
Unclaimed dividend accounts	0.84	2.21
Total cash and cash equivalents	1,235.15	2,536.33