

Oracle Financial Services Software Limited

Registered Office : Oracle Park, Off Western Express Highway, Goregaon (East), Mumbai 400 063

Tel: + 91 22 6718 3000 Fax: + 91 22 6718 3001

CIN: L72200MH1989PLC053666

Website: <https://investor.ofss.oracle.com>

E-mail: investors-vp-ofss_in_grp@oracle.com

Unaudited consolidated financial results for the three and six month period ended September 30, 2023

PART I

(₹ in million, except per share data)

| Particulars | Three month period ended | | | Six month period ended | | Year ended |
|---|--------------------------|------------------|--------------------|------------------------|--------------------|------------------|
| | September 30, 2023 | June 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 | March 31, 2023 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 INCOME | | | | | | |
| (a) Revenue from operations | 14,444.84 | 14,624.19 | 13,760.29 | 29,069.03 | 27,784.89 | 56,983.09 |
| (b) Other income, net | 651.37 | 1,005.81 | 456.19 | 1,657.18 | 897.76 | 1,918.43 |
| Total income | 15,096.21 | 15,630.00 | 14,216.48 | 30,726.21 | 28,682.65 | 58,901.52 |
| 2 EXPENSES | | | | | | |
| (a) Employee benefit expenses | 7,480.24 | 7,168.88 | 6,962.67 | 14,649.12 | 13,439.32 | 27,741.72 |
| (b) Travel related expenses | 313.70 | 284.65 | 233.82 | 598.35 | 408.83 | 923.58 |
| (c) Professional fees | 512.87 | 431.98 | 553.71 | 944.85 | 1,082.28 | 2,089.39 |
| (d) Finance cost | 80.43 | (31.63) | 53.41 | 48.80 | (16.07) | 126.55 |
| (e) Other operating expenses | 556.86 | 523.83 | 341.30 | 1,080.69 | 711.42 | 1,514.62 |
| (f) Depreciation and amortization | 190.11 | 184.84 | 216.58 | 374.95 | 413.63 | 806.62 |
| Total Expenses | 9,134.21 | 8,562.55 | 8,361.49 | 17,696.76 | 16,039.41 | 33,202.48 |
| 3 Profit before tax | 5,962.00 | 7,067.45 | 5,854.99 | 13,029.45 | 12,643.24 | 25,699.04 |
| 4 Tax expense | | | | | | |
| (a) Current tax | 1,727.50 | 2,125.44 | 1,675.90 | 3,852.94 | 3,497.82 | 7,386.77 |
| (b) Deferred tax | 60.04 | (67.81) | 201.55 | (7.77) | 250.33 | 250.86 |
| Total tax expense | 1,787.54 | 2,057.63 | 1,877.45 | 3,845.17 | 3,748.15 | 7,637.63 |
| 5 Net profit for the period | 4,174.46 | 5,009.82 | 3,977.54 | 9,184.28 | 8,895.09 | 18,061.41 |
| 6 Other Comprehensive Income | | | | | | |
| (a) Items that will not be reclassified subsequently to profit or loss | | | | | | |
| (i) Actuarial (loss) gain on gratuity | 52.25 | (7.52) | (79.18) | 44.73 | (25.52) | 23.06 |
| (ii) Deferred tax | (13.15) | 1.89 | 19.38 | (11.26) | 5.87 | (5.85) |
| (b) Items that will be reclassified subsequently to profit and loss | | | | | | |
| (i) Exchange differences on translation of foreign operations | 85.74 | (90.70) | 247.64 | (4.96) | 485.72 | 1,086.99 |
| Total other comprehensive (loss) income for the period, net of tax | 124.84 | (96.33) | 187.84 | 28.51 | 466.07 | 1,104.20 |
| 7 Total comprehensive income for the period | 4,299.30 | 4,913.49 | 4,165.38 | 9,212.79 | 9,361.16 | 19,165.61 |
| 8 Net profit attributable to: | | | | | | |
| Equity holders of the Company | 4,174.46 | 5,009.82 | 3,977.54 | 9,184.28 | 8,895.09 | 18,061.41 |
| Non-controlling interests | - | - | - | - | - | - |
| 9 Total comprehensive income attributable to: | | | | | | |
| Equity holders of the Company | 4,299.30 | 4,913.49 | 4,165.38 | 9,212.79 | 9,361.16 | 19,165.61 |
| Non-controlling interests | - | - | - | - | - | - |
| 10 Paid up equity share capital (face value ₹ 5 each, fully paid) | 433.01 | 432.46 | 431.87 | 433.01 | 431.87 | 431.99 |
| 11 Reserve excluding Revaluation Reserves as per balance sheet | | | | | | 74,157.08 |
| 12 Earnings per equity share (face value ₹ 5 each, fully paid) | | | | | | |
| (a) Basic (in ₹) | 48.25 | 57.94 | 46.06 | 106.19 | 103.03 | 209.14 |
| (b) Diluted (in ₹) | 48.01 | 57.67 | 45.90 | 105.64 | 102.64 | 208.25 |
| 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, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on October 18, 2023. The statutory auditors have expressed an unmodified review conclusion on these results.
- 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, 2023, the Company allotted 111,202 and 205,656 equity shares respectively, of face value of ₹ 5 each on exercise of stock options by eligible employees under the prevailing Employee Stock Option Plan ('ESOP') schemes of the Company.
- 4 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.
- 5 **Particulars of Other income, net**

(₹ in million)

| Particulars | Three month period ended | | | Six month period ended | | Year ended |
|---------------------------|--------------------------|-----------------|--------------------|------------------------|--------------------|-----------------|
| | September 30, 2023 | June 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 | March 31, 2023 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| Finance income | 595.03 | 956.66 | 294.96 | 1,551.69 | 594.36 | 1,672.84 |
| Exchange gain, net | 44.40 | 41.44 | 147.22 | 85.84 | 276.95 | 180.10 |
| Miscellaneous income, net | 11.94 | 7.71 | 14.01 | 19.65 | 26.45 | 65.49 |
| Total | 651.37 | 1,005.81 | 456.19 | 1,657.18 | 897.76 | 1,918.43 |

6 Statement of assets and liabilities

(₹ in million)

| Particulars | As at | |
|-------------------------------------|--------------------|------------------|
| | September 30, 2023 | March 31, 2023 |
| | Unaudited | Audited |
| A ASSETS | | |
| 1 Non-current assets | | |
| (a) Property, Plant and Equipment | 1,632.76 | 1,658.85 |
| (b) Capital work-in-progress | 4.76 | 5.69 |
| (c) Right-of-use asset | 471.42 | 620.64 |
| (d) Investment property | 102.00 | 102.00 |
| (e) Goodwill | 6,086.63 | 6,086.63 |
| (f) Financial assets | 652.69 | 633.98 |
| (g) Deferred tax assets (net) | 1,620.41 | 1,567.74 |
| (h) Income tax assets (net) | 9,064.40 | 9,071.65 |
| (i) Other non-current assets | 1,346.80 | 1,319.43 |
| | 20,981.87 | 21,066.61 |
| 2 Current assets | | |
| (a) Financial assets | | |
| (i) Trade receivables | 10,637.73 | 10,833.73 |
| (ii) Cash and bank balances | 21,458.81 | 20,400.79 |
| (iii) Other bank balances | 22,598.79 | 34,296.57 |
| (iv) Other current financial assets | 3,175.14 | 3,078.82 |
| (b) Income tax assets (net) | 431.06 | 538.86 |
| (c) Other current assets | 3,632.49 | 2,540.02 |
| | 61,934.02 | 71,688.79 |
| TOTAL - ASSETS | 82,915.89 | 92,755.40 |

Statement of assets and liabilities (continued)

(₹ in million)

| Particulars | As at | |
|---|--------------------|------------------|
| | September 30, 2023 | March 31, 2023 |
| | Unaudited | Audited |
| B EQUITY AND LIABILITIES | | |
| 1 Equity | | |
| (a) Equity share capital | 433.01 | 431.99 |
| (b) Other equity | 64,530.58 | 74,157.08 |
| | 64,963.59 | 74,589.07 |
| 2 Non-current liabilities | | |
| (a) Financial liabilities | | |
| (i) Lease liability | 254.16 | 386.62 |
| (ii) Other financial liabilities | 18.80 | 18.48 |
| (b) Other non-current liabilities | 93.67 | 81.68 |
| (b) Provisions | 1,737.12 | 1,626.18 |
| (c) Deferred tax liability (net) | 2,235.73 | 2,163.10 |
| (d) Income tax liabilities (net) | 3,269.26 | 2,948.95 |
| | 7,608.74 | 7,225.01 |
| 3 Current liabilities | | |
| (a) Financial liabilities | | |
| (i) Lease liability | 283.94 | 307.40 |
| (ii) Trade payables | | |
| Payable to micro and small enterprises | 12.71 | 26.72 |
| Payable to others | 438.38 | 354.42 |
| (iii) Other current financial liabilities | 2,142.87 | 2,234.10 |
| (b) Other current liabilities | 5,655.79 | 6,244.85 |
| (c) Provisions | 1,704.85 | 1,655.17 |
| (d) Income tax liabilities (net) | 105.02 | 118.66 |
| | 10,343.56 | 10,941.32 |
| | | |
| TOTAL - EQUITY AND LIABILITIES | 82,915.89 | 92,755.40 |

7 Consolidated statement of cash flow

(₹ in million)

| Particulars | Six month period ended | |
|---|------------------------|--------------------|
| | September 30, 2023 | September 30, 2022 |
| | Unaudited | Unaudited |
| Cash flows from operating activities | | |
| Profit before tax | 13,029.45 | 12,643.24 |
| Adjustments to reconcile profit before tax to cash (used in) provided by operating activities : | | |
| Depreciation and amortization | 374.95 | 413.63 |
| (Profit) loss on sale of fixed assets, net | (0.05) | 0.25 |
| Impairment loss recognized on contract assets | 347.32 | 33.81 |
| Impairment loss recognized on other financial assets | 4.62 | 3.56 |
| Bad debts | 0.04 | - |
| Finance income | (1,551.69) | (594.36) |
| Employee stock compensation expense | 462.20 | 301.92 |
| (Gain) on lease modification | (0.27) | (0.16) |
| Effect of exchange rate changes in cash and cash equivalent | (103.99) | (774.97) |
| Effect of exchange rate changes in assets and liabilities | 6.06 | 433.77 |
| Finance cost | 48.80 | (16.07) |
| Operating Profit before Working Capital changes | 12,617.44 | 12,444.62 |

Consolidated statement of cash flow (continued)

(₹ in million)

| Particulars | Six month period ended | |
|---|------------------------|--------------------|
| | September 30, 2023 | September 30, 2022 |
| | Unaudited | Unaudited |
| Movements in working capital | | |
| (Increase) in other non-current assets | (28.33) | (0.20) |
| (Increase) in trade receivables | (161.46) | (241.78) |
| (Increase) in other current financial assets | (122.60) | (889.50) |
| (Increase) in other current assets | (1,095.90) | (81.58) |
| Increase (decrease) in non-current financial liabilities | 0.66 | (32.04) |
| Increase (decrease) in other non-current liabilities | 11.85 | (48.98) |
| Increase in non-current provisions | 155.67 | 31.34 |
| Increase in trade payables | 58.64 | 155.65 |
| (Decrease) increase in other current financial liabilities | (101.23) | 19.61 |
| (Decrease) increase in current liabilities | (531.94) | 391.06 |
| Increase in current provisions | 58.68 | 49.52 |
| Cash from operating activities | 10,861.48 | 11,797.72 |
| Payment of domestic and foreign taxes | (3,077.15) | (3,158.58) |
| Net cash provided by operating activities | 7,784.33 | 8,639.14 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (192.67) | (242.25) |
| Proceeds from sale of property, plant and equipment | 0.13 | 0.29 |
| Refund of deposits for premises and others | 0.21 | 1.25 |
| Bank fixed deposits having maturity of more than three months matured | 22,590.29 | 24,254.81 |
| Bank fixed deposits having maturity of more than three months booked | (10,892.30) | (14,809.14) |
| Interest received | 1,126.19 | 765.82 |
| Net cash provided by investing activities | 12,631.85 | 9,970.78 |
| Cash flows from financing activities | | |
| Proceeds from issue of shares under employee stock option plan | 159.20 | 74.62 |
| Equity dividend paid | (19,452.64) | (16,400.16) |
| Repayment of lease liability | (150.36) | (162.27) |
| Interest paid on lease liability | (18.35) | (24.13) |
| Net cash (used in) financing activities | (19,462.15) | (16,511.94) |
| Net increase in cash and cash equivalents | 954.03 | 2,097.98 |
| 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 | 103.99 | 774.97 |
| Cash and cash equivalents at end of the period | 21,458.81 | 19,672.68 |

Consolidated statement of cash flow (continued)

(₹ in million)

| Particulars | Six month period ended | |
|--|------------------------|--------------------|
| | September 30, 2023 | September 30, 2022 |
| | Unaudited | Unaudited |
| Component of cash and cash equivalents | | |
| Cash on hand | | |
| Cheques on hand | | |
| Balances with banks: | | |
| In current accounts* | 21,198.44 | 19,314.80 |
| In deposit accounts with original maturity of less than three months** | 215.29 | 304.06 |
| In unpaid dividend account** | - | - |
| In unclaimed dividend account*** | 45.08 | 53.82 |
| Total cash and cash equivalents at end of the period | 21,458.81 | 19,672.68 |

* Current account includes ₹ 3.07 million (September 30, 2022 ₹ 5.80 million) on account of restricted cash and bank balances held by i-flex Employee Stock Option Trust controlled by the Company.

**Deposit accounts as at September 30, 2022 includes ₹ 4.00 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.

8 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. 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.

(₹ in million)

| Particulars | Three month period ended | | | Six month period ended | | Year ended |
|---|--------------------------|------------------|--------------------|------------------------|--------------------|------------------|
| | September 30, 2023 | June 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 | March 31, 2023 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| (a) Segment revenue | | | | | | |
| Product licenses and related activities | 12,979.69 | 13,177.45 | 12,259.49 | 26,157.14 | 24,916.68 | 51,309.00 |
| IT solutions and consulting services | 1,465.15 | 1,446.74 | 1,500.80 | 2,911.89 | 2,868.21 | 5,674.09 |
| | 14,444.84 | 14,624.19 | 13,760.29 | 29,069.03 | 27,784.89 | 56,983.09 |
| (b) Segment results | | | | | | |
| Product licenses and related activities | 5,526.69 | 6,104.74 | 5,524.13 | 11,631.43 | 11,969.42 | 24,470.95 |
| IT solutions and consulting services | 330.52 | 467.74 | 397.39 | 798.26 | 714.15 | 1,304.01 |
| | 5,857.21 | 6,572.48 | 5,921.52 | 12,429.69 | 12,683.57 | 25,774.96 |
| Finance income | 595.03 | 956.66 | 294.96 | 1,551.69 | 594.36 | 1,672.84 |
| Other un-allocable (expenses), net | (490.24) | (461.69) | (361.49) | (951.93) | (634.69) | (1,748.76) |
| Profit before tax | 5,962.00 | 7,067.45 | 5,854.99 | 13,029.45 | 12,643.24 | 25,699.04 |

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

(₹ in million)

| Particulars | Three month period ended | | | Six month period ended | | Year ended |
|---|--------------------------|------------------|--------------------|------------------------|--------------------|------------------|
| | September 30, 2023 | June 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 | March 31, 2023 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| (c) Segment assets | | | | | | |
| Product licenses and related activities | 24,649.81 | 25,691.74 | 22,630.13 | 24,649.81 | 22,630.13 | 24,027.81 |
| IT solutions and consulting services | 1,158.27 | 1,089.86 | 1,477.93 | 1,158.27 | 1,477.93 | 1,021.72 |
| Unallocable | 57,107.81 | 52,304.87 | 57,542.66 | 57,107.81 | 57,542.66 | 67,705.87 |
| | 82,915.89 | 79,086.47 | 81,650.72 | 82,915.89 | 81,650.72 | 92,755.40 |
| (d) Segment liabilities | | | | | | |
| Product licenses and related activities | 10,400.32 | 11,405.61 | 10,289.97 | 10,400.32 | 10,289.97 | 10,884.67 |
| IT solutions and consulting services | 996.46 | 1,074.79 | 1,088.37 | 996.46 | 1,088.37 | 1,162.29 |
| Unallocable | 6,555.52 | 6,311.68 | 5,943.09 | 6,555.52 | 5,943.09 | 6,119.37 |
| | 17,952.30 | 18,792.08 | 17,321.43 | 17,952.30 | 17,321.43 | 18,166.33 |

9 Unaudited standalone results for the three and six month period ended September 30, 2023

(₹ in million, except per share data)

| Particulars | Three month period ended | | | Six month period ended | | Year ended |
|---|--------------------------|------------------|--------------------|------------------------|--------------------|------------------|
| | September 30, 2023 | June 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 | March 31, 2023 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| Revenue from operations | 10,800.92 | 11,170.14 | 10,013.90 | 21,971.06 | 20,601.71 | 42,555.81 |
| Net profit for the period | 3,936.61 | 4,549.52 | 3,597.67 | 8,486.13 | 7,990.13 | 17,725.08 |
| Earnings per equity share (face value ₹ 5 each, fully paid) | | | | | | |
| Basic (in ₹) | 45.50 | 52.62 | 41.66 | 98.12 | 92.55 | 205.25 |
| Diluted (in ₹) | 45.27 | 52.37 | 41.52 | 97.61 | 92.20 | 204.37 |

- 10 Mr. Chaitanya Kamat, retired as Managing Director and Chief Executive Officer of the Company with effect from close of business hours of October 4, 2023.
- 11 The Board of Directors of the Company in its meeting held on October 3, 2023, approved the appointments of Mr. Makarand Padalkar as the Managing Director and Chief Executive Officer and Mr. Gopala Ramanan Balasubramaniam as an Additional Director in the capacity of Non-Executive, Non-Independent Director, subject to approval of the shareholders, and Mr. Avadhut Ketkar as the Chief Financial Officer, effective October 5, 2023.
- 12 The above financial results are also available on the Company's website: <https://investor.ofss.oracle.com>

For and on behalf of the Board of Directors
Oracle Financial Services Software Limited

Mumbai, India
October 18, 2023

Makarand Padalkar
Managing Director & Chief Executive Officer
DIN: 02115514