

Oracle Financial Services Software Limited

Balance sheet as at March 31, 2013

	(Amounts in ₹ million)	
	March 31, 2013	March 31, 2012
<u>EQUITY AND LIABILITIES</u>		
Shareholders' funds		
Share capital	420.33	419.87
Reserves and surplus	<u>72,503.14</u>	<u>62,049.31</u>
	72,923.47	62,469.18
Share application money pending allotment		1.24
Non-current liabilities		
Other long-term liabilities	183.12	133.23
Long-term provisions	<u>421.41</u>	<u>332.41</u>
	604.53	465.64
Current liabilities		
Trade payables	139.16	181.74
Other current liabilities	8,674.54	7,215.90
Short-term provisions	<u>917.19</u>	<u>804.45</u>
	9,730.89	8,202.09
TOTAL	83,258.89	71,138.15
<u>ASSETS</u>		
Non-current assets		
Fixed assets		
Tangible assets	3,739.75	3,555.25
Intangible assets	-	-
Capital work-in-progress	132.70	544.47
Non-current investments	7,282.40	7,282.40
Deferred tax assets	667.71	640.56
Long-term loans and advances	6,607.41	5,383.44
Other non-current assets	<u>158.36</u>	<u>142.86</u>
	18,588.33	17,548.98
Current assets		
Current investments	9.98	9.98
Trade receivables	9,685.82	11,442.93
Cash and bank balances	50,183.44	35,109.20
Short-term loans and advances	668.63	2,887.35
Other current assets	<u>4,122.69</u>	<u>4,139.71</u>
	64,670.56	53,589.17
TOTAL	83,258.89	71,138.15

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

Oracle Financial Services Software Limited

Statement of profit and loss for the year ended March 31, 2013

(Amounts in ₹ million, except share data)

Year ended March 31,

	2013	2012
INCOME		
Revenue from operations	29,377.01	26,058.54
Other income, net	4,403.20	3,750.34
Total income	<u>33,780.21</u>	<u>29,808.88</u>
EXPENSES		
Employee costs	14,357.07	12,532.65
Travel related expenses (net of recoveries)	1,238.15	1,079.81
Professional fees	1,345.96	1,395.72
Other expenses	1,205.35	1,155.56
Depreciation and amortization	586.08	401.19
Total expenses	<u>18,732.61</u>	<u>16,564.93</u>
Profit before exceptional items and tax	15,047.60	13,243.95
Exceptional items, net	-	2,414.98
Profit before tax	<u>15,047.60</u>	<u>15,658.93</u>
Tax expenses		
Current tax	4,782.15	4,716.97
Deferred tax	(27.15)	49.63
Total tax expenses	<u>4,755.00</u>	<u>4,766.60</u>
Profit for the year	<u>10,292.60</u>	<u>10,892.33</u>
Earnings per equity share of par value of ₹ 5 (March 31, 2012 ₹ 5) each (in ₹)		
Basic	122.52	129.78
Diluted	121.96	129.65

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

Oracle Financial Services Software Limited

Notes annexed to and forming part of financial statements for the year ended March 31, 2013

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 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').

The business segments are the basis on which the Company 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.

Year ended March 31, 2013		(Amounts in ₹ million)		
Particulars		Products	Services	Total
Revenue	22,397.34		6,979.67	29,377.01
Segment result	10,070.26		1,304.34	11,374.60
Unallocable expenses				(730.20)
Other income, net				4,403.20
Profit before tax				15,047.60
Tax expenses				(4,755.00)
Net profit				10,292.60

Year ended March 31, 2012		(Amounts in ₹ million)		
Particulars		Products	Services	Total
Revenue	19,121.73		6,936.81	26,058.54
Segment result	8,821.00		1,688.18	10,509.18
Unallocable expenses				(1,015.57)
Other income, net				3,750.34
Profit before exceptional items and tax				13,243.95
Exceptional items				2,414.98
Profit before tax				15,658.93
Tax expenses				(4,766.60)
Net profit				10,892.33

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Notes annexed to and forming part of financial statements for the year ended March 31, 2012

Other information:

Year ended March 31, 2013		(Amounts in ₹ million)		
Particulars		Products	Services	Unallocable
Total				
Capital expenditure by segment				
Tangible assets	659.31	98.12	19.71	777.14
Depreciation and amortization	321.49	203.56	61.03	586.08
Other non cash expenses	44.11	(1.04)	-	43.07
Segment assets	13,771.30	4,734.07	64,753.52	83,258.89
Segment liabilities	7,672.19	1,910.13	753.10	10,335.42
Shareholders' funds			72,923.47	72,923.47

Year ended March 31, 2012		(Amounts in ₹ million)		
Particulars		Products	Services	Unallocable
Total				
Capital expenditure by segment				
Tangible assets	469.81	361.51	60.15	891.47
Depreciation and amortization	171.49	164.88	64.82	401.19
Other non cash expenses	(60.24)	(27.69)	-	(87.93)
Segment assets	14,552.26	5,172.70	51,413.19	71,138.15
Segment liabilities	6,007.01	1,580.31	1,080.41	8,667.73
Share application money pending allotment			1.24	1.24
Shareholders' funds			62,469.18	62,469.18

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. 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 revenues, deposits for premises and fixed assets. Segment liabilities primarily include deferred revenues, advance from customers, accrued employee costs and other current liabilities. While most of such assets and liabilities can be directly attributed to individual segments, the carrying amount of certain assets and liabilities used jointly by two 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 Company's sales by geographical market :

Regions	Year ended March 31,	
	2013 Amounts in ₹ million	% 2012 Amounts in ₹ million
United States of America	8,127.54	27%
Europe	5,905.09	20%
Asia Pacific	9,014.43	31%
Middle East, India and Africa	5,709.61	19%
Latin America and Caribbean	620.34	2%
	29,377.01	100%
	26,058.54	100%

The following table shows the Company's assets by geographical market :

Regions	Year ended March 31,	
	2013 Amounts in ₹ million	% 2012 Amounts in ₹ million
United States of America	10,685.96	13%
Europe	3,398.92	4%
Asia Pacific	6,212.31	7%
Middle East, India and Africa	62,740.83	74%
Latin America and Caribbean	220.87	1%
	83,258.89	100%
	71,138.15	100%

Oracle Financial Services Software Limited

Statement of cash flow for the year ended March 31, 2013

	(Amounts in ₹ million)	
	Year ended March 31,	
	2013	2012
Cash flows from operating activities		
Profit before tax	15,047.60	15,658.93
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities :		
Depreciation and amortisation	586.08	401.19
(Profit) loss on sale of fixed assets, net	(1.10)	16.57
Interest income	(3,998.86)	(2,697.50)
Dividend income	-	(3,108.30)
Effect of exchange rate changes in cash and cash equivalent	90.05	46.26
Unrealised exchange (gain) loss, net	201.17	(387.85)
Finance charge on leased assets	1.46	1.92
Deferred rent	32.29	2.53
Provision for doubtful debts, net	(283.83)	(150.71)
Bad debts	326.90	62.78
Operating Profit before Working Capital changes	12,001.77	9,845.82
Movements in working capital		
Decrease (increase) in trade receivables	1,441.80	(3,312.87)
Decrease (increase) in other current assets	322.25	(468.17)
Decrease in short-term loans and advances	256.36	44.22
Increase in long-term loans and advances	(96.62)	(33.03)
(Decrease) increase in trade payables	(42.59)	119.34
Increase in other current liabilities	1,497.89	1,357.20
Increase (decrease) in other long-term liabilities	49.89	(9.54)
Increase (decrease) in other short-term provisions	107.22	(18.57)
Increase in other long-term provisions	89.00	23.83
Cash from operating activities	15,626.97	7,548.23
Payment of domestic and foreign taxes	(4,230.89)	(3,172.43)
Net cash provided by operating activities	11,396.08	4,375.80
Cash flows from investing activities		
Additions to fixed assets including capital work-in-progress and advances	(412.52)	(766.20)
Repayment of current loan by subsidiary company	30.00	100.00
Refund of short-term office deposits	313.62	402.07
Proceeds from sale of fixed assets	7.01	5.04
Bank fixed deposits having maturity of more than three months matured	73,101.01	52,073.00
Bank fixed deposits having maturity of more than three months booked	(88,904.08)	(61,283.00)
Dividend received from subsidiaries	-	3,108.30
Interest received	3,676.81	2,488.14
Net cash (used) in investing activities	(12,188.15)	(3,872.65)
Cash flows from financing activities		
Issue of shares against Employee Stock Option scheme	160.44	74.78
Payment of lease obligations	(8.47)	(10.42)
Net cash provided by financing activities	151.97	64.36
Net (decrease) increase in cash and cash equivalents	(640.10)	567.51
Cash and cash equivalents at beginning of the year	1,598.75	1,077.50
Effect of exchange rate changes	(90.05)	(46.26)
Cash and cash equivalents at end of the year	868.60	1,598.75

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Statement of cash flow for the year ended March 31, 2013 (continued)

	(Amounts in ₹ million)	
	Year ended March 31,	
	2013	2012
Component of cash and cash equivalents		
Cash on hand	0.38	0.42
Cheques on hand	-	0.55
Balances with banks:		
Current accounts	866.68	1,591.81
Deposit accounts with original maturity of less than 3 months	-	3.76
Unclaimed dividend accounts	1.54	2.21
Total cash and cash equivalents	868.60	1,598.75