

Oracle Financial Services Software Limited

Balance sheet as at March 31, 2022

(Amounts in ₹ million)

	March 31, 2022	March 31, 2021
ASSETS		
Non-current assets		
Property, plant and equipment	1,664.11	1,847.30
Capital work-in-progress	36.21	0.91
Right-of-use asset	503.10	369.22
Investment property	102.00	102.00
Financial assets		
Investments in subsidiaries	7,899.79	7,726.81
Other non-current financial assets	1,515.53	1,375.87
Deferred tax assets (net)	943.95	831.11
Income tax assets (net)	8,359.68	7,954.14
Other non-current assets	341.34	327.81
	21,365.71	20,535.17
Current assets		
Financial assets		
Trade receivables	5,568.23	4,562.87
Loan	-	30.00
Cash and cash equivalents	1,189.27	2,248.21
Other bank balances	32,874.23	31,054.91
Other current financial assets	1,610.96	1,766.85
Other current assets	1,803.94	1,677.62
	43,046.63	41,340.46
TOTAL	64,412.34	61,875.63
EQUITY AND LIABILITIES		
Equity		
Equity share capital	431.23	430.31
Other equity	57,593.41	56,029.57
Total equity	58,024.64	56,459.88
Non-current liabilities		
Financial liabilities		
Lease liability	379.77	245.47
Other non-current liabilities	148.90	-
Provisions	1,487.33	1,256.87
	2,016.00	1,502.34
Current liabilities		
Financial liabilities		
Lease liability	135.78	59.48
Trade payables		
Payable to micro and small enterprises	11.28	4.82
Payable to others	147.49	172.66
Other current financial liabilities	1,160.82	1,515.75
Other current liabilities	1,577.46	1,036.98
Provisions	1,205.73	1,083.75
Income tax liabilities (net)	133.14	39.97
	4,371.70	3,913.41
TOTAL	64,412.34	61,875.63

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

Oracle Financial Services Software Limited

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	38,961.33	36,452.12
Finance income	839.39	1,071.12
Other income, net	1,720.73	93.69
Total income	41,521.45	37,616.93
Expenses		
Employee benefit expenses	14,545.54	12,443.21
Travel related expenses	110.05	317.51
Professional fees	1,345.12	1,312.81
Finance cost	32.30	47.99
Other operating expenses	1,047.12	814.57
Depreciation and amortization	679.81	802.03
Total expenses	17,759.94	15,738.12
Profit before tax	23,761.51	21,878.81
Tax expenses		
Current tax	5,730.28	5,570.78
Deferred tax	(80.86)	(84.82)
Total tax expenses	5,649.42	5,485.96
Profit for the year	18,112.09	16,392.85
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Actuarial (loss) gain on gratuity fund	(127.06)	(23.46)
Deferred tax	31.98	5.90
<i>Items that will be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of foreign operations	11.13	(12.26)
Total other comprehensive income for the year, net of tax	(83.95)	(29.82)
Total comprehensive income for the year	18,028.14	16,363.03
Earnings per equity share of par value of ₹ 5 (March 31, 2021 ₹ 5) each (in ₹)		
Basic	210.19	190.64
Diluted	209.08	189.80

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

Oracle Financial Services Software Limited

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

(a) Year ended March 31, 2022

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity							Other comprehensive income		Total equity attributable to equity share holders of the Company
	Number of shares	Share Capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Contribution from Ultimate Holding Company	Retained earnings	Foreign currency translation reserve	Remeasurement of defined benefit obligation		
Balance as of April 1, 2021	86,062,233	430.31	-	16,146.42	10,145.19	1,514.34	72.68	28,118.27	32.67	-	56,459.88	
<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	17.94	-	-	-	502.29	
Forfeiture of options	-	-	-	-	-	(26.91)	-	26.91	-	-	-	
Stock compensation related to options exercised	-	-	-	410.42	-	(410.42)	-	-	-	-	-	
Profit for the year	-	-	-	-	-	-	-	18,112.09	-	-	18,112.09	
Interim equity dividend	-	-	-	-	-	-	-	(17,223.39)	-	-	(17,223.39)	
Actuarial (loss) gain on gratuity fund including deferred tax thereon	-	-	-	-	-	-	-	-	-	(95.08)	(95.08)	
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	11.13	-	11.13	
Actuarial (loss) gain on gratuity fund including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	-	(95.08)	-	95.08	-	
Balance as of March 31, 2022	86,246,465	431.23	-	16,813.64	10,145.19	1,561.36	90.62	28,938.80	43.80	-	58,024.64	

(b) Year ended March 31, 2021

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity							Other comprehensive income		Total equity attributable to equity share holders of the Company
	Number of shares	Share Capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Contribution from Ultimate Holding Company	Retained earnings	Foreign currency translation	Remeasurement of defined benefit obligation		
Balance as of April 1, 2020	85,879,298	429.40	-	15,500.49	10,145.19	1,726.79	60.27	27,175.94	44.93	-	55,083.01	
<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	12.41	-	-	-	429.70	
Forfeiture of options	-	-	-	-	-	(38.73)	-	38.73	-	-	-	
Stock compensation related to options exercised	-	-	-	591.01	-	(591.01)	-	-	-	-	-	
Profit for the year	-	-	-	-	-	-	-	16,392.85	-	-	16,392.85	
Interim equity dividend	-	-	-	-	-	-	-	(15,471.69)	-	-	(15,471.69)	
Actuarial (loss) gain on gratuity fund including deferred tax thereon	-	-	-	-	-	-	-	-	-	(17.56)	(17.56)	
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	(12.26)	-	(12.26)	
Actuarial (loss) gain on gratuity fund including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	-	(17.56)	-	17.56	-	
Balance as of March 31, 2021	86,062,233	430.31	-	16,146.42	10,145.19	1,514.34	72.68	28,118.27	32.67	-	56,459.88	

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

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Notes annexed to and forming part of the 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 Company is organized by business segment and geographically. For management purposes the Company is primarily organized 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 Company 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.

Year ended March 31, 2022

(Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue from operations	35,533.77	3,427.56	38,961.33
Segment result	21,116.74	1,465.41	22,582.15
Unallocable expenses			(1,380.76)
Finance income			839.39
Other income, net			1,720.73
Profit before tax			23,761.51
Tax expenses			(5,649.42)
Profit for the year			18,112.09

Year ended March 31, 2021

(Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue from operations	32,864.37	3,587.75	36,452.12
Segment result	20,474.39	1,496.05	21,970.44
Unallocable expenses			(1,256.44)
Finance income			1,071.12
Other income, net			93.69
Profit before tax			21,878.81
Tax expenses			(5,485.96)
Profit for the year			16,392.85

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	32.67	7.31	320.05
Depreciation and amortization	509.03	73.46	97.32	679.81
Other non cash expenses	119.02	2.54	0.89	122.45
Segment assets	10,749.32	738.23	52,924.79	64,412.34
Segment liabilities	5,402.26	616.68	368.76	6,387.70
Equity	-	-	58,024.64	58,024.64

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

Year ended March 31, 2021				(Amounts in ₹ million)
Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Property, plant and equipment	152.44	19.56	4.58	176.58
Depreciation and amortization	614.14	86.34	101.55	802.03
Other non cash expenses	(95.77)	7.54	(41.90)	(130.13)
Segment assets	8,327.23	1,694.39	51,854.01	61,875.63
Segment liabilities	4,060.15	1,113.33	242.27	5,415.75
Equity	-	-	56,459.88	56,459.88

The following table shows the distribution of the Company's sales by geographical market :

Regions	Year ended March 31,			
	2022		2021	
	Amounts in ₹ million	%	Amounts in ₹ million	%
India	3,747.64	10%	3,368.20	9%
Outside India				
Americas				
United States of America	8,898.10	23%	7,939.83	22%
Rest of America	2,660.82	7%	2,614.54	7%
Europe	6,794.66	17%	6,625.43	18%
Asia Pacific	9,101.24	23%	8,948.50	25%
Middle East and Africa	7,758.87	20%	6,955.62	19%
	<u>38,961.33</u>	<u>100%</u>	<u>36,452.12</u>	<u>100%</u>

Revenue of ₹ 26,813.12 million (March 31, 2021 ₹ 26,882.14 million) is derived from a single customer in 'Products' and 'Services' segment.

The following table shows the Company's non-current operating assets by geographical market :

Regions	As at		As at	
	March 31, 2022		March 31, 2021	
	Amounts in ₹ million	%	Amounts in ₹ million	%
India	10,578.02	96%	10,294.44	97%
Outside India				
United States of America				
Europe	275.45	3%	279.08	3%
Asia Pacific	-	0%	5.30	0%
Middle East and Africa	152.97	1%	22.56	0%
	<u>11,006.44</u>	<u>100%</u>	<u>10,601.38</u>	<u>100%</u>

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

Oracle Financial Services Software Limited

Statement of cash flow for the year ended March 31, 2022

(Amounts in ₹ million)

Year ended March 31,

2022 2021

	2022	2021
Cash flows from operating activities		
Profit before tax	23,761.51	21,878.81
Adjustments to reconcile profit before tax to cash provided by operating activities :		
Depreciation and amortization	679.81	802.03
Loss (profit) on sale of fixed assets, net	0.14	(0.10)
Employee stock compensation expense	496.91	426.61
Reversal of provision for diminution in value of investment in subsidiary company	-	(42.11)
Finance income	(839.39)	(1,071.12)
Effect of exchange rate changes in cash and cash equivalents	(23.74)	11.08
Effect of exchange rate changes in assets and liabilities	264.80	23.73
Finance cost	32.30	47.99
Impairment loss recognized (reversed) on financial assets	92.31	(191.34)
Impairment loss recognized on other financial assets	3.33	1.95
(Gain) on lease modification	(6.23)	-
Bad debts	26.81	101.37
Dividend from subsidiary company	(1,500.66)	-
Operating Profit before Working Capital changes	22,987.90	21,988.90
Movements in working capital		
(Increase) in other non-current financial assets	(71.99)	(41.18)
(Increase) decrease in other non-current assets	(15.51)	16.22
(Increase) in trade receivables	(1,261.51)	(327.77)
(Increase) in other current financial assets	(72.57)	(142.40)
(Increase) in other current assets	(126.96)	(252.37)
Increase in non-current provisions	108.87	77.47
(Decrease) in trade payables	(16.94)	(88.10)
(Decrease) in other current financial liabilities	(324.02)	(72.63)
Increase (decrease) in other current liabilities	540.52	(23.06)
Increase in other non-current liabilities	148.90	-
Increase in current provisions	123.20	130.90
Cash from operating activities	22,019.89	21,265.98
Payment of domestic and foreign taxes	(6,038.79)	(5,818.22)
Net cash provided by operating activities	15,981.10	15,447.76
Cash flows from investing activities		
Purchase of property, plant and equipment	(348.63)	(168.31)
Proceeds from sale of property, plant and equipment	0.02	1.57
Income from investment in sublease	-	16.02
Refund of deposits for premises and others	77.11	88.41
Loan repaid by step-down subsidiary company	30.00	76.00
Investment in step-down subsidiary company	(167.60)	-
Bank fixed deposits having maturity of more than three months matured	34,036.60	33,925.00
Bank fixed deposits having maturity of more than three months booked	(35,900.00)	(34,636.60)
Interest received	835.34	1,215.06
Dividend from subsidiary company	1,500.66	-
Net cash provided by investing activities	63.50	517.15
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)
Finance cost	(32.30)	(47.99)
Repayment of lease liability	(92.01)	(241.00)
Net cash (used in) financing activities	(17,127.28)	(15,699.47)
Net (decrease) increase in cash and cash equivalents	(1,082.68)	265.45
Cash and cash equivalents at beginning of the period	2,248.21	1,993.84
Effect of exchange rate changes in cash and cash equivalents	23.74	(11.08)
Cash and cash equivalents at end of the year	1,189.27	2,248.21

Oracle Financial Services Software Limited

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

(Amounts in ₹ million)

Year ended March 31,

2022 2021

Component of cash and cash equivalents

Balances with banks:

In current accounts

860.61

1,912.23

In deposit accounts with original maturity of less than three months

280.03

250.05

In unclaimed dividend account*

48.63

85.93

Total cash and cash equivalents at the end of the year

1,189.27

2,248.21

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