

Oracle Financial Services Software Limited

Unaudited Condensed Consolidated Balance Sheet as at September 30, 2014

(Amounts in ₹ million)

	September 30, 2014	March 31, 2014
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Shareholders' funds</b>		
Share capital	422.86	420.72
Reserves and surplus	47,477.53	87,344.77
	<b>47,900.39</b>	<b>87,765.49</b>
<b>Share application money pending allotment</b>	-	<b>3.59</b>
<b>Non- current liabilities</b>		
Deferred tax liability	37.76	67.82
Other Long-term liabilities	241.67	260.26
Long-term provisions	823.40	719.12
	<b>1,102.83</b>	<b>1,047.20</b>
<b>Current liabilities</b>		
Trade payable	209.79	473.67
Other current liabilities	6,689.41	6,589.14
Short-term provisions	1,549.01	1,372.23
	<b>8,448.21</b>	<b>8,435.04</b>
<b>TOTAL</b>	<b>57,451.43</b>	<b>97,251.32</b>
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Fixed assets		
Tangible assets	3,160.46	3,448.48
Intangible assets	6,086.63	6,086.63
Capital work-in-progress	126.31	125.20
Non-current investments	-	-
Deferred tax assets	1,001.75	866.95
Long-term loans and advances	4,252.80	5,134.23
Other non-current assets	-	0.25
	<b>14,627.95</b>	<b>15,661.74</b>
<b>Current assets</b>		
Trade receivables	8,190.31	6,807.44
Cash and bank balances	28,394.42	66,726.07
Short-term loans and advances	874.62	948.41
Other current assets	5,364.13	7,107.66
	<b>42,823.48</b>	<b>81,589.58</b>
<b>TOTAL</b>	<b>57,451.43</b>	<b>97,251.32</b>

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 six month period ended September 30, 2014

(Amounts in ₹ million, except share data)

	Three month period ended September 30,		Six month period ended September 30,	
	2014	2013	2014	2013
<b><u>INCOME</u></b>				
Revenue from operations	9,444.77	9,650.38	20,174.57	18,644.40
Other income, net				
Interest income	1,437.16	1,160.20	2,977.85	2,282.30
Foreign exchange (loss) gain, net	(12.16)	719.47	(101.53)	1,550.83
Miscellaneous income, net	69.22	7.56	121.34	62.38
Total income	<u>10,938.99</u>	<u>11,537.61</u>	<u>23,172.23</u>	<u>22,539.91</u>
<b><u>EXPENSES</u></b>				
Employee cost	4,703.09	4,568.81	9,271.23	8,938.42
Travel related expenses (net of recoveries)	291.85	382.68	609.51	712.64
Professional fees	466.32	573.13	932.23	985.54
Other expenses	464.30	461.55	986.83	970.57
Depreciation and amortisation	164.46	178.42	351.65	356.09
Total expenses	<u>6,090.02</u>	<u>6,164.59</u>	<u>12,151.45</u>	<u>11,963.26</u>
Profit before tax	4,848.97	5,373.02	11,020.78	10,576.65
Tax expenses				
Current tax	1,746.16	1,749.59	4,065.51	3,365.03
Deferred tax	(75.63)	27.96	(167.49)	(45.66)
Total tax expenses	<u>1,670.53</u>	<u>1,777.55</u>	<u>3,898.02</u>	<u>3,319.37</u>
Profit for the period	<u><u>3,178.44</u></u>	<u><u>3,595.47</u></u>	<u><u>7,122.76</u></u>	<u><u>7,257.28</u></u>
Earnings per equity share of par value of ₹ 5 (September 30, 2013 ₹ 5) each (in ₹)				
Basic	37.75	42.76	84.62	86.32
Diluted	37.54	42.61	84.25	86.04
Number of shares used in computing earnings per share				
Basic	84,205,122	84,081,630	84,176,269	84,076,089
Diluted	84,675,858	84,384,645	84,542,368	84,345,965

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 six month period ended September 30, 2014**  
(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 74.55% ownership interest in the Company as at September 30, 2014.

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 six month period ended September 30, 2014

**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, 2014.

**3. Capital Commitments**

Particulars	(Amounts in ₹ million)	
	September 30, 2014	March 31, 2014
Contracts remaining to be executed on capital account not provided for (net of advances)	171.49	169.83

4. Employee costs for the six month period ended September 30, 2013 are net of ₹ 243.51 pertaining to write back of bonus provision of earlier year no longer required.

5. The Board of Directors of the Company declared an interim dividend of ₹ 485/- per equity share of face value ₹ 5 each at its meeting held on September 12, 2014 and the same was distributed to the members of the Company during the three month period ended September 30, 2014.

**6. 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 September 30, 2014** (Amounts in ₹ million)

Particulars	Products	Services	BPO - Services	Total
Revenue from operations	7,560.50	1,683.44	200.83	9,444.77
Segment result	3,214.13	321.19	12.02	3,547.34
Unallocable expenses				(192.59)
Interest income				1,437.16
Foreign exchange (loss), net				(12.16)
Miscellaneous income, net				69.22
Profit before tax				4,848.97
Tax expenses				(1,670.53)
Profit for the period				3,178.44

**Three month period ended September 30, 2013** (Amounts in ₹ million)

Particulars	Products	Services	BPO - Services	Total
Revenue from operations	7,547.53	1,848.27	254.58	9,650.38
Segment result	3,375.62	403.74	84.48	3,863.84
Unallocable expenses				(378.05)
Interest income				1,160.20
Foreign exchange gain, net				719.47
Miscellaneous income, net				7.56
Profit before tax				5,373.02
Tax expenses				(1,777.55)
Profit for the period				3,595.47

**Six month period ended September 30, 2014** (Amounts in ₹ million)

Particulars	Products	Services	BPO - Services	Total
Revenue from operations	16,513.50	3,225.94	435.13	20,174.57
Segment result	7,685.16	689.95	63.46	8,438.57
Unallocable expenses				(415.45)
Interest income				2,977.85
Foreign exchange loss, net				(101.53)
Miscellaneous income, net				121.34
Profit before tax				11,020.78
Tax expenses				(3,898.02)
Profit for the period				7,122.76

**Six month period ended September 30, 2013** (Amounts in ₹ million)

Particulars	Products	Services	BPO - Services	Total
Revenue from operations	14,416.46	3,756.37	471.57	18,644.40
Segment result	6,283.14	880.45	151.86	7,315.45
Unallocable expenses				(634.31)
Interest income				2,282.30
Foreign exchange gain, net				1,550.83
Miscellaneous income, net				62.38
Profit before tax				10,576.65
Tax expenses				(3,319.37)
Profit for the period				7,257.28

**Oracle Financial Services Software Limited**

Notes annexed to and forming part of the unaudited condensed consolidated financial statements for three and six month period ended September 30, 2014

**Three month period ended September 30, 2014** (Amounts in ₹ million)

Particulars	Other information				Total
	Products	Services	BPO - Services	Unallocable	
Capital expenditure by segment					
Tangible assets	14.15	5.02	6.06	11.19	36.42
Depreciation and amortisation	114.17	34.18	9.14	6.97	164.46
Other non cash expenses	5.50	4.30	-	-	9.80
Segment assets	18,177.84	3,022.61	264.89	35,986.09	57,451.43
Segment liabilities	6,506.73	1,169.56	164.06	1,710.69	9,551.04
Share application money pending allotment	-	-	-	-	-
Shareholders' funds	-	-	-	47,900.39	47,900.39

**Three month period ended September 30, 2013** (Amounts in ₹ million)

Particulars	Other information				Total
	Products	Services	BPO - Services	Unallocable	
Capital expenditure by segment					
Tangible assets	3.73	1.33	0.66	0.44	6.16
Depreciation and amortisation	111.95	37.79	8.34	20.34	178.42
Other non cash expenses	(23.16)	(0.64)	-	-	(23.80)
Segment assets	18,633.87	4,629.57	259.24	67,179.55	90,702.23
Segment liabilities	5,834.84	1,171.21	158.46	2,229.64	9,394.15
Share application money pending allotment	-	-	-	1.59	1.59
Shareholders' funds	-	-	-	81,306.49	81,306.49

**Six month period ended September 30, 2014** (Amounts in ₹ million)

Particulars	Other information				Total
	Products	Services	BPO - Services	Unallocable	
Capital expenditure by segment					
Tangible assets	31.41	10.30	8.84	14.02	64.57
Depreciation and amortisation	238.98	73.57	20.11	18.99	351.65
Other non cash expenses	85.68	24.08	-	-	109.76
Segment assets	18,177.84	3,022.61	264.89	35,986.09	57,451.43
Segment liabilities	6,506.73	1,169.56	164.06	1,710.69	9,551.04
Share application money pending allotment	-	-	-	-	-
Shareholders' funds	-	-	-	47,900.39	47,900.39

**Six month period ended September 30, 2013** (Amounts in ₹ million)

Particulars	Other information				Total
	Products	Services	BPO - Services	Unallocable	
Capital expenditure by segment					
Tangible assets	138.85	72.40	7.04	16.17	234.46
Depreciation and amortisation	223.41	83.13	14.46	35.09	356.09
Other non cash expenses	53.87	42.45	(3.25)	-	93.07
Segment assets	18,633.87	4,629.57	259.24	67,179.55	90,702.23
Segment liabilities	5,834.84	1,171.21	158.46	2,229.64	9,394.15
Share application money pending allotment	-	-	-	1.59	1.59
Shareholders' funds	-	-	-	81,306.49	81,306.49

7. 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 six month period ended September 30, 2014**

(Amounts in ₹ million)

	<b>Six month period ended September 30,</b>	
	<b>2014</b>	<b>2013</b>
Net cash provided by operating activities	5,081.01	1,914.61
Net cash provided by (used in) investing activities	44,055.05	(2,603.25)
Net cash (used in) provided by financing activities	(46,980.43)	44.83
Net increase in cash and cash equivalents	2,155.63	(643.81)
Cash and cash equivalents at beginning of the period	5,194.12	5,044.99
Effect of exchange difference on cash and bank balances	(155.87)	(21.34)
<b>Cash and cash equivalents at end of the period</b>	<b>7,193.88</b>	<b>4,379.84</b>

**Component of cash and cash equivalents**

Cheques on hand	235.93	-
Balances with banks:		
Current accounts	6,689.83	3,829.84
Deposit accounts with original maturity of less than 3 months	179.00	550.00
Unpaid dividend account*	89.12	-
<b>Total cash and cash equivalents</b>	<b>7,193.88</b>	<b>4,379.84</b>

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