

Oracle Financial Services Software Limited

Unaudited condensed balance sheet as at December 31, 2020

	(Amounts in ₹ million)	
	December 31, 2020	March 31, 2020
ASSETS		
Non-current assets		
Property, plant and equipment	1,949.55	2,213.94
Capital work-in-progress	1.10	0.16
Right-of-use asset	417.31	622.57
Investment property	102.00	102.00
Financial assets		
Investments in subsidiaries	7,683.50	7,681.61
Other non-current financial assets	1,397.95	1,376.59
Deferred tax assets (net)	817.92	740.39
Income tax assets (net)	7,649.15	7,705.59
Other non-current assets	327.36	345.25
	20,345.84	20,788.10
Current assets		
Financial assets		
Trade receivables	3,737.95	4,154.31
Loan	60.00	106.00
Cash and cash equivalents	2,418.54	1,993.84
Other bank balances	26,094.44	30,545.37
Other current financial assets	3,204.46	1,656.02
Other current assets	1,955.68	1,424.00
	37,471.07	39,879.54
TOTAL	57,816.91	60,667.64
EQUITY AND LIABILITIES		
Equity		
Equity share capital	430.20	429.40
Other equity	51,769.89	54,653.61
Total equity	52,200.09	55,083.01
Non-current liabilities		
Financial liabilities		
Lease liability	260.28	283.25
Provisions	1,211.83	1,150.97
	1,472.11	1,434.22
Current liabilities		
Financial liabilities		
Lease liability	134.88	269.35
Trade payables		
Payable to micro and small enterprises	2.63	2.58
Payable to others	211.55	263.00
Other current financial liabilities	1,818.47	1,577.10
Other current liabilities	929.63	1,060.07
Provisions	1,030.78	951.83
Income tax liabilities (net)	16.77	26.48
	4,144.71	4,150.41
TOTAL	57,816.91	60,667.64

The accompanying notes form an integral part of the financial statements.

Oracle Financial Services Software Limited

Unaudited condensed statement of profit and loss for the three and nine month period ended December 31, 2020

	(Amounts in ₹ million, except share data)			
	Three month period ended December 31,		Nine month period ended December 31,	
	2020	2019	2020	2019
Revenue from operations	8,880.88	8,355.98	27,484.62	26,191.52
Finance income	255.32	395.99	797.83	1,084.25
Other income, net	11.33	122.08	76.42	159.48
Total income	9,147.53	8,874.05	28,358.87	27,435.25
Expenses				
Employee benefit expenses	3,024.38	2,942.52	9,131.21	8,816.59
Travel related expenses	28.66	415.57	288.75	1,246.18
Professional fees	306.53	298.53	1,011.82	965.03
Finance cost	11.93	15.88	37.84	50.07
Other operating expenses	312.01	114.36	763.42	860.97
Depreciation and amortization	201.18	210.88	619.92	620.97
Total expenses	3,884.69	3,997.74	11,852.96	12,559.81
Profit before tax	5,262.84	4,876.31	16,505.91	14,875.44
Tax expenses				
Current tax	1,394.72	1,145.38	4,317.64	3,912.88
Deferred tax	(50.49)	23.57	(72.53)	166.12
Total tax expenses	1,344.23	1,168.95	4,245.11	4,079.00
Profit for the period	3,918.61	3,707.36	12,260.80	10,796.44
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Actuarial gain (loss) on gratuity fund	(29.74)	17.24	(19.84)	(40.05)
Deferred tax	7.48	(4.34)	4.99	10.08
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	(6.87)	1.80	(16.46)	3.69
Total other comprehensive income for the period, net of tax	(29.13)	14.70	(31.31)	(26.28)
Total comprehensive income for the period	3,889.48	3,722.06	12,229.49	10,770.16
Earnings per equity share of par value of ₹ 5 (December 31, 2019 ₹ 5) each (in ₹)				
Basic	45.56	43.19	142.63	125.80
Diluted	45.38	43.02	142.04	125.28
Weighted average number of shares used in computing earnings per share				
Basic	86,001,447	85,846,537	85,964,515	85,820,993
Diluted	86,343,158	86,181,665	86,320,595	86,175,832
The accompanying notes form an integral part of the financial statements.				

Unaudited condensed statement of changes in equity for the nine month period ended December 31, 2020

(a) Nine month period ended December 31, 2020

(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	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Contribution from Ultimate Holding Company	Retained earnings	Other comprehensive income		
									Foreign currency translation reserve	Remeasurement of defined benefit obligation	
Balance as of April 1, 2020	85,879,298	429.40	-	15,500.49	10,145.19	1,726.79	60.27	27,175.94	44.93	-	55,083.01
Changes in equity for the nine month period ended December 31, 2020											
Application money received for exercised options	-	-	46.86	-	-	-	-	-	-	-	46.86
Shares issued for exercised options	160,819	0.80	(46.86)	46.06	-	-	-	-	-	-	-
Stock compensation charge	-	-	-	-	-	304.60	7.82	-	-	-	312.42
Forfeiture of options	-	-	-	-	-	(33.54)	-	33.54	-	-	-
Stock compensation related to options exercised	-	-	-	519.21	-	(519.21)	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	12,260.80	-	-	12,260.80
Interim equity dividend	-	-	-	-	-	-	-	(15,471.69)	-	-	(15,471.69)
Actuarial (loss) gain on gratuity fund including deferred tax thereon	-	-	-	-	-	-	-	-	-	(14.85)	(14.85)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	(16.46)	-	(16.46)
Actuarial (loss) gain on gratuity fund including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	-	(14.85)	-	14.85	-
Balance as of December 31, 2020	86,040,117	430.20	-	16,065.76	10,145.19	1,478.64	68.09	23,983.74	28.47	-	52,200.09

(b) Nine month period ended December 31, 2019

(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	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Contribution from Ultimate Holding Company	Retained earnings	Other comprehensive income		
									Foreign currency translation	Remeasurement of defined benefit	
Balance as of April 1, 2019	85,779,147	428.90	0.48	15,140.91	10,145.19	1,647.37	41.86	11,389.67	9.36	-	38,803.74
Changes in equity for the nine month period ended December 31, 2019											
Application money received for exercised options	-	-	40.24	-	-	-	-	-	-	-	40.24
Shares issued for exercised options	77,898	0.39	(40.72)	40.33	-	-	-	-	-	-	-
Stock compensation charge	-	-	-	-	-	313.72	13.14	-	-	-	326.86
Forfeiture of options	-	-	-	-	-	(25.13)	-	25.13	-	-	-
Stock compensation related to options exercised	-	-	-	241.88	-	(241.88)	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	10,796.44	-	-	10,796.44
Actuarial (loss) gain on gratuity fund including deferred tax thereon	-	-	-	-	-	-	-	-	-	(29.97)	(29.97)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	3.69	-	3.69
Actuarial (loss) gain on gratuity fund including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	-	(29.97)	-	29.97	-
Balance as of December 31, 2019	85,857,045	429.29	-	15,423.12	10,145.19	1,694.08	55.00	22,181.27	13.05	-	49,941.00

Unaudited condensed statement of changes in equity for the nine month period ended December 31, 2020

(c) Year ended March 31, 2020

(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	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Contribution from Ultimate Holding Company	Retained earnings	Other comprehensive income		
									Foreign currency translation reserve	Remeasurement of defined benefit obligation	
Balance as of April 1, 2019	85,779,147	428.90	0.48	15,140.91	10,145.19	1,647.37	41.86	11,389.67	9.36	-	38,803.74
Changes in equity for the year ended March 31, 2020											
Application money received for exercised options	-	-	43.19	-	-	-	-	-	-	-	43.19
Shares issued for exercised options	100,151	0.50	(43.67)	43.17	-	-	-	-	-	-	-
Stock compensation charge	-	-	-	-	-	424.65	18.41	-	-	-	443.06
Forfeiture of options	-	-	-	-	-	(28.82)	-	28.82	-	-	-
Stock compensation related to options exercised	-	-	-	316.41	-	(316.41)	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	15,826.56	-	-	15,826.56
Actuarial (loss) gain on gratuity fund including deferred tax thereon	-	-	-	-	-	-	-	-	-	(69.11)	(69.11)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	35.57	-	35.57
Actuarial (loss) gain on gratuity fund including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	-	(69.11)	-	69.11	-
Balance as of March 31, 2020	85,879,298	429.40	-	15,500.49	10,145.19	1,726.79	60.27	27,175.94	44.93	-	55,083.01

The accompanying notes form an integral part of the financial statements.

Oracle Financial Services Software Limited

Notes annexed to and forming part of the unaudited condensed financial statements for the three and nine month period ended December 31, 2020

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 73.28% (March 31, 2020 – 73.42%) ownership interest in the Company as at December 31, 2020.

The Company 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 standalone financial statements for the three and nine month period ended December 31, 2020 were approved by the Company's Board of Directors and authorized for issue on January 28, 2021.

Note 2: Accounting policies

These interim standalone 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 Company 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, 2020.

Note 3:

During the nine month period ended December 31, 2019, the Company has acquired 100% equity shares of Mantas India Private Limited at ₹ 20.28 million towards restructuring of ownership in Indian step-down subsidiary of the Company.

Note 4:

Other operating expenses for the three and nine month period ended December 31, 2019 include ₹ 0.28 million and ₹ 242.03 million respectively; towards provision for impairment of inter-company loan (including commitment thereof) granted to Oracle (OFSS) BPO Services Limited, a step-down subsidiary company.

Oracle Financial Services Software Limited

Notes annexed to and forming part of the unaudited condensed financial statements for the three and nine month period ended December 31, 2020

Note 5: Capital commitments and contingent liabilities

Particulars	(Amounts in ₹ million)	
	December 31, 2020	March 31, 2020
a) Capital commitments towards		
i) Property, plant and equipment		
Contracts remaining to be executed on capital account not provided for (net of advances)	77.27	124.68
ii) acquisition of shares of step-down subsidiary companies	120.00	120.00
iii) unsecured loan to step-down subsidiary company	144.00	144.00
b) Contingent liabilities	Nil	Nil
(Refer note 6 for tax litigations)		

Note 6: Tax litigations

As at December 31, 2020, the Company has certain litigations with respect to tax matters for various assessment years amounting to ₹ 11,433.80 million (March 31, 2020 ₹ 11,388.20 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 ₹ 5,476.48 million (March 31, 2020 ₹ 5,476.48 million) as at December 31, 2020. Further for certain litigations the Company has aggregate provisions of ₹ 910.40 million (March 31, 2020 ₹ 886.21 million) as at December 31, 2020.

Note 7: Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying value of trade receivables, unbilled receivables, contract assets and investment in subsidiaries, which are not significant to the standalone financial statements for the three and nine month period ended December 31, 2020. In assessing the recoverability of these assets, the Company has used internal and external sources of information up to the date of approval of these standalone financial statements, and based on current estimates, expects the net carrying amount of these assets will be recovered. The impact on account of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these standalone financial statements. The Company will continue to monitor any material impact due to changes in future economic conditions.

Note 8:

The Code on Social Security, 2020 ('Code') relating to employee benefits during the employment and post-employment benefits received Presidential assent on September 28, 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.

Oracle Financial Services Software Limited

Notes annexed to and forming part of the unaudited condensed financial statements for the three and nine month period ended December 31, 2020

Note 9: Segment information

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')

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 revenue, 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 two or more segments is allocated to 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, 2020

(Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue from operations	8,015.42	865.46	8,880.88
Segment result	5,089.30	385.23	5,474.53
Unallocable expenses			(478.34)
Finance income			255.32
Other income, net			11.33
Profit before tax			5,262.84
Tax expenses			(1,344.23)
Profit for the period			3,918.61

Three month period ended December 31, 2019

(Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue from operations	7,489.06	866.92	8,355.98
Segment result	4,178.16	316.94	4,495.10
Unallocable expenses			(136.86)
Finance income			395.99
Other income, net			122.08
Profit before tax			4,876.31
Tax expenses			(1,168.95)
Profit for the period			3,707.36

Oracle Financial Services Software Limited

Notes annexed to and forming part of the unaudited condensed financial statements for
the three and nine month period ended December 31, 2020

Nine month period ended December 31, 2020

(Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue from operations	24,784.90	2,699.72	27,484.62
Segment result	15,593.68	1,076.00	16,669.68
Unallocable expenses			(1,038.02)
Finance income			797.83
Other income, net			76.42
Profit before tax			16,505.91
Tax expenses			(4,245.11)
Profit for the period			12,260.80

Nine month period ended December 31, 2019

(Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue from operations	23,440.47	2,751.05	26,191.52
Segment result	13,303.84	1,117.69	14,421.53
Unallocable expenses			(789.82)
Finance income			1,084.25
Other income, net			159.48
Profit before tax			14,875.44
Tax expenses			(4,079.00)
Profit for the period			10,796.44

Other information

Three month period ended December 31, 2020

(Amounts in ₹ million)

Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Property, plant and equipment	34.73	4.88	1.06	40.67
Depreciation and amortization	148.14	19.74	33.30	201.18
Other non cash expenses	(45.70)	(0.09)	0.03	(45.76)
Segment assets	9,137.15	1,967.69	46,712.07	57,816.91
Segment liabilities	4,509.89	875.41	231.52	5,616.82
Equity	-	-	52,200.09	52,200.09

Three month period ended December 31, 2019

(Amounts in ₹ million)

Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Property, plant and equipment	126.51	21.15	4.19	151.85
Depreciation and amortization	176.47	26.55	7.86	210.88
Other non cash expenses	(30.96)	2.58	0.32	(28.06)
Segment assets	8,909.63	1,898.34	45,320.60	56,128.57
Segment liabilities	4,823.10	594.88	769.59	6,187.57
Equity	-	-	49,941.00	49,941.00

Nine month period ended December 31, 2020

(Amounts in ₹ million)

Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Property, plant and equipment	122.96	16.53	3.78	143.27
Depreciation and amortization	475.36	70.22	74.34	619.92
Other non cash expenses	(25.60)	8.22	0.43	(16.95)
Segment assets	9,137.15	1,967.69	46,712.07	57,816.91
Segment liabilities	4,509.89	875.41	231.52	5,616.82
Equity	-	-	52,200.09	52,200.09

Nine month period ended December 31, 2019

(Amounts in ₹ million)

Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Property, plant and equipment	268.79	40.53	7.93	317.25
Depreciation and amortization	520.75	76.61	23.61	620.97
Other non cash expenses	52.38	9.96	242.17	304.51
Segment assets	8,909.63	1,898.34	45,320.60	56,128.57
Segment liabilities	4,823.10	594.88	769.59	6,187.57
Equity	-	-	49,941.00	49,941.00

Oracle Financial Services Software Limited

**Notes annexed to and forming part of the unaudited condensed financial statements for
the three and nine month period ended December 31, 2020**

Note 10: 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, 2020 (Amounts in ₹ million)

Particulars	Products	Services	Total
Revenues by geography			
India	809.24	4.78	814.02
Outside India			
Americas			
United States of America	1,298.16	627.43	1,925.59
Rest of America	638.10	2.62	640.72
Europe	1,561.00	101.78	1,662.78
Asia Pacific	2,105.79	92.98	2,198.77
Middle East and Africa	1,603.13	35.87	1,639.00
	8,015.42	865.46	8,880.88
Revenues by streams and type of contract			
License fees	1,033.48	-	1,033.48
Maintenance fees	3,191.67	-	3,191.67
Consulting fees			
Fixed price	2,348.15	280.46	2,628.61
Time and material basis	1,442.12	585.00	2,027.12
	8,015.42	865.46	8,880.88

Three month period ended December 31, 2019 (Amounts in ₹ million)

Particulars	Products	Services	Total
Revenues by geography			
India	699.85	0.37	700.22
Outside India			
Americas			
United States of America	1,288.56	615.15	1,903.71
Rest of America	488.22	4.09	492.31
Europe	1,203.38	105.70	1,309.08
Asia Pacific	1,891.28	125.05	2,016.33
Middle East and Africa	1,917.77	16.56	1,934.33
	7,489.06	866.92	8,355.98
Revenues by streams and type of contract			
License fees	590.78	-	590.78
Maintenance fees	2,928.42	-	2,928.42
Consulting fees			
Fixed price	2,235.09	236.23	2,471.32
Time and material basis	1,734.77	630.69	2,365.46
	7,489.06	866.92	8,355.98

Nine month period ended December 31, 2020 (Amounts in ₹ million)

Particulars	Products	Services	Total
Revenues by geography			
India	2,540.88	15.07	2,555.95
Outside India			
Americas			
United States of America	3,765.49	1,925.45	5,690.94
Rest of America	1,942.95	8.51	1,951.46
Europe	4,714.50	361.77	5,076.27
Asia Pacific	6,516.92	288.11	6,805.03
Middle East and Africa	5,304.16	100.81	5,404.97
	24,784.90	2,699.72	27,484.62
Revenues by streams and type of contract			
License fees	3,752.29	-	3,752.29
Maintenance fees	9,487.09	-	9,487.09
Consulting fees			
Fixed price	7,338.65	836.21	8,174.86
Time and material basis	4,206.87	1,863.51	6,070.38
	24,784.90	2,699.72	27,484.62

Oracle Financial Services Software Limited

Notes annexed to and forming part of the unaudited condensed financial statements for the three and nine month period ended December 31, 2020

Nine month period ended December 31, 2019 (Amounts in ₹ million)

Particulars	Products	Services	Total
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Revenues by geography

India	2,093.87	1.37	2,095.24
Outside India			
Americas			
United States of America	3,832.70	1,920.60	5,753.30
Rest of America	1,447.48	19.36	1,466.84
Europe	3,792.95	388.99	4,181.94
Asia Pacific	5,901.09	319.44	6,220.53
Middle East and Africa	6,372.38	101.29	6,473.67
	<u>23,440.47</u>	<u>2,751.05</u>	<u>26,191.52</u>

Revenues by streams and type of contract

License fees	3,103.98	-	3,103.98
Maintenance fees	8,488.03	-	8,488.03
Consulting fees			
Fixed price	6,733.25	784.74	7,517.99
Time and material basis	5,115.21	1,966.31	7,081.52
	<u>23,440.47</u>	<u>2,751.05</u>	<u>26,191.52</u>

Oracle Financial Services Software Limited

Unaudited condensed statement of cash flow for the nine month period ended December 31, 2020

	(Amounts in ₹ million)	
	Nine month period ended December 31,	
	2020	2019
Net cash provided by operating activities	10,863.93	11,120.48
Net cash provided by (used in) investing activities	5,181.32	(11,100.22)
Net cash (used in) financing activities	(15,609.81)	(195.97)
Net increase (decrease) in cash and cash equivalents	435.44	(175.71)
Cash and cash equivalents at beginning of the period	1,993.84	2,713.65
Effect of exchange difference on cash and bank balances	(10.74)	24.64
Cash and cash equivalents at end of the period	2,418.54	2,562.58
Component of cash and cash equivalents		
Balances with banks:		
In current accounts	2,131.90	1,615.33
In deposit accounts with original maturity of less than three months	200.64	880.94
In unclaimed dividend account*	86.00	66.31
Total cash and cash equivalents at the end of the period	2,418.54	2,562.58

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