

**Oracle Financial Services Software Limited**

Registered Office : Oracle Park, Off Western Express Highway, Goregaon (East), Mumbai 400 063.

**Unaudited standalone financial results for the three and six month period ended September 30, 2012**

**PART I**

( ₹ in lacs, except share and per share data)

Particulars	Three month period ended			Six month period ended		Year ended
	September 30, 2012	June 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011	March 31, 2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1 INCOME FROM OPERATIONS</b>						
Revenue from operations	65,996	81,212	61,834	147,208	120,024	260,585
<b>Total income from operations (net)</b>	<b>65,996</b>	<b>81,212</b>	<b>61,834</b>	<b>147,208</b>	<b>120,024</b>	<b>260,585</b>
<b>2 EXPENSES</b>						
(a) Employee costs	36,232	34,022	30,992	70,254	60,266	125,326
(b) Travel related expenses (net of recoveries)	2,755	3,695	2,337	6,450	4,979	10,798
(c) Professional fees	2,955	3,398	3,934	6,353	7,060	13,957
(d) Other expenses	3,068	4,398	3,849	7,466	6,727	11,556
(e) Depreciation and amortisation	1,693	1,190	837	2,883	1,693	4,012
<b>Total expenses</b>	<b>46,703</b>	<b>46,703</b>	<b>41,949</b>	<b>93,406</b>	<b>80,725</b>	<b>165,649</b>
<b>3 Profit from operations before other income, exceptional items and tax (1-2)</b>	<b>19,293</b>	<b>34,509</b>	<b>19,885</b>	<b>53,802</b>	<b>39,299</b>	<b>94,936</b>
4 Other income, net	7,581	14,103	13,051	21,684	19,464	37,503
<b>5 Profit from ordinary activities before exceptional items and tax (3+4)</b>	<b>26,874</b>	<b>48,612</b>	<b>32,936</b>	<b>75,486</b>	<b>58,763</b>	<b>132,439</b>
6 Exceptional items, net (Refer note 6 below)	-	-	(8,656)	-	(8,656)	24,150
<b>7 Profit before taxes (5+6)</b>	<b>26,874</b>	<b>48,612</b>	<b>24,280</b>	<b>75,486</b>	<b>50,107</b>	<b>156,589</b>
8 Tax expenses						
(a) Current tax	9,499	16,306	11,253	25,805	19,734	47,170
(b) Deferred tax	(576)	(522)	(3,515)	(1,098)	(3,432)	496
<b>Total tax expenses</b>	<b>8,923</b>	<b>15,784</b>	<b>7,738</b>	<b>24,707</b>	<b>16,302</b>	<b>47,666</b>
<b>9 Net profit after tax for the period (7-8)</b>	<b>17,951</b>	<b>32,828</b>	<b>16,542</b>	<b>50,779</b>	<b>33,805</b>	<b>108,923</b>
10 Paid-up equity share capital (face value ₹ 5 each, fully paid)	4,200	4,199	4,197	4,200	4,197	4,199
11 Reserves as per balance sheet of previous accounting year						620,493
12 Earnings per share (face value ₹ 5 each, fully paid)						
(a) Basic (in ₹)	21.37	39.09	19.71	60.46	40.28	129.78
(b) Diluted (in ₹)	21.29	39.00	19.69	60.25	40.25	129.65
See accompanying note to the financial results						

**PART II**

<b>A PARTICULARS OF SHAREHOLDING</b>						
<b>1 Public Shareholding</b>						
Number of shares	16,512,431	16,497,363	16,454,704	16,512,431	16,454,704	16,492,059
Percentage of shareholding	19.66	19.64	19.60	19.66	19.60	19.64
<b>2 Promoters and Promoter Group Shareholding</b>						
(a) Pledged / Encumbered						
Number of Shares	-	-	-	-	-	-
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-	-
(b) Non-encumbered						
Number of shares	67,481,698	67,481,698	67,481,698	67,481,698	67,481,698	67,481,698
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100	100
Percentage of shares (as a % of the total share capital of the Company)	80.34	80.36	80.40	80.34	80.40	80.36

**B INVESTOR COMPLAINTS**

Particulars	No. of Complaints
Complaints outstanding on July 1, 2012	1
Complaints received during the three month period ended September 30, 2012	5
Complaints disposed off during the three month period ended September 30, 2012	5
Complaints outstanding on September 30, 2012	1

**Notes to financial results :**

- The unaudited financial results for the three and six month period ended September 30, 2012 have been approved by the Board of Directors of the Company at its meeting held on October 31, 2012. The Statutory Auditors of the Company have carried out a Limited Review of the financial results for the three and six month period ended September 30, 2012. There are no qualifications in the Limited Review Report issued by the Auditors.
- Pursuant to the Notification No. 447(E) dated February 28, 2011 and Notification No. 653(E) dated March 30, 2011, issued by the Ministry of Corporate Affairs, the Company has prepared its financial statements for the three and six month period ended September 30, 2012 as per revised Schedule VI to the Companies Act, 1956. Accordingly, the previous periods' figures have also been regrouped/reclassified, wherever required to align the financial statements to the revised format.
- During the three month period ended September 30, 2012, the Company allotted 15,068 equity shares of face value of ₹ 5 each on exercise of stock options by eligible employees under the ESOP 2002 Scheme and ESOP 2010 Scheme.
- Employee costs for the three month period ended June 30, 2012 and six month period ended September 30, 2012 are net of ₹ 752 lacs pertaining to write back of bonus provision of earlier year no longer required.
- Revenue from product licenses and related activities for the six month period ended September 30, 2011 and year ended March 31, 2012 includes prior year reversal of ₹ 1,596 lacs.
- Particulars of exceptional items, net

( ₹ in lacs )

Particulars	Three month period ended			Six month period ended		Year ended
	September 30, 2012	June 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011	March 31, 2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Dividend income [Refer note (a) below]	-	-	-	-	-	31,083
Claim against the Company [Refer note (b) below]	-	-	(8,656)	-	(8,656)	(6,933)
<b>Total</b>	-	-	<b>(8,656)</b>	-	<b>(8,656)</b>	<b>24,150</b>

- (a) During the year ended March 31, 2012, the Company has received dividend of ₹ 18,333 lacs and ₹ 12,750 lacs from its wholly owned subsidiaries Oracle Financial Services Software B.V. and Oracle Financial Services Software Pte. Ltd respectively. Considering the amount of dividend received, the same has been disclosed as an exceptional item.
- (b) A customer had filed a lawsuit against the Company and one of its subsidiaries, claiming damages of upwards of ₹ 57,842 lacs. While the claims were being rigorously defended by the Company and counter claims raised against the customer for breach of contract and outstanding fees, a mediation process had been initiated by the parties concerned. In respect of this claim, the Company had provided ₹ 8,656 lacs in the three and six month period ended September 30, 2011. During the year ended March 31, 2012, the Company settled the said customer dispute for full release of all alleged claims and recorded ₹ 6,933 lacs, net of insurance claim and disclosed the same as an exceptional item.

**7 Particulars of other income, net**

( ₹ in lacs )

Particulars	Three month period ended			Six month period ended		Year ended
	September 30, 2012	June 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011	March 31, 2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Interest income	10,387	8,817	6,487	19,204	12,451	26,975
Exchange (loss) / gain, net	(2,836)	5,191	6,635	2,355	7,080	10,564
Miscellaneous income (expense), net	30	95	(71)	125	(67)	(36)
<b>Total</b>	<b>7,581</b>	<b>14,103</b>	<b>13,051</b>	<b>21,684</b>	<b>19,464</b>	<b>37,503</b>

8. Statement of assets and liabilities

( ₹ in lacs )

Particulars	As at	
	September 30, 2012	March 31, 2012
	Unaudited	Audited
<b>A EQUITY AND LIABILITIES</b>		
1 Shareholders' funds		
(a) Share capital	4,200	4,199
(b) Reserves and surplus	671,564	620,493
	<b>675,764</b>	<b>624,692</b>
2 Share application money pending allotment	57	12
3 Non-current liabilities		
(a) Other long-term liabilities	1,365	1,332
(b) Long-term provisions	3,842	3,324
	<b>5,207</b>	<b>4,656</b>
4 Current liabilities		
(a) Trade payables	2,146	1,817
(b) Other current liabilities	74,683	72,159
(c) Short-term provisions	8,694	8,046
	<b>85,523</b>	<b>82,022</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>766,551</b>	<b>711,382</b>
<b>B ASSETS</b>		
1 Non-current assets		
(a) Fixed assets	41,495	40,997
(b) Non-current investments	72,824	72,824
(c) Deferred tax assets	7,503	6,406
(d) Long-term loans and advances	58,459	53,834
(e) Other non-current assets	1,507	1,429
	<b>181,788</b>	<b>175,490</b>
2 Current assets		
(a) Current investments	100	100
(b) Trade receivables	96,599	114,429
(c) Cash and bank balances	435,465	351,092
(d) Short-term loans and advances	15,441	28,874
(e) Other current assets	37,158	41,397
	<b>584,763</b>	<b>535,892</b>
<b>TOTAL - ASSETS</b>	<b>766,551</b>	<b>711,382</b>

9 Reporting segment wise revenue, results and capital employed

(₹ in lacs)

Particulars	Three month period ended			Six month period ended		Year ended
	September 30, 2012	June 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011	March 31, 2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(a) <b>Segment revenue</b>						
Product licenses and related activities	49,806	62,170	43,589	111,976	82,162	191,217
IT solutions and consulting services	16,190	19,042	18,245	35,232	37,862	69,368
	<b>65,996</b>	<b>81,212</b>	<b>61,834</b>	<b>147,208</b>	<b>120,024</b>	<b>260,585</b>
(b) <b>Segment results</b>						
Product licenses and related activities	19,689	31,334	17,470	51,023	33,825	88,210
IT solutions and consulting services	1,438	4,720	5,678	6,158	11,434	16,882
	<b>21,127</b>	<b>36,054</b>	<b>23,148</b>	<b>57,181</b>	<b>45,259</b>	<b>105,092</b>
Interest income	10,387	8,817	6,487	19,204	12,451	26,975
Other unallocable (expenses) income, net	(4,640)	3,741	3,301	(899)	1,053	372
Exceptional items, net	-	-	(8,656)	-	(8,656)	24,150
<b>Profit before taxes</b>	<b>26,874</b>	<b>48,612</b>	<b>24,280</b>	<b>75,486</b>	<b>50,107</b>	<b>156,589</b>
(c) <b>Capital employed</b>						
Product licenses and related activities	56,030	73,373	58,059	56,030	58,059	85,453
IT solutions and consulting services	31,781	38,835	25,810	31,781	25,810	35,924
Unallocable	587,953	545,389	465,457	587,953	465,457	503,315
	<b>675,764</b>	<b>657,597</b>	<b>549,326</b>	<b>675,764</b>	<b>549,326</b>	<b>624,692</b>

**Notes on segment information:**

**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 income and expenses which are not directly attributable to a business segment are shown as unallocable income and 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.

10 Unaudited consolidated results for the three and six month period ended September 30, 2012

(₹ in lacs, except per share data)

Particulars	Three month period ended			Six month period ended		Year ended
	September 30, 2012	June 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011	March 31, 2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Revenue from operations</b>	<b>79,346</b>	<b>94,633</b>	<b>75,617</b>	<b>173,979</b>	<b>146,825</b>	<b>314,668</b>
<b>Net profit after tax for the period</b>	<b>15,744</b>	<b>36,806</b>	<b>20,867</b>	<b>52,550</b>	<b>41,289</b>	<b>90,927</b>
Earnings per share (face value ₹ 5 each, fully paid)						
Basic (in ₹)	18.75	43.83	24.86	62.57	49.20	108.34
Diluted (in ₹)	18.67	43.72	24.84	62.35	49.15	108.23

11 The above results are also available on the Company's website: [www.oracle.com/financialservices](http://www.oracle.com/financialservices)

For and on behalf of the Board of Directors  
Oracle Financial Services Software Limited

Mumbai, India  
October 31, 2012

Chaitanya Kamat  
Managing Director & Chief Executive Officer