

Oracle Financial Services Software Limited

Consolidated balance sheet as at March 31, 2024

	(Amounts in ₹ million)	
	March 31, 2024	March 31, 2023
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	1,484.06	1,658.85
Capital work-in-progress	27.58	5.69
Right-of-use assets	377.98	620.64
Investment property	102.00	102.00
Goodwill	6,086.63	6,086.63
Financial assets	639.35	633.98
Deferred tax assets (net)	1,863.13	1,567.74
Income tax assets (net)	10,904.75	9,071.65
Other non-current assets	1,358.10	1,319.43
	22,843.58	21,066.61
Current assets		
Financial assets		
Trade receivables	13,193.07	10,833.73
Cash and cash equivalents	34,832.58	20,400.79
Other bank balances	20,549.30	34,296.57
Other financial assets	4,322.88	3,078.82
Income tax assets (net)	279.65	538.86
Other current assets	3,336.35	2,540.02
	76,513.83	71,688.79
TOTAL	99,357.41	92,755.40
<u>EQUITY AND LIABILITIES</u>		
Equity		
Equity Share capital	433.36	431.99
Other Equity	78,155.05	74,157.08
Total equity	78,588.41	74,589.07
Non-current liabilities		
Financial liabilities		
Lease liabilities	184.86	386.62
Other financial liabilities	20.85	18.48
Other non-current liabilities	189.03	81.68
Provisions	1,853.49	1,626.18
Deferred tax liability (net)	2,384.50	2,163.10
Income tax liabilities (net)	3,338.50	2,948.95
	7,971.23	7,225.01
Current liabilities		
Financial liabilities		
Lease liabilities	244.75	307.40
Trade payables		
Payable to micro and small enterprises	5.27	26.72
Payable to other than micro and small enterprises	1,015.04	354.42
Other financial liabilities	2,478.50	2,234.10
Other current liabilities	6,397.02	6,244.85
Provisions	1,758.46	1,655.17
Income tax liabilities (net)	898.73	118.66
	12,797.77	10,941.32
TOTAL	99,357.41	92,755.40

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, 2024

	(Amounts in ₹ million, except share data)	
	Year ended March 31,	
	2024	2023
Revenue from operations	63,729.61	56,983.09
Finance income	3,316.71	1,672.84
Other income, net	105.21	245.59
Total income	67,151.53	58,901.52
<u>EXPENSES</u>		
Employee benefit expenses	29,828.25	27,741.72
Travel related expenses	1,228.14	923.58
Professional fees	2,624.88	2,089.39
Finance cost	281.09	126.55
Other operating expenses	2,223.24	1,514.62
Depreciation and amortization	742.58	806.62
Total expenses	36,928.18	33,202.48
Profit before tax	30,223.35	25,699.04
Tax expenses		
Current tax	8,143.33	7,386.77
Deferred tax	(113.60)	250.86
Total tax expenses	8,029.73	7,637.63
Profit for the year	22,193.62	18,061.41
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Remeasurement gains of defined benefit plan	84.12	23.06
Income tax effect	(21.23)	(5.85)
<i>Items that will be reclassified subsequently to profit and loss</i>		
Exchange differences on translation of financial statements of foreign operations	44.85	1,086.99
Total other comprehensive income for the year, net of tax	107.74	1,104.20
Total comprehensive income for the year	22,301.36	19,165.61
Profit attributable to:		
Equity holders of the Company	22,193.62	18,061.41
Non-controlling interests	-	-
	22,193.62	18,061.41
Total comprehensive income attributable to:		
Equity holders of the Company	22,301.36	19,165.61
Non-controlling interests	-	-
	22,301.36	19,165.61
Earnings per equity share of par value of ₹ 5 each (March 31, 2023 - ₹ 5) (in ₹)		
Basic	256.39	209.14
Diluted	254.76	208.25

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, 2024

Year ended March 31, 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, 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 year ended March 31, 2024</i>												
Application money received for exercised options	-	-	207.39	-	-	-	-	-	-	-	-	207.39
Shares issued for exercised options	274,477	1.37	(204.68)	203.31	-	-	-	-	-	-	-	-
Stock compensation charge	-	-	-	-	-	656.11	294.15	-	-	-	-	950.26
Forfeiture of options	-	-	-	-	-	(55.96)	-	-	55.96	-	-	-
Stock compensation related to options exercised	-	-	-	806.33	-	(806.33)	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	22,193.62	-	-	22,193.62
Interim equity dividend	-	-	-	-	-	-	-	-	(19,459.67)	-	-	(19,459.67)
Remeasurement of defined benefit plan including income tax effect thereon	-	-	-	-	-	-	-	-	-	-	62.89	62.89
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	-	-	44.85	-	44.85
Remeasurement of defined benefit plan including income tax effect thereon transferred to retained earnings	-	-	-	-	-	-	-	-	62.89	-	(62.89)	-
Balance as of March 31, 2024	86,671,656	433.36	2.72	18,374.25	10,145.19	1,326.40	1,012.85	607.71	43,315.57	3,370.36	-	78,588.41

Year ended March 31, 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, 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)
Remeasurement of defined benefit plan including income tax effect thereon	-	-	-	-	-	-	-	-	-	-	17.21	17.21
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	-	-	1,086.99	-	1,086.99
Remeasurement of defined benefit plan including income tax effect 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 consolidated financial statements for the year ended March 31, 2024

Note: 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 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 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 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.

Year ended March 31, 2024

(Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue	57,862.01	5,867.60	63,729.61
Segment result	27,473.97	1,612.35	29,086.32
Unallocable expenses			(2,284.89)
Finance income			3,316.71
Other income, net			105.21
Profit before tax			30,223.35
Tax expenses			(8,029.73)
Profit for the year			22,193.62

Oracle Financial Services Software Limited

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2024

Year ended March 31, 2023

(Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue	51,309.00	5,674.09	56,983.09
Segment result	24,470.95	1,304.01	25,774.96
Unallocable expenses			(1,994.35)
Finance income			1,672.84
Other income, net			245.59
Profit before tax			25,699.04
Tax expenses			(7,637.63)
Profit for the year			18,061.41

Revenue of ₹ 31,307.93 million (March 31, 2023 - ₹ 27,264.35 million) is derived from a single customer group in 'Products' and 'Services' segment.

Other information

Year ended March 31, 2024

(Amounts in ₹ million)

Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Property, Plant and Equipment	234.61	33.72	21.68	290.01
Depreciation and amortization	508.00	95.81	138.77	742.58
Other non cash expenses	714.70	(9.77)	1.90	706.83
Segment assets	27,421.90	1,606.58	70,328.93	99,357.41
Segment liabilities	11,264.04	1,182.50	8,322.46	20,769.00
Equity	-	-	78,588.41	78,588.41

Year ended March 31, 2023

(Amounts in ₹ million)

Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Property, Plant and Equipment	337.89	38.72	32.97	409.58
Depreciation and amortization	533.25	123.85	149.52	806.62
Other non cash expenses	246.86	2.89	1.97	251.72
Segment assets	24,027.81	1,021.72	67,705.87	92,755.40
Segment liabilities	10,884.67	1,162.29	6,119.37	18,166.33
Equity	-	-	74,589.07	74,589.07

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Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2024

Geographical segments

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

Regions	Year ended March 31,			
	2024		2023	
	Amounts in ₹ million	%	Amounts in ₹ million	%
India	6,135.73	9.6%	4,811.57	8.4%
Outside India				
Americas				
United States of America	17,891.44	28.1%	16,415.15	28.8%
Rest of America	5,159.23	8.1%	4,407.66	7.8%
Europe	9,319.95	14.6%	8,374.29	14.7%
Asia Pacific	13,426.17	21.1%	12,725.36	22.3%
Middle East and Africa	11,797.09	18.5%	10,249.06	18.0%
	63,729.61	100.0%	56,983.09	100.0%

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

Regions	As at March 31, 2024		As at March 31, 2023	
	Amounts in ₹ million	%	Amounts in ₹ million	%
	India	11,402.15	56.0%	11,839.76
Outside India				
Americas				
United States of America	5,137.78	25.3%	5,144.80	27.3%
Rest of America	12.11	0.1%	21.14	0.1%
Europe	3,229.48	15.9%	1,277.51	6.8%
Asia Pacific	452.98	2.2%	447.93	2.4%
Middle East and Africa	106.60	0.5%	133.75	0.7%
	20,341.10	100.0%	18,864.89	100.0%

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, 2024

	(Amounts in ₹ million)	
	Year ended March 31,	
	2024	2023
Cash flows from operating activities		
Profit before tax	30,223.35	25,699.04
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities :		
Depreciation and amortization	742.58	806.62
Loss on sale of fixed assets, net	2.29	2.26
Impairment loss recognized on contract assets	616.27	163.85
Impairment loss recognized on other financial assets	5.58	8.00
Bad debts	84.98	79.87
Finance income	(3,316.71)	(1,672.84)
Employee stock compensation expense	950.26	752.51
(Gain) on lease modification	(0.27)	(2.51)
Effect of exchange rate changes in cash and cash equivalents	(130.11)	(1,300.32)
Effect of exchange rate changes in assets and liabilities	42.68	898.34
Finance cost	281.09	126.55
Operating Profit before Working Capital changes	29,501.99	25,561.37
Movements in working capital		
(Increase) decrease in other non-current assets	(38.30)	9.05
(Increase) in trade receivables	(3,030.75)	(1,341.37)
(Increase) in other current financial assets	(1,207.45)	(590.71)
(Increase) decrease in other current assets	(795.12)	133.73
Increase (decrease) in non-current financial liabilities	2.23	(31.84)
Increase (decrease) in other non-current liabilities	106.43	(88.86)
Increase in non-current provisions	311.42	132.07
Increase (decrease) in trade payables	624.64	(11.10)
Increase (decrease) in other current financial liabilities	229.96	(47.19)
Increase in other current liabilities	144.30	754.57
Increase in current provisions	114.20	30.91
Cash from operating activities	25,963.55	24,510.63
Payment of domestic and foreign taxes, net of refunds	(8,056.86)	(6,926.48)
Net cash provided by operating activities	17,906.69	17,584.15
Cash flows from investing activities		
Purchase of property, plant and equipment	(301.06)	(381.26)
Proceeds from sale of property, plant and equipment	0.41	1.52
Refund of deposits for premises and others	35.55	1.51
Bank fixed deposits having maturity of more than three months matured	35,219.59	34,731.17
Bank fixed deposits having maturity of more than three months booked	(21,466.40)	(34,538.74)
Interest received	2,491.41	1,557.19
Net cash provided by investing activities	15,979.50	1,371.39
Cash flows from financing activities		
Proceeds from issue of shares under employee stock option plan	207.39	79.36
Equity dividend paid	(19,459.76)	(16,415.93)
Repayment of lease liabilities	(299.20)	(272.95)
Interest paid on lease liabilities	(32.94)	(45.28)
Net cash (used in) financing activities	(19,584.51)	(16,654.80)
Net increase in cash and cash equivalents	14,301.68	2,300.74
Cash and cash equivalents at beginning of the year	20,400.79	16,799.73
Effect of exchange rate changes in cash and cash equivalents	130.11	1,300.32
Cash and cash equivalents at end of the year	34,832.58	20,400.79

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Consolidated statement of cash flow for the year ended March 31, 2024 (continued)

Component of cash and cash equivalents	(Amounts in ₹ million)	
	Year ended March 31,	
	2024	2023
Balances with banks:		
In current accounts*	10,935.84	20,134.65
In deposit accounts with original maturity of less than 3 months	12,190.23	228.09
Money market funds	11,668.55	-
In unclaimed dividend account**	37.96	38.05
Total cash and cash equivalents	34,832.58	20,400.79

* Current account includes ₹ 0.71 million (March 31, 2023 - ₹ 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 unclaimed dividend.
