

Oracle Financial Services Software Limited

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AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2012

PART I

(Rs. in lacs, except share and per share data)

Particulars	STANDALONE						CONSOLIDATED	
	Quarter ended			Year ended March 31,		Year ended March 31,		
	March 31, 2012	December 31, 2011	March 31, 2011	2012	2011	2012	2011	
	Unaudited	Unaudited	Unaudited	Audited	Audited	Audited	Audited	
1 INCOME								
(a) Revenue from operations	72,560	68,001	69,368	260,585	236,051	314,668	299,693	
Total income from operations	72,560	68,001	69,368	260,585	236,051	314,668	299,693	
2 EXPENSES								
(a) Employee costs	32,661	32,400	28,507	125,326	105,213	151,870	131,526	
(b) Travel related expenses (net of recoveries)	3,087	2,732	2,607	10,798	11,638	14,451	14,311	
(c) Professional fees	3,406	3,491	2,104	13,957	9,510	20,050	17,674	
(d) Other expenses	1,444	3,384	4,146	11,556	15,442	17,186	22,763	
(e) Depreciation and amortisation	1,142	1,177	954	4,012	3,365	4,662	4,082	
(f) Provision for diminution in value of investment	41,740	43,184	38,318	165,649	145,168	208,219	190,356	
Total expenses	41,740	43,184	38,572	165,649	145,422	208,219	190,356	
3 Profit from operations before other income, exceptional items and tax	30,820	24,817	30,796	94,936	90,629	106,449	109,337	
4 Other income, net	5,626	12,413	6,365	37,503	14,030	42,175	16,683	
5 Profit from ordinary activities before exceptional items and tax	36,446	37,230	37,161	132,439	104,660	148,624	126,020	
6 Exceptional items, net [Refer note 9 below]	31,083	1,722	-	24,150	(1,221)	(6,933)	(1,221)	
7 Profit before tax	67,529	38,952	37,161	156,589	103,438	141,691	124,799	
8 Tax expenses								
(a) Current tax	16,851	10,584	6,276	47,170	9,702	50,302	16,723	
(b) Deferred tax	728	3,201	(2,633)	496	(3,061)	460	(3,022)	
Total tax expenses	17,579	13,785	3,643	47,666	6,641	50,762	13,701	
9 Net profit for the period	49,950	25,167	33,518	108,923	96,797	90,929	111,098	
10 Paid up equity share capital (face value Rs. 5 each, fully paid)	4,199	4,197	4,195	4,199	4,195	4,199	4,195	
11 Reserves as per balance sheet	620,493	570,319	510,831	620,493	510,831	627,538	536,371	
12 Earnings per share (face value Rs. 5 each)								
Basic (in Rs.)	59.50	29.98	39.95	129.78	115.40	108.34	132.45	
Diluted (in Rs.)	59.38	29.96	39.90	129.65	115.23	108.23	132.25	

PART II

A PARTICULARS OF SHAREHOLDING							
1 Aggregate of public shareholding							
Number of shares	16,492,059	16,460,004	16,413,104	16,492,059	16,413,104	16,492,059	16,413,104
Percentage of shareholding	19.64	19.61	19.56	19.64	19.56	19.64	19.56
2 Promoters and Promoter Group Shareholding							
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							
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	67,481,698	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 share capital of the Company)	100	100	100	100	100	100	100
Percentage of shares (as a % of the total share capital of the Company)	80.36	80.39	80.44	80.36	80.44	80.36	80.44

B INVESTOR COMPLAINTS

Particulars	No. of Complaints
Complaints outstanding on January 01, 2012	3
Complaints received during the quarter ended March 31, 2012	2
Complaints disposed off during the quarter ended March 31, 2012	4
Complaints outstanding on March 31, 2012	1

Notes to financial results :

- 1 The above standalone and consolidated results for the quarter and year ended March 31, 2012 have been approved by the Board at its meeting held on May 11, 2012. There are no qualifications in the report issued by the Auditors.
- 2 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 year ended March 31, 2012 as per revised Schedule VI to the Companies Act, 1956. Accordingly, the previous periods' / year's figures have also been regrouped/ reclassified, wherever required to align the financial statements to the revised format. The financial information presented above is extracted from the audited financial statements as stated.
- 3 The figures of the quarter ended March 31, 2012 and March 31, 2011 are the balancing figures between audited figures in respect of the full financial year and published year-to-date figures up to the third quarter of the relevant financial year.
- 4 During the year ended March 31, 2012, the Company allotted 78,955 equity shares of face value of Rs. 5 each on exercise of stock options by eligible employees under the ESOP 2002 Scheme and ESOP 2010 Scheme.
- 5 Mantas Singapore Pte. Ltd. and Mantas Ltd; subsidiaries of the Company were dissolved w.e.f. March 01, 2012 and April 10, 2012 respectively.
- 6 Revenue from product licenses and related activities for the year ended March 31, 2012 includes prior year reversal of Rs. 1,596 lacs.
- 7 Employee costs for the year ended March 31, 2011 are net of Rs. 2,191 lacs and Rs. 2,384 lacs in the standalone financial statements and the consolidated financial statements respectively, pertaining to write back of bonus provision of earlier year no longer required due to changes in compensation policy of the Company.
- 8 During the year ended March 31, 2011, the Company has recorded income tax expenses of Rs. 3,374 lacs and Rs. 4,397 lacs in the standalone financial statements and the consolidated financial statements respectively, related to previous years.
- 9 Particulars of exceptional items, net

(Rs. in lacs)

Particulars	STANDALONE				CONSOLIDATED			
	Quarter ended			Year ended March 31,		Year ended March 31,		
	March 31, 2012	December 31, 2011	March 31, 2011	2012	2011	2012	2011	
	Unaudited	Unaudited	Unaudited	Audited	Audited	Audited	Audited	
Dividend income [Refer note (a) below]	31,083	-	-	31,083	-	-	-	
Claim against the Company [Refer note (b) below]	-	1,722	-	(6,933)	(1,221)	(6,933)	(1,221)	
Total	31,083	1,722	-	24,150	(1,221)	(6,933)	(1,221)	

- (a) During the quarter and year ended March 31, 2012, the Company has received dividend of Rs. 18,333 lacs and Rs. 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 Rs. 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 Rs. 8,656 lacs and Rs. 1,221 lacs for the quarter ended September 30, 2011 and September 30, 2010 respectively and had disclosed the same as an exceptional item in the financial results for the quarter ended September 30, 2011. During the quarter ended December 31, 2011, the Company has settled the said customer dispute for full release of all alleged claims and accordingly has recorded the full settlement amount, net of insurance claim and reversed the resultant excess provision of Rs. 1,722 lacs which has been disclosed as the exceptional item.
- 10 Particulars of other income, net

(Rs. in lacs)

Particulars	STANDALONE				CONSOLIDATED			
	Quarter ended			Year ended March 31,		Year ended March 31,		
	March 31, 2012	December 31, 2011	March 31, 2011	2012	2011	2012	2011	
	Unaudited	Unaudited	Unaudited	Audited	Audited	Audited	Audited	
Interest income	7,656	6,867	4,902	26,975	13,642	27,411	13,955	
Exchange gain / (loss), net	(2,145)	5,629	1,339	10,564	191	14,445	2,272	
Miscellaneous (expense) income, net	115	(83)	124	(36)	197	319	456	
Total	5,626	12,413	6,365	37,503	14,029	42,175	16,683	

11 Statement of assets and liabilities

(Rs. in lacs)

Particulars	STANDALONE		CONSOLIDATED	
	Year ended March 31,		Year ended March 31,	
	2012	2011	2012	2011
	Audited	Audited	Audited	Audited
A EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	4,199	4,195	4,199	4,195
(b) Reserves and surplus	620,493	510,831	627,538	536,371
	624,692	515,026	631,737	540,566
2 Share application money pending allotment	12	8	12	8
3 Minority interest	-	-	-	-
4 Non-current liabilities				
(a) Deferred tax liability	-	-	926	915
(b) Other long-term liabilities	1,332	1,428	2,285	2,545
(c) Long-term provisions	3,324	3,086	5,636	4,960
	4,656	4,514	8,847	8,420
5 Current liabilities				
(a) Trade payables	1,817	624	2,722	1,517
(b) Other current liabilities	72,159	54,504	69,180	52,193
(c) Short-term provisions	8,046	7,585	9,300	10,228
	82,022	62,713	81,202	63,938
TOTAL - EQUITY AND LIABILITIES	711,382	582,261	721,798	612,932

(Rs. in lacs)

Particulars	STANDALONE		CONSOLIDATED	
	Year ended March 31,		Year ended March 31,	
	2012	2011	2012	2011
	Audited	Audited	Audited	Audited
B ASSETS				
1 Non-current assets				
(a) Fixed assets	40,997	36,498	42,714	38,188
(b) Goodwill on consolidation	-	-	60,866	60,866
(c) Non-current investments	72,824	72,824	-	-
(d) Deferred tax assets	6,406	6,902	7,073	7,552
(e) Long-term loans and advances	53,834	70,625	49,628	64,820
(f) Other non-current assets	1,429	1,182	29	20
	175,490	188,031	160,310	171,446
2 Current assets				
(a) Current investments	100	100	100	100
(b) Trade receivables	114,429	76,277	89,721	80,946
(c) Cash and bank balances	351,092	253,787	394,760	290,217
(d) Short-term loans and advances	28,874	29,204	29,391	29,355
(e) Other current assets	41,397	34,862	47,516	40,867
	535,892	394,230	561,488	441,485
TOTAL - ASSETS	711,382	582,261	721,798	612,932

12 Reporting segmentwise revenue, results and capital employed, under clause 41 of the listing agreement

(Rs. in lacs)

Particulars	STANDALONE			CONSOLIDATED			
	Quarter ended			Year ended March 31,		Year ended March 31,	
	March 31, 2012	December 31, 2011	March 31, 2011	2012	2011	2012	2011
	Unaudited	Unaudited	Unaudited	Audited	Audited	Audited	Audited
(a) Segment revenue							
Product licenses and related activities	57,543	51,512	51,889	191,217	161,548	228,228	199,654
IT solutions and consulting services	15,017	16,488	17,480	69,368	74,502	78,216	92,744
Business process outsourcing services	-	-	-	-	-	8,224	7,295
	72,560	68,001	69,368	260,585	236,051	314,668	299,693
(b) Segment results							
Product licenses and related activities	30,936	23,448	31,429	88,210	86,177	97,446	96,880
IT solutions and consulting services	1,884	3,564	2,219	16,882	14,230	19,548	23,097
Business process outsourcing services	-	-	-	-	-	2,852	2,327
	32,820	27,012	33,648	105,092	100,408	119,846	122,304
Interest income	7,656	6,867	4,902	26,975	13,642	27,411	13,955
Other un-allocable income (expenses), net	(4,030)	3,351	(1,135)	373	(9,136)	1,367	(10,239)
Exceptional items	31,083	1,722	-	24,150	(1,221)	(6,933)	(1,221)
Provision for diminution in value of investment	-	-	(254)	-	(254)	-	-
Profit before taxes	67,529	38,952	37,161	156,589	103,438	141,691	124,799
(c) Capital employed							
Product licenses and related activities	85,453	54,717	57,860	85,453	57,860	122,121	120,707
IT solutions and consulting services	35,924	25,525	27,232	35,924	27,232	20,771	35,890
Business process outsourcing services	-	-	-	-	-	1,097	1,201
Unallocable	503,328	494,362	429,942	503,328	429,942	487,760	382,776
	624,704	574,604	515,033	624,704	515,033	631,749	540,574

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 and business process outsourcing services. The expenses which are not directly attributable to a business segment are shown 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 include 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.

13 The above results are also available on the Company's website: www.oracle.com/financialservices

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

Mumbai, India
May 11, 2012

Chaitanya Kamat
Managing Director & Chief Executive Officer