

Consolidated balance sheet as at March 31, 2014

(Amounts in ₹ million)

March 31, 2014	March 31, 2013
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EQUITY AND LIABILITIES

Shareholders' funds

Share capital	420.72	420.33
Reserves and surplus	87,344.77	73,644.04
	87,765.49	74,064.37

Share application money pending allotment

3.59

Non- current liabilities

Deferred tax liability	67.82	39.56
Other Long-term liabilities	260.26	276.98
Long-term provisions	719.12	601.09
	1,047.20	917.63

Current liabilities

Trade payables	473.67	180.27
Other current liabilities	6,589.14	7,760.76
Short-term provisions	1,372.23	1,245.20
	8,435.04	9,186.23

TOTAL

97,251.32

84,168.23

ASSETS

Non-current assets

Fixed assets		
Tangible assets	3,448.48	3,858.39
Intangible assets	6,086.63	6,086.63
Capital work-in-progress	125.20	132.70
Non-current investments	-	-
Deferred tax assets	866.95	711.75
Long-term loans and advances	5,134.23	6,127.92
Other non-current assets	0.25	1.25
	15,661.74	16,918.64

Current assets

Current investments	-	9.98
Trade receivables	6,807.44	7,279.58
Cash and bank balances	66,726.07	54,710.29
Short-term loans and advances	948.41	789.60
Other current assets	7,107.66	4,460.14
	81,589.58	67,249.59

TOTAL

97,251.32

84,168.23

Oracle Financial Services Software Limited

Consolidated statement of profit and loss for the year ended March 31, 2014

(Amounts in ₹ million, except share data)

Year ended March 31,

2014

2013

INCOME

Revenue from operations	37,413.21	34,739.99
Other income, net	6,736.48	4,595.44
Total income	44,149.69	39,335.43

EXPENSES

Employee costs	18,404.78	17,306.59
Travel related expenses (net of recoveries)	1,405.81	1,607.14
Professional fees	1,818.33	1,810.51
Other expenses	1,790.44	1,824.16
Depreciation and amortisation	716.72	655.02
Total expenses	24,136.08	23,203.42
Profit before tax	20,013.61	16,132.01
Tax expenses		
Current tax	6,546.81	5,441.83
Deferred tax	(126.39)	(61.25)
Total tax expenses	6,420.42	5,380.58
Profit for the year	13,593.19	10,751.43

Earnings per equity share of par value of ₹ 5 (March 31, 2013 ₹ 5) each (in ₹)

Basic	161.64	127.98
Diluted	160.96	127.40

The accompanying notes form an integral part of the consolidated financial statements.

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Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2014

Segment information

Business segments are defined as a distinguishable component of an enterprise that is engaged in providing a group of related products or services and that is subject to differing risks and returns and about which separate financial information is available. This information is reviewed and evaluated regularly by the management in deciding how to allocate resources and in assessing the performance.

The OFSS group is organized by business segment and geographically. For management purposes the OFSS 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')

The business segments are the basis on which the OFSS group reports its primary operational information to management. Product licenses and related activities segment deals with various banking software products. The related activities include enhancements, implementation and maintenance activities.

IT solutions and consulting services segment offers services spanning the entire lifecycle of applications used by financial service institutions. The division's portfolio includes Consulting, Application, Support and Technology Services that help institutions improve efficiency, optimize costs, meet risk and compliance mandates and implement IT solutions finely attuned to their business needs.

BPO - Services comprises of business process outsourcing services to the Lending, Collections, Customer Service, Capital Markets industry.

Year ended March 31, 2014		(Amounts in ₹ million)		
	Particulars	Products	Services	BPO - Services
Revenue		29,001.49	7,398.28	1,013.44
Segment result		12,559.36	1,520.91	366.20
Unallocable expenses				(1,169.34)
Other income, net				6,736.48
Profit before tax				20,013.61
Tax expenses				(6,420.42)
Net profit				13,593.19

Year ended March 31, 2013		(Amounts in ₹ million)		
	Particulars	Products	Services	BPO - Services
Revenue		26,011.00	7,737.45	991.54
Segment result		10,621.12	1,586.00	393.77
Unallocable expenses				(1,064.32)
Other income, net				4,595.44
Profit before tax				16,132.01
Tax expenses				(5,380.58)
Net profit				10,751.43

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Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2014

Year ended March 31, 2014 (Amounts in ₹ million)

Particulars	Other information				
	Products	Services	BPO - Services	Unallocable	Total
Capital expenditure by segment					
Tangible assets	199.93	75.42	11.18	22.04	308.57
Depreciation and amortisation	465.01	164.93	36.95	49.83	716.72
Other non cash expenses	89.88	43.70	(3.25)	-	130.33
Segment assets	17,618.78	3,582.73	250.22	75,799.59	97,251.32
Segment liabilities	6,556.83	1,231.30	139.63	1,554.48	9,482.24
Share application money pending allotment				3.59	3.59
Shareholders' funds				87,765.49	87,765.49

Year ended March 31, 2013 (Amounts in ₹ million)

Particulars	Other information				
	Products	Services	BPO - Services	Unallocable	Total
Capital expenditure by segment					
Tangible assets	659.31	98.12	2.37	33.25	793.05
Depreciation and amortization	349.27	208.73	13.03	83.99	655.02
Other non cash expenses	71.11	22.90	(0.98)	-	93.03
Segment assets	16,663.71	4,485.05	242.86	62,776.61	84,168.23
Segment liabilities	7,606.14	2,177.00	153.45	167.27	10,103.86
Shareholders' funds	-	-	-	74,064.37	74,064.37

Segment revenue and expense:

Revenue is generated through licensing of software products as well as by providing software solutions to the customers including consulting services and business process outsourcing services. The expenses which are not directly attributable to a business segment are classified as unallocable expenses.

Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of trade receivables, net of allowances, unbilled revenue, deposits for premises and fixed assets. Segment liabilities primarily includes deferred revenues, advance from customer, Accrued employee cost and other current liabilities. While most such assets and liabilities can be directly attributed to individual segments, the carrying amount of certain assets and liabilities used jointly by two or more segments is allocated to the segment on a reasonable basis. Assets and liabilities that cannot be allocated between the segments are shown as part of unallocable assets and liabilities.

Geographical segments

The following table shows the distribution of the OFSS group's consolidated sales by geographical market :

Regions	Year ended March 31,			
	2014		2013	
	Amounts in ₹ million	%	Amounts in ₹ million	%
United States of America	12,392.27	32%	10,609.38	30%
Europe	7,305.17	20%	6,704.28	19%
Asia Pacific	9,677.67	26%	10,707.85	31%
Middle East, India and Africa	6,891.86	18%	5,837.87	17%
Latin America and Caribbean	1,146.24	3%	880.61	3%
	37,413.21	100%	34,739.99	100%

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Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2014

The following table shows the OFSS group's consolidated assets by geographical market :

Regions	Year ended March 31,			
	2014		2013	
	Amounts in ₹ million	%	Amounts in ₹ million	%
United States of America	8,670.74	9%	8,227.02	10%
Europe	4,749.27	5%	4,519.13	5%
Asia Pacific	6,691.17	7%	7,193.02	9%
Middle East, India and Africa	76,315.72	78%	63,661.48	75%
Latin America and Caribbean	824.42	1%	567.58	1%
	97,251.32	100%	84,168.23	100%

The following table shows the OFSS group's consolidated additions to fixed assets and intangible assets by geographical market :

Regions	Year ended March 31,			
	2014		2013	
	Amounts in ₹ million	%	Amounts in ₹ million	%
United States of America	3.53	1%	5.45	1%
Europe	1.57	1%	3.10	0%
Asia Pacific	4.58	1%	5.84	1%
Middle East, India and Africa	297.82	97%	777.84	98%
Latin America and Caribbean	1.07	0%	0.82	0%
	308.57	100%	793.05	100%

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Consolidated statement of cash flow for year ended March 31, 2014

	(Amounts in ₹ million)	
	Year ended March 31,	
	2014	2013
Cash flows from operating activities		
Profit before tax	20,013.61	16,132.01
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities :		
Depreciation and amortization	716.72	655.02
(Profit) on sale/write off of fixed assets, net	(2.60)	(2.93)
Provision for doubtful debts, net	105.35	(351.28)
Bad debts	24.98	444.31
Interest income	(5,178.02)	(4,034.62)
Effect of exchange rate changes in cash and cash equivalent	98.39	(139.40)
Unrealised exchange loss (gain), net	672.07	(418.35)
Deferred rent	18.50	26.25
Finance charge on leased assets	0.76	1.46
Operating Profit before Working Capital changes	16,469.76	12,312.47
Changes in assets and liabilities, net of effect of acquisition		
Increase (decrease) in trade payables	209.11	(33.80)
Increase in other long term liabilities	55.71	45.76
(Decrease) increase in current liabilities	(1,740.28)	862.84
Increase in long-term provisions	20.26	100.84
Increase in short-term provisions	150.21	95.16
Decrease in trade receivables	313.41	1,870.53
Increase in long-term loans and advances	(26.21)	(95.75)
(Acrease) decrease in short-term loans and advances	(259.38)	155.45
(Acrease) decrease in other current assets	(2,080.75)	776.57
Cash from operating activities	13,111.84	16,090.07
Payment of domestic and foreign taxes	(6,432.66)	(4,746.55)
Net cash provided by operating activities	6,679.18	11,343.52
Cash flows from investing activities		
Additions to fixed assets including capital work in progress	(310.79)	(428.71)
Refund of short-term office deposits	1,313.14	335.59
Proceeds from sale of fixed assets	4.11	8.81
Proceeds received on Dhanalaxmi Bonds	9.68	-
Bank fixed deposits having maturity of more than three months matured	110,164.91	74,202.38
Bank fixed deposits having maturity of more than three months booked	(122,030.45)	(89,520.24)
Interest received	4,276.83	3,659.94
Net cash used in investing activities	(6,572.57)	(11,742.23)
Cash flows from financing activities		
Issue of shares against ESOP scheme	145.54	160.44
Payment of lease obligations	(4.63)	(8.47)
Net cash provided by financing activities	140.91	151.97
Net increase (decrease) in cash and cash equivalents	247.52	(246.74)
Cash and cash equivalents at beginning of the year	5,044.99	5,152.33
Effect of exchange rate changes in cash and cash equivalents	(98.39)	139.40
Cash and cash equivalents at end of the year	5,194.12	5,044.99

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Consolidated statement of cash flow for year ended March 31, 2014 (continued)

Component of cash and cash equivalents	(Amounts in ₹ million)	
	Year ended March 31,	2014
Cash on hand	-	1.82
Balances with banks:		
Current accounts	5,009.12	4,988.63
Deposit accounts with original maturity of less than 3 months	185.00	53.00
Unclaimed dividend accounts	-	1.54
Total cash and cash equivalents	5,194.12	5,044.99