

Oracle Financial Services Software Limited

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	1,460.39	1,623.83
Capital work-in-progress	24.97	0.23
Right-of-use assets	200.61	359.63
Investment property	102.00	102.00
Financial assets		
Investments in subsidiaries	7,912.24	7,905.65
Other financial assets	637.73	633.97
Deferred tax assets (net)	1,286.71	1,041.24
Income tax assets (net)	8,360.49	8,771.03
Other non-current assets	1,281.59	1,252.59
	21,266.73	21,690.17
Current assets		
Financial assets		
Trade receivables	8,198.41	6,309.19
Cash and cash equivalents	13,664.80	1,408.34
Other bank balances	19,211.18	33,132.27
Other financial assets	4,508.72	2,212.46
Other current assets	2,017.53	1,632.40
	47,600.64	44,694.66
TOTAL	68,867.37	66,384.83
<u>EQUITY AND LIABILITIES</u>		
Equity		
Equity share capital	433.36	431.99
Other equity	61,411.45	59,622.19
Total equity	61,844.81	60,054.18
Non-current liabilities		
Financial liabilities		
Lease liabilities	62.28	231.19
Other non-current liabilities	50.18	70.88
Provisions	1,828.48	1,601.39
	1,940.94	1,903.46
Current liabilities		
Financial liabilities		
Lease liabilities	169.95	160.77
Trade payables		
Payable to micro and small enterprises	5.27	26.65
Payable to other than micro and small enterprises	199.35	208.50
Other financial liabilities	1,518.30	1,234.89
Other current liabilities	1,742.27	1,478.11
Provisions	1,446.48	1,284.33
Income tax liabilities (net)	-	33.94
	5,081.62	4,427.19
TOTAL	68,867.37	66,384.83

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, 2024

(Amounts in ₹ million, except share data)

	Year ended March 31,	
	2024	2023
Revenue from operations	47,844.96	42,555.81
Finance income	2,407.86	1,335.58
Other (expense) income, net	(11.70)	1,190.79
Total income	50,241.12	45,082.18
Expenses		
Employee benefit expenses	19,178.83	17,719.22
Travel related expenses	680.07	396.07
Professional fees	1,529.69	1,590.12
Finance cost	21.11	32.12
Other operating expenses	1,872.22	1,328.82
Depreciation and amortization	597.62	583.85
Total expenses	23,879.54	21,650.20
Profit before tax	26,361.58	23,431.98
Tax expenses		
Current tax	6,348.89	5,809.39
Deferred tax	(266.50)	(102.49)
Total tax expenses	6,082.39	5,706.90
Profit for the year	20,279.19	17,725.08
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Remeasurement gains of defined benefit plan	83.55	20.66
Income tax effect	(21.03)	(5.20)
<i>Items that will be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of financial statements of foreign branch	6.11	24.32
Total other comprehensive income for the year, net of tax	68.63	39.78
Total comprehensive income for the year	20,347.82	17,764.86
Earnings per equity share of par value of ₹ 5 (March 31, 2023 ₹ 5) each (in ₹)		
Basic	234.27	205.25
Diluted	232.78	204.37

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, 2024

(a) Year ended March 31, 2024

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity								Total equity attributable to equity share holders of the Company
	Number of shares	Share Capital	Reserves and surplus					Other comprehensive income			
			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, 2023	86,397,179	431.99	0.01	17,364.31	10,145.19	1,532.58	124.27	30,387.71	68.12	-	60,054.18
<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	38.98	-	-	-	695.09
Forfeiture of options	-	-	-	-	-	(55.96)	-	55.96	-	-	-
Stock compensation related to options exercised	-	-	-	806.33	-	(806.33)	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	20,279.19	-	-	20,279.19
Interim equity dividend	-	-	-	-	-	-	-	(19,459.67)	-	-	(19,459.67)
Remeasurement gains of defined benefit plan including income tax effect	-	-	-	-	-	-	-	-	-	62.52	62.52
Exchange differences on translation of financial statements of foreign branch	-	-	-	-	-	-	-	-	6.11	-	6.11
Remeasurement gains of defined benefit plan including income tax effect transferred to retained earnings	-	-	-	-	-	-	-	62.52	-	(62.52)	-
Balance as of March 31, 2024	86,671,656	433.36	2.72	18,373.95	10,145.19	1,326.40	163.25	31,325.71	74.23	-	61,844.81

(b) Year ended March 31, 2023

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity								Total equity attributable to equity share holders of the Company
	Number of shares	Share Capital	Reserves and surplus					Other comprehensive income			
			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, 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
<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	33.65	-	-	-	590.67
Forfeiture of options	-	-	-	-	-	(113.72)	-	113.72	-	-	-
Stock compensation related to options exercised	-	-	-	472.08	-	(472.08)	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	17,725.08	-	-	17,725.08
Interim equity dividend	-	-	-	-	-	-	-	(16,405.35)	-	-	(16,405.35)
Remeasurement gains of defined benefit plan including income tax effect	-	-	-	-	-	-	-	-	-	15.46	15.46
Exchange differences on translation of financial statements of foreign branch	-	-	-	-	-	-	-	-	24.32	-	24.32
Remeasurement gains of defined benefit plan including income tax effect transferred to retained earnings	-	-	-	-	-	-	-	15.46	-	(15.46)	-
Balance as of March 31, 2023	86,397,179	431.99	0.01	17,364.31	10,145.19	1,532.58	124.27	30,387.71	68.12	-	60,054.18

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, 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 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 receivable (net of allowances), unbilled revenue, deposits for premises, property, plant and equipment, right-of-use asset and other assets. Segment liabilities primarily include 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 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 from operations	43,974.31	3,870.65	47,844.96
Segment result	23,907.50	1,731.47	25,638.97
Unallocable expenses			(1,673.55)
Finance income			2,407.86
Other (expense), net			(11.70)
Profit before tax			26,361.58
Tax expenses			(6,082.39)
Profit for the year			20,279.19

Year ended March 31, 2023			(Amounts in ₹ million)
Particulars	Products	Services	Total
Revenue from operations	38,840.10	3,715.71	42,555.81
Segment result	20,821.46	1,627.65	22,449.11
Unallocable expenses			(1,543.50)
Finance income			1,335.58
Other income, net			1,190.79
Profit before tax			23,431.98
Tax expenses			(5,706.90)
Profit for the year			17,725.08

Revenue of ₹ 40,873.53 million (March 31, 2023 ₹ 36,538.95 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	32.82	6.56	273.99
Depreciation and amortization	426.39	61.50	109.73	597.62
Other non cash expenses	531.51	(5.76)	1.75	527.50
Segment assets	15,599.83	1,202.49	52,065.05	68,867.37
Segment liabilities	6,124.44	681.19	216.93	7,022.56
Equity	-	-	61,844.81	61,844.81

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

Year ended March 31, 2023				(Amounts in ₹ million)
Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Property, plant and equipment	337.89	37.44	9.26	384.59
Depreciation and amortization	412.29	71.94	99.62	583.85
Other non cash expenses	220.38	0.25	1.82	222.45
Segment assets	11,785.14	783.02	53,816.67	66,384.83
Segment liabilities	5,487.59	609.78	233.28	6,330.65
Equity	-	-	60,054.18	60,054.18

Geographical segments

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

Regions	Year ended March 31,			
	2024		2023	
	Amounts in ₹ million	%	Amounts in ₹ million	%
India	6,090.78	12.7%	4,785.31	11.2%
Outside India				
Americas				
United States of America	11,445.43	24.0%	10,089.08	23.8%
Rest of America	3,409.89	7.1%	3,115.91	7.3%
Europe	7,236.22	15.1%	6,264.11	14.7%
Asia Pacific	9,019.29	18.9%	8,684.17	20.4%
Middle East and Africa	10,643.35	22.2%	9,617.23	22.6%
	47,844.96	100.0%	42,555.81	100.0%

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

Regions	As at			
	March 31, 2024		March 31, 2023	
	Amounts in ₹ million	%	Amounts in ₹ million	%
India	11,277.76	98.7%	11,660.07	96.3%
Outside India				
Europe	-	-	291.02	2.4%
Asia Pacific	45.69	0.4%	24.47	0.2%
Middle East and Africa	106.60	0.9%	133.75	1.1%
	11,430.05	100.0%	12,109.31	100.0%

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.

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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	26,361.58	23,431.98
Adjustments to reconcile profit before tax to cash provided by operating activities :		
Depreciation and amortization	597.62	583.85
Loss (profit) on sale of property, plant and equipment	0.17	(0.22)
Employee stock compensation expense	688.50	584.81
Finance income	(2,407.86)	(1,335.58)
Effect of exchange rate changes in cash and cash equivalents	(4.56)	(58.38)
Effect of exchange rate changes in assets and liabilities	(0.84)	378.39
Finance cost	21.11	32.12
Impairment loss recognized on contract assets	455.82	139.94
Impairment loss recognized on other financial assets	7.40	7.54
Bad debts	64.28	74.97
Dividend from subsidiary companies	-	(932.14)
Operating Profit before Working Capital changes	25,783.22	22,907.28
Movements in working capital		
Decrease in other non-current financial assets	-	8.49
(Increase) in other non-current assets	(28.27)	-
(Increase) in trade receivables	(2,412.34)	(1,195.91)
(Increase) in other current financial assets	(2,257.72)	(744.71)
(Increase) decrease in other current assets	(385.52)	170.03
Increase in non-current provisions	314.70	158.27
(Decrease) increase in trade payables	(32.62)	76.73
Increase in other current financial liabilities	288.61	99.35
Increase (decrease) in other current liabilities	264.22	(99.22)
(Decrease) in other non-current liabilities	(20.70)	(78.02)
Increase in current provisions	162.41	81.64
Cash from operating activities	21,675.99	21,383.93
Payment of domestic and foreign taxes, net of refunds	(5,239.65)	(6,326.50)
Net cash provided by operating activities	16,436.34	15,057.43
Cash flows from investing activities		
Purchase of property, plant and equipment	(287.94)	(355.44)
Proceeds from sale of property, plant and equipment	0.04	0.89
(Placement) refund of deposits for premises and others	(0.03)	1.18
Bank fixed deposits having maturity of more than three months matured	33,515.00	32,400.00
Bank fixed deposits having maturity of more than three months booked	(19,600.00)	(32,595.00)
Interest received	1,622.66	1,226.52
Dividend received from subsidiary companies	-	932.14
Net cash provided by investing activities	15,249.73	1,610.29
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)
Interest paid on lease liabilities	(21.11)	(32.12)
Repayment of lease liabilities	(160.69)	(138.34)
Net cash (used in) financing activities	(19,434.17)	(16,507.03)
Net increase in cash and cash equivalents	12,251.90	160.69
Cash and cash equivalents at beginning of the year	1,408.34	1,189.27
Effect of exchange rate changes in cash and cash equivalents	4.56	58.38
Cash and cash equivalents at end of the year	13,664.80	1,408.34

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

	(Amounts in ₹ million)	
	Year ended March 31,	
	2024	2023
Component of cash and cash equivalents		
Balances with banks:		
In current accounts	1,486.62	1,160.26
In deposit accounts with original maturity of less than three months	12,140.22	210.03
In unclaimed dividend account*	37.96	38.05
Total cash and cash equivalents at the end of the year	13,664.80	1,408.34

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