

# Oracle Financial Services Software Limited

## Consolidated balance sheet as at March 31, 2015

(Amounts in ₹ million)

	March 31, 2015	March 31, 2014
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Shareholders' funds</b>		
Share capital	423.07	420.72
Reserves and surplus	34,017.61	87,344.77
	<b>34,440.68</b>	<b>87,765.49</b>
<b>Share application money pending allotment</b>	<b>0.63</b>	<b>3.59</b>
<b>Non- current liabilities</b>		
Deferred tax liability	19.11	67.82
Other Long-term liabilities	220.99	260.26
Long-term provisions	840.84	719.12
	<b>1,080.94</b>	<b>1,047.20</b>
<b>Current liabilities</b>		
Trade payables	361.76	473.67
Other current liabilities	6,932.87	6,589.14
Short-term provisions	19,890.09	1,372.23
	<b>27,184.72</b>	<b>8,435.04</b>
<b>TOTAL</b>	<b>62,706.97</b>	<b>97,251.32</b>
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Fixed assets		
Tangible assets	3,024.40	3,448.48
Intangible assets	6,086.63	6,086.63
Capital work-in-progress	3.33	125.20
Non-current investments	-	-
Deferred tax assets	1,006.09	866.95
Long-term loans and advances	5,865.65	5,134.23
Other non-current assets	-	0.25
	<b>15,986.10</b>	<b>15,661.74</b>
<b>Current assets</b>		
Trade receivables	6,016.21	6,807.44
Cash and bank balances	35,638.25	66,726.07
Short-term loans and advances	793.39	948.41
Other current assets	4,273.02	7,107.66
	<b>46,720.87</b>	<b>81,589.58</b>
<b>TOTAL</b>	<b>62,706.97</b>	<b>97,251.32</b>

Summary of significant accounting policies

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

# Oracle Financial Services Software Limited

## Consolidated statement of profit and loss for year ended March 31, 2015

(Amounts in ₹ million, except share data)

**Year ended March 31,**

**2015**

**2014**

### **INCOME**

Revenue from operations	39,049.05	37,413.21
Other income, net	3,481.34	6,736.48
<b>Total income</b>	<b>42,530.39</b>	<b>44,149.69</b>

### **EXPENSES**

Employee costs	18,479.02	18,404.78
Travel related expenses (net of recoveries)	1,343.44	1,405.81
Professional fees	1,718.66	1,818.33
Other expenses	1,999.98	1,790.44
Depreciation and amortisation	680.92	716.72
<b>Total expenses</b>	<b>24,222.02</b>	<b>24,136.08</b>
<b>Profit before tax</b>	<b>18,308.37</b>	<b>20,013.61</b>
Tax expenses		
Current tax	6,577.75	6,546.81
Deferred tax	(192.58)	(126.39)
<b>Total tax expenses</b>	<b>6,385.17</b>	<b>6,420.42</b>
<b>Profit for the year</b>	<b>11,923.20</b>	<b>13,593.19</b>

Earnings per equity share of par value of ₹ 5 (March 31, 2014 ₹ 5) each (in ₹)

Basic	141.30	161.64
Diluted	140.71	160.96

Summary of significant accounting policies

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

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**Oracle Financial Services Software Limited**

**Notes annexed to and forming part of consolidated financial statements for 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 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 Outsourcing 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, 2015** (Amounts in ₹ million)

Particulars	Products	Services	BPO - Services	Total
Revenue	31,814.78	6,192.38	1,041.89	39,049.05
Segment result	14,503.82	1,008.94	321.30	15,834.06
Unallocable expenses				(1,007.03)
Other income, net				3,481.34
Profit before tax				18,308.37
Tax expenses				(6,385.17)
Net profit				11,923.20

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

Particulars	Products	Services	BPO - Services	Total
Revenue	29,001.49	7,398.28	1,013.44	37,413.21
Segment result	12,559.36	1,520.91	366.20	14,446.47
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

**Oracle Financial Services Software Limited**

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

**Other information**

**Year ended March 31, 2015** (Amounts in ₹ million)

Particulars	Products	Services	BPO - Services	Unallocable	Total
Capital expenditure by segment					
Tangible assets	174.77	68.52	3.43	26.61	273.33
Depreciation and amortisation	473.31	138.67	37.05	31.89	680.92
Other non cash expenses	111.14	51.23	-	-	162.37
Segment assets	15,306.06	3,078.18	259.48	44,063.25	62,706.97
Segment liabilities	7,044.97	1,059.41	146.63	20,014.65	28,265.66
Share application money pending allotment				0.63	0.63
Shareholders' funds				34,440.68	34,440.68

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

Particulars	Products	Services	BPO - Services	Unallocable	Total
Capital expenditure by segment					
Tangible assets	199.93	75.42	11.18	22.04	308.57
Depreciation and amortization	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

**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,			
	2015		2014	
	Amounts in ₹ million	%	Amounts in ₹ million	%
United States of America	12,167.14	31%	12,392.27	32%
Europe	7,468.05	19%	7,305.17	20%
Asia Pacific	10,250.23	26%	9,677.67	26%
Middle East, India and Africa	8,174.87	21%	6,891.86	18%
Latin America and Caribbean	988.76	3%	1,146.24	3%
	<b>39,049.05</b>	<b>100%</b>	<b>37,413.21</b>	<b>100%</b>

**Oracle Financial Services Software Limited**

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

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

<b>Regions</b>	<b>Year ended March 31,</b>			
	<b>2015</b>		<b>2014</b>	
	Amounts in ₹ million	%	Amounts in ₹ million	%
United States of America	8,714.72	14%	8,670.74	9%
Europe	4,367.06	7%	4,749.27	5%
Asia Pacific	6,442.91	10%	6,691.17	7%
Middle East, India and Africa	42,579.50	68%	76,315.72	78%
Latin America and Caribbean	602.79	1%	824.42	1%
	<b>62,706.97</b>	<b>100%</b>	<b>97,251.32</b>	<b>100%</b>

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

<b>Regions</b>	<b>Year ended March 31,</b>			
	<b>2015</b>		<b>2014</b>	
	Amounts in ₹ million	%	Amounts in ₹ million	%
United States of America	6.15	2%	3.53	1%
Europe	4.32	2%	1.57	1%
Asia Pacific	7.02	3%	4.58	1%
Middle East, India and Africa	254.71	93%	297.82	97%
Latin America and Caribbean	1.13	0%	1.07	0%
	<b>273.33</b>	<b>100%</b>	<b>308.57</b>	<b>100%</b>

Oracle Financial Services Software Limited

Consolidated statement of cash flow for year ended March 31, 2015

	(Amounts in ₹ million)	
	Year ended March 31,	
	2015	2014
Cash flows from operating activities		
Profit before tax	18,308.37	20,013.61
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities :		
Depreciation and amortization	680.92	716.72
Loss (profit) on sale/write off of fixed assets, net	10.23	(2.60)
Provision for doubtful debts, net	(43.25)	105.35
Bad debts	205.62	24.98
Interest income	(4,104.03)	(5,178.02)
Effect of exchange rate changes in cash and cash equivalent	185.66	234.71
Unrealised exchange loss (gain), net	612.51	364.90
Deferred rent	(8.15)	18.50
Finance charge on leased assets	0.08	0.76
Operating Profit before Working Capital changes	15,847.96	16,298.91
Changes in assets and liabilities, net of effect of acquisition		
(Decrease) increase in trade payables	(110.82)	209.11
(Decrease) increase in other long term liabilities	(39.60)	55.71
Increase (decrease) in current liabilities	498.22	(1,433.11)
Increase in long-term provisions	133.83	20.26
Increase in short-term provisions	163.94	150.21
Decrease in trade receivables	280.32	312.87
(Increase) in long-term loans and advances	(89.70)	(26.21)
Decrease (increase) in short-term loans and advances	230.67	(259.38)
Decrease (increase) in other current assets	1,033.33	(2,080.75)
Cash from operating activities	17,948.15	13,247.61
Payment of domestic and foreign taxes	(7,469.47)	(6,515.49)
<b>Net cash provided by operating activities</b>	<b>10,478.68</b>	<b>6,732.12</b>
Cash flows from investing activities		
Additions to fixed assets including capital work in progress	(151.45)	(310.79)
Refund of deposits for premises and others	6.22	1,313.14
Proceeds from sale of fixed assets	18.66	4.12
Proceeds received on Dhanalaxmi Bonds	-	10.22
Bank fixed deposits having maturity of more than three months matured	69,255.85	110,164.91
Bank fixed deposits having maturity of more than three months booked	(37,447.69)	(122,030.45)
Interest received	5,641.53	4,359.66
<b>Net cash provided by (used in) investing activities</b>	<b>37,323.12</b>	<b>(6,489.18)</b>
Cash flows from financing activities		
Issue of shares under ESOP scheme	1,094.59	145.53
Payment of lease obligations	(1.62)	(4.63)
Interim dividend paid on equity shares	(41,017.77)	-
Tax on equity dividend paid	(6,970.97)	-
<b>Net cash (used in) provided by financing activities</b>	<b>(46,895.77)</b>	<b>140.90</b>
Net increase in cash and cash equivalents	906.03	383.83
Cash and cash equivalents at beginning of the year	5,194.12	5,044.99
Effect of exchange rate changes in cash and cash equivalents	(185.66)	(234.71)
<b>Cash and cash equivalents at end of the year</b>	<b>5,914.49</b>	<b>5,194.12</b>

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Consolidated statement of cash flow for year ended March 31, 2015 (continued)

Component of cash and cash equivalents	(Amounts in ₹ million)	
	2015	2014
Balances with banks:		
Current accounts	5,776.09	5,009.12
Deposit accounts with original maturity of less than 3 months	36.00	185.00
Unclaimed dividend account*	102.40	-
<b>Total cash and cash equivalents</b>	<b>5,914.49</b>	<b>5,194.12</b>

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

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