

Oracle Financial Services Software Limited

Balance sheet as at March 31, 2015

(Amounts in ₹ million)

<u>EQUITY AND LIABILITIES</u>	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Shareholders' funds		
Share capital	423.07	420.72
Reserves and surplus	29,483.63	84,128.30
	<u>29,906.70</u>	<u>84,549.02</u>
Share application money pending allotment	0.63	3.59
Non-current liabilities		
Other long-term liabilities	176.57	174.38
Long-term provisions	576.77	449.21
	<u>753.34</u>	<u>623.59</u>
Current liabilities		
Trade payables	242.65	366.66
Other current liabilities	7,604.68	11,065.60
Short-term provisions	19,524.47	1,081.00
	<u>27,371.80</u>	<u>12,513.26</u>
TOTAL	<u>58,032.47</u>	<u>97,689.46</u>
 <u>ASSETS</u>		
Non-current assets		
Fixed assets		
Tangible assets	2,972.71	3,381.34
Intangible assets	-	-
Capital work-in-progress	2.96	124.33
Non-current investments	7,282.40	7,282.40
Deferred tax assets	919.81	793.05
Long-term loans and advances	6,471.62	5,767.28
Other non-current assets	196.16	181.20
	<u>17,845.66</u>	<u>17,529.60</u>
Current assets		
Trade receivables	6,910.80	11,569.95
Cash and bank balances	30,154.06	61,866.33
Short-term loans and advances	478.92	662.62
Other current assets	2,643.03	6,060.96
	<u>40,186.81</u>	<u>80,159.86</u>
TOTAL	<u>58,032.47</u>	<u>97,689.46</u>

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, 2015

(Amounts in ₹ million, except share data)

	Year ended March 31,	
	2015	2014
<u>INCOME</u>		
Revenue from operations	33,410.95	31,594.68
Other income, net	3,758.99	6,209.16
Total income	37,169.94	37,803.84
<u>EXPENSES</u>		
Employee costs	15,973.70	15,762.32
Travel related expenses (net of recoveries)	1,073.84	1,112.61
Professional fees	1,867.07	1,708.12
Other expenses	1,484.67	1,269.28
Depreciation and amortization	634.37	643.46
Total expenses	21,033.65	20,495.79
Profit before tax	16,136.29	17,308.05
Tax expenses		
Current tax	5,682.85	5,949.77
Deferred tax	(126.76)	(125.34)
Total tax expenses	5,556.09	5,824.43
Profit for the year	10,580.20	11,483.62
Earnings per equity share of par value of ₹ 5 (March 31, 2014 ₹ 5) each (in ₹)		
Basic	125.38	136.56
Diluted	124.86	135.98

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

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Notes annexed to and forming part of financial statements for the year ended March 31, 2015

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, 2015				(Amounts in ₹ million)
Particulars	Products	Services		Total
Revenue	27,084.10	6,326.85		33,410.95
Segment result	11,963.43	1,112.92		13,076.35
Unallocable expenses				(699.05)
Other income, net				3,758.99
Profit before tax				16,136.29
Tax expenses				(5,556.09)
Net profit				10,580.20

Year ended March 31, 2014				(Amounts in ₹ million)
Particulars	Products	Services		Total
Revenue	24,426.47	7,168.21		31,594.68
Segment result	10,367.27	1,450.22		11,817.49
Unallocable expenses				(718.60)
Other income, net				6,209.16
Profit before tax				17,308.05
Tax expenses				(5,824.43)
Net profit				11,483.62

Other information

Year ended March 31, 2015					(Amounts in ₹ million)
Particulars	Products	Services	Unallocable		Total
Capital expenditure by segment					
Tangible assets	174.77	68.52	7.64		250.93
Depreciation and amortisation	444.73	165.11	24.53		634.37
Other non cash expenses	101.14	25.40	-		126.54
Segment assets	9,860.03	3,099.40	45,073.04		58,032.47
Segment liabilities	7,260.85	1,893.94	18,970.35		28,125.14
Share application money pending allotment	-	-	0.63		0.63
Shareholders' funds	-	-	29,906.70		29,906.70

Year ended March 31, 2014					(Amounts in ₹ million)
Particulars	Products	Services	Unallocable		Total
Capital expenditure by segment					
Tangible assets	199.93	75.42	11.29		286.64
Depreciation and amortisation	420.41	187.29	35.76		643.46
Other non cash expenses	72.55	42.62	-		115.17
Segment assets	14,747.67	5,478.10	77,463.69		97,689.46
Segment liabilities	9,844.60	2,769.17	523.08		13,136.85
Share application money pending allotment	-	-	3.59		3.59
Shareholders' funds	-	-	84,549.02		84,549.02

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Notes annexed to and forming part of financial statements for the year ended March 31, 2015

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 debtors, 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 of 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 Company's sales by geographical market :

Regions	Year ended March 31,			
	2015		2014	
	Amounts in ₹ million	%	Amounts in ₹ million	%
United States of America	10,443.49	31%	10,037.32	32%
Europe	6,197.18	19%	6,421.29	20%
Asia Pacific	8,450.90	25%	7,975.47	25%
Middle East, India and Africa	7,799.83	23%	6,630.40	21%
Latin America and Caribbean	519.55	2%	530.20	2%
	33,410.95	100%	31,594.68	100%

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

Regions	Year ended March 31,			
	2015		2014	
	Amounts in ₹ million	%	Amounts in ₹ million	%
United States of America	9,914.47	17%	12,450.08	13%
Europe	1,926.93	3%	2,723.23	3%
Asia Pacific	4,654.91	8%	6,906.78	7%
Middle East, India and Africa	41,317.42	71%	75,203.85	76%
Latin America and Caribbean	218.74	1%	405.52	1%
	58,032.47	100%	97,689.46	100%

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Statement of cash flow for the year ended March 31, 2015

	(Amounts in ₹ million)	
	Year ended March 31,	
	2015	2014
Cash flows from operating activities		
Profit before tax	16,136.29	17,308.05
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities :		
Depreciation and amortization	634.37	643.46
Loss (profit) on sale of fixed assets, net	7.56	(2.70)
Interest income	(4,048.08)	(5,139.60)
Effect of exchange rate changes in cash and cash equivalent	(110.58)	103.49
Unrealised exchange (gain) loss, net	(249.47)	220.45
Finance charge on leased assets	0.08	0.76
Deferred rent	12.67	20.45
Provision for doubtful debts, net	(59.51)	88.63
Bad debts	186.05	26.54
Operating Profit before Working Capital changes	12,509.38	13,269.54
Movements in working capital		
Decrease (increase) in trade receivables	4,426.63	(2,193.74)
Decrease (increase) in other current assets	1,878.42	(1,120.45)
Decrease (increase) in short-term loans and advances	276.75	(311.90)
(Increase) in long-term loans and advances	(89.32)	(26.42)
(Decrease) increase in trade payables	(118.30)	293.88
(Decrease) increase in other current liabilities	(3,095.96)	2,536.48
Increase (decrease) in other long-term liabilities	2.19	(8.74)
Increase in other short-term provisions	164.18	119.32
Increase in other long-term provisions	127.56	27.80
Cash from operating activities	16,081.53	12,585.77
Payment of domestic and foreign taxes	(6,498.80)	(6,308.05)
Net cash provided by operating activities	9,582.73	6,277.72
Cash flows from investing activities		
Additions to fixed assets including capital work-in-progress and advances	(135.27)	(288.00)
Refund of deposits for premises and others	5.27	1,313.06
Proceeds from sale of fixed assets	17.63	3.99
Repayment of current loan by subsidiary company	30.00	30.00
Proceeds received on Dhanalaxmi Bonds	-	10.22
Bank fixed deposits having maturity of more than three months matured	68,403.52	109,424.29
Bank fixed deposits having maturity of more than three months booked	(36,513.78)	(121,244.09)
Interest received	5,572.63	4,298.18
Net cash provided by (used in) investing activities	37,380.00	(6,452.35)
Cash flows from financing activities		
Issue of shares under employee stock option scheme	1,094.59	145.53
Payment of lease obligations	(1.62)	(4.63)
Interim equity dividend paid	(41,017.77)	-
Tax on interim equity dividend paid	(6,970.97)	-
Net cash (used in) provided by financing activities	(46,895.78)	140.90
Net decrease in cash and cash equivalents	66.96	(33.73)
Cash and cash equivalents at beginning of the year	731.38	868.60
Effect of exchange rate changes	110.58	(103.49)
Cash and cash equivalents at end of the year	908.92	731.38

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Statement of cash flow for the year ended March 31, 2015 (continued)

(Amounts in ₹ million)

Year ended March 31,

	2015	2014
Component of cash and cash equivalents		
Balances with banks:		
Current accounts	806.52	581.38
Deposit accounts with original maturity of less than 3 months	-	150.00
Unclaimed dividend account *	102.40	-
Total cash and cash equivalents	908.92	731.38

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