

Oracle Financial Services Software Limited

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

(₹ in million, except per share data)

PART I	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	10,800.92	11,170.14	10,013.90	21,971.06	20,601.71	42,555.81
	(b) Other income, net	364.36	754.75	304.53	1,119.11	620.05	2,526.37
	Total income	11,165.28	11,924.89	10,318.43	23,090.17	21,221.76	45,082.18
2	EXPENSES						
	(a) Employee benefit expenses	4,781.67	4,674.08	4,496.62	9,455.75	8,562.67	17,719.22
	(b) Travel related expenses	176.82	124.57	96.30	301.39	178.05	396.07
	(c) Professional fees	430.24	342.74	380.22	772.98	781.04	1,590.12
	(d) Finance cost	5.62	6.25	8.30	11.87	17.15	32.12
	(e) Other operating expenses	400.95	494.68	279.54	895.63	610.84	1,328.82
	(f) Depreciation and amortisation	153.20	145.48	150.36	298.68	294.13	583.85
	Total expenses	5,948.50	5,787.80	5,411.34	11,736.30	10,443.88	21,650.20
3	Profit before tax	5,216.78	6,137.09	4,907.09	11,353.87	10,777.88	23,431.98
4	Tax expense						
	(a) Current tax	1,339.12	1,642.72	1,283.88	2,981.84	2,796.64	5,809.39
	(b) Deferred tax	(58.95)	(55.15)	25.54	(114.10)	(8.89)	(102.49)
	Total tax expense	1,280.17	1,587.57	1,309.42	2,867.74	2,787.75	5,706.90
5	Net profit for the period	3,936.61	4,549.52	3,597.67	8,486.13	7,990.13	17,725.08
6	Other Comprehensive Income						
	(a) Items that will not be reclassified subsequently to profit or loss						
	(i) Actuarial gain (loss) on gratuity	52.25	(7.52)	(79.18)	44.73	(25.52)	20.66
	(ii) Deferred tax	(13.15)	1.89	19.38	(11.26)	5.87	(5.20)
	(b) Items that will be reclassified subsequently to profit or loss						
	(i) Exchange differences on translation of foreign operations	(0.20)	0.77	2.89	0.57	17.64	24.32
	Total other comprehensive income (loss) for the period, net of tax	38.90	(4.86)	(56.91)	34.04	(2.01)	39.78
7	Total Comprehensive Income for the period	3,975.51	4,544.66	3,540.76	8,520.17	7,988.12	17,764.86
8	Paid up equity share capital (face value ₹ 5 each, fully paid)	433.01	432.46	431.87	433.01	431.87	431.99
9	Reserve excluding Revaluation Reserves as per balance sheet						59,622.19
10	Earnings per equity share (face value ₹ 5 each, fully paid)						
	(a) Basic (in ₹)	45.50	52.62	41.66	98.12	92.55	205.25
	(b) Diluted (in ₹)	45.27	52.37	41.52	97.61	92.20	204.37
See accompanying note to the financial results							

Notes to financial results :

- 1 The unaudited standalone financial results for 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 the 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 Company 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	374.07	748.66	248.18	1,122.73	529.72	1,335.58
Exchange (loss) gain, net	(16.66)	(0.84)	48.58	(17.50)	72.08	221.25
Miscellaneous income, net	6.95	6.93	7.77	13.88	18.25	37.40
Dividend from subsidiary companies	-	-	-	-	-	932.14
Total	364.36	754.75	304.53	1,119.11	620.05	2,526.37

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	1,602.73	1,623.83
(b) Capital work-in-progress	0.19	0.23
(c) Right-of-use asset	280.62	359.63
(d) Investment property	102.00	102.00
(e) Financial assets		
(i) Investments in subsidiaries	7,909.67	7,905.65
(ii) Other non-current financial assets	653.56	633.97
(f) Deferred tax assets (net)	1,144.07	1,041.24
(g) Income tax assets (net)	8,599.51	8,771.03
(h) Other non-current assets	1,275.51	1,252.59
	21,567.86	21,690.17
2 Current assets		
(a) Financial assets		
(i) Trade receivables	5,586.90	6,309.19
(ii) Cash and cash equivalents	1,709.01	1,408.34
(iii) Other bank balances	21,460.53	33,132.27
(iv) Other current financial assets	3,202.50	2,212.46
(b) Other current assets	2,636.37	1,632.40
	34,595.31	44,694.66
TOTAL - ASSETS	56,163.17	66,384.83

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	49,196.96	59,622.19
	49,629.97	60,054.18
2 Non-current liabilities		
(a) Financial liabilities		
(i) Lease liability	125.60	231.19
(b) Other non-current liabilities	80.80	70.88
(b) Provisions	1,711.63	1,601.39
	1,918.03	1,903.46
3 Current liabilities		
(a) Financial liabilities		
(i) Lease liability	171.34	160.77
(ii) Trade payables		
- Payable to micro and small enterprises	12.70	26.65
- Payable to others	207.42	208.50
(iii) Other current financial liabilities	1,232.39	1,234.89
(b) Other current liabilities	1,616.29	1,478.11
(c) Provisions	1,366.00	1,284.33
(d) Income tax liabilities (net)	9.03	33.94
	4,615.17	4,427.19
TOTAL - EQUITY AND LIABILITIES	56,163.17	66,384.83

7 Statement of cash flows

(₹ in million)

Particulars	Six month period ended	
	September 30, 2023	September 30, 2022
	Unaudited	Unaudited
Cash flows from operating activities		
Profit before tax	11,353.87	10,777.88
Adjustments to reconcile profit before tax to cash provided by operating activities :		
Depreciation and amortization	298.68	294.13
Loss on sale of property, plant and equipment	0.03	0.29
Employee stock compensation expense	352.07	235.58
Finance income	(1,122.73)	(529.72)
Effect of exchange rate changes in cash and cash equivalents	6.15	(37.95)
Effect of exchange rate changes in assets and liabilities	9.81	150.45
Finance cost	11.87	17.15
Impairment loss on contract assets	213.99	35.86
Impairment loss on other financial assets	4.36	3.67
Operating Profit before Working Capital changes	11,128.10	10,947.34

Statement of cash flows (continued)

(₹ in million)

Particulars	Six month period ended	
	September 30, 2023	September 30, 2022
	Unaudited	Unaudited
Movements in working capital		
Decrease in other non-current financial assets	-	0.52
(Increase) decrease in other non-current assets	(22.49)	3.82
Decrease in trade receivables	508.32	209.79
(Increase) in other current financial assets	(994.09)	(1,368.70)
(Increase) in other current assets	(1,004.21)	(559.28)
Increase in non-current provisions	158.21	43.67
(Decrease) Increase in trade payables	(15.82)	60.55
(Decrease) Increase in other current financial liabilities	(30.48)	113.33
Increase in other current liabilities	138.23	88.34
Increase (decrease) in other non-current liabilities	9.92	(43.19)
Increase in current provisions	81.86	85.11
Cash from operating activities	9,957.55	9,581.30
Payment of domestic and foreign taxes	(2,434.18)	(2,766.00)
Net cash provided by operating activities	7,523.37	6,815.30
Cash flows from investing activities		
Purchase of property, plant and equipment	(186.48)	(227.65)
Proceeds from sale of property, plant and equipment	0.00	-
Refund of deposits for premises and others	0.14	0.60
Bank fixed deposits having maturity of more than three months matured	21,595.00	23,000.00
Bank fixed deposits having maturity of more than three months booked	(9,920.00)	(13,560.00)
Interest received	695.88	697.26
Dividend received from subsidiary companies	-	-
Net cash provided by investing activities	12,184.54	9,910.21
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)	(16,400.17)
Interest paid on lease liability	(11.87)	(17.15)
Repayment of lease liability	(95.78)	(82.57)
Net cash (used in) financing activities	(19,401.09)	(16,425.27)
Net increase in cash and cash equivalents	306.82	300.24
Cash and cash equivalents at beginning of the period	1,408.34	1,189.27
Effect of exchange rate changes in cash and cash equivalents	(6.15)	37.95
Cash and cash equivalents at end of the period	1,709.01	1,527.46
Component of cash and cash equivalents		
Balances with banks:		
In current accounts	1,462.68	1,173.59
In deposit accounts with original maturity of less than three months	201.25	300.06
In unclaimed dividend account*	45.08	53.81
Total cash and cash equivalents at end of the period	1,709.01	1,527.46

* 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 include 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 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	9,870.17	10,225.96	9,030.48	20,096.13	18,716.71	38,840.10
IT solutions and consulting services	930.75	944.18	983.42	1,874.93	1,885.00	3,715.71
	10,800.92	11,170.14	10,013.90	21,971.06	20,601.71	42,555.81
(b) Segment results						
Product licenses and related activities	4,881.34	5,404.30	4,518.08	10,285.64	10,054.52	20,821.46
IT solutions and consulting services	357.74	461.12	474.28	818.85	877.88	1,627.65
	5,239.08	5,865.42	4,992.36	11,104.49	10,932.40	22,449.11
Finance income	374.07	748.66	248.18	1,122.73	529.72	1,335.58
Other un-allocable (expenses) income, net	(396.37)	(476.99)	(333.45)	(873.35)	(684.24)	(352.71)
Profit before tax	5,216.78	6,137.09	4,907.09	11,353.87	10,777.88	23,431.98
(c) Segment assets						
Product licenses and related activities	12,788.09	13,146.79	11,935.54	12,788.09	11,935.54	11,785.14
IT solutions and consulting services	922.93	842.84	1,021.90	922.93	1,021.90	783.02
Unallocable	42,452.15	38,209.03	43,656.22	42,452.15	43,656.22	53,816.67
	56,163.17	52,198.66	56,613.66	56,163.17	56,613.66	66,384.83
(d) Segment liabilities						
Product licenses and related activities	5,705.29	5,984.45	5,717.80	5,705.29	5,717.80	5,487.59
IT solutions and consulting services	629.39	644.31	603.44	629.39	603.44	609.78
Unallocable	198.52	233.02	372.08	198.52	372.08	233.28
	6,533.20	6,861.78	6,693.32	6,533.20	6,693.32	6,330.65

- 9 During the year ended March 31, 2023, the Company had received dividend of ₹ 532.14 million and ₹ 400.00 million from its wholly owned subsidiary companies Oracle Financial Services Software B.V and Oracle (OFSS) Processing Services Limited respectively.
- 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