

Oracle Financial Services Software Limited

Unaudited condensed consolidated balance sheet as at December 31, 2023

(Amounts in ₹ million)

	December 31, 2023	March 31, 2023
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	1,562.70	1,658.85
Capital work-in-progress	5.10	5.69
Right-of-use asset	429.78	620.64
Investment property	102.00	102.00
Goodwill	6,086.63	6,086.63
Financial assets	665.56	633.98
Deferred tax assets (net)	1,852.57	1,567.74
Income tax assets (net)	9,668.42	9,071.65
Other non-current assets	1,358.65	1,319.43
	21,731.41	21,066.61
Current assets		
Financial Assets		
Trade receivables	14,222.37	10,833.73
Cash and cash equivalents	21,278.01	20,400.79
Other bank balances	25,905.83	34,296.57
Other current financials assets	4,521.01	3,078.82
Income tax assets (net)	275.52	538.86
Other current assets	4,214.06	2,540.02
	70,416.80	71,688.79
TOTAL	92,148.21	92,755.40
<u>EQUITY AND LIABILITIES</u>		
Equity		
Equity Share capital	433.18	431.99
Other Equity	72,322.36	74,157.08
Total equity	72,755.54	74,589.07
Non-current liabilities		
Financial liabilities		
Lease liability	225.04	386.62
Other financial liabilities	20.47	18.48
Other non-current liabilities	75.74	81.68
Provisions	1,790.20	1,626.18
Deferred tax liability (net)	2,302.21	2,163.10
Income tax liabilities (net)	3,440.81	2,948.95
	7,854.47	7,225.01
Current liabilities		
Financial liabilities		
Lease liability	287.43	307.40
Trade payables		
Payable to micro and small enterprises	10.43	26.72
Payable to others	621.76	354.42
Other current financial liabilities	3,355.79	2,234.10
Other current liabilities	5,403.83	6,244.85
Provisions	1,692.76	1,655.17
Income tax liabilities (net)	166.20	118.66
	11,538.20	10,941.32
TOTAL	92,148.21	92,755.40

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 and nine month period ended December 31, 2023

(Amounts in ₹ million, except share data)

	Three month period ended December 31,		Nine month period ended December 31,	
	2023	2022	2023	2022
Revenue from operations	18,236.22	14,492.96	47,305.25	42,277.85
Finance income	1,017.95	461.12	2,569.64	1,055.48
Other income, net	(78.52)	(53.12)	26.97	250.28
Total income	19,175.65	14,900.96	49,901.86	43,583.61
EXPENSES				
Employee benefit expenses	7,603.69	7,238.06	22,252.81	20,677.38
Travel related expenses	305.56	245.83	903.91	654.66
Professional fees	1,088.24	524.84	2,033.09	1,607.12
Finance cost	93.67	65.91	142.47	49.84
Other operating expenses	552.98	422.12	1,633.67	1,133.54
Depreciation and amortization	190.05	206.06	565.00	619.69
Total expenses	9,834.19	8,702.82	27,530.95	24,742.23
Profit before tax	9,341.46	6,198.14	22,370.91	18,841.38
Tax expense				
Current tax	2,097.44	1,797.73	5,950.38	5,295.55
Deferred tax	(164.10)	27.11	(171.87)	277.44
Total tax expense	1,933.34	1,824.84	5,778.51	5,572.99
Profit for the period	7,408.12	4,373.30	16,592.40	13,268.39
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Actuarial gain on gratuity	34.10	48.27	78.83	22.75
Deferred tax	(8.58)	(11.56)	(19.84)	(5.69)
<i>Items that will be reclassified subsequently to profit and loss</i>				
Exchange differences on translation of foreign operations	141.99	624.76	137.03	1,110.48
Total other comprehensive income for the period, net of tax	167.51	661.47	196.02	1,127.54
Total comprehensive income for the period	7,575.63	5,034.77	16,788.42	14,395.93
Profit attributable to:				
Equity holders of the Company	7,408.12	4,373.30	16,592.40	13,268.39
Non-controlling interests	-	-	-	-
	7,408.12	4,373.30	16,592.40	13,268.39
Total comprehensive income attributable to:				
Equity holders of the Company	7,575.63	5,034.77	16,788.42	14,395.93
Non-controlling interests	-	-	-	-
	7,575.63	5,034.77	16,788.42	14,395.93
Earnings per equity share of par value of ₹ 5 (December 31, 2022 ₹ 5) each (in ₹)				
Basic	85.53	50.63	191.75	153.66
Diluted	85.13	50.44	190.71	153.06
Weighted average number of shares used in computing earnings per share				
Basic	86,614,783	86,380,203	86,532,198	86,349,788
Diluted	87,018,910	86,703,680	87,002,327	86,684,920

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 nine month period ended December 31, 2023

Nine month period ended December 31, 2023

(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, 2023	86,397,179	431.99	0.01	17,364.61	10,145.19	1,532.58	718.70	607.71	40,462.77	3,325.51	-	74,589.07
<i>Changes in equity for the nine month period ended December 31, 2023</i>												
Application money received for exercised options	-	-	168.32	-	-	-	-	-	-	-	-	168.32
Shares issued for exercised options	238,304	1.19	(167.19)	166.00	-	-	-	-	-	-	-	-
Stock compensation charge	-	-	-	-	-	460.12	209.28	-	-	-	-	669.40
Forfeiture of options	-	-	-	-	-	(55.27)	-	-	55.27	-	-	-
Stock compensation related to options exercised	-	-	-	709.63	-	(709.63)	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	16,592.40	-	-	16,592.40
Interim equity dividend	-	-	-	-	-	-	-	-	(19,459.67)	-	-	(19,459.67)
Actuarial gain (loss) on gratuity including deferred tax thereon	-	-	-	-	-	-	-	-	-	-	58.99	58.99
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	137.03	-	137.03
Actuarial gain (loss) on gratuity including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	-	-	58.99	-	(58.99)	-
Balance as of December 31, 2023	86,635,483	433.18	1.14	18,240.24	10,145.19	1,227.80	927.98	607.71	37,709.76	3,462.54	-	72,755.54

Nine month period ended December 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, 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
<i>Changes in equity for nine month period ended December 31, 2022</i>												
Application money received for exercised options	-	-	77.34	-	-	-	-	-	-	-	-	77.34
Shares issued for exercised options	138,334	0.69	(77.34)	76.65	-	-	-	-	-	-	-	-
Stock compensation charge	-	-	-	-	-	393.64	130.60	-	-	-	-	524.24
Forfeiture of options	-	-	-	-	-	(15.32)	-	-	15.32	-	-	-
Stock compensation related to options exercised	-	-	-	429.53	-	(429.53)	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	13,268.39	-	-	13,268.39
Interim equity dividend	-	-	-	-	-	-	-	-	(16,405.35)	-	-	(16,405.35)
Actuarial gain (loss) on gratuity including deferred tax thereon	-	-	-	-	-	-	-	-	-	-	17.06	17.06
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	1,110.48	-	1,110.48
Actuarial gain (loss) on gratuity including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	-	-	17.06	-	(17.06)	-
Balance as of December 31, 2022	86,384,799	431.92	-	17,320.12	10,145.19	1,510.15	653.81	607.71	35,571.20	3,349.00	-	69,589.10

Oracle Financial Services Software Limited

Unaudited condensed consolidated statements of changes in equity for the nine month period ended December 31, 2023 (continued)

(Amounts in ₹ million, except share data)

Year ended March 31, 2023

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, 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
<i>Changes in equity for the year ended March 31, 2023</i>												
Application money received for exercised options	-	-	79.36	-	-	-	-	-	-	-	-	79.36
Shares issued for exercised options	150,714	0.76	(79.35)	78.59	-	-	-	-	-	-	-	-
Stock compensation charge	-	-	-	-	-	557.02	195.49	-	-	-	-	752.51
Forfeiture of options	-	-	-	-	-	(113.72)	-	-	113.72	-	-	-
Stock compensation related to options exercised	-	-	-	472.08	-	(472.08)	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	18,061.41	-	-	18,061.41
Interim equity dividend	-	-	-	-	-	-	-	-	(16,405.35)	-	-	(16,405.35)
Actuarial gain (loss) on gratuity including deferred tax thereon	-	-	-	-	-	-	-	-	-	-	17.21	17.21
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	1,086.99	-	1,086.99
Actuarial gain (loss) on gratuity including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	-	-	17.21	-	(17.21)	-
Balance as of March 31, 2023	86,397,179	431.99	0.01	17,364.61	10,145.19	1,532.58	718.70	607.71	40,462.77	3,325.51	-	74,589.07

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 nine month period ended December 31, 2023

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 72.78% (March 31, 2023 - 72.98%) ownership interest in the Company as at December 31, 2023.

The Company along with its subsidiaries is principally engaged in the business of providing information technology solutions 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 nine month period ended December 31, 2023 were approved by the Company’s Board of Directors and authorized for issue on January 17, 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	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 nine month period ended December 31, 2023

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.

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, 2023.

Note 3: Capital commitments

Particulars	(Amounts in ₹ million)	
	December 31, 2023	March 31, 2023
Capital Commitments towards Property, Plant and Equipment		
Contracts remaining to be executed on capital account not provided for (net of advances)	108.11	66.97

Note 4: Tax litigations

As at December 31, 2023, the OFSS group has certain litigations with respect to tax matters for various assessment years amounting to ₹ 28,355.81 million (March 31, 2023 – ₹ 24,434.24 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 ₹ 20,983.92 million (March 31, 2023 – ₹ 16,678.50 million) as at December 31, 2023. Further for certain litigations the OFSS group has aggregate provisions of ₹ 114.60 million (March 31, 2023 – ₹ 874.15 million) as at December 31, 2023.

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 effective date from which these changes are applicable is yet to be notified. The OFSS group will assess and record the impact, if any, when the rules are notified and the code becomes effective.

Oracle Financial Services Software Limited

Notes annexed to and forming part of the unaudited condensed consolidated financial statements for the three and nine month period ended December 31, 2023

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:

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 receivable net of allowances, 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 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 December 31, 2023

(Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue from operations	16,795.53	1,440.69	18,236.22
Segment result	8,666.65	371.99	9,038.64
Unallocable expenses			(636.61)
Finance income			1,017.95
Other income, net			(78.52)
Profit before tax			9,341.46
Tax expense			(1,933.34)
Profit for the period			7,408.12

Three month period ended December 31, 2022

(Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue from operations	13,026.96	1,466.00	14,492.96
Segment result	6,157.95	290.04	6,447.99
Unallocable expenses			(657.85)
Finance income			461.12
Other income, net			(53.12)
Profit before tax			6,198.14
Tax expense			(1,824.84)
Profit for the period			4,373.30

Nine month period ended December 31, 2023

(Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue from operations	42,952.67	4,352.58	47,305.25
Segment result	20,298.08	1,170.25	21,468.33
Unallocable expenses			(1,694.03)
Finance income			2,569.64
Other income, net			26.97
Profit before tax			22,370.91
Tax expense			(5,778.51)
Profit for the period			16,592.40

Nine month period ended December 31, 2022

(Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue from operations	37,943.64	4,334.21	42,277.85
Segment result	18,127.37	1,004.19	19,131.56
Unallocable expenses			(1,595.94)
Finance income			1,055.48
Other income, net			250.28
Profit before tax			18,841.38
Tax expense			(5,572.99)
Profit for the period			13,268.39

Oracle Financial Services Software Limited

Notes annexed to and forming part of the unaudited condensed consolidated financial statements for the three and nine month period ended December 31, 2023

Three month period ended December 31, 2023 (Amounts in ₹ million)

Particulars	Other information			Total
	Products	Services	Unallocable	
Capital expenditure by segment				
Property, Plant and Equipment	36.93	4.93	4.71	46.57
Depreciation and amortisation	128.52	25.10	36.43	190.05
Other non cash expenses	163.09	2.23	0.64	165.96
Segment assets	30,116.95	1,198.86	60,832.40	92,148.21
Segment liabilities	10,879.86	1,354.13	7,158.68	19,392.67
Equity	-	-	72,755.54	72,755.54

Three month period ended December 31, 2022 (Amounts in ₹ million)

Particulars	Other information			Total
	Products	Services	Unallocable	
Capital expenditure by segment				
Property, Plant and Equipment	90.41	4.85	4.72	99.98
Depreciation and amortisation	142.00	29.41	34.65	206.06
Other non cash expenses	6.14	1.89	0.49	8.52
Segment assets	23,918.81	1,128.61	62,815.88	87,863.30
Segment liabilities	10,931.04	1,255.52	6,087.64	18,274.20
Equity	-	-	69,589.10	69,589.10

Nine month period ended December 31, 2023 (Amounts in ₹ million)

Particulars	Other information			Total
	Products	Services	Unallocable	
Capital expenditure by segment				
Property, Plant and Equipment	209.63	25.95	15.47	251.05
Depreciation and amortisation	383.75	76.66	104.59	565.00
Other non cash expenses	523.28	(7.08)	1.74	517.94
Segment assets	30,116.95	1,198.86	60,832.40	92,148.21
Segment liabilities	10,879.86	1,354.13	7,158.68	19,392.67
Equity	-	-	72,755.54	72,755.54

Nine month period ended December 31, 2022 (Amounts in ₹ million)

Particulars	Other information			Total
	Products	Services	Unallocable	
Capital expenditure by segment				
Property, Plant and Equipment	306.62	34.84	22.36	363.82
Depreciation and amortization	408.33	96.33	115.03	619.69
Other non cash expenses	40.65	3.77	1.47	45.89
Segment assets	23,918.81	1,128.61	62,815.88	87,863.30
Segment liabilities	10,931.04	1,255.52	6,087.64	18,274.20
Equity	-	-	69,589.10	69,589.10

Oracle Financial Services Software Limited

Notes annexed to and forming part of the unaudited condensed consolidated financial statements for the three and nine month period ended
December 31, 2023

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 December 31, 2023 (Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue by Geography			
India	1,995.93	10.91	2,006.84
Outside India			
Americas			
United States of America	3,609.81	999.73	4,609.54
Rest of America	1,498.46	-	1,498.46
Europe	2,336.90	218.83	2,555.73
Asia Pacific	4,342.04	131.63	4,473.67
Middle East and Africa	3,012.39	79.59	3,091.98
	16,795.53	1,440.69	18,236.22
Revenue by Streams and type of Contract			
License Fees	3,271.81	-	3,271.81
Maintenance Fees	5,102.16	-	5,102.16
Consulting fees			
Fixed Price	6,041.59	1,164.11	7,205.70
Time & Material Basis	2,379.97	276.58	2,656.55
	16,795.53	1,440.69	18,236.22

Three month period ended December 31, 2022 (Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue by Geography			
India	1,037.39	6.79	1,044.18
Outside India			
Americas			
United States of America	3,519.96	1,017.53	4,537.49
Rest of America	1,314.01	-	1,314.01
Europe	1,904.98	210.41	2,115.39
Asia Pacific	3,053.50	166.41	3,219.91
Middle East and Africa	2,197.12	64.86	2,261.98
	13,026.96	1,466.00	14,492.96
Revenue by Streams and type of Contract			
License Fees	2,045.53	-	2,045.53
Maintenance Fees	4,298.78	-	4,298.78
Consulting fees			
Fixed Price	4,294.41	840.03	5,134.44
Time & Material Basis	2,388.24	625.97	3,014.21
	13,026.96	1,466.00	14,492.96

Oracle Financial Services Software Limited

Notes annexed to and forming part of the unaudited condensed consolidated financial statements for the three and nine month period ended
December 31, 2023

Nine month period ended December 31, 2023 (Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue by Geography			
India	4,632.92	32.98	4,665.90
Outside India			
Americas			
United States of America	10,496.62	2,955.41	13,452.03
Rest of America	3,667.22	-	3,667.22
Europe	5,862.64	710.94	6,573.58
Asia Pacific	9,723.01	433.44	10,156.45
Middle East and Africa	8,570.26	219.81	8,790.07
	42,952.67	4,352.58	47,305.25
Revenue by Streams and type of Contract			
License Fees	6,222.56	-	6,222.56
Maintenance Fees	14,433.72	-	14,433.72
Consulting fees			
Fixed Price	15,311.99	3,245.77	18,557.76
Time & Material	6,984.40	1,106.81	8,091.21
	42,952.67	4,352.58	47,305.25

Nine month period ended December 31, 2022 (Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue by Geography			
India	3,382.24	19.99	3,402.23
Outside India			
Americas			
United States of America	9,320.95	2,989.08	12,310.03
Rest of America	3,424.67	-	3,424.67
Europe	5,693.25	645.16	6,338.41
Asia Pacific	9,694.97	495.35	10,190.32
Middle East and Africa	6,427.56	184.63	6,612.19
	37,943.64	4,334.21	42,277.85
Revenue by Streams and type of Contract			
License Fees	5,166.93	-	5,166.93
Maintenance Fees	12,668.96	-	12,668.96
Consulting fees			
Fixed Price	12,457.19	2,221.13	14,678.32
Time & Material	7,650.56	2,113.08	9,763.64
	37,943.64	4,334.21	42,277.85

Oracle Financial Services Software Limited

Unaudited condensed consolidated statement of cash flow for the nine month period ended December 31, 202.

(Amounts in ₹ million)

Nine month period ended December 31,

2023 2022

Cash flows from operating activities		
Profit before tax	22,370.91	18,841.38
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities :		
Depreciation and amortization	565.00	619.69
(Profit) loss on sale of fixed assets, net	(0.05)	2.72
Impairment loss recognized on contract assets	510.81	43.35
Impairment loss recognized on other financial assets	7.13	2.54
Finance income	(2,569.64)	(1,055.48)
Employee stock compensation expense	669.40	524.24
(Gain) on lease modification	(0.27)	(0.57)
Effect of exchange rate changes in cash and cash equivalent	(226.53)	(1,366.85)
Effect of exchange rate changes in assets and liabilities	21.52	920.66
Finance cost	142.47	49.84
Operating Profit before Working Capital changes	21,490.75	18,581.52
Movements in working capital		
(Increase) decrease in other non-current assets	(37.32)	3.53
(Increase) in trade receivables	(3,740.53)	(342.99)
(Increase) in other current financial assets	(1,411.71)	(1,351.80)
(Increase) decrease in other current assets	(1,644.79)	54.90
Increase (decrease) in non-current financial liabilities	1.45	(31.94)
(Decrease) in other non-current liabilities	(6.07)	(65.54)
Increase in non-current provisions	242.85	94.04
Increase in trade payables	233.23	78.29
Increase in other current financial liabilities	1,109.19	641.44
(Decrease) increase in current liabilities	(905.19)	147.48
Increase in current provisions	37.79	59.50
Cash from operating activities	15,369.65	17,868.43
Payment of domestic and foreign taxes	(5,106.62)	(4,719.09)
Net cash provided by operating activities	10,263.03	13,149.34
Cash flows from investing activities		
Purchase of property, plant and equipment	(261.89)	(268.34)
Proceeds from sale of property, plant and equipment	0.15	0.75
Refund of deposits for premises and others	0.03	4.74
Bank fixed deposits having maturity of more than three months matured	23,716.29	26,304.81
Bank fixed deposits having maturity of more than three months booked	(14,950.30)	(21,087.14)
Interest received	1,407.43	961.39
Net cash provided by investing activities	9,911.71	5,916.21
Cash flows from financing activities		
Proceeds from issue of shares under employee stock option plan	168.32	77.34
Equity dividend paid	(19,459.14)	(16,417.02)
Repayment of lease liability	(207.00)	(215.57)
Interest paid on lease liability	(26.23)	(34.98)
Net cash (used in) financing activities	(19,524.05)	(16,590.23)
Net increase in cash and cash equivalents	650.69	2,475.32
Cash and cash equivalents at beginning of the period	20,400.79	16,799.73
Effect of exchange rate changes in cash and cash equivalents	226.53	1,366.85
Cash and cash equivalents at end of the period	21,278.01	20,641.90

Oracle Financial Services Software Limited

Unaudited condensed consolidated statement of cash flow for the nine month period ended December 31, 2023 (continued)

Component of cash and cash equivalents	(Amounts in ₹ million)	
	Nine month period ended December 31,	
	2023	2022
Balances with banks:		
In current accounts*	20,878.34	20,304.50
In deposit accounts with original maturity of less than 3 months**	361.09	300.44
In unclaimed dividend account***	38.58	36.96
Total cash and cash equivalents at end of the period	21,278.01	20,641.90

* Current account includes ₹ 6.31 million (December 31, 2022 ₹ 0.90 million) on account of restricted cash and bank balances held by i-flex Employee Stock Option Trust controlled by the Company.

**Deposit accounts includes ₹ 10.03 million (December 31, 2022 - Nil) 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.
