

Oracle Financial Services Software Limited

Consolidated balance sheet as at March 31, 2022

	(Amounts in ₹ million)	
	March 31, 2022	March 31, 2021
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	1,713.68	1,915.95
Capital work-in-progress	38.16	1.33
Right-of-use Assets	811.81	736.14
Investment property	102.00	102.00
Goodwill	6,086.63	6,086.63
Financial assets	1,551.22	1,400.71
Deferred tax assets (net)	1,422.99	1,309.88
Income tax assets (net)	8,798.10	8,328.43
Other non-current assets	400.00	386.81
	20,924.59	20,267.88
Current assets		
Financial Assets		
Trade receivables	9,262.74	8,027.53
Cash and cash equivalents	16,799.73	16,948.28
Other bank balances	34,425.19	32,193.04
Other current financials assets	2,317.94	2,782.87
Income tax assets (net)	1,037.47	939.67
Other current assets	2,579.66	1,676.29
	66,422.73	62,567.68
TOTAL	87,347.32	82,835.56
<u>EQUITY AND LIABILITIES</u>		
Equity		
Equity Share capital	431.23	430.31
Other Equity	70,565.71	68,057.43
Total equity	70,996.94	68,487.74
Non-current liabilities		
Financial liabilities		
Lease liability	547.43	423.82
Other financial liabilities	49.51	47.78
Other non-current liabilities	169.03	6.81
Provisions	1,517.17	1,294.66
Deferred tax liability (net)	1,779.68	2,332.53
Income tax liabilities (net)	2,398.50	1,727.70
	6,461.32	5,833.30
Current liabilities		
Financial liabilities		
Lease liability	286.42	273.79
Trade payables		
Payable to micro and small enterprises	11.33	4.86
Payable to others	385.32	453.18
Other current financial liabilities	2,205.28	2,217.53
Other current liabilities	5,199.08	3,940.84
Provisions	1,588.18	1,446.19
Income tax liabilities (net)	213.45	178.13
	9,889.06	8,514.52
TOTAL	87,347.32	82,835.56

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

Oracle Financial Services Software Limited

Consolidated statement of profit and loss for the year ended March 31, 2022

(Amounts in ₹ million, except share data)

	Year ended March 31,	
	2022	2021
Revenue from operations	52,214.55	49,839.37
Finance income	901.85	1,138.65
Other income, net	441.57	181.01
Total income	53,557.97	51,159.03
<u>EXPENSES</u>		
Employee benefit expenses	24,058.62	22,017.54
Travel related expenses	349.99	638.01
Professional fees	1,595.75	1,469.70
Finance cost	122.01	191.29
Other operating expenses	1,220.84	1,028.06
Depreciation and amortization	927.99	1,041.11
Total expenses	28,275.20	26,385.71
Profit before tax	25,282.77	24,773.32
Tax expenses		
Current tax	7,032.73	7,087.21
Deferred tax	(638.22)	67.56
Total tax expenses	6,394.51	7,154.77
Profit for the year	18,888.26	17,618.55
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Actuarial (loss) on gratuity fund	(129.19)	(14.71)
Deferred tax	32.56	3.55
<i>Items that will be reclassified subsequently to profit and loss</i>		
Exchange differences on translation of foreign operations	60.94	61.74
Total other comprehensive income for the year, net of tax	(35.69)	50.58
Total comprehensive income for the year	18,852.57	17,669.13
Profit attributable to:		
Equity holders of the Company	18,888.26	17,618.55
Non-controlling interests	-	-
	18,888.26	17,618.55
Total comprehensive income attributable to:		
Equity holders of the Company	18,852.57	17,669.13
Non-controlling interests	-	-
	18,852.57	17,669.13
Earnings per equity share of par value of ₹ 5 each (March 31, 2021 - ₹ 5) (in ₹)		
Basic	219.19	204.90
Diluted	218.04	203.99

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

Oracle Financial Services Software Limited

Consolidated statement of changes in equity for the year ended March 31, 2022

Year ended March 31, 2022

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity									Total equity attributable to equity holders of the Company
	No of shares	Share capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Contribution from Ultimate Holding Company	Gain on Treasury shares	Retained earnings	Other comprehensive income		
										Foreign currency translation reserve	Remeasurement of defined benefit obligation	
Balance as of April 1, 2021	86,062,233	430.31	-	16,146.72	10,145.19	1,514.34	385.26	607.71	37,080.63	2,177.58	-	68,487.74
<i>Changes in equity for the year ended March 31, 2022</i>												
Application money received for exercised options	-	-	257.72	-	-	-	-	-	-	-	-	257.72
Shares issued for exercised options	184,232	0.92	(257.72)	256.80	-	-	-	-	-	-	-	-
Stock compensation charge	-	-	-	-	-	484.35	137.95	-	-	-	-	622.30
Forfeiture of options	-	-	-	-	-	(26.91)	-	-	26.91	-	-	-
Stock compensation related to options exercised	-	-	-	410.42	-	(410.42)	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	18,888.26	-	-	18,888.26
Interim equity dividend	-	-	-	-	-	-	-	-	(17,223.39)	-	-	(17,223.39)
Actuarial gain (loss) on gratuity fund including deferred tax thereon	-	-	-	-	-	-	-	-	-	-	(96.63)	(96.63)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	60.94	-	60.94
Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	-	-	(96.63)	-	96.63	-
Balance as of March 31, 2022	86,246,465	431.23	-	16,813.94	10,145.19	1,561.36	523.21	607.71	38,675.78	2,238.52	-	70,996.94

Year ended March 31, 2021

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity									Total equity attributable to equity holders of the Company
	No of shares	Share capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Contribution from Ultimate Holding Company	Gain on Treasury shares	Retained earnings	Other comprehensive income		
										Foreign currency translation reserve	Remeasurement of defined benefit obligation	
Balance as of April 1, 2020	85,879,298	429.40	-	15,500.79	10,145.19	1,726.79	263.88	607.71	34,906.20	2,115.84	-	65,695.80
<i>Changes in equity for the year ended March 31, 2021</i>												
Application money received for exercised options	-	-	55.83	-	-	-	-	-	-	-	-	55.83
Shares issued for exercised options	182,935	0.91	(55.83)	54.92	-	-	-	-	-	-	-	-
Stock compensation charge	-	-	-	-	-	417.29	121.38	-	-	-	-	538.67
Forfeiture of options	-	-	-	-	-	(38.73)	-	-	38.73	-	-	-
Stock compensation related to options exercised	-	-	-	591.01	-	(591.01)	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	17,618.55	-	-	17,618.55
Interim equity dividend	-	-	-	-	-	-	-	-	(15,471.69)	-	-	(15,471.69)
Actuarial gain (loss) on gratuity fund including deferred tax thereon	-	-	-	-	-	-	-	-	-	-	(11.16)	(11.16)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	61.74	-	61.74
Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	-	-	(11.16)	-	11.16	-
Balance as of March 31, 2021	86,062,233	430.31	-	16,146.72	10,145.19	1,514.34	385.26	607.71	37,080.63	2,177.58	-	68,487.74

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

Oracle Financial Services Software Limited

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2022

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 two business segments:

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

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. 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 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.

During the year ended March 31, 2022, 'Business Process Outsourcing Services' segment which was earlier reported as a separate business segment is now aggregated with Services segment. Due to this change in the disclosure of reportable segments, the OFSS group has restated the segment information for earlier comparative periods in accordance with requirements of Ind AS 108 'Operating Segments'.

Year ended March 31, 2022

(Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue	46,916.03	5,298.52	52,214.55
Segment result	24,522.25	1,306.07	25,828.32
Unallocable expenses			(1,888.97)
Finance income			901.85
Other income, net			441.57
Profit before tax			25,282.77
Tax expenses			(6,394.51)
Net profit			18,888.26

Oracle Financial Services Software Limited

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2022

Year ended March 31, 2021

(Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue	44,251.70	5,587.67	49,839.37
Segment result	23,820.92	1,472.50	25,293.42
Unallocable expenses			(1,839.76)
Finance income			1,138.65
Other income, net			181.01
Profit before tax			24,773.32
Tax expenses			(7,154.77)
Net profit			17,618.55

Other information

Year ended March 31, 2022

(Amounts in ₹ million)

Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Property, Plant and Equipment	280.07	42.10	24.24	346.41
Depreciation and amortization	607.08	149.67	171.24	927.99
Other non cash expenses	142.14	(3.54)	1.02	139.62
Segment assets	21,326.28	1,517.62	64,503.42	87,347.32
Segment liabilities	9,890.38	1,101.66	5,358.34	16,350.38
Equity			70,996.94	70,996.94

Year ended March 31, 2021

(Amounts in ₹ million)

Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Property, Plant and Equipment	152.44	27.15	18.04	197.63
Depreciation and amortization	719.88	173.36	147.87	1,041.11
Other non cash expenses	(152.56)	12.12	0.12	(140.32)
Segment assets	18,106.07	2,688.06	62,041.43	82,835.56
Segment liabilities	8,096.30	1,016.85	5,234.67	14,347.82
Equity			68,487.74	68,487.74

Oracle Financial Services Software Limited

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2022

Geographical segments

The following table shows the distribution of the OFSS group's consolidated sales by geographical market :

Regions	Year ended March 31,			
	2022		2021	
	Amounts in ₹ million	%	Amounts in ₹ million	%
India	3,777.87	7%	3,400.63	7%
Outside India				
Americas				
United States of America	14,164.11	27%	13,127.01	26%
Rest of America	4,049.47	8%	3,820.73	8%
Europe	8,727.72	17%	8,688.28	17%
Asia Pacific	13,175.22	25%	13,296.35	27%
Middle East and Africa	8,320.16	16%	7,506.37	15%
	52,214.55	100%	49,839.37	100%

Revenue of ₹ 26,614.53 million (March 31, 2021 ₹ 23,686.46 million) is derived from a single customer in 'Products' and 'Services' segment.

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

Regions	As at March 31, 2022		As at March 31, 2021	
	Amounts in ₹ million	%	Amounts in ₹ million	%
	India	10,821.82	60%	10,601.01
Outside India				
Americas				
United States of America	5,203.58	29%	5,204.25	30%
Rest of America	42.17	0%	19.74	0%
Europe	1,256.20	7%	1,295.04	7%
Asia Pacific	473.64	3%	414.69	2%
Middle East and Africa	152.97	1%	22.56	0%
	17,950.38	100%	17,557.29	100%

Non current assets for this purpose consist of property, plant and equipment, capital work-in-progress, right-of-use assets, investment property, intangible assets, non-current income tax asset and other non-current assets.

Oracle Financial Services Software Limited

Consolidated statement of cash flow for the year ended March 31, 2022

	(Amounts in ₹ million)	
	Year ended March 31,	
	2022	2021
Cash flows from operating activities		
Profit before tax	25,282.77	24,773.32
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities :		
Depreciation and amortization	927.99	1,041.11
Loss (Profit) on sale of fixed assets, net	0.34	(1.16)
Impairment loss recognized (reversed) on contract assets	99.80	(252.56)
Impairment loss recognized on other financial assets	3.69	1.88
Bad debts	36.13	110.36
Finance income	(901.85)	(1,138.65)
Employee stock compensation expense	622.30	538.67
(Gain) on lease modification	(27.01)	-
Effect of exchange rate changes in cash and cash equivalent	(297.81)	122.84
Effect of exchange rate changes in assets and liabilities	31.37	(30.83)
Finance cost	122.01	191.29
Operating Profit before Working Capital changes	25,899.73	25,356.27
Movements in working capital		
(Increase) in other non-current financial assets	(71.99)	(41.18)
(Increase) decrease in other non-current assets	(12.09)	4.10
(Increase) decrease in trade receivables	(1,330.47)	1,524.34
Decrease (increase) in other current financial assets	393.30	(289.08)
(Increase) decrease in other current assets	(889.17)	560.74
Increase in non-current financial liabilities	2.67	0.63
Increase in other non-current liabilities	161.89	6.84
Increase in non-current provisions	93.32	81.21
(Decrease) increase in trade payables	(88.28)	96.65
Increase (decrease) in other current financial liabilities	7.57	(52.17)
Increase (decrease) in current liabilities	1,263.42	(1,085.73)
Increase in current provisions	133.88	144.99
Cash from operating activities	25,563.78	26,307.61
Payment of domestic and foreign taxes	(7,002.25)	(7,112.55)
Net cash provided by operating activities	18,561.53	19,195.06
Cash flows from investing activities		
Purchase of property, plant and equipment	(375.66)	(190.00)
Proceeds from sale of property, plant and equipment	0.12	2.95
Refund of deposits for premises and others	69.69	82.17
Bank fixed deposits having maturity of more than three months matured	35,525.22	35,121.86
Bank fixed deposits having maturity of more than three months booked	(37,806.72)	(35,872.77)
Interest received	900.40	1,288.52
Income from investment in sublease	13.75	25.40
Net cash (used in)/provided by investing activities	(1,673.20)	458.13
Cash flows from financing activities		
Proceeds from issue of shares under employee stock option plan	257.72	55.83
Equity dividend paid	(17,260.69)	(15,466.31)
Repayment of lease liability	(283.42)	(410.78)
Interest paid	(48.30)	(76.75)
Net cash (used in) financing activities	(17,334.69)	(15,898.01)
Net increase in cash and cash equivalents	(446.36)	3,755.18
Cash and cash equivalents at beginning of the year	16,948.28	13,315.94
Effect of exchange rate changes in cash and cash equivalents	297.81	(122.84)
Cash and cash equivalents at end of the year	16,799.73	16,948.28

Oracle Financial Services Software Limited

Consolidated statement of cash flow for the year ended March 31, 2022 (continued)

Component of cash and cash equivalents	(Amounts in ₹ million)	
	Year ended March 31,	
	2022	2021
Balances with banks:		
In current accounts*	16,456.06	16,564.30
In deposit accounts with original maturity of less than 3 months	295.04	298.05
In unclaimed dividend account**	48.63	85.93
Total cash and cash equivalents	16,799.73	16,948.28

* Current account includes ₹ 1.14 million (March 31, 2021 ₹ 5.65 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 unclaimed dividend.