

Oracle Financial Services Software Limited

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Unaudited consolidated financial results for the three and six month period ended September 30, 2021

PART I

(₹ in million, except per share data)

Particulars	Three month period ended			Six month period ended		Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 INCOME						
(a) Revenue from operations	12,809.71	13,973.73	11,973.93	26,783.44	25,346.50	49,839.37
(b) Other income, net	265.44	300.63	176.59	566.07	654.27	1,319.66
Total income	13,075.15	14,274.36	12,150.52	27,349.51	26,000.77	51,159.03
2 EXPENSES						
(a) Employee benefit expenses	5,924.18	5,742.65	5,566.10	11,666.83	11,021.35	22,017.54
(b) Travel related expenses	74.90	81.89	167.27	156.79	381.10	638.01
(c) Professional fees	307.30	415.59	332.02	722.89	756.96	1,469.70
(d) Finance cost	48.41	(3.53)	53.17	44.88	95.89	191.29
(e) Other operating expenses	207.84	407.73	130.07	615.57	507.93	1,028.06
(f) Depreciation and amortization	246.97	245.38	272.22	492.35	538.11	1,041.11
Total Expenses	6,809.60	6,889.71	6,520.85	13,699.31	13,301.34	26,385.71
3 Profit before tax	6,265.55	7,384.65	5,629.67	13,650.20	12,699.43	24,773.32
4 Tax expenses						
(a) Current tax	1,717.75	2,115.04	1,713.69	3,832.79	3,914.85	7,087.21
(b) Deferred tax	72.30	27.72	(4.70)	100.02	65.96	67.56
Total tax expenses	1,790.05	2,142.76	1,708.99	3,932.81	3,980.81	7,154.77
5 Net profit for the period	4,475.50	5,241.89	3,920.68	9,717.39	8,718.62	17,618.55
6 Other Comprehensive Income						
(a) Items that will not be reclassified subsequently to profit or loss						
(i) Actuarial gain (loss) on gratuity fund	(110.19)	45.32	27.44	(64.87)	9.90	(14.71)
(ii) Deferred tax	27.73	(11.40)	(6.91)	16.33	(2.49)	3.55
(b) Items that will be reclassified subsequently to profit and loss						
(i) Exchange differences on translation of foreign operations	(222.70)	177.69	(100.44)	(45.01)	52.71	61.74
Total other comprehensive income for the period, net of tax	(305.16)	211.61	(79.91)	(93.55)	60.12	50.58
7 Total comprehensive income for the period	4,170.34	5,453.50	3,840.77	9,623.84	8,778.74	17,669.13
8 Net profit attributable to:						
Equity holders of the Company	4,475.50	5,241.89	3,920.68	9,717.39	8,718.62	17,618.55
Non-controlling interests	-	-	-	-	-	-
9 Total comprehensive income attributable to:						
Equity holders of the Company	4,170.34	5,453.50	3,840.77	9,623.84	8,778.74	17,669.13
Non-controlling interests	-	-	-	-	-	-
10 Paid up equity share capital (face value ₹ 5 each, fully paid)	430.95	430.62	429.96	430.95	429.96	430.31
11 Reserve excluding Revaluation Reserves as per balance sheet						68,057.43
12 Earnings per equity share (face value ₹ 5 each, fully paid)						
(a) Basic (in ₹)	51.95	60.89	45.60	112.83	101.44	204.90
(b) Diluted (in ₹)	51.67	60.61	45.44	112.27	101.07	203.99

See accompanying note to the financial results

Notes to financial results :

- 1 The above unaudited consolidated financial results for the three and six month period ended September 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on October 27, 2021. There are no qualifications in the Review Report issued by the Statutory Auditors.
- 2 These financials results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 - Interim Financial Reporting as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the other accounting principles generally accepted in India.
- 3 During the three and six month period ended September 30, 2021, the Company allotted 65,786 and 127,917 equity shares, respectively, of face value of ₹ 5 each on exercise of stock options by eligible employees under the prevailing ESOP schemes of the Company.
- 4 **Particulars of Other income, net**

(₹ in million)

Particulars	Three month period ended			Six month period ended		Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Finance income	195.01	190.76	252.54	385.77	575.61	1,138.65
Exchange gain (loss), net	31.02	48.78	(141.98)	79.80	(185.42)	(223.78)
Miscellaneous income, net	39.41	61.09	66.03	100.50	264.08	404.79
Total	265.44	300.63	176.59	566.07	654.27	1,319.66

5 **Statement of assets and liabilities**

(₹ in million)

Particulars	As at	
	September 30, 2021	March 31, 2021
	Unaudited	Audited
A ASSETS		
1 Non-current assets		
(a) Property, Plant and Equipment	1,756.89	1,915.95
(b) Capital work-in-progress	26.67	1.33
(c) Right-of-use asset	667.85	736.14
(d) Investment property	102.00	102.00
(e) Goodwill	6,086.63	6,086.63
(f) Financial assets	1,453.86	1,400.71
(g) Deferred tax assets (net)	1,369.93	1,309.88
(h) Income tax assets (net)	7,901.70	8,328.43
(i) Other non-current assets	393.78	386.81
	19,759.31	20,267.88
2 Current assets		
(a) Financial assets		
(i) Trade receivables	10,012.23	8,027.53
(ii) Cash and bank balances	17,679.52	16,948.28
(iii) Other bank balances	24,157.62	32,193.04
(iv) Other current financial assets	2,259.09	2,782.87
(b) Income tax assets (net)	923.35	939.67
(c) Other current assets	2,282.24	1,676.29
	57,314.05	62,567.68
TOTAL - ASSETS	77,073.36	82,835.56

Statement of assets and liabilities (continued)

(₹ in million)

Particulars	As at	
	September 30, 2021	March 31, 2021
	Unaudited	Audited
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	430.95	430.31
(b) Other equity	60,899.97	68,057.43
	61,330.92	68,487.74
2 Non- current liabilities		
(a) Financial liabilities		
(i) Lease liability	419.17	423.82
(ii) Other financial liabilities	47.64	47.78
(b) Other non-current liabilities	248.36	6.81
(b) Provisions	1,363.59	1,294.66
(c) Deferred tax liability (net)	2,477.79	2,332.53
(d) Income tax liabilities (net)	1,950.52	1,727.70
	6,507.07	5,833.30
3 Current liabilities		
(a) Financial liabilities		
(i) Lease liability	252.30	273.79
(ii) Trade payables		
Payable to micro and small enterprises	8.94	4.86
Payable to others	661.12	453.18
(iii) Other current financial liabilities	2,085.33	2,217.53
(b) Other current liabilities	4,453.97	3,940.84
(c) Provisions	1,552.03	1,446.19
(d) Income tax liabilities (net)	221.68	178.13
	9,235.37	8,514.52
TOTAL - EQUITY AND LIABILITIES	77,073.36	82,835.56

6 Consolidated statement of cash flow

(₹ in million)

Particulars	Six month period ended	
	September 30, 2021	September 30, 2020
	Unaudited	Unaudited
Cash flows from operating activities		
Profit before tax	13,650.20	12,699.43
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities :		
Depreciation and amortization	492.35	538.11
Loss (profit) on sale of fixed assets, net	0.14	(1.37)
Impairment loss recognized/(reversed) on contract assets	39.01	(57.80)
Impairment loss recognized on other financial assets	2.29	2.90
Bad debts	0.95	45.32
Finance income	(385.77)	(575.61)
Employee stock compensation expense	273.79	244.48
Gain on lease modification	(27.35)	-
Effect of exchange rate changes in cash and cash equivalent	(75.14)	102.67
Effect of exchange rate changes in assets and liabilities	(61.33)	70.74
Finance cost	44.88	95.89
Operating Profit before Working Capital changes	13,954.02	13,164.76
Movements in working capital		
(Increase) in other non-current financial assets	(30.80)	(0.18)
(Increase) decrease in other non-current assets	(7.10)	4.00
(Increase) decrease in trade receivables	(2,033.49)	951.99
Decrease in other financial assets	534.38	196.50
(Increase) decrease in other current assets	(609.00)	175.25
(Decrease) increase in non-current financial liabilities	(0.23)	2.43
Increase in other non-current liabilities	241.59	-
Increase in non-current provisions	4.06	32.27
Increase (decrease) in trade payables	215.55	(4.34)
(Decrease) in other current financial liabilities	(136.18)	(36.85)
Increase (Decrease) in current liabilities	521.40	(686.90)
Increase in current provisions	111.27	91.03
Cash from operating activities	12,765.47	13,889.96
Payment of domestic and foreign taxes	(3,142.26)	(3,510.53)
Net cash provided by operating activities	9,623.21	10,379.43
Cash flows from investing activities		
Purchase of property, plant and equipment	(165.49)	(100.07)
Proceeds from sale of property, plant and equipment	0.12	1.38
Refund of deposits for premises and others	29.98	0.35
Bank fixed deposits having maturity of more than three months matured	32,474.60	30,954.20
Bank fixed deposits having maturity of more than three months booked	(24,874.91)	(23,827.30)
Interest received	796.51	1,151.31
Income from investment in sublease	9.24	20.90
Net cash provided by investing activities	8,270.05	8,200.77

Consolidated statement of cash flow (continued)

(₹ in million)

Particulars	Six month period ended	
	September 30, 2021	September 30, 2020
	Unaudited	Unaudited
Cash flows from financing activities		
Proceeds from issue of shares under employee stock option plan	168.94	40.50
Equity dividend paid	(17,217.16)	(15,471.75)
Repayment of lease liability	(160.01)	(220.75)
Interest paid	(28.93)	(41.10)
Net cash (used in) financing activities	(17,237.16)	(15,693.10)
Net increase in cash and cash equivalents	656.10	2,887.10
Cash and cash equivalents at beginning of the period	16,948.28	13,315.94
Effect of exchange rate changes in cash and cash equivalents	75.14	(102.67)
Cash and cash equivalents at end of the period	17,679.52	16,100.37
Component of cash and cash equivalents		
Balances with banks:		
In current accounts*	17,317.67	15,813.14
In deposit accounts with original maturity of less than three months**	269.69	206.74
In unclaimed dividend account***	92.16	80.49
Total cash and cash equivalents at end of the period	17,679.52	16,100.37

* Current account includes ₹ 0.75 million (September 30, 2020 ₹ 1.76 million) on account of restricted cash and bank balances held by i-flex Employee Stock Option Trust controlled by the Company.

**Deposit accounts includes ₹ 4.00 million (September 30, 2020 ₹ 6.05 million) on account of restricted cash and bank balances held by i-flex Employee Stock Option Trust controlled by the Company.

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

7 Reporting segment wise revenue, results, assets and liabilities

Segment revenue and expense:

Revenue is generated through licensing of software products, maintenance fees as well as by providing software solutions to the customers including consulting services and business process outsourcing services. The income and expenses which are not directly attributable to a business segment are classified 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 revenue, deposits for premises property, plant and equipment and right-of-use asset. Segment liabilities primarily includes trade payables, deferred revenues, advance from customer, employee benefit obligations, lease liability and other 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 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.

Reporting segment wise revenue, results, assets and liabilities (continued)

(₹ in million)

Particulars	Three month period ended			Six month period ended		Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(a) Segment revenue						
Product licenses and related activities	11,442.79	12,595.44	10,577.62	24,038.23	22,499.53	44,251.70
IT solutions and consulting services	1,055.01	999.22	1,048.43	2,054.23	2,195.66	4,227.55
Business process outsourcing services	311.91	379.07	347.88	690.98	651.31	1,360.12
	12,809.71	13,973.73	11,973.93	26,783.44	25,346.50	49,839.37
(b) Segment results						
Product licenses and related activities	6,008.23	7,271.49	5,532.34	13,279.72	12,178.75	23,820.92
IT solutions and consulting services	224.23	215.43	163.03	439.66	400.41	879.11
Business process outsourcing services	133.22	175.43	153.13	308.65	258.99	593.39
	6,365.68	7,662.35	5,848.50	14,028.03	12,838.15	25,293.42
Finance income	195.01	190.76	252.54	385.77	575.61	1,138.65
Other un-allocable (expenses), net	(295.14)	(468.46)	(471.37)	(763.60)	(714.33)	(1,658.75)
Profit before tax	6,265.55	7,384.65	5,629.67	13,650.20	12,699.43	24,773.32
(c) Segment assets						
Product licenses and related activities	20,065.37	20,780.52	18,804.37	20,065.37	18,804.37	18,106.07
IT solutions and consulting services	1,987.33	1,929.99	2,003.69	1,987.33	2,003.69	2,127.29
Business process outsourcing services	507.66	691.56	676.34	507.66	676.34	560.77
Unallocable	54,513.00	49,698.83	52,106.47	54,513.00	52,106.47	62,041.43
	77,073.36	73,100.90	73,590.87	77,073.36	73,590.87	82,835.56
(d) Segment liabilities						
Product licenses and related activities	8,937.56	9,492.84	8,493.87	8,937.56	8,493.87	8,096.30
IT solutions and consulting services	836.02	885.05	799.52	836.02	799.52	761.53
Business process outsourcing services	226.23	255.04	294.14	226.23	294.14	255.32
Unallocable	5,742.63	5,570.41	4,715.51	5,742.63	4,715.51	5,234.67
	15,742.44	16,203.34	14,303.04	15,742.44	14,303.04	14,347.82

8 Unaudited standalone results for the three and six month period ended September 30, 2021

(₹ in million, except per share data)

Particulars	Three month period ended			Six month period ended		Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations	9,566.86	10,411.64	8,564.53	19,978.50	18,603.74	36,452.12
Net profit for the period	4,034.14	4,796.85	3,785.86	8,830.99	8,342.19	16,392.85
Earnings per equity share (face value ₹ 5 each, fully paid)						
Basic (in ₹)	46.83	55.72	44.04	102.54	97.06	190.64
Diluted (in ₹)	46.58	55.47	43.87	102.03	96.71	189.80

9 The above financial 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
October 27, 2021

Chaitanya Kamat
Managing Director & Chief Executive Officer
DIN: 00969094