

Oracle Financial Services Software Limited

Unaudited Condensed Consolidated Balance Sheet as at September 30, 2015

(Amounts in ₹ million)

	September 30, 2015	March 31, 2015
<u>EQUITY AND LIABILITIES</u>		
Shareholders' funds		
Share capital	423.87	423.07
Reserves and surplus	40,986.12	34,017.61
	41,409.99	34,440.68
Share application money pending allotment	8.82	0.63
Non- current liabilities		
Deferred tax liability	0.43	19.11
Other Long-term liabilities	188.12	220.99
Long-term provisions	898.04	840.84
	1,086.59	1,080.94
Current liabilities		
Trade payable	237.38	361.76
Other current liabilities	6,361.84	6,932.87
Short-term provisions	1,765.69	19,890.09
	8,364.91	27,184.72
TOTAL	50,870.31	62,706.97
<u>ASSETS</u>		
Non-current assets		
Fixed assets		
Tangible assets	2,758.04	3,024.40
Intangible assets	6,086.63	6,086.63
Capital work-in-progress	27.08	3.33
Non-current investments	-	-
Deferred tax assets	1,052.67	1,006.09
Long-term loans and advances	5,494.75	5,865.65
	15,419.17	15,986.10
Current assets		
Trade receivables	6,182.06	6,016.21
Cash and bank balances	22,998.06	35,638.25
Short-term loans and advances	1,113.69	793.39
Other current assets	5,157.33	4,273.02
	35,451.14	46,720.87
TOTAL	50,870.31	62,706.97

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, 2015

(Amounts in ₹ million, except share data)

	Three month period ended September 30,		Six month period ended September 30,	
	2015	2014	2015	2014
<u>INCOME</u>				
Revenue from operations	10,034.21	9,444.77	20,599.84	20,174.57
Other income, net				
Interest income	649.96	1,437.16	1,314.14	2,977.85
Foreign exchange (loss) gain, net	(53.06)	(12.16)	267.22	(101.53)
Miscellaneous income, net	64.91	69.22	25.41	121.34
Total income	<u>10,696.02</u>	<u>10,938.99</u>	<u>22,206.61</u>	<u>23,172.23</u>
<u>EXPENSES</u>				
Employee cost	4,589.38	4,703.09	9,376.74	9,271.23
Travel related expenses (net of recoveries)	415.43	291.85	764.65	609.51
Professional fees	347.33	466.32	667.48	932.23
Other expenses	276.03	464.30	652.17	986.83
Depreciation and amortisation	130.27	164.46	272.04	351.65
Total expenses	<u>5,758.44</u>	<u>6,090.02</u>	<u>11,733.08</u>	<u>12,151.45</u>
Profit before exceptional item and tax	4,937.58	4,848.97	10,473.53	11,020.78
Exceptional item [Refer note 5]	-	-	(437.17)	-
Profit before tax	4,937.58	4,848.97	10,036.36	11,020.78
Tax expenses				
Current tax	1,656.51	1,746.16	3,578.22	4,065.51
Deferred tax	54.97	(75.63)	(61.27)	(167.49)
Total tax expenses	<u>1,711.48</u>	<u>1,670.53</u>	<u>3,516.95</u>	<u>3,898.02</u>
Profit for the period	<u><u>3,226.10</u></u>	<u><u>3,178.44</u></u>	<u><u>6,519.41</u></u>	<u><u>7,122.76</u></u>
Earnings per equity share of par value of ₹ 5 (September 30, 2014 ₹ 5) each (in ₹)				
Basic	38.10	37.75	77.01	84.62
Diluted	37.85	37.54	76.51	84.25
Number of shares used in computing earnings per share				
Basic	84,684,322	84,205,122	84,654,346	84,176,269
Diluted	85,228,120	84,675,858	85,214,050	84,542,368

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, 2015

(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 74.38% ownership interest in the Company as at September 30, 2015.

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, 2015

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, 2015.

3. Capital Commitments

Particulars	(Amounts in ₹ million)	
	September 30, 2015	March 31, 2015
Contracts remaining to be executed on capital account not provided for (net of advances)	210.62	177.24

4. 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, 2015 (Amounts in ₹ million)

Particulars	Products	Services	BPO - Services	Total
Revenue from operations	8,262.68	1,477.69	293.84	10,034.21
Segment result	4,089.89	311.95	107.28	4,509.12
Unallocable expenses				(233.35)
Interest income				649.96
Foreign exchange (loss), net				(53.06)
Miscellaneous income, net				64.91
Profit before tax				4,937.58
Tax expenses				(1,711.48)
Profit for the period				3,226.10

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

Six month period ended September 30, 2015 (Amounts in ₹ million)

Particulars	Products	Services	BPO - Services	Total
Revenue from operations	17,109.78	2,917.77	572.29	20,599.84
Segment result [Refer note 5]	8,578.37	520.69	(217.44)	8,881.62
Unallocable expenses				(452.03)
Interest income				1,314.14
Foreign exchange gain, net				267.22
Miscellaneous income, net				25.41
Profit before tax				10,036.36
Tax expenses				(3,516.95)
Profit for the period				6,519.41

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

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, 2015

(Amounts in ₹ million)					
Particulars	Other information				
	Products	Services	BPO - Services	Unallocable	Total
Capital expenditure by segment					
Tangible assets	32.85	7.56	-	4.96	45.37
Depreciation and amortisation	95.40	21.80	7.55	5.52	130.27
Other non cash expenses	(68.46)	(11.00)	-	-	(79.46)
Segment assets	15,937.45	2,947.87	294.22	31,690.77	50,870.31
Segment liabilities	6,350.72	915.97	609.38	1,575.43	9,451.50
Share application money pending allotment	-	-	-	8.82	8.82
Shareholders' funds	-	-	-	41,409.99	41,409.99

(Amounts in ₹ million)					
Particulars	Other information				
	Products	Services	BPO - Services	Unallocable	Total
Capital expenditure by segment					
Tangible assets	14.15	5.02	6.06	11.19	36.42
Depreciation and amortization	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

(Amounts in ₹ million)					
Particulars	Other information				
	Products	Services	BPO - Services	Unallocable	Total
Capital expenditure by segment					
Tangible assets	53.06	13.79	-	10.74	77.59
Depreciation and amortisation	197.93	48.18	14.88	11.05	272.04
Other non cash expenses	(95.17)	12.59	-	-	(82.58)
Segment assets	15,937.45	2,947.87	294.22	31,690.77	50,870.31
Segment liabilities	6,350.72	915.97	609.38	1,575.43	9,451.50
Share application money pending allotment	-	-	-	8.82	8.82
Shareholders' funds	-	-	-	41,409.99	41,409.99

(Amounts in ₹ million)					
Particulars	Other information				
	Products	Services	BPO - Services	Unallocable	Total
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

5. During the six month period ended September 30, 2015, the Company has provided an amount of ₹ 437.17 million in relation to an Arbitration award passed against a wholly owned subsidiary company. This provision is disclosed as an exceptional item. The subsidiary company has filed an appeal before the court of competent jurisdiction against this Arbitration award.

6. 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, 2015

	(Amounts in ₹ million)	
	Six month period ended September 30,	
	2015	2014
Net cash provided by operating activities	4,200.36	5,081.01
Net cash provided by investing activities	15,595.66	44,055.05
Net cash (used in) financing activities	(17,961.88)	(46,980.43)
Net increase in cash and cash equivalents	1,834.14	2,155.63
Cash and cash equivalents at beginning of the period	5,914.49	5,194.12
Effect of exchange difference on cash and bank balances	310.57	(155.87)
Cash and cash equivalents at end of the period	8,059.20	7,193.88

Component of cash and cash equivalents

Cheques on hand	-	235.93
Balances with banks:		
Current accounts	7,765.09	6,689.83
Deposit accounts with original maturity of less than 3 months	177.50	179.00
Unclaimed dividend account*	116.61	89.12
Total cash and cash equivalents	8,059.20	7,193.88

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