

Oracle Financial Services Software Limited

Unaudited condensed consolidated balance sheet as at June 30, 2024

	(Amounts in ₹ million)	
	June 30, 2024	March 31, 2024
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	1,506	1,484
Capital work-in-progress	44	27
Right-of-use assets	328	378
Investment property	102	102
Goodwill	6,087	6,087
Financial assets	29	639
Deferred tax assets (net)	1,984	1,863
Income tax assets (net)	10,500	10,905
Other non-current assets	1,406	1,358
	21,986	22,843
Current assets		
Financial assets		
Trade receivables	13,161	13,193
Cash and cash equivalents	25,520	34,833
Other bank balances	16,660	20,549
Other financial assets	3,922	4,323
Income tax assets (net)	13	280
Other current assets	3,767	3,336
	63,043	76,514
TOTAL	85,029	99,357
<u>EQUITY AND LIABILITIES</u>		
Equity		
Equity Share capital	434	433
Other Equity	63,865	78,155
Total equity	64,299	78,588
Non-current liabilities		
Financial liabilities		
Lease liabilities	107	185
Other financial liabilities	19	21
Other non-current liabilities	42	189
Provisions	1,904	1,853
Deferred tax liability (net)	2,496	2,385
Income tax liabilities (net)	3,446	3,338
	8,014	7,971
Current liabilities		
Financial liabilities		
Lease liabilities	244	245
Trade payables		
Payable to micro and small enterprises	5	5
Payable to other than micro and small enterprises	404	1,015
Other financial liabilities	3,464	2,479
Other current liabilities	6,660	6,397
Provisions	1,740	1,758
Income tax liabilities (net)	199	899
	12,716	12,798
TOTAL	85,029	99,357

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

Oracle Financial Services Software Limited

Unaudited condensed consolidated statement of profit and loss for the three month period ended June 30, 2024

(Amounts in ₹ million, except share data)

	Three month period ended June 30,	
	2024	2023
Revenue from operations	17,414	14,624
Finance income	636	957
Other income, net	(156)	49
Total income	17,894	15,630
<u>EXPENSES</u>		
Employee benefit expenses	7,568	7,169
Travel related expenses	358	284
Professional fees	597	432
Finance cost	47	(32)
Other operating expenses	420	524
Depreciation and amortization	175	185
Total expenses	9,165	8,562
Profit before tax	8,729	7,068
Tax expenses		
Current tax	2,578	2,126
Deferred tax	(16)	(68)
Total tax expenses	2,562	2,058
Profit for the period	6,167	5,010
Other comprehensive income (loss)		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Remeasurement gains / (losses) of defined benefit plan	20	(8)
Income tax effect	(5)	2
<i>Items that will be reclassified subsequently to profit and loss</i>		
Exchange differences on translation of financial statements of foreign operations	42	(90)
Total other comprehensive income (loss) for the period, net of tax	57	(96)
Total comprehensive income for the period	6,224	4,914
Profit attributable to:		
Equity holders of the Company	6,167	5,010
Non-controlling interests	-	-
	6,167	5,010
Total comprehensive income attributable to:		
Equity holders of the Company	6,224	4,914
Non-controlling interests	-	-
	6,224	4,914
Earnings per equity share of par value of ₹ 5 each (June 30, 2023 - ₹ 5) (in ₹)		
Basic	71.13	57.94
Diluted	70.69	57.67
Weighted average number of shares used in computing earnings per share		
Basic	86,698,115	86,459,555
Diluted	87,244,827	86,874,769

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

Oracle Financial Services Software Limited

Unaudited condensed consolidated statements of changes in equity for the three month period ended June 30, 2024

Three month period ended June 30, 2024

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Share application money pending allotment	Other equity								Total equity attributable to equity holders of the Company
	No of shares	Share capital		Reserves and surplus					Other comprehensive income			
				Securities premium	General reserve	Employee stock options outstanding	Contribution from Ultimate Holding Company	Gain on Treasury shares	Retained earnings	Foreign currency translation reserve	Remeasurement of defined benefit obligation	
Balance as of April 1, 2024	86,671,656	433	3	18,374	10,145	1,326	1,013	608	43,316	3,370	-	78,588
<i>Changes in equity for the three month period ended June 30, 2024</i>												
Application money received for exercised options	-	-	34	-	-	-	-	-	-	-	-	34
Shares issued for exercised options	40,173	1	(37)	36	-	-	-	-	-	-	-	-
Stock compensation charge	-	-	-	-	-	196	67	-	-	-	-	263
Forfeiture of options	-	-	-	-	-	(2)	-	-	2	-	-	-
Stock compensation related to options exercised	-	-	-	112	-	(112)	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	6,167	-	-	6,167
Interim equity dividend	-	-	-	-	-	-	-	-	(20,810)	-	-	(20,810)
Remeasurement gains of defined benefit plan including income tax effect thereon	-	-	-	-	-	-	-	-	-	-	15	15
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	-	-	42	-	42
Remeasurement gains of defined benefit plan including income tax effect thereon transferred to retained earnings	-	-	-	-	-	-	-	-	15	-	(15)	-
Balance as of June 30, 2024	86,711,829	434	-	18,522	10,145	1,408	1,080	608	28,690	3,412	-	64,299

Three month period ended June 30, 2023

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Share application money pending allotment	Other equity								Total equity attributable to equity holders of the Company
	No of shares	Share capital		Reserves and surplus					Other comprehensive income			
				Securities premium	General reserve	Employee stock options outstanding	Contribution from Ultimate Holding Company	Gain on Treasury shares	Retained earnings	Foreign currency translation reserve	Remeasurement of defined benefit obligation	
Balance as of April 1, 2023	86,397,179	432	*-	17,365	10,145	1,532	719	608	40,463	3,325	-	74,589
<i>Changes in equity for the three month period ended June 30, 2023</i>												
Application money received for exercised options	-	-	27	-	-	-	-	-	-	-	-	27
Shares issued for exercised options	94,454	1	(27)	26	-	-	-	-	-	-	-	-
Stock compensation charge	-	-	-	-	-	162	62	-	-	-	-	224
Forfeiture of options	-	-	-	-	-	(5)	-	-	5	-	-	-
Stock compensation related to options exercised	-	-	-	321	-	(321)	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	5,010	-	-	5,010
Interim equity dividend	-	-	-	-	-	-	-	-	(19,460)	-	-	(19,460)
Remeasurement losses of defined benefit plan including income tax effect thereon	-	-	-	-	-	-	-	-	-	-	(6)	(6)
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	-	-	(90)	-	(90)
Remeasurement losses of defined benefit plan including income tax effect thereon transferred to retained earnings	-	-	-	-	-	-	-	-	(6)	-	6	-
Balance as of June 30, 2023	86,491,633	433	*-	17,712	10,145	1,368	781	608	26,012	3,235	-	60,294

* Represents amount less than ₹ 0.50 million.

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

Oracle Financial Services Software Limited

Notes annexed to and forming part of the unaudited condensed consolidated financial statements for the three month period ended June 30, 2024

Note 1: Corporate information

Oracle Financial Services Software Limited (the “Company”) was incorporated in India with limited liability on September 27, 1989. The Company is domiciled in India and has its registered office at Mumbai, Maharashtra, India. The Company is a subsidiary of Oracle Global (Mauritius) Limited holding 72.71% (March 31, 2024 – 72.75%) ownership interest in the Company as at June 30, 2024.

The Company along with its subsidiaries is principally engaged in the business of providing information technology solutions and business processing services to the financial services industry worldwide. The Company has a suite of banking products, which caters to the transaction processing and compliance needs of corporate, retail, investment banking, treasury operations and data warehousing.

The unaudited condensed consolidated financial statements for the three month period ended June 30, 2024 were approved by the Company’s Board of Directors and authorized for issue on July 24, 2024.

The Company has following subsidiaries and controlled entity (hereinafter collectively referred as the “OFSS group”):

Companies	Country of Incorporation	Holding %	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	People's Republic of China	100%	Subsidiary
Mantas India Private Limited	India	100%	Subsidiary
Oracle (OFSS) BPO Services Limited	India	100%	Subsidiary
i-flex Employee Stock Option Trust	India	–	Controlled trust
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
Subsidiary of Mantas Inc.			
Sotas Inc.	United States of America	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 Financial Services Software Limited

Notes annexed to and forming part of the unaudited condensed consolidated financial statements for the three month period ended June 30, 2024

Note 2: Accounting policies

These interim condensed consolidated financial statements 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.

These interim condensed consolidated financial statements are presented in Indian rupees with all amounts rounded off to the nearest million, unless otherwise stated.

The OFSS group has followed the same accounting policies and methods of computation in preparing the interim financial statements as were followed for the year ended March 31, 2024.

Note 3: Capital commitments

Particulars	(Amounts in ₹ million)	
	June 30, 2024	March 31, 2024
Capital Commitments towards Property, Plant and Equipment		
Contracts remaining to be executed on capital account not provided for (net of advances)	226	265

Note 4: Tax litigations

As at June 30, 2024, the OFSS group has certain litigations with respect to tax matters for various assessment years amounting to ₹ 28,508 million (March 31, 2024 – ₹ 28,497 million), which are pending before various appellate / tax authorities. The management expects that its position will be upheld on ultimate resolution and the possibility of any outflow of resources is remote. Demand of tax payable after adjusting taxes paid under protest and refunds amounts to ₹ 20,799 million (March 31, 2024 – ₹ 21,119 million) as at June 30, 2024. Further for certain litigations the OFSS group has aggregate provisions of ₹ 279 million (March 31, 2024 – ₹ 279 million) as at June 30, 2024.

Note 5: Code on Social Security

The Code on Social Security, 2020 ("Code") relating to employee benefits during the employment and post-employment benefits has been published in the Gazette of India on September 29, 2020. The Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. The OFSS group will give appropriate effect in the financial statements once the effective date of these changes is notified.

Oracle Financial Services Software Limited

Notes annexed to and forming part of the unaudited condensed consolidated financial statements for the three period ended June 30, 2024

Note 6: Segment information

The OFSS group is organized by business segment and geographically. For management purposes the OFSS group is primarily organised on a worldwide basis into two business segments:

- a) Product licenses and related activities ('Products') and
- b) IT solutions and consulting services ('Services')

Segment revenue and expense:

Products revenue includes licensing of software products, maintenance fees and related services. Services revenue includes fees for providing software solutions to the customers and 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 receivable (net of allowances), unbilled revenue, deposits for premises, property, plant and equipment, right-of-use asset and other assets. Segment liabilities primarily includes trade payables, deferred revenues, advance from customers, employee benefit obligations, lease liabilities 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 both the segments is allocated to each of 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.

Three month period ended June 30, 2024

(Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue from operations	15,951	1,463	17,414
Segment result	8,518	385	8,903
Unallocable expenses			(654)
Finance income			636
Other income, net			(156)
Profit before tax			8,729
Tax expense			(2,562)
Profit for the period			6,167

Three month period ended June 30, 2023

(Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue from operations	13,177	1,447	14,624
Segment result	6,105	468	6,573
Unallocable expenses			(511)
Finance income			957
Other income, net			49
Profit before tax			7,068
Tax expense			(2,058)
Profit for the period			5,010

Three month period ended June 30, 2024

(Amounts in ₹ million)

Particulars	Other information			Total
	Products	Services	Unallocable	
Capital expenditure by segment				
Property, Plant and Equipment	129	10	1	140
Depreciation and amortisation	125	15	35	175
Other non cash expenses	(86)	-	-	(86)
Segment assets	26,907	1,477	56,645	85,029
Segment liabilities	12,676	1,407	6,647	20,730
Equity	-	-	64,299	64,299

Three month period ended June 30, 2023

(Amounts in ₹ million)

Particulars	Other information			Total
	Products	Services	Unallocable	
Capital expenditure by segment				
Property, Plant and Equipment	61	7	7	75
Depreciation and amortization	124	27	34	185
Other non cash expenses	123	(10)	1	114
Segment assets	25,691	1,090	52,305	79,086
Segment liabilities	11,405	1,075	6,312	18,792
Equity	-	-	60,294	60,294

Oracle Financial Services Software Limited

Notes annexed to and forming part of the unaudited condensed consolidated financial statements for the three period ended June 30, 2024

Note 7: Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geography, streams and type of contract for each of our business segments.

Three month period ended June 30, 2024 (Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue by Geography			
India	1,596	12	1,608
Outside India			
Americas			
United States of America	3,376	989	4,365
Rest of America	1,480	-	1,480
Europe	2,046	225	2,271
Asia Pacific	3,861	144	4,005
Middle East and Africa	3,592	93	3,685
	15,951	1,463	17,414
Revenue by Streams and type of Contract			
License Fees	2,783	-	2,783
Maintenance Fees	5,285	-	5,285
Consulting fees			
Fixed Price	5,367	1,142	6,509
Time & Material Basis	2,516	321	2,837
	15,951	1,463	17,414

Three month period ended June 30, 2023 (Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue by Geography			
India	1,405	11	1,416
Outside India			
Americas			
United States of America	3,240	954	4,194
Rest of America	994	-	994
Europe	1,822	267	2,089
Asia Pacific	2,918	149	3,067
Middle East and Africa	2,798	66	2,864
	13,177	1,447	14,624
Revenue by Streams and type of Contract			
License Fees	2,021	-	2,021
Maintenance Fees	4,416	-	4,416
Consulting fees			
Fixed Price	4,472	965	5,437
Time & Material Basis	2,268	482	2,750
	13,177	1,447	14,624

Oracle Financial Services Software Limited

Unaudited condensed consolidated statement of cash flow for the three month period ended June 30, 2024

	(Amounts in ₹ million)	
	Three month period ended June 30,	
	2024	2023
Cash flows from operating activities		
Profit before tax	8,729	7,068
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities :		
Depreciation and amortization	175	185
(Profit) on sale of fixed assets, net	-	* ₋
Impairment loss (reversed) recognized on contract assets	(89)	112
Impairment loss recognized on other financial assets	3	2
Finance income	(636)	(957)
Employee stock compensation expense	263	224
(Gain) on lease modification	-	* ₋
Effect of exchange rate changes in cash and cash equivalents	(21)	60
Effect of exchange rate changes in assets and liabilities	84	(70)
Finance cost	47	(32)
Operating Profit before Working Capital changes	8,555	6,592
Movements in working capital		
(Increase) in other non-current assets	(47)	(31)
Decrease (increase) in trade receivables	87	(1,521)
Decrease in other current financial assets	1,001	150
(Increase) in other current assets	(430)	(652)
(Decrease) in non-current financial liabilities	(1)	* ₋
(Decrease) increase in other non-current liabilities	(147)	32
Increase in non-current provisions	71	79
(Decrease) increase in trade payables	(608)	75
Increase in other current financial liabilities	986	320
Increase in other current liabilities	288	119
(Decrease) increase in current provisions	(21)	25
Cash from operating activities	9,734	5,188
Payment of domestic and foreign taxes, net of refunds	(2,557)	(809)
Net cash provided by operating activities	7,177	4,379
Cash flows from investing activities		
Purchase of property, plant and equipment	(158)	(74)
Proceeds from sale of property, plant and equipment	-	* ₋
Refund of deposits for premises and others	4	* ₋
Bank fixed deposits having maturity of more than three months matured	13,900	22,256
Bank fixed deposits having maturity of more than three months booked	(10,406)	(7,154)
Interest received	1,010	860
Net cash provided by investing activities	4,350	15,888
Cash flows from financing activities		
Proceeds from issue of shares under employee stock option plan	34	27
Equity dividend paid	(20,805)	(19,460)
Repayment of lease liabilities	(85)	(98)
Interest paid on lease liabilities	(5)	(9)
Net cash (used in) financing activities	(20,861)	(19,540)
Net (decrease) increase in cash and cash equivalents	(9,334)	727
Cash and cash equivalents at beginning of the period	34,833	20,401
Effect of exchange rate changes in cash and cash equivalents	21	(60)
Cash and cash equivalents at end of the period	25,520	21,068

* Represents amount less than ₹ 0.50 million.

Oracle Financial Services Software Limited

**Unaudited condensed consolidated statement of cash flow for the three month period ended June 30, 2024
(continued)**

Component of cash and cash equivalents	(Amounts in ₹ million)	
	Three month period ended June 30,	
	2024	2023
Balances with banks:		
In current accounts*	10,362	20,684
In deposit accounts with original maturity of less than 3 months	762	346
Money market funds	14,353	-
In unclaimed dividend account	43	38
Total cash and cash equivalents at the end of the period	25,520	21,068

* Current account includes ₹ 2 million (June 30, 2023 - ₹ 2 million) on account of restricted cash and bank balances held by i-flex Employee Stock Option Trust controlled by the Company.
