



**ORACLE**  
Financial Services

**Oracle Financial Services Software Limited**  
Annual Report  
2021-22



## Letter to Shareholders

On behalf of the Board of Directors, I am pleased to report that for the financial year ended March 31, 2022, your Company posted a consolidated revenue of ₹ 52.2 billion. Consolidated net profit for the financial year was ₹ 18.9 billion, an increase of 7% over the previous financial year.

Our customer footprint continues to be diverse in terms of scale and geography as we cater to the needs of the global multinational banks, small to large regional banks, as well as specialized banks and financial services companies. Maintaining a growth momentum throughout the financial year, your Company acquired new customers across all business areas - Corporate Banking, Retail Banking, Modern Risk and Finance, and Financial Crime and Compliance Management. Simultaneously, we have also been growing business from our existing clients through targeted cross-selling and upselling. Our continued investments in building organic SaaS solutions are now starting to bear fruits. This year, we signed our largest-ever multi-year SaaS deal with a tier-1 US bank.

The banking and financial services industry has been witnessing a rapid transformation, with banks and financial institutions redefining their operating and deployment models to keep pace with technological disruptions. Our razor-sharp focus on innovative, market-leading technology, business solutions, and service offerings empowers financial institutions to deliver better financial services to their clients. Our solutions are built on our technology blueprint of an agile and adaptive architecture, with innovation built in for faster business outcomes. We can offer options of cloud or on-premise deployment based on the customers' preferences. This year, we introduced the Embedded Finance for Transaction Banking solution that enables banks to provide a personalized digital banking experience—with seamless payments, collections, holistic working-capital management recommendations, and virtual account management—built on a modern, data-rich cloud foundation that is integrated seamlessly with the clients' ERP systems. We are leveraging the power of Artificial Intelligence (AI), Machine Learning (ML), and advanced analytics to tackle financial crime and comply with evolving regulations.

Your Company continues to lead the industry analyst recognitions. We retained our leadership position in this year's Gartner - Global Retail Core Banking Annual Survey. IDC MarketScape recognized us as a leader in worldwide end-to-end corporate banking. Our successful shift to banking based on microservices was corroborated by Gartner who acknowledged that "Oracle's number of exposed microservices is the highest across the vendors". Asia Risk Awards recognized Oracle for the best asset-liability management solution and Risk Data Repository of the year. Regulation Asia awarded Oracle's anti-financial crime solutions high distinction for Know Your Customer (KYC), Onboarding, PEPs, and Sanctions Screening capabilities.

Continuing its support in the fight against the COVID-19 pandemic, your Company concentrated its CSR efforts in the last two years on providing pandemic-related relief to the community, including, but not limited to, delivering critical medical supplies and services, supporting vaccination drives, and providing essential services to those impacted by the pandemic. Internally, the Company directed its resources towards supporting the employees and their families during the critical pandemic period, including by helping arrange critical medical facilities and resources such as vaccination drives.

Your Company continues its mission to empower financial institutions to deliver better financial services through innovative, market-leading technology and business solutions. As the global demand expands, we are well placed to respond to the market demands in the coming years.

On behalf of the Board of Directors and Management of Oracle Financial Services Software, I would like to thank you for your support. In the coming year, we will continue to work towards surpassing your expectations from the Company and aim to set and achieve newer and more challenging targets.

Regards,

**S Venkatachalam**

Chairperson

Oracle Financial Services Software Limited

This page has been intentionally left blank.

## **Contents**

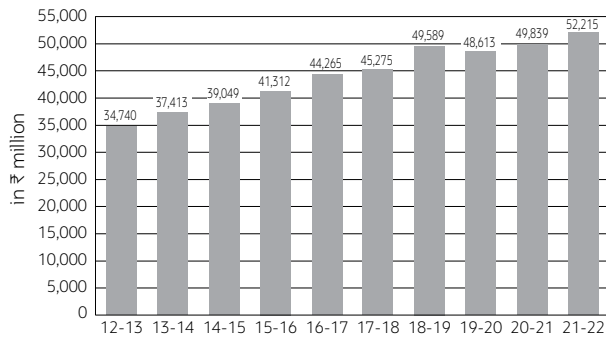
|                                      |     |
|--------------------------------------|-----|
| Ten year history                     | 4   |
| Corporate information                | 5   |
| Directors' report                    | 6   |
| Corporate governance report          | 24  |
| Management's discussion and analysis | 38  |
| Consolidated financials              | 53  |
| Unconsolidated financials            | 123 |
| Notice of annual general meeting     | 187 |

### **Annual General Meeting**

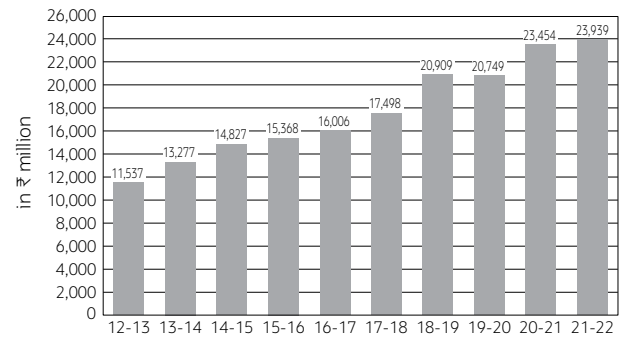
|              |   |   |
|--------------|---|---|
| Day and Date | : | Wednesday, August 3, 2022                     |
| Time         | : | 5.00 p.m. (IST)                               |
| Mode         | : | Video Conferencing / Other Audio Visual Means |

# Ten year history

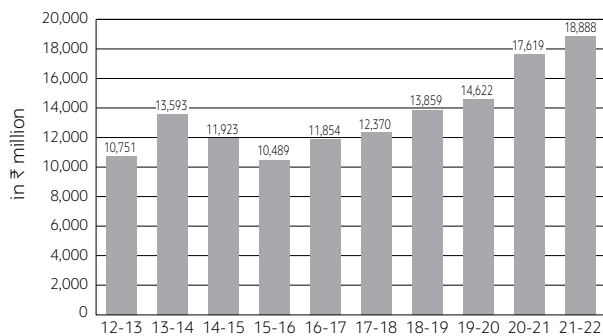
## Operating revenue



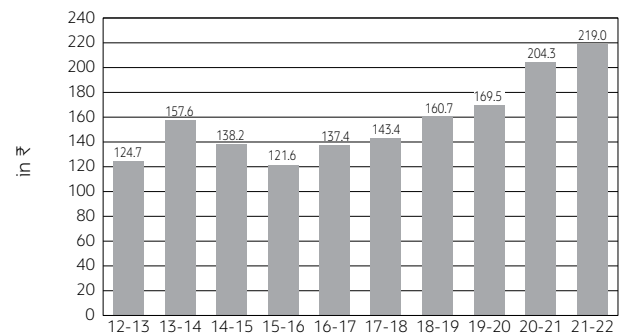
## Operating income



## Net income

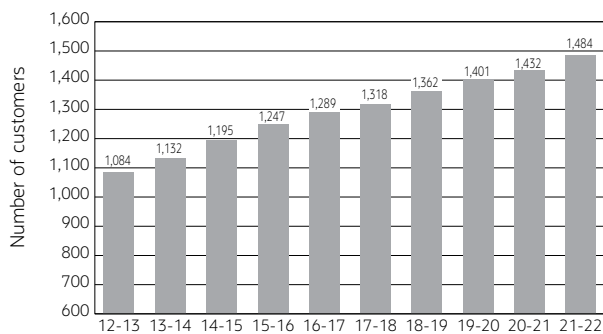


## Earnings per share

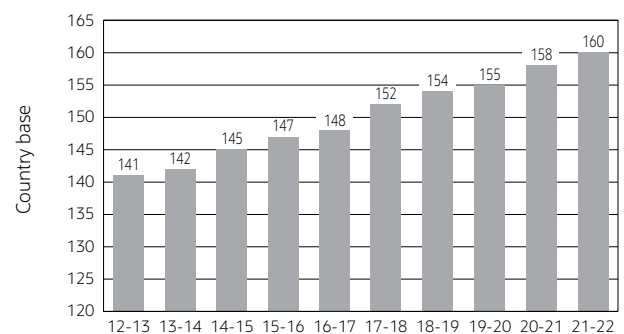


On the base of equity capital as on March 31, 2022

## Customers serviced



## ... in countries



Note:  
Amounts for financial year up to 2014-15 are as per Consolidated Indian GAAP and for financial year 2015-16 onwards are as per Consolidated Ind AS.

# Corporate information

## Oracle Financial Services Software Limited

### Board of directors

S Venkatachalam, Chairperson  
Chaitanya Kamat, Managing Director and Chief Executive Officer  
Harinderjit Singh  
Jane Murphy  
Kimberly Woolley  
Makarand Padalkar, Whole-time Director and Chief Financial Officer  
Richard Jackson  
Sridhar Srinivasan  
Vincent Secondo Grelli  
Yong Meng Kau

### Company secretary and Compliance officer

Onkarnath Banerjee

### Chief accounting officer

Avadhut (Vinay) Ketkar

### Legal counsel

Rakesh Sharma

### Registered office

Oracle Financial Services Software Limited  
Oracle Park  
Off Western Express Highway  
Goregaon (East)  
Mumbai 400063, Maharashtra, India  
CIN: L72200MH1989PLC053666

### Registrar & Transfer Agent

KFin Technologies Limited  
Selenium Tower B, Plot Nos. 31 & 32  
Serilingampally Nanakramguda  
Financial District  
Hyderabad 500032  
Telangana, India

### Auditors

Mukund M. Chitale & Co.  
Chartered Accountants

### Bankers

|                   |                          |
|-------------------|--------------------------|
| Barclays Bank PLC | HSBC Bank                |
| Canara Bank       | J P Morgan Chase         |
| Citibank, N.A.    | Kotak Mahindra Bank Ltd. |
| HDFC Bank Ltd.    | Yes Bank Ltd.            |

### Management team

|                      |                           |
|----------------------|---------------------------|
| Arvind Gulhati       | Rajaram N Vadapandeshwara |
| Anand Ramachandran   | S Bhargava                |
| Bindu Venkatesh      | Sanjay Bajaj              |
| Chad Menke           | Sanjay Kumar Ghosh        |
| George Thomas        | Sanjib Chakraborty        |
| Goutam Chatterjee    | Surendra Shukla           |
| Gregory Chapple      | Tushar Chitra             |
| H S Teji             | Umesh Arora               |
| Karthick R Prasad    | Unmesh Pai                |
| Laura Balachandran   | Venkatesh Srinivasan      |
| Mahesh Kandavar Rao  | Vikram Gupta              |
| Mustafa Moonim       | Vinayak L Hampihallikar   |
| Promod Radhakrishnan | Vivek Jalan               |

# Directors' report

## Financial year 2021-22

Dear Members,

The Directors present their report on the business and operations of your Company along with the Annual Report and audited financial statements of the Company for the financial year 2021-22.

### Financial highlights

As per Consolidated financial statements:

(Amounts in ₹ million)

| Particulars                             | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|---|------------------------------|------------------------------|
| Revenue from operations                 | 52,214.55                    | 49,839.37                    |
| Finance income                          | 901.85                       | 1,138.65                     |
| Other income, net                       | 441.57                       | 181.01                       |
| Total income                            | 53,557.97                    | 51,159.03                    |
| Depreciation and amortization           | (927.99)                     | (1,041.11)                   |
| Profit before tax                       | 25,282.77                    | 24,773.32                    |
| Tax expenses                            | (6,394.51)                   | (7,154.77)                   |
| Profit for the year                     | 18,888.26                    | 17,618.55                    |
| Other comprehensive income for the year | (35.69)                      | 50.58                        |
| Total comprehensive income for the year | 18,852.57                    | 17,669.13                    |

As per Unconsolidated financial statements:

(Amounts in ₹ million)

| Particulars                             | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|---|------------------------------|------------------------------|
| Revenue from operations                 | 38,961.33                    | 36,452.12                    |
| Finance income                          | 839.39                       | 1,071.12                     |
| Other income, net                       | 220.07                       | 93.69                        |
| Dividend from subsidiary company        | 1,500.66                     | –                            |
| Total income                            | 41,521.45                    | 37,616.93                    |
| Depreciation and amortization           | (679.81)                     | (802.03)                     |
| Profit before tax                       | 23,761.51                    | 21,878.81                    |
| Tax expenses                            | (5,649.42)                   | (5,485.96)                   |
| Profit for the year                     | 18,112.09                    | 16,392.85                    |
| Other comprehensive income for the year | (83.95)                      | (29.82)                      |
| Total comprehensive income for the year | 18,028.14                    | 16,363.03                    |

### Performance

On a consolidated basis, your Company's revenue stood at ₹ 52,214.55 million this year, up 5% compared to ₹ 49,839.37 million of the previous financial year. The net income for the current financial year was ₹ 18,888.26 million, an increase of 7% compared to ₹ 17,618.55 million of the previous year. On an unconsolidated basis, your Company's revenue stood at ₹ 38,961.33 million during the current financial year, increase of 7% compared to ₹ 36,452.12 million of the previous year. The net income for the current financial year was ₹ 18,112.09 million, an increase of 10% compared to ₹ 16,392.85 million of the previous year. Previous years' figures have been re-arranged / re-classified, wherever necessary, as per the applicable regulations.

A detailed analysis of the financials is given in the Management's discussion and analysis report that forms part of this Annual Report.

### Dividend

The Company declared an interim dividend of ₹ 190 per equity share of ₹ 5 each on May 4, 2022 for the financial year ended March 31, 2022. The Board of Directors has not recommended any additional final dividend for the financial year 2021-22.

### Transfer to reserves

The Company has not transferred any amount to the reserves during the year under review.

### Particulars of loans, guarantees or investments

In terms of Section 186 of the Companies Act, 2013 ("the Act"), the particulars of loans, guarantees and investments have been disclosed in the financial statements.



## Share capital

During the financial year 2021-22, the Company allotted 184,232 equity shares of face value of ₹ 5 each to its eligible employees and Directors who exercised their stock options under the prevailing Employee Stock Option Schemes of the Company. As a result, the paid-up equity share capital of the Company as on March 31, 2022 was ₹ 431,232,325 divided into 86,246,465 equity shares of face value of ₹ 5 each.

## Annual return

Pursuant to Section 92(3) read with 134(3) of the Act, Annual Return (in e-form MGT-7) for the financial year ended March 31, 2022 is available on the Company's website at: [www.oracle.com/financialservices](http://www.oracle.com/financialservices).

## Directors and key managerial personnel

Mr. Makarand Padalkar and Mr. Yong Meng Kau, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Brief resumes of the Directors proposed to be re-appointed, the nature of their expertise, and the names of companies in which they hold directorships and Chairpersonships / Memberships of Board Committees, etc. are provided in the Notice to Members forming part of this Annual Report. The Directors seeking re-appointment are not debarred from holding the office of Director pursuant to any Securities and Exchange Board of India (SEBI) order. The Board recommends to the Members the resolutions for re-appointment of Mr. Makarand Padalkar and Mr. Yong Meng Kau as Directors of the Company, liable to retire by rotation. Resolutions seeking Members' approval for their re-appointment forms part of the Notice.

All the Independent Directors of the Company have given declaration under Section 149(6) of the Act and regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") confirming that they meet the criteria of independence and that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

Mr. Chaitanya Kamat, Chief Executive Officer of the Company was re-appointed as the Managing Director and Chief Executive Officer of the Company at the Annual General Meeting held on August 4, 2021 for a term of five consecutive years from October 25, 2021 to October 24, 2026.

During the year, there were no changes to the Key Managerial Personnel.

## Number of meetings of the Board

Six meetings of the Board were held during the financial year 2021-22. For details of meetings of the Board, please refer to the Corporate Governance Report which is a part of this Annual Report.

## Board Committees

The details pertaining to the Committees of the Board and their meetings during the year are included in the Corporate Governance Report which is a part of this Annual Report.

## Board policies

The Company has formed following policies as required by the Act and Listing Regulations:

| Particulars  | Details  | Website link for policy / details   |
|--|--|---|
| Code of ethics and business conduct policy                   | This code defines and implements Oracle ethical business values and sets forth key rules and employee responsibilities. It also provides a context to handle any questions, issues, or concerns. The Code also covers the vigil mechanism and whistle blower policy. | <a href="https://www.oracle.com/assets/cebc-176732.pdf">https://www.oracle.com/assets/cebc-176732.pdf</a>   |
| Code of Practices and Procedures for Fair Disclosure of UPSI | This code defines the principles for fair disclosure of Unpublished Price Sensitive Information (UPSI) with respect to its securities which is likely to affect price of the securities.   | <a href="https://www.oracle.com/a/ocom/docs/industries/financial-services/code-of-practices-and-procedures-for-fair-disclosure-upsi.pdf">https://www.oracle.com/a/ocom/docs/industries/financial-services/code-of-practices-and-procedures-for-fair-disclosure-upsi.pdf</a> |
| Corporate social responsibility policy                       | This policy governs corporate social responsibility program of the Company and covers details of CSR activities that it can undertake and how to implement, monitor, and report on these activities.   | <a href="https://www.oracle.com/a/ocom/docs/industries/financial-services/ofss-social-responsibility.pdf">https://www.oracle.com/a/ocom/docs/industries/financial-services/ofss-social-responsibility.pdf</a>   |
| Directors' appointment policy                                | This policy governs the manner of appointment of Directors of the Company.   | <a href="https://www.oracle.com/a/ocom/docs/industries/financial-services/directors-appointment-policy.pdf">https://www.oracle.com/a/ocom/docs/industries/financial-services/directors-appointment-policy.pdf</a>   |
| Dividend distribution policy                                 | This policy details the factors to be considered by the Board while deciding or recommending any dividend.   | <a href="https://www.oracle.com/a/ocom/docs/industries/financial-services/ofss-dividend-distribution-policy.pdf">https://www.oracle.com/a/ocom/docs/industries/financial-services/ofss-dividend-distribution-policy.pdf</a>   |

| Particulars                                  | Details   | Website link for policy / details   |
|--|---|---|
| Material events and information policy       | This policy provides framework for determination of material events / information and sets out classes and types of material events / information that require disclosure to stock exchanges. | <a href="https://www.oracle.com/a/ocom/docs/industries/financial-services/material-events-information-policy.pdf">https://www.oracle.com/a/ocom/docs/industries/financial-services/material-events-information-policy.pdf</a> |
| Policy for determining material subsidiaries | This policy defines material subsidiaries and describes related actions to be taken by the Company with significant transactions with them.   | <a href="https://www.oracle.com/a/ocom/docs/industries/financial-services/policy-determining-material.pdf">https://www.oracle.com/a/ocom/docs/industries/financial-services/policy-determining-material.pdf</a>               |
| Record archival policy                       | The policy provides the framework for archival of the communication made to the stock exchanges.  | <a href="https://www.oracle.com/a/ocom/docs/industries/financial-services/record-archival-policy.pdf">https://www.oracle.com/a/ocom/docs/industries/financial-services/record-archival-policy.pdf</a>                         |
| Related party transactions policy            | This policy sets out the principles and processes that apply in respect of transactions entered into by the Company with a related party.   | <a href="https://www.oracle.com/a/ocom/docs/industries/financial-services/ofss-party-transactions-policy.pdf">https://www.oracle.com/a/ocom/docs/industries/financial-services/ofss-party-transactions-policy.pdf</a>         |
| Remuneration policy                          | This policy establishes principles governing remuneration of the directors, key managerial personnel and senior management of the Company.  | <a href="https://www.oracle.com/a/ocom/docs/industries/financial-services/ofss-remuneration-policy.pdf">https://www.oracle.com/a/ocom/docs/industries/financial-services/ofss-remuneration-policy.pdf</a>                     |

## Related party transactions

All related party transactions entered into by the Company during the financial year 2021-22 were at an arm's length basis and in the ordinary course of business. Form AOC-2 providing the details of related party transactions of the Company is annexed as Annexure 1 to this report.

## Risk management

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the Management's Discussion and Analysis Report that forms part of this Annual Report.

## Board evaluation

In accordance with the requirements of the Section 178 of the Act and Regulation 17(10) of the Listing Regulations, the Chairperson of the Nomination and Remuneration Committee conducts the Board evaluation. The performance of the Board and its Committees was evaluated by seeking inputs from all the directors on the basis of various criteria such as its composition and structure, effectiveness of processes / meetings, information sharing and functioning, etc. The Board evaluation report for financial year 2021-22 was adopted at the Board Meeting held on May 4, 2022.

## Subsidiaries

Your Company has subsidiaries in Greece, India, Chile, China, Mauritius, Singapore, the Netherlands and the United States of America. The Company does not have any associate or joint venture Companies within the meaning of Section 2(6) of the Act.

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

During the year, the Company completed the acquisition of its Indian step down subsidiary, Oracle (OFSS) BPO Services Limited. Now it is a wholly owned direct subsidiary of the Company.

Pursuant to the provisions of Section 136 of the Act, the standalone and consolidated financial statements of the Company and separate annual accounts of its subsidiaries are available on the website of the Company at [www.oracle.com/financialservices](http://www.oracle.com/financialservices).

## Research and development

Your Company continuously makes significant investments in research and development (R&D) to offer solutions that the global banking industry needs today and will need tomorrow. Your Company's dedicated in-house R&D centers have produced a number of information technology products that are used by banks in more than 150 countries around the world for running their critical operations. The investment your Company makes in building applications, coupled with access to Oracle's technology, provides a unique competitive edge to its offerings.

## Deposits

During the financial year 2021-22, the Company has not accepted any deposits within the meaning of Sections 73 and 76 of the Act and as such, no amount of principal or interest was outstanding as of the date of the Balance Sheet.

## Corporate governance

The Company has taken appropriate steps and measures to comply with all the corporate governance regulations and related requirements as envisaged under Regulation 27 of the Listing Regulations. A separate report on Corporate Governance along with a certificate from Mr. Prashant Diwan, Practicing Company Secretary, with regard to compliance of conditions of Corporate Governance as stipulated in Regulation 34(3) of the Listing Regulations forms part of this Annual Report. A certificate from Mr. Prashant Diwan, Practicing Company Secretary, has also been received stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the SEBI, Ministry of Corporate Affairs (MCA) or any such statutory authority.

## Statutory Auditors' report

There are no qualifications, reservations, adverse remarks or disclaimers in the Statutory Auditors' report.

## Secretarial audit report

In terms of Section 204 of the Act and the Rules made thereunder, the Board has appointed Mr. Prashant Diwan, Practicing Company Secretary, as Secretarial Auditor of the Company for the financial year 2021-22. The Secretarial Audit report is annexed as Annexure 2 to this report. The Secretarial Audit report does not contain any qualifications, reservations or adverse remarks.

## Business responsibility report

Business Responsibility Report pursuant to Regulation 34 of the Listing Regulations for the financial year 2021-22 that forms part of this Annual Report has been hosted on the website of the Company at [www.oracle.com/financialservices](http://www.oracle.com/financialservices).

## Employee Stock Option Plan (ESOP)

The Members of the Company at their Annual General Meeting held on August 14, 2001 had approved grants of ESOPs to the employees / directors of the Company and its subsidiaries up to 7.5% of the issued and paid-up capital of the Company from time to time. This said limit was enhanced and approved up to 12.5% of the issued and paid-up capital of the Company by the Members at their Annual General Meeting held on August 18, 2011. This limit is an all-inclusive limit applicable to the stock options ("options") granted in the past, in force, and those that will be granted by the Company in future.

Pursuant to ESOP Schemes approved by the Members of the Company, the Board of directors have approved the 2002 Employees Stock Option Plan ("Scheme 2002"), Employees Stock Option Plan 2010 Scheme ("Scheme 2010"), Employees Stock Option Plan 2011 Scheme ("Scheme 2011") and Oracle Financial Services Software Limited Stock Plan 2014 ("OFSS Stock Plan 2014"). The details of the Company's ESOP schemes are disclosed in note 29 (b) in the notes to accounts of the unconsolidated financials of the Company that forms part of this Annual Report.

The details of the options / OSUs granted under the Scheme 2002, Scheme 2010, Scheme 2011 and OFSS Stock Plan 2014 to eligible employees / directors of the Company from time to time till March 31, 2022 are given below:

| Particulars   | Scheme 2002                                 | Scheme 2010 | Scheme 2011 | OFSS Stock Plan 2014 | OFSS Stock Plan 2014 | Total       |
|---|---|-------------|-------------|----------------------|----------------------|-------------|
|   | (Stock Options)                             |             |             | (OSUs)               |                      |             |
| Pricing Formula                                       | At the market price as on the date of grant |             |             |                      | ₹ 5                  |             |
| Variation of terms of grant                           | None  | None        | None        | None                 | None                 |             |
| Granted   | 5,167,920                                   | 638,000     | 1,950,500   | 178,245              | 1,183,643            | 9,118,308   |
| Lapsed and forfeited                                  | (620,725)                                   | (304,362)   | (509,506)   | (50,069)             | (118,581)            | (1,603,243) |
| Exercised   | (4,547,195)                                 | (333,638)   | (1,226,886) | (15,486)             | (558,166)            | (6,681,371) |
| Total number of options in force as on March 31, 2022 | -   | -           | 214,108     | 112,690              | 506,896              | 833,694     |

The details of OSUs granted to Directors and Senior Managerial Personnel under OFSS Stock Plan 2014 during the financial year ended March 31, 2022 are as follows:

| Name                        | Designation                                   | Number of OSUs* |
|-----------------------------|---|-----------------|
| Mr. Chaitanya Kamat         | Managing Director & Chief Executive Officer   | 25000           |
| Mr. Makarand Padalkar       | Whole-time Director & Chief Financial Officer | 14000           |
| Mr. Arvind Gulhati          | Business Planning VP-Ops                      | 4200            |
| Mr. Avadhut Ketkar          | Chief Accounting Officer                      | 2300            |
| Ms. Bindu Venkatesh         | Vice President - Human Resources & Training   | 2475            |
| Mr. Goutam Chatterjee       | Consulting VP - Quality & Testing             | 350             |
| Mr. Karthick Prasad         | Vice President, Software Development          | 2500            |
| Ms. Laura Balachandran      | Business Planning VP-Ops                      | 200             |
| Mr. Mahesh Rao              | Consulting RVP                                | 1400            |
| Mr. Onkarnath Banerjee      | Company Secretary and Compliance Officer      | 2500            |
| Mr. Rajaram Vadapandeshwara | Software Development VP                       | 750             |
| Mr. Sanjay Bajaj            | VP - OFSAA Development Operations             | 450             |

| Name                      | Designation                                 | Number of OSUs* |
|---------------------------|---|-----------------|
| Mr. Sanjay Ghosh          | Consulting RVP                              | 550             |
| Mr. Sanjib Chakraborty    | Group VP Oracle Health Insurance Consulting | 1200            |
| Mr. Surendra Shukla       | Product Support VP                          | 1400            |
| Mr. Tushar Chitra         | VP - Product Strategy & Marketing           | 1500            |
| Mr. Vikram Gupta          | GVP Banking Development                     | 10000           |
| Mr. Vinayak Hampihallikar | Consulting RVP                              | 3500            |
| Mr. Vivek Jalan           | Vice President Real Estate and Facilities   | 350             |

\*Grant rate per OSU is ₹ 5/-

- Any other employee, who receives grant in any one year of option / OSUs amounting to 5% or more of options / OSUs granted during the year – Nil
- Identified employees who were granted options / OSUs, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant – Nil
- Diluted Earnings Per Share (EPS) pursuant to the issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (IND AS) 33 'Earnings Per Share' issued by the Institute of Chartered Accountants of India – ₹ 209.08

As per the Scheme 2002, Scheme 2010 and Scheme 2011, each of 20% of the total options granted vest on completion of 12, 24, 36, 48 and 60 months from the date of grant. In respect of the OFSS Stock Plan 2014, each of 25% of the total options / OSUs granted vest on completion of 12, 24, 36 and 48 months from the date of grant. Any vesting is subject to continued employment of the employee with the Company or its subsidiaries. Options / OSUs have an exercise period of 10 years from the date of grant. The employee pays the exercise price and applicable taxes upon exercise of options / OSUs.

All the above mentioned Schemes of the Company are in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 applicable from time to time. Applicable disclosures relating to Employees Stock Option Schemes, pursuant to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, are placed on the website of the Company at [www.oracle.com/financialservices](http://www.oracle.com/financialservices).

The compensation cost arising on account of options and OSUs is calculated using the fair value method. The reported profit is after considering the cost of employee stock compensation of ₹ 496.91 million, using fair value method on options / OSUs.

The weighted average share price for the year over which options / OSUs were exercised was ₹ 4,111. Money realized by exercise of options / OSUs during the financial year 2021-22 was ₹ 257.72 million and 184,232 fresh equity shares were allotted as a result of exercise of options. The Company has recovered perquisite tax on the options / OSUs exercised by the employees during the year. The weighted average fair value of OSUs granted during the year was ₹ 4,309 calculated as per the Black Scholes valuation model, with details of features incorporated, as stated in 29 (b) in the notes to accounts of the unconsolidated financials.

## Transfer of equity shares and unpaid / unclaimed dividend to IEPF

Pursuant to applicable provisions of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred to the credit of Investor Education and Protection Fund (IEPF) set up by the Government of India, equity shares in respect of which dividend had remained unpaid / unclaimed for a period of seven (7) consecutive years within the timelines prescribed under the Act. Unpaid / unclaimed dividend for seven (7) years or more has also been transferred to the IEPF.

## Human resources

Human Resources are key assets of your Company and your Company invests continuously in imparting latest technology skills together with a range of soft skills to help them excel in their roles. Your Company has a strong performance management system together with a formal talent management processes to nurture employee careers, groom future leaders, and create a high-performance workforce.

Your Company's total employees as at March 31, 2022 were 7,884 (March 31, 2021 – 7,977) including employees of subsidiaries. The Company is committed to provide a healthy environment to all its employees and thus does not tolerate any discrimination and / or harassment in any form. The Company has in place a Prevention of Sexual Harassment (POSH) policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Frequent communication of this policy is done through various programs and at regular intervals. The Company has setup Internal Complaints Committees (ICC), both at the registered office and at every location where it operates in India, which have men and women committee members as per the regulations, are chaired by senior woman employees and have external women representation.

The details of complaints pertaining to sexual harassment that were filed, disposed of and pending during the financial year are provided in the Corporate Governance report which is a part of this Annual Report.

## Corporate social responsibility

The Company has constituted Corporate Social Responsibility (CSR) Committee in accordance with the provisions of the Act. The details pertaining to composition of the CSR Committee is provided in the Corporate Governance Report which is a part of this Annual Report.

Pursuant to Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014, the annual report on the Corporate Social Responsibility activities for the financial year ended March 31, 2022 is annexed as Annexure 3 to this report.

## **Internal financial controls**

The Board has adopted adequate policies and procedures in terms of Internal Financial Controls commensurate with the size, scale and complexity of the Company's operations. Such policies and procedures ensure orderly and efficient conduct of business, adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control system commensurate with the size of the business operations of the Company, its compliance with risk management system, accounting procedures and policies at all locations of the Company and its subsidiaries. The Internal Audit team reports to the Audit Committee.

## **Directors' responsibility statement**

As required under Section 134(5) of the Act, for the financial year ended on March 31, 2022, the Directors hereby confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis;
- e. the directors, had laid down internal financial controls followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **Auditors**

M/s. Mukund M. Chitale & Co., Chartered Accountants (ICAI Firm Registration No. 106655W), were appointed as the Statutory Auditors of the Company by the Members at their 28<sup>th</sup> Annual General Meeting held on September 20, 2017 to hold office till the conclusion of the ensuing 33<sup>rd</sup> Annual General Meeting to be held in the year 2022.

Pursuant to Section 139 of the Companies Act, 2013 ("the Act") and the rules made thereunder, the Board of Directors of the Company on recommendation of the Audit Committee, has proposed the appointment of M/s. S R Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101049W), as the Statutory Auditors of the Company, to hold office from the conclusion of the ensuing 33<sup>rd</sup> Annual General Meeting to be held in the year 2022 till the conclusion of the 38<sup>th</sup> Annual General Meeting to be held in the year 2027, subject to the approval of the Members of the Company. The Company has received from M/s. S R Batliboi & Associates LLP, a written consent that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder. Accordingly, a resolution, proposing the appointment of M/s. S R Batliboi & Associates LLP as Statutory Auditors of the Company for a term of five consecutive years forms part of the Notice convening the 33<sup>rd</sup> Annual General Meeting. The Board recommends to the Members the resolution for appointment of M/s. S R Batliboi & Associates LLP as the Statutory Auditors of the Company.

## **Reporting of frauds by Auditors**

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor has reported to the Audit Committee under Section 143(12) of the Act any instances of fraud committed against the Company by its officers or employees.

## **Cost records and cost audit**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act are not applicable for the business activities carried out by the Company.

## **Material changes and commitments**

There have been no material changes and commitments which affect the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this report.

## **Significant and material orders**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

## **Other Disclosures**

The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof - Not applicable.

The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year – Not applicable.

## Conservation of energy, technology absorption and foreign exchange earnings and outgo

The particulars as prescribed under sub-section (3)(m) of Section 134 of the Act, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are furnished hereunder:

### Conservation of energy

The Company strives to conserve energy and use energy efficient computers and illumination systems. The Company also deploys sophisticated office automation and management equipment which optimizes energy consumption. The Company continued to support Oracle's global sustainability goal of reducing waste to landfill and conserving energy.

### Technology absorption

The Company regularly strives to utilize newer technologies with a view to conserve the energy and create an environmentally friendly work environment. The initiatives taken by the Company are summarized below:

**Network:** The Company continues to invest in upgrading and modernizing its networks thereby increase uptime of the network infrastructure, increase capacity and enable greater collaboration. Network infrastructure is being migrated to the next generation cloud platform and network tooling; processes are being made seamless between the applications and the cloud platforms thereby enabling unified operational process, while securing the network infrastructure, to provide a secure remote computing environment for our employees and customers.

**Cloud deployment and migration:** The Company is working towards migrating infrastructure to the next generation cloud platform. All corporate applications will be hosted on the Oracle next generation cloud. This move significantly reduces infrastructure costs as well as reduces space and power utilization across the globe.

**Datacenter:** Datacenter consolidation, the next logical consequence of cloud migration, is also in progress keeping in mind the reducing need for physical datacenters and increasing demand for flexible infrastructure utilization. Various automation initiatives on compute operations and application support have been crucial in reducing human effort for routine activities.

**Business Resiliency:** The Company has successfully implemented disaster recovery initiatives for critical infrastructure services. This has been adequately tested during this pandemic crisis, minor deficiencies were mitigated, and the plan has been made more efficient and effective.

**Virtual presence:** The Company has made significant investments in providing a near virtual working environment for its employees through multiple collaboration tools. Multifunctional and multiple methods of collaboration across geographies have enhanced business operations. This facilitates communication across the globe minimizing travel, increasing efficiencies from a support perspective by making self-service operations easier and effective. Conference room facilities have been enhanced and standardized across the globe to ensure smooth and seamless operations from any Oracle location.

All these initiatives provide a more secure and efficient operating environment to the employees with utilization of innovative technology.

### Foreign exchange earnings and outgo:

(Amounts in ₹ million)

|  |           |
|--|-----------|
| Foreign exchange earnings  | 36,952.73 |
| Foreign exchange outgo (including capital goods and other expenditure) | 1,946.83  |

Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans: Your Company has established an extensive global presence across leading markets through its sales and marketing network. The Company will continue to focus on tapping various potential markets available globally. Experienced sales and marketing specialists focus on building strong international business presence to develop new export markets for your Company.

### Prospects

The financial services industry has, over the past few years, shifted from monolithic, end-to-end solutions to component solutions. The industry landscape changed on account of the pandemic with more and more banks and financial institutions relying on SaaS providers for business-critical applications. With the technology disruptions, evolving regulations, and transformation of global business, the BFSI sector has now started adopting cloud and digital transformation enabled by advances in technology. More and more organizations are now adopting Artificial Intelligence (AI), Machine Learning (ML), Blockchain, and Digital Assistants (Chatbots). Cloud and AI are assisting banks in making faster and more informed decisions for their clients by allowing them to do a rapid risk analysis.

Your Company possesses a unique combination of the expertise gained through years of experience and the agility developed through a consistent focus on disruptive innovations. We offer end-to-end comprehensive solutions for banking, financial crime and compliance, and risk management as well as offerings based on a componentized architecture facilitating continuous, progressive modernization. To ensure minimal disruption to the customers, we follow a bottom-up domain-driven design approach and a microservices architecture.

The last few years have witnessed the emergence of a variety of non-traditional competitors who operate in niche areas. Our products easily integrate with these through our API-driven integrations.

Your Company has always focused on innovations that deliver tangible business outcomes. Leveraging our capabilities in AI / ML, predictive analytics, blockchain, IoT, NLP, and leveraging the most modern microservices architecture we are now enabling faster credit decisioning, reduced false positives, usage-based lease pricing, real-time cross-border payments, intelligent next best offers etc.

As the market are slowly evolving to a software-as-a-service model, your Company has adapted its offerings so that they are now built for SaaS but can also be offered on-premise depending upon the customers' choice. A large portion of your Company's banking product portfolio is now available as a cloud service, as are the offerings for insurance, risk and finance, and financial crime and compliance management. In the coming years, the entire range of products will be available on the cloud, as the BFSI sector will move towards the Software-as-a-Service model.

## Statement on compliance of applicable Secretarial Standards

The Company complies with all applicable mandatory provisions of Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

## Employee particulars

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 is given below:

For statistically relevant computation of median value of employee remuneration, employees who have served the entire 12 months in the corresponding fiscal year were considered. The expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers is found by arranging all the observations from lowest value to highest value and picking the middle one; and if there is an even number of observations, the median is the average of the two middle values. The remuneration used for the analysis in this section includes the details of employees and only of those Directors to whom the remuneration has been paid by the Company and excludes remuneration of the employees of overseas branches, subsidiaries, and the (perquisite) value of the difference between the fair market value and the exercise price on the date of exercise of options, to make the comparisons relevant.

### i. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

| Name of the Director                        | Ratio to median remuneration |
|---|------------------------------|
| <b>Non-Executive, Independent Directors</b> |                              |
| Mr. S Venkatachalam                         | 2                            |
| Mr. Richard Jackson                         | 2                            |
| Mr. Sridhar Srinivasan                      | 2                            |
| Ms. Jane Murphy                             | 2                            |
| <b>Executive Directors</b>                  |                              |
| Mr. Chaitanya Kamat                         | 26                           |
| Mr. Makarand Padalkar*                      | 7                            |

\*Excludes the (perquisite) value towards difference between the fair market value and the exercise price on the date of exercise of options.

### ii. The percentage increase in remuneration of each director, chief executive officer, chief financial officer and company secretary in the financial year:

| Name and Title   | Percentage increase / (decrease) of remuneration in FY 2022 as compared to FY 2021 |
|--|--|
| <b>Non-Executive, Independent Directors</b>                        |  |
| Mr. S Venkatachalam  | Nil  |
| Mr. Richard Jackson  | Nil  |
| Mr. Sridhar Srinivasan   | Nil  |
| Ms. Jane Murphy  | Nil  |
| <b>Managing Director and Chief Executive Officer</b>               |  |
| Mr. Chaitanya Kamat  | Nil  |
| <b>Whole-time Director and Chief Financial Officer<sup>#</sup></b> |  |
| Mr. Makarand Padalkar  | 20   |
| <b>Company Secretary and Compliance Officer<sup>#</sup></b>        |  |
| Mr. Onkarnath Banerjee   | 7  |

\*Excludes the (perquisite) value towards difference between the fair market value on the date of exercise of options and the exercise price.

iii. **The percentage increase in the Median Remuneration of Employees in fiscal 2022, as compared to fiscal 2021:**

22%

iv. **The number of permanent employees on the rolls of the Company:**

6,805 as on March 31, 2022.

v. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

During the financial year 2021-22, the average remuneration of employees other than the key managerial personnel increased by 19% over the previous year. During the same period, average remuneration of the key managerial personnel increased by 4%.

vi. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The remuneration is as per the remuneration policy of the Company.

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

## **Acknowledgements**

The Directors gratefully acknowledge the continued support received by the Company from its stakeholders, customers, members, vendors, bankers and regulatory authorities during the year. The Directors also wish to thank the Government of India and the State Governments in the jurisdictions it operates and their various agencies, and departments. The Directors place on record their appreciation for the excellent contributions made by the employees of the Company through their commitment, co-operation and diligence.

For and on behalf of the Board

**S Venkatachalam**

Chairperson

DIN: 00257819

June 15, 2022



**Form No. AOC - 2****Particulars of contracts / arrangements made with related parties**

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 ("the Act") including certain arm's length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis**

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2022, which were not at arm's length basis.

**2. Details of material contracts or arrangements or transactions at arm's length basis:**

The disclosures on material transactions are based on the threshold of 10% of consolidated turnover and exclude the transactions with wholly owned subsidiaries which are exempt under section 188(1) of the Act

- |  |                |
|--|----------------|
| a. Name(s) of the related party and nature of relationship:                                    | Not applicable |
| b. Nature of contracts / arrangements / transactions:  | Not applicable |
| c. Duration of contracts / arrangements / transactions:  | Not applicable |
| d. Salient terms of the contracts or arrangements or transactions including the value, if any: | Not applicable |
| e. Date(s) of approval by the Board, if any:   | Not applicable |
| f. Amount paid as advances, if any:  | None           |

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

Mumbai  
June 15, 2022

**S Venkatachalam**  
Chairperson  
DIN: 00257819

**Secretarial audit report****Form No. MR-3****FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members

**Oracle Financial Services Software Limited**

Oracle Park, Off Western Express Highway  
Goregaon (East), Mumbai – 400 063

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Oracle Financial Services Software Limited having CIN: L72200MH1989PLC053666 (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; and
  - (d) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Software Technology Parks of India rules and regulations.

As per the representations made by the management and relied upon by me, during the period under review, provisions of the following regulations were not applicable to the Company:

- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings;
- (ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; and

(e) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India under the Companies Act, 2013.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. to the extent applicable.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors, if any, that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and as informed, there were no dissenting members' views and hence not recorded as part of the minutes.

I further report that as per the explanations given to me in the representations made by the management and relied upon by me there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

As per the explanations given to me in the representations made by the management and relied upon by me, I further report that, during the audit period, except for the issue and allotment of equity shares to the employees of the Company under Employee Stock Option Plan ("ESOP"), there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

**CS Prashant Diwan**  
**Practicing Company Secretary**  
**FCS: 1403 CP: 1979**

PR: 1683/2022  
UDIN: F001403D000496920

Date: June 15, 2022  
Place: Mumbai

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

**SECRETARIAL AUDIT REPORT  
Form No. MR-3**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members

**Oracle Financial Services Software Limited**

Oracle Park, Off Western Express Highway  
Goregaon (East), Mumbai - 400 063

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate, Specific and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. I have carried out the verification of the records through digital mode as well as relied upon the Management representation made by the Company due to prevailing conditions of COVID-19 in the country.

**CS Prashant Diwan**  
**Practicing Company Secretary**  
**FCS: 1403 CP: 1979**

PR: 1683/2022  
UDIN: F001403D000496920

Date: June 15, 2022  
Place: Mumbai

## Annual Report on Corporate Social Responsibility Activities For Financial Year ended March 31, 2022

[Pursuant to section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline on the CSR Policy of the Company:

The policy governing Corporate Social Responsibility (CSR) initiatives of Oracle Financial Services Software Limited ("the Company" or "Oracle") is in line with the regulations specified in section 135 and schedule VII of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014 ("the Act").

The Company's CSR policy aims to advance education, protect the environment and strengthen communities. The purpose of such initiatives is to help create inclusive growth and equitable development. The Company awards grants to nonprofit and nongovernmental organizations and other implementation partners to carry out its CSR initiatives. During the financial year 2021-22, the Company continued to direct its efforts to providing pandemic-related relief to the community, including but not limited to delivering critical medical supplies and services, supporting vaccination drives, providing essential services to those impacted by the pandemic, along with improving WASH (Water, Sanitation and Hygiene) awareness and infrastructure to prevent the spread of infection. The Company also directed its CSR efforts in supporting underserved children and youth through digital literacy and remedial classes, life skills training, vocational courses, and employment assistance.

The Company has offices in major metro cities which generally have better and more developed social and livelihood facilities as compared to other non-metro cities or the rest of India. Therefore, the Company believes in adopting a broader geographical coverage for its CSR programs to deliver interventions where the need is higher.

2. Composition of CSR Committee:

| Sr. No. | Name of Director      | Designation / Nature of Directorship                 | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|-----------------------|--|--|--|
| 1.      | Mr. Harinderjit Singh | Chairperson, Non-Executive, Non-Independent Director | -  | -  |
| 2.      | Mr. S Venkatachalam   | Member, Non-Executive, Independent Director          | -  | -  |
| 3.      | Mr. Chaitanya Kamat   | Member, Executive Director                           | -  | -  |

During the year, the business was dealt with by passing circular resolutions.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

Composition of the CSR committee - <https://www.oracle.com/industries/financial-services/ofss/governance>

CSR Policy - <https://www.oracle.com/us/industries/financial-services/ofss-social-responsibility-2437852.pdf>

CSR Projects - <https://www.oracle.com/a/ocom/docs/industries/financial-services/ofss-approved-csr-projects.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Pursuant to sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, impact assessment was conducted on CSR projects implemented and completed during the financial year ended March 31, 2021. The summarized Impact Assessment report is available at <https://www.oracle.com/a/ocom/docs/impact-assessment-reports.pdf>.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

| Sr. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹ million) | Amount required to be set-off for the financial year, if any (in ₹ million) |
|---------|----------------|--|---|
| -       | NA             | Nil  | Nil   |
|         | Total          | -  | -   |

6. Average net profit of the company as per section 135(5): ₹ 121,423.35 million.

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 428.47 million  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil  
 (c) Amount required to be set off for the financial year, if any: Nil  
 (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 428.47 million
8. (a) CSR amount spent or unspent for the financial year:

| Total amount Spent for the Financial Year (in ₹ million) | Amount Unspent (in ₹ million)  |                  |   |        |                  |
|--|--|------------------|---|--------|------------------|
|  | Total amount transferred to Unspent CSR Account as per Section 135 (6) |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) |        |                  |
|  | Amount   | Date of Transfer | Name of the Fund  | Amount | Date of transfer |
| 438.29   | Nil  | NA               | NA  | NA     | NA               |

- (b) Details of CSR amount spent against ongoing projects for the financial year: Nil  
 (c) Details of CSR amount spent against other than ongoing projects for the financial year: Refer Annexure 3.1  
 (d) Amount spent in Administrative Overheads: Nil  
 (e) Amount spent on Impact Assessment, if applicable: ₹ 1.62 million  
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 438.29 million  
 (g) Excess amount for set off, if any:

| Sr. No. | Particulars   | Amount (in ₹ million) |
|---------|---|-----------------------|
| (i)     | Two percent of average net profit of the company as per section 135(5)                                      | 428.47                |
| (ii)    | Total amount spent for the Financial Year   | 438.29                |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]   | 9.82                  |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil                   |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | 9.82                  |

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| Sr. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ million) | Amount spent in the reporting Financial Year (in ₹ million) | Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any |                       |                  | Amount remaining to be spent in succeeding financial years (in ₹ million) |
|---------|--------------------------|--|---|---|-----------------------|------------------|---|
|         |                          |  |   | Name of the Fund  | Amount (in ₹ million) | Date of Transfer |   |
| -       | NA                       | Nil  | Nil   | NA  | NA                    | NA               | Nil   |

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s): None  
 (b) Amount of CSR spent for creation or acquisition of capital asset: Nil  
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. Not Applicable  
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). Not Applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): Not applicable.

**Harinderjit Singh**  
 Chairperson, CSR Committee  
 DIN: 06628566

**Chaitanya Kamat**  
 Managing Director & Chief Executive Officer  
 DIN: 00969094

Place: Mumbai  
 Date: June 15, 2022

## Annexure 3.1

Details of CSR amount spent against other than ongoing projects for the financial year:

| Sr. No. | Name of the Project  | Item from the list of activities in Schedule VII to the Act | Local area (Yes / No) | State   | District                   | Location of the project   | Amount spent for the project (in ₹ million) | Mode of implementation- Direct (Yes / No) | Mode of implementation - Through implementing agency | CSR registration number |
|---------|--|---|-----------------------|---|----------------------------|---|---|---|--|-------------------------|
| 1       | Support for COVID-19 vaccination drives, as well as the Give4Life initiative, which provides life-saving medical treatment to underserved patients.  | (i), (xii)  | Yes                   | Karnataka, Maharashtra  | Bengaluru, Mumbai          |   | 50.00                                       | No  | Narayana Hirudayalaya Charitable Trust               | CSR000004596            |
| 2       | Support for COVID-19 relief activities, including delivering critical supplies and services, supporting vaccination drives, and raising awareness about WASH (Water, Sanitation and Hygiene) best practices.   | (i), (ii), (xii)  | Yes                   | Delhi, Haryana, Chhattisgarh, Jharkhand, Assam, Gujarat, West Bengal, Rajasthan | Bengaluru, Pune            |   | 26.00                                       | No  | Sewa International                                   | CSR000005559            |
| 3       | Support for COVID-19 relief activities, including equipping government testing labs with COVID-19 testing kits to help containing infections among underserved families and people with disabilities. Grant also provided for higher education and vocational training for young adults with disabilities. | (i), (ii), (xii)  | Yes                   | Karnataka, Maharashtra, Tamil Nadu  | Bengaluru, Mumbai, Chennai | Belgaum, Hubli, Hiriyur, Chitradurga, Chikkamagalur, Shirahatti, Bidar, Bijapur, Horanadu, Hassan, Kolar, Konkan, Nandurbar, Marathwada, Sindhudurg, Ahmदनगर, Osmanabad, Gurugram, Rudraprayag, Chamoli | 48.50                                       | No  | Samarthanam Trust for the Disabled                   | CSR000000063            |
| 4       | Support for underserved families impacted by the pandemic through employment opportunities, income diversification training, and financial security resources for single income families in rural areas.   | (i), (ii), (xii)  | Yes<br>No             | Maharashtra   | Mumbai                     | Belgaum, Dharwad, Bellary, Delhi, Ernakulam   | 43.00                                       | No  | Swades Foundation                                    | CSR000000440            |

| Sr. No. | Name of the Project   | Item from the list of activities in Schedule VI to the Act | Local area (Yes / No) | State   | District   | Location of the project | Amount spent for the project (in ₹ million) | Mode of implementation-Direct (Yes / No) | Mode of implementation – Through implementing agency         | CSR registration number |
|---------|---|--|-----------------------|---|--|-------------------------|---|--|--|-------------------------|
| 5       | Support for vulnerable children and adults through Integrated Child Development Service centers providing health, nutrition, education, and WASH services and systems to ensure students could safely return to school. | (i), (ii), (xii)   | Yes<br>No             | Maharashtra<br>Haryana,<br>West Bengal,<br>Madhya<br>Pradesh  | Pune<br>Gurugram, Malda, 24 Parganas, Badwani  |                         | 47.77                                       | No                                       | Name<br>Save the<br>Children India<br>- Bal Raksha<br>Bharat | CSR000000065            |
| 6       | Support for COVID-19 relief activities, including support for underserved children and youth, through digital literacy and remedial classes, life skills training, vocational courses, and employment assistance.       | (i), (ii), (xii)   | Yes<br>No             | Karnataka,<br>Maharashtra,<br>Tamil Nadu<br>Tamil Nadu,<br>Telangana,<br>Assam  | Bengaluru, Mumbai, Pune, Chennai<br>Chengalpattu, Rangareddy, Vikarabad,<br>Hyderabad, Medchal , Guwahati  |                         | 49.50                                       | No                                       | Magic Bus  | CSR00001330             |
| 7       | Support for COVID-19 relief activities, including support for COVID-19 vaccination drives, as well as livelihood support for women and youth through skills development.  | (i), (ii), (xii)   | Yes                   | Karnataka,<br>Maharashtra   | Bengaluru, Mumbai  |                         | 26.91                                       | No                                       | Sambhav<br>Foundation  | CSR000000475            |
| 8       | Support for health and hygiene programs for women and girls in promoting safe water, nutrition, and sanitation practices.   | (i), (ii), (xii)   | Yes<br>No             | Karnataka,<br>Maharashtra,<br>Tamil Nadu<br>Karnataka,<br>Maharashtra,<br>Tamil Nadu,<br>Rajasthan,<br>Uttar Pradesh,<br>Madhya<br>Pradesh,<br>Telangana,<br>Andhra<br>Pradesh, Delhi | Bengaluru, Mumbai, Pune, Chennai<br>Bagalkot, Gulbarga, Ramanagara, Uttara<br>Kanadda, Belgaum, Kolar, Koppal, Raichur,<br>Beed, Gadchiroli, Jalgaon, Osmanabad,<br>Kolhapur, Latur, Palghar, Raigad, Sangli,<br>Ratnagiri, Ariyalur, Chengalpattu, Tiruvallur,<br>Cuddalore, Kanchipuram, Villupuram,<br>Udaipur, Banswara, Ajmer, Jaipur, Sirohi,<br>Barmer, Ballia, Banda, Chitrakoot, Lalitpur,<br>Sonbhadra, Benares, Lucknow, Bahraich,<br>Hamirpur, Mirzapur, Bhopal, Chhatarpur,<br>Chhindwara, Harda, Hoshangabad, Mandla,<br>Satna, Seoni, Shivpuri, Indore, Panna, Sagor,<br>Umaria, Bhadradi Kothagudem, Jogulamba<br>Gadwal, Ranga Reddy, Adilabad, Vikarabad,<br>East Godavari, SPSR Nellore, Khammam,<br>West Godavari, Vishakhapatnam, Delhi |                         | 49.52                                       | No                                       | Goonj  | CSR000000291            |



| Sr. No. | Name of the Project  | Item from the list of activities in Schedule VII to the Act | Local area (Yes / No) | State                  | District  | Location of the project | Amount spent for the project (in ₹ million) | Mode of implementation-Direct (Yes / No) | Mode of implementation – Through implementing agency | CSR registration number |
|---------|--|---|-----------------------|------------------------|-----------|-------------------------|---|--|--|-------------------------|
| 9       | Support for the Scrappy Play City and Back to School TV programs, which provided distance learning for millions of students during the pandemic  | (ii)  | Yes                   | Karnataka, Maharashtra | Bengaluru | Mumbai                  | 24.47                                       | No                                       | Going to School                                      | CSR00000592             |
| 10      | Support for the Fellowship program, which places full-time teaching fellows in under resourced schools, many of which were disproportionately impacted by the pandemic                               | (ii)  | Yes                   | Karnataka, Tamil Nadu  | Bengaluru | Chennai                 | 42.00                                       | No                                       | Teach for India                                      | CSR00002271             |
| 11      | Support for COVID-19 relief efforts by improving WASH programs and infrastructure primary health centers to ensure a safe and healthy environment for women, children, and frontline health workers. | (i), (xii)  | Yes                   | Karnataka, Maharashtra | Bengaluru | Pune                    | 21.00                                       | No                                       | WaterAid   | CSR00000724             |
| 12      | Contribution to The Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)  | (viii)  | Yes                   | Pan-India              | Pan-India |                         | 8.00  | No                                       | PM CARES Fund  | -                       |
|         | Total  |   |                       |                        |           |                         | 436.67                                      |  |  |                         |

# Corporate governance report

The report on Corporate Governance of Oracle Financial Services Software Limited (“the Company”) for the financial year 2021-22 as per Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) is set out below:

## Company’s philosophy on code of governance

The Company has adopted and adheres to all applicable regulations and corporate governance practices. The Company places a strong emphasis on transparency, accountability, ethical behavior and integrity. All its directors and employees are bound by the code of conduct that sets out the governance standards for dealing with all the stakeholders including customers, employees, shareholders, vendors and Government.

## Board of Directors

### Composition of the Board

The composition and category of the Board of Directors of the Company (“the Board”) and the number of directorships and board committee chairpersonships / memberships held by the Directors as on March 31, 2022, their attendance at the Board Meetings during the year then ended and at the last Annual General Meeting are given below:

| Name of the Director   | Board Meetings attended during the year | Attendance at the last AGM held on August 4, 2021 | Number of Directorships in other Companies | Number of Committee positions held in other Companies |           |  |
|--|---|---|--|---|-----------|--|
|  |   |   |  | As Chairperson  | As Member |  |
| Non-Executive, Independent Directors   |   |   |  |   |           |  |
| Mr. S Venkatachalam<br>Chairperson<br>(DIN: 00257819)  | 6/6                                     | Present   | 2  | –   | –         |  |
| Mr. Richard Jackson<br>(DIN: 06447687)   | 6/6                                     | Present   | 8  | 2   | –         |  |
| Mr. Sridhar Srinivasan<br>(DIN: 07240718)  | 6/6                                     | Present   | 3  | –   | 3         |  |
| Ms. Jane Murphy<br>(DIN: 08336710)   | 6/6                                     | Present   | 10   | 1   | –         |  |
| Non-Executive, Non-Independent Directors   |   |   |  |   |           |  |
| Mr. Harinderjit Singh<br>(DIN: 06628566)   | 4/6                                     | Present   | 1  | –   | –         |  |
| Ms. Kimberly Woolley<br>(DIN: 07741017)  | 6/6                                     | Present   | 10   | –   | 1         |  |
| Mr. Vincent Secondo Grelli<br>(DIN: 08262388)  | 6/6                                     | Present   | 3  | –   | 1         |  |
| Mr. Yong Meng Kau<br>(DIN: 08234739)   | 6/6                                     | Present   | 11   | –   | –         |  |
| Executive Directors  |   |   |  |   |           |  |
| Mr. Chaitanya Kamat<br>Managing Director &<br>Chief Executive Officer<br>(DIN: 00969094)     | 6/6                                     | Present   | –  | –   | –         |  |
| Mr. Makarand Padalkar<br>Whole-time Director &<br>Chief Financial Officer<br>(DIN: 02115514) | 6/6                                     | Present   | 1  | –   | –         |  |

Video Conferencing (VC) / Other Audio Visual Means (OAVM) facilities were used to facilitate Directors to participate in the meetings.

Notes:

- a) The Chairperson of the Board is a Non-Executive, Independent Director and the composition of the Board is in conformity with the Listing Regulations and the Companies Act, 2013 (“the Act”).
- b) Pursuant to Regulation 26 of the Listing Regulations, none of the Directors on the Board holds memberships in more than ten committees or acts as a chairperson of more than five committees across all the listed companies in which he / she is a Director. None of the Directors are related inter-se.
- c) Pursuant to Regulation 17A of the Listing Regulations, none of the Directors serves as Independent Director in more than seven listed Companies and none of the Executive Directors serves as Independent Director in any listed Company.
- d) For the purpose of determining the number of directorships in other companies, all the companies around the world (listed, unlisted, private limited companies and foreign companies), including subsidiaries of the Company, are considered.
- e) For the purpose of determining the number of chairpersonships / memberships of the committees of the Board of other companies, only the Audit Committee and the Stakeholders’ Relationship Committee of the companies are considered.
- f) None of the Independent and Executive Directors of the Company held directorships in other listed companies except Mr. Sridhar Srinivasan, who serves as a Non-Executive, Independent Director in Bank of Baroda and Nirlon Limited.
- g) Independent Directors are Non-Executive Directors as defined under Section 149 of the Act and Listing Regulations. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet criteria of independence as specified in the Act and Listing Regulations and that they are independent of the management. The tenure of Independent Directors is in accordance with the Act and Listing Regulations.
- h) In terms of Section 150 of the Act read with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors are enrolled in the Independent Director’s Data Bank maintained with the Indian Institute of Corporate Affairs.
- i) The familiarization program formulated for Independent Directors is available on the website of the Company at: <https://www.oracle.com/a/ocom/docs/industries/financial-services/financial-familiarization-program.pdf>
- j) As on March 31, 2022, none of the Non-Executive Directors held any equity shares of the Company except Mr. S Venkatachalam who held 6,000 equity shares of the Company.
- k) The Board has identified the following skills and competencies that help create a dynamic and effective Board:

|                                    |  |
|------------------------------------|--|
| Strategy & Leadership              | Experience in a significant leadership position with sound business judgment and a C-level perspective in areas important to the Company.  |
| Industry Knowledge                 | Experience in technology or financial services or allied industries, with good understanding of the markets, and business and management processes for a regional / global business. |
| Governance, Compliance and Finance | Understanding of governance in global businesses in areas such as people practices, financial accounting & reporting, risk management or legal & regulatory compliances.             |

The Directors of the Company collectively bring to the boardroom the above competencies and diverse experiences and perspectives in areas relevant to the Company. The experience, qualifications and skills of each director that the Board considers important are provided below:

| Director              | Skills and Competencies   |                    |                                  |
|-----------------------|---|--------------------|----------------------------------|
|                       | Strategy & Leadership   | Industry Knowledge | Governance, Compliance & Finance |
| Mr. S Venkatachalam   | Rich experience in the field of Banking, Finance, Administration, Compliance, Taxation and Corporate laws. Served as an Independent Director with leading financial institutions.   |                    |                                  |
| Mr. Chaitanya Kamat   | Over thirty-five years of experience in financial services, product engineering, consulting and business transformation with over two decades of leadership and board level roles in both national and global organizations.  |                    |                                  |
| Mr. Harinderjit Singh | Over three decades of experience in managing global technology businesses. Heads the Financial Services Global Business Unit in Oracle Corporation.   |                    |                                  |
| Ms. Jane Murphy       | Leading legal expert with extensive international experience in the fields of corporate law, M&A and data privacy regulations. Founded her own law firm and two start-ups dedicated to representing companies around the world for data protection purposes in the EU and UK. Independent board member at several financial services companies in Europe. Rich experience in global risk & compliance and corporate governance. |                    |                                  |

| Director                   | Skills and Competencies  |                    |                                  |
|----------------------------|--|--------------------|----------------------------------|
|                            | Strategy & Leadership  | Industry Knowledge | Governance, Compliance & Finance |
| Ms. Kimberly Woolley       | Extensive experience in managing legal and corporate affairs for Oracle Corporation. Has unique perspective of international Boards, knowledge and understanding of global processes, risk management, corporate responsibility, compliance and governance.  |                    |                                  |
| Mr. Makarand Padalkar      | Over thirty-five years of experience in managing the entire lifecycle of technology products specializing in Banking industry ranging from product conceptualization, marketing, alliances to sales and also corporate strategy and investor relations. As the CFO of the Company for over a decade, has a deep understanding of business, compliance, risk and governance requirements.   |                    |                                  |
| Mr. Richard Jackson        | Global experience with multinational and large regional banks holding CEO positions. Led a number of business and technology transformations at banks in EMEA and APAC. Independent board member at several companies including insurance and financial institutions in UK and Europe.   |                    |                                  |
| Mr. Sridhar Srinivasan     | Worked for nearly 30 years with a global bank across Europe, Africa and Asia holding many leadership positions including as country CEO and regional manager for large banking businesses. Deep exposure to financial services, technology and other adjacent industry segments. Held leadership executive positions encompassing risk, compliance and regulatory management. Worked with a global consulting firm advising many banks and finance companies on these topics. Now an independent director on the boards of several large Indian and European companies, including banks and non-bank finance entities. |                    |                                  |
| Mr. Vincent Secondo Grelli | Multiple decades of experience in managing tax departments and tax matters of large global IT companies. Provides a unique perspective to the Company on tax risk management / tax governance complexities of operating in multi-national tax jurisdictions.   |                    |                                  |
| Mr. Yong Meng Kau          | Rich experience in managing corporate legal and transactional matters in the ASEAN and South Asia regions that helps the Company manage its large operations in the region.  |                    |                                  |

The Company is a majority owned subsidiary of Oracle Corporation, a global technology leader with presence across the globe. The Company is able to leverage the deep expertise in technology, global management practices, specific domain area and regulatory requirements applicable when doing business globally.

## Board meetings held during the financial year 2021-22

During the financial year 2021-22, six Board Meetings were held on May 5, 2021, June 16, 2021, July 28, 2021, October 27, 2021, January 19, 2022 and March 16, 2022.

The maximum gap between any two meetings of the Board was less than 120 days. All material information was circulated to all the Directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of the Listing Regulations. The necessary quorum was present for all the Board Meetings.

In case of urgent business needs, the Board's approval was obtained by way of circular resolutions in accordance with the Act.

During the year, a separate meeting of Independent Directors was held on February 8, 2022 without the presence of the Non-Independent Directors and members of the Management of the Company, and all the Independent Directors of the Company participated in the said meeting.

## Compliance with the code of conduct

The Company has adopted the Code of Ethics and Business Conduct ("the Code") which sets forth the standards of behavior for the Board and management of the Company. All the Directors and Senior Managerial Personnel of the Company have confirmed compliance with the Code as of March 31, 2022. The code is available on the website of the Company at: <https://www.oracle.com/assets/cebc-176732.pdf>

## Audit committee

### Brief description of terms of reference

The Audit Committee of the Company is governed by the terms of reference adopted by the Board which are in line with the regulatory requirements mandated by the Act and the Listing Regulations.

The primary objective of Audit Committee is to monitor and provide effective supervision of the management's financial reporting process and to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

Pursuant to the amendments in the Listing Regulations, the terms of reference of the Audit Committee was amended at the Board Meeting held on July 28, 2021, and an extract of which is given below:

- a) Oversight of the Company's financial reporting process and disclosure of its financial information;
- b) Recommending to the Board the appointment, re-appointment and, if required, replacement or removal of the statutory auditors; fixing their remuneration and the terms of appointment;

- c) Reviewing with the management, performance of statutory and internal auditors;
- d) Reviewing with the management, quarterly and annual financial statements and auditor's report thereon before submission to the Board for approval;
- e) Evaluating internal financial controls and risk management systems, and adequacy of the internal control systems;
- f) Scrutinizing intercorporate loans and investments;
- g) Approving transactions with related parties and any modifications thereto;
- h) Reviewing the functioning of Whistle Blower mechanism;
- i) considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

### Composition, meetings and attendance of the committee

During the financial year 2021-22, five meetings of the Audit Committee were held on May 5, 2021, July 28, 2021, October 27, 2021, January 19, 2022 and March 16, 2022. Additionally, business was also dealt with by passing circular resolution.

The details of the composition of the Audit Committee as on March 31, 2022 and the members' attendance at the Committee meetings during the year then ended are given below:

| Name of the Member         |  | Number of meetings attended |
|----------------------------|--|-----------------------------|
| Mr. Richard Jackson        | Chairperson, Non-Executive, Independent Director | 5/5                         |
| Mr. S Venkatachalam        | Member, Non-Executive, Independent Director      | 5/5                         |
| Mr. Sridhar Srinivasan     | Member, Non-Executive, Independent Director      | 5/5                         |
| Ms. Jane Murphy            | Member, Non-Executive, Independent Director      | 5/5                         |
| Mr. Vincent Secondo Grelli | Member, Non-Executive, Non-Independent Director  | 5/5                         |

The Company Secretary acts as the Secretary to the Audit Committee meetings. The Managing Director and Chief Executive Officer, Whole-time Director and Chief Financial Officer, Chief Accounting Officer, Statutory Auditors, Internal Auditors and Legal Counsel are permanent invitees to the Audit Committee meetings. The Chairperson of the Committee was present at the Annual General Meeting held on August 4, 2021 to address shareholders' queries.

### Nomination and remuneration committee

#### Brief description of terms of reference

The Nomination and Remuneration Committee of the Company is governed by the terms of reference adopted by the Board which are in line with the regulatory requirements mandated by the Act and the Listing Regulations.

An extract of the terms of reference of the Nomination and Remuneration Committee is given below:

- a) To formulate the criteria for determining qualifications, positive attributes and independence of directors;
- b) To recommend to the Board policies relating to the remuneration of the directors, key managerial personnel, senior management and other employees of the Company;
- c) To review the criteria and conduct the evaluation of performance of Directors and the Board together with Board Committees;
- d) To administer and deal with all matters concerning the Employee Stock Option (ESOP) Schemes including grant of stock options to the eligible directors, key managerial personnel and employees of the Company and its subsidiary companies from time to time;
- e) To identify the persons who are qualified to become directors and recommend to the Board their appointment / re-appointment.

### Composition, meetings and attendance of the committee

During the financial year 2021-22, one meeting of the Nomination and Remuneration Committee was held on March 16, 2022. Additionally, business was also dealt with by passing circular resolutions.

The details of the composition of the Committee as on March 31, 2022 and the member's attendance at the Committee meeting during the year then ended are given below:

| Name of the Member     |  | Number of meetings attended |
|------------------------|--|-----------------------------|
| Mr. Richard Jackson    | Chairperson, Non-Executive, Independent Director | 1/1                         |
| Mr. Harinderjit Singh  | Member, Non-Executive, Non-Independent Director  | 1/1                         |
| Mr. Sridhar Srinivasan | Member, Non-Executive, Independent Director      | 1/1                         |

## Performance evaluation criteria for independent directors

The performance evaluation criteria for the Independent Directors is determined by the Nomination and Remuneration Committee. The factors like regular participation, business expertise, independent views, contribution in the form of knowledge sharing and guidance to strategies and risk management are amongst the performance evaluation criterions.

## Remuneration paid to directors

The Nomination and Remuneration Committee determines and recommends to the Board the compensation payable to the Directors, Key Managerial Personnel and Senior Management of the Company. The limit for the commission to be paid to the Independent Directors and the remuneration payable to the Managing Director and Chief Executive Officer; Whole-time Director and Chief Financial Officer of the Company are approved by the Members of the Company. The annual compensation including bonus of the Executive Directors is approved by the Nomination and Remuneration Committee within the limits approved by the Members of the Company.

The Committee reviews the norms for ESOP allocation and approves the grant of the options to eligible employees.

The criteria for payment of commission to the Non-Executive, Independent Directors includes a base commission plus incremental commission depending on the number and type of committees where they are a member or a chairperson, and number of directorships in material unlisted subsidiaries of the Company.

## Details of remuneration paid to the directors during the financial year 2021-22

(Amounts in ₹ million, except number of OSUs)

| Name of the Director                 | OSUs* granted under ESOPs during the year | Salary | Contribution to Provident Fund and other funds | Commission paid | Total Amount paid |
|--------------------------------------|---|--------|--|-----------------|-------------------|
| Executive Directors                  |   |        |  |                 |                   |
| Mr. Chaitanya Kamat#                 | 25000                                     | 46.32  | 1.26   | –               | 47.58             |
| Mr. Makarand Padalkar#               | 14000                                     | 12.93  | 0.65   | –               | 13.58             |
| Non-Executive, Independent Directors |   |        |  |                 |                   |
| Mr. S Venkatachalam                  | –   | –      | –  | 4.40            | 4.40              |
| Ms. Jane Murphy                      | –   | –      | –  | 3.90            | 3.90              |
| Mr. Richard Jackson                  | –   | –      | –  | 4.20            | 4.20              |
| Mr. Sridhar Srinivasan               | –   | –      | –  | 3.20            | 3.20              |

\*OSUs or OFSS Stock Units are Stock Options granted at an exercise price equal to face value of the shares.

#Excluding perquisite on ESOP, Provision for Gratuity and Compensated absence benefit, if any.

During the financial year ended March 31, 2022, the Nomination and Remuneration Committee granted 156,215 OFSS Stock Units (OSUs) on various dates at an exercise price of ₹ 5 under OFSS Stock Plan 2014 to the eligible employees, including Directors of the Company and its subsidiaries as follows:

| Date of OSUs grant | Number of OSUs |
|--------------------|----------------|
| August 1, 2021     | 149465         |
| September 17, 2021 | 3600           |
| December 1, 2021   | 650            |
| March 30, 2022     | 2500           |

The terms of Employee Stock Options / OSUs granted under OFSS Stock Plan 2014 to the Directors were as follows:

| Name of the Director  | Options / OSUs outstanding as at April 1, 2021 | Options / OSUs exercised & shares allotted during the year | Options / OSUs outstanding as at March 31, 2022 | Exercise price (₹) | Expiry Date       |
|-----------------------|--|--|---|--------------------|-------------------|
| Mr. Chaitanya Kamat   | 6250   | –  | 6250  | 5.00               | June 27, 2027     |
|                       | 11250  | –  | 11250   | 5.00               | June 28, 2028     |
|                       | 18750  | –  | 18750   | 5.00               | June 26, 2029     |
|                       | 11250  | –  | 11250   | 5.00               | September 1, 2029 |
|                       | 30000  | –  | 30000   | 5.00               | July 23, 2030     |
|                       | –  | –  | 25000   | 5.00               | July 31, 2031     |
| Mr. Makarand Padalkar | 2500   | –  | 2500  | 5.00               | June 27, 2027     |
|                       | 5563   | 1188   | 4375  | 5.00               | June 28, 2028     |
|                       | 11250  | 2812   | 8438  | 5.00               | June 26, 2029     |
|                       | 15000  | –  | 15000   | 5.00               | July 23, 2030     |
|                       | –  | –  | 14000   | 5.00               | July 31, 2031     |

The OSUs were issued at ₹ 5 each. The options / OSUs granted under OFSS Stock Plan 2014 vest over a period of 4 years from the date of grant and are subject to continued employment / directorship with the Company.

## Stakeholders' relationship committee

The Stakeholders' Relationship Committee of the Company is governed by the terms of reference adopted by the Board which are in line with the regulatory requirements mandated by the Act and the Listing Regulations.

The terms of reference of the Stakeholders' Relationship Committee include:

- Consider and resolve the grievances of the security holders including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of duplicate certificates, general meetings, etc.;
- Review of measures taken for effective exercise of voting rights by the shareholders;
- Review of adherence to the service standards adopted in respect of various services being rendered by the Company's Registrar and Share Transfer Agents;
- Review of various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders.

## Composition, meetings and attendance of the committee

During the financial year 2021-22, one meeting of the Committee was held on March 16, 2022.

The details of the composition of the Committee as on March 31, 2022 and the members' attendance at the Committee meetings during the year then ended are given below:

| Name of the Member     |  | Number of meetings attended |
|------------------------|--|-----------------------------|
| Mr. S Venkatachalam    | Chairperson, Non-Executive, Independent Director | 1/1                         |
| Mr. Sridhar Srinivasan | Member, Non-Executive, Independent Director      | 1/1                         |
| Mr. Chaitanya Kamat    | Member, Executive Director                       | 1/1                         |
| Mr. Makarand Padalkar  | Member, Executive Director                       | 1/1                         |

The Chairperson of the Committee was present at the Annual General Meeting held on August 4, 2021 to address the shareholders' queries.

Details of shareholders' complaints received, resolved and outstanding during the financial year 2021-22 are given below:

| Particulars  | No. of Complaints |
|--|-------------------|
| Complaints outstanding on April 1, 2021                            | NIL               |
| Complaints received during the financial year ended March 31, 2022 | 15                |
| Complaints resolved during the financial year ended March 31, 2022 | 15                |
| Complaints outstanding on March 31, 2022                           | NIL               |

All the complaints have been resolved to the satisfaction of the shareholders.

Mr. Onkarnath Banerjee, Company Secretary of the Company, is designated as the Compliance Officer, who oversees redressal of the investors' grievances. Mr. Banerjee is also designated as the Nodal Officer pursuant to Investor Education and Protection Fund Rules.

## Transfer committee

The scope of Transfer Committee is to consider and approve requests for transfer and transmission of equity shares and other investor related matters. The Committee meetings are held as needed, based on such requests being received from the shareholders. During the financial year 2021-22, there were no meetings held.

The composition of the Committee as on March 31, 2022 was as under:

| Name of the Member    |  |
|-----------------------|--|
| Mr. S Venkatachalam   | Chairperson, Non-Executive, Independent Director |
| Mr. Makarand Padalkar | Member, Executive Director                       |

## ESOP allotment committee

The scope of ESOP Allotment Committee is to consider and approve requests for allotment of equity shares on exercise of stock options or OFSS Stock Units by eligible employees of the Company and its subsidiaries.

### Composition, meetings and attendance of the committee

During the financial year 2021-22, twelve meetings of the Committee were held on April 20, 2021, May 12, 2021, June 23, 2021, July 20, 2021, August 25, 2021, September 22, 2021, October 19, 2021, November 24, 2021, December 17, 2021, January 19, 2022, February 23, 2022 and March 23, 2022.

The details of the composition of the Committee as on March 31, 2022 and the members' attendance at the Committee meetings during the year then ended are given below:

| Name of the Member     |  | Number of meetings attended |
|------------------------|--|-----------------------------|
| Mr. S Venkatachalam    | Chairperson, Non-Executive, Independent Director | 12/12                       |
| Mr. Sridhar Srinivasan | Member, Non-Executive, Independent Director      | 12/12                       |
| Mr. Chaitanya Kamat    | Member, Executive Director                       | 12/12                       |
| Mr. Makarand Padalkar  | Member, Executive Director                       | 12/12                       |

## Risk management committee

The Risk Management Committee of the Company is governed by the terms of reference adopted by the Board which are in line with the regulatory requirements mandated by the Listing Regulations.

An extract of the terms of reference of the Risk Management Committee is given below:

1. To formulate a detailed risk management policy;
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To keep the Board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.

### Composition, meetings and attendance of the committee

During the financial year 2021-22, two meetings of the Committee were held on September 28, 2021 and March 16, 2022. Additionally, business was also dealt with by passing circular resolutions.

The composition of Committee as on March 31, 2022 and the members' attendance at the Committee meeting during the year then ended are given below:

| Name of the Member     |  | Number of meetings attended |
|------------------------|--|-----------------------------|
| Mr. Sridhar Srinivasan | Chairperson, Non-Executive, Independent Director | 2/2                         |
| Mr. Chaitanya Kamat    | Member, Executive Director                       | 2/2                         |
| Mr. Makarand Padalkar  | Member, Executive Director                       | 2/2                         |

## Corporate social responsibility committee

The scope of Corporate Social Responsibility (CSR) Committee is to prepare and recommend to the Board the Corporate Social Responsibility Policy (CSR Policy), recommend CSR activities and the amount the Company should spend on CSR activities, monitor implementation of CSR Policy and activities from time to time, ensure compliance with all matters relating to CSR and to provide updates to the Board.

During the financial year 2021-22, business was dealt with by passing circular resolutions.

The composition of Committee as on March 31, 2022 was as under:

| Name of the Member    |  |
|-----------------------|--|
| Mr. Harinderjit Singh | Chairperson, Non-Executive, Non-Independent Director |
| Mr. S Venkatachalam   | Member, Non-Executive, Independent Director          |
| Mr. Chaitanya Kamat   | Member, Executive Director                           |



## Business responsibility committee

The Company has a Business Responsibility Committee to oversee matters concerning the Business Responsibility Policy implementation and guidance, and to decide on any matter or doubt with regard to the applicability, interpretation, operation and implementation of the Business Responsibility Policy. The Managing Director and Chief Executive Officer acts as the Chairperson of the Committee and the other members are Whole-time Director and Chief Financial Officer, Chief Accounting Officer, Vice President and Head HR, Legal Counsel, Vice President Business Operations and Company Secretary & Compliance Officer.

## General body meetings

Details of last three Annual General Meetings and summary of special resolutions passed therein are as under:

| Financial Year | Date and Time                | Venue   | Gist of special resolutions passed   |
|----------------|------------------------------|---|--|
| 2020-21        | August 4, 2021<br>5.00 p.m.  | Video Conferencing (VC) / Other Audio Visual Means (OAVM)   | Payment of commission to the Directors (excluding Managing Director and Whole-time Director), not exceeding in the aggregate one per cent per annum of the net profits of the Company, for a period of five years commencing from April 1, 2022 to March 31, 2027. |
| 2019-20        | August 18, 2020<br>5.00 p.m. | Video Conferencing (VC) / Other Audio Visual Means (OAVM)   | -  |
| 2018-19        | August 8, 2019<br>3.00 p.m.  | Courtyard By Marriott Mumbai International Airport C.T.S No. 215, Andheri Kurla Road, Andheri East, Mumbai 400059 | Re-appointment of Mr. Sridhar Srinivasan (DIN: 07240718) as an Independent Director for a further term of five consecutive years up to March 31, 2025.   |

- There was no Extra-Ordinary General Meeting held during the last three financial years.
- There was no matter requiring approval of the Members through Postal Ballot during the financial year ended March 31, 2022.
- No special resolution is currently proposed to be conducted through postal ballot.

## Means of communication

The Company communicates with its shareholders from time to time through multiple channels of communications such as online portals of the Stock Exchanges, press releases, annual reports, press notices and advertisements and uploading relevant information on its website.

The Company's quarterly financial results, press releases, annual reports and other relevant corporate documents are also placed on the Company's website at [www.oracle.com/financialservices](http://www.oracle.com/financialservices) and the same can be downloaded.

The quarterly and annual results of the Company are published in widely circulated English and Marathi newspapers, such as Business Standard and Sakal. All the disclosures made to the Stock Exchanges are also available on the Company's website at: [www.oracle.com/financialservices](http://www.oracle.com/financialservices).

The Company e-mails the soft copies of the Annual Report to all those members whose e-mail IDs are available with the Registrar and Transfer Agent.

The investors complaints, as and when received, are being processed through the centralized web based SEBI Compliant redressal system (SCORES).

To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their Depository Participants (DPs) in case the shares are held by them in electronic form, or with the Registrar and Transfer Agent of the Company, in case the shares are held by them in physical form.

## General shareholder information

### Annual general meeting

|                           |  |
|---------------------------|--|
| Day, Date, Time and Venue | Wednesday, August 3, 2022 at 5.00 p.m. (IST) through Video Conferencing / Other Audio Visual Means |
| Financial Year            | April 1 to March 31  |
| Date of Book Closure      | Thursday, July 28, 2022 to Wednesday, August 3, 2022 (both days inclusive)                         |
| Dividend Payment Date     | Not Applicable   |

## Listing details

| Name and Address of the Stock Exchanges where the Company's shares are listed  | Stock Code / Symbol |
|--|---------------------|
| BSE Limited (BSE)<br>Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001                                | 532466              |
| National Stock Exchange of India Limited (NSE)<br>Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051 | OFSS                |

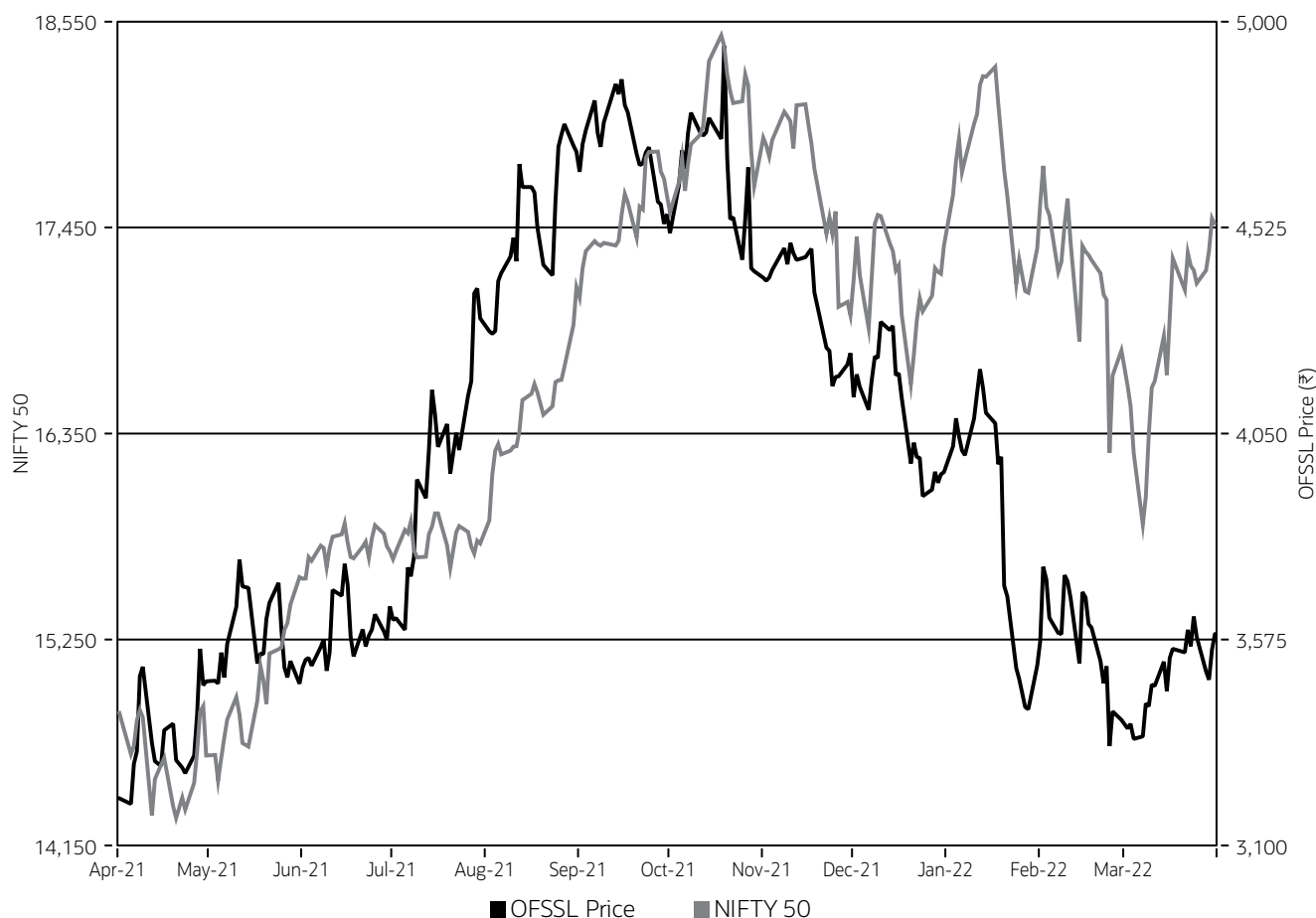
The annual listing fees for the financial year 2021-22 have been paid to both the Stock Exchanges.

## Market price data

Monthly high, low and volume of the shares of the Company traded on the Stock Exchanges from April 1, 2021 to March 31, 2022 are given below:

| Month and Year | BSE      |         |                  | NSE      |         |                  |
|----------------|----------|---------|------------------|----------|---------|------------------|
|                | High (₹) | Low (₹) | Volume of Shares | High (₹) | Low (₹) | Volume of Shares |
| April 2021     | 3606.95  | 3175.00 | 137471           | 3609.30  | 3172.45 | 2152221          |
| May 2021       | 3794.50  | 3422.15 | 170327           | 3795.00  | 3420.30 | 2887238          |
| June 2021      | 3793.80  | 3469.30 | 122088           | 3794.00  | 3473.00 | 1928422          |
| July 2021      | 4647.65  | 3588.90 | 305129           | 4650.00  | 3588.00 | 5073265          |
| August 2021    | 4857.00  | 4256.00 | 217835           | 4860.00  | 4255.00 | 3489020          |
| September 2021 | 4960.70  | 4437.50 | 140476           | 4931.55  | 4427.90 | 3752928          |
| October 2021   | 5144.60  | 4261.50 | 218690           | 5145.00  | 4258.05 | 4638050          |
| November 2021  | 4533.30  | 4060.40 | 96518            | 4543.25  | 4055.00 | 1793912          |
| December 2021  | 4400.00  | 3820.00 | 80323            | 4400.00  | 3817.00 | 1806763          |
| January 2022   | 4232.55  | 3348.10 | 212928           | 4230.00  | 3346.40 | 2894762          |
| February 2022  | 3835.00  | 3311.00 | 125758           | 3834.00  | 3306.00 | 1980673          |
| March 2022     | 3661.60  | 3272.30 | 122967           | 3662.35  | 3272.35 | 1783535          |

## Performance of the share price of the Company in comparison to NIFTY 50



## Registrar and transfer agent

KFin Technologies Limited is the Registrar and Transfer Agent of the Company ("the RTA") and their contact details are as under:

|               |   |
|---------------|---|
| Address       | Selenium Tower B, Plot Nos. 31 & 32<br>Serilingampally Nanakramguda<br>Financial District<br>Hyderabad 500032<br>Telangana, India |
| Tel. no.      | 040 67162222  |
| Toll Free no. | 1800 3454 001   |
| Fax no.       | 040 23001153  |
| Email         | einward.ris@kfintech.com  |
| Website       | <a href="https://kfintech.com/">https://kfintech.com/</a>   |

## Share transfer system

Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Pursuant to amendments in the Act and the Listing Regulations with effect from April 1, 2019 securities of listed companies can be transferred only in dematerialized form. Accordingly, to avail benefits of dematerialization, Members are advised to dematerialize the shares which are held by them in physical form.

## Distribution of shareholding as on March 31, 2022

| Paid-up shares in capital (in ₹) | Number of Shareholders | % to total shareholders | No. of Shares | Paid-up value (Face value of ₹ 5 each) | % of Total no. of shares |
|----------------------------------|------------------------|-------------------------|---------------|--|--------------------------|
| Up to 2500                       | 99291                  | 97.97                   | 2437510       | 12187550                               | 2.83                     |
| 2501 to 5000                     | 766                    | 0.76                    | 572130        | 2860650                                | 0.66                     |
| 5001 to 10000                    | 445                    | 0.44                    | 649511        | 3247555                                | 0.75                     |
| 10001 to 20000                   | 306                    | 0.30                    | 887392        | 4436960                                | 1.03                     |
| 20001 to 30000                   | 116                    | 0.11                    | 580274        | 2901370                                | 0.67                     |
| 30001 to 40000                   | 91                     | 0.09                    | 642607        | 3213035                                | 0.75                     |
| 40001 to 50000                   | 60                     | 0.06                    | 548314        | 2741570                                | 0.64                     |
| 50001 to 100000                  | 113                    | 0.11                    | 1667108       | 8335540                                | 1.93                     |
| 100001 & Above                   | 157                    | 0.16                    | 78261619      | 391308095                              | 90.74                    |
| Total                            | 101345                 | 100.00                  | 86246465      | 431232325                              | 100.00                   |

## Dematerialization of shares and liquidity

The equity shares of the Company are tradeable under compulsory demat mode. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE881D01027.

As on March 31, 2022, 99.77% of the equity shares of the Company were held in electronic form and 99.96% of the shareholders held equity shares in electronic form.

## Outstanding GDRs / ADRs / warrants / any convertible instruments, conversion date and likely impact on equity

Not Applicable - the Company has not issued any GDRs / ADRs / warrants / any convertible instruments.

## Commodity price risk or foreign exchange risk and hedging activities

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not applicable. For details on foreign exchange risk and hedging activities, please refer to Management's Discussion and Analysis Report that forms part of the Annual Report.

## Plant locations

In view of the nature of the Company's business, viz., Information Technology Services and Information Technology enabled services, the Company operates from various offices in India and abroad. The Company does not have any manufacturing activities.

## Address for correspondence

The Company Secretary and Compliance Officer  
Oracle Financial Services Software Limited  
Oracle Park, Off Western Express Highway  
Goregaon (East), Mumbai 400063  
Maharashtra, India  
Tel. no.: +91 22 6718 3000  
Fax no.: +91 22 6718 3001  
Email: investors-vp-ofss\_in\_grp@oracle.com  
Website: www.oracle.com/financialservices  
CIN: L72200MH1989PLC053666

## Credit rating

The Company does not carry any debt and is not required to obtain a credit rating.

## Other disclosures

- a) During the financial year ended March 31, 2022, there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- b) The Company has complied with statutory compliances and no penalty or stricture is imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter related to the capital markets during the last three years.
- c) The Company has a Whistle Blower Policy / Vigil mechanism which provides adequate safeguards to employees who wish to raise concerns about violations of the Code of Ethics and Business Conduct, incorrect or misrepresentation of any financial statements and reports, unethical behavior, etc. No person has been denied access to the Audit Committee.
- d) The policy for determining material subsidiaries is disclosed on the Company's website at: <https://www.oracle.com/us/industries/financial-services/policy-determining-material-2615655.pdf>
- e) The related party transactions policy as approved by the Board is available on the Company's website at: <https://www.oracle.com/a/ocom/docs/industries/financial-services/ofss-party-transactions-policy.pdf>
- f) The Company does not undertake any trading in commodities.
- g) The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations.
- h) A certificate from Mr. Prashant Diwan, Practicing Company Secretary, has been received stating that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of the Company by the SEBI, Ministry of Corporate Affairs (MCA) or any such statutory authority.
- i) M/s. Mukund M. Chitale & Co., Chartered Accountants (Firm Registration no. 106655W), are the Statutory Auditors of the Company. The details of Statutory Auditors' fees for the financial year 2021-22, on a consolidated basis, are given below:

| Particulars           | Amounts (₹ in million) |
|-----------------------|------------------------|
| Statutory Audit Fees* | 20.70                  |
| Others                | 0.00                   |
| Total                 | 20.70                  |

\*Includes audit and audit related services.

- j) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

| Particulars  | No. of Cases |
|--|--------------|
| Number of complaints filed during the financial year 2021-22             | –            |
| Number of complaints disposed of during the financial year 2021-22       | –            |
| Number of complaints pending as at the end of the financial year 2021-22 | –            |

- k) The Company is compliant with the applicable mandatory requirements of Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations. The Company has also complied with the requirements of the Corporate Governance Report as provided in Part C of Schedule V of sub-regulations (2) to (10) of the Listing Regulations.
- l) Unclaimed Dividend: Pursuant to Sections 124 and 125 and other applicable provisions, if any, of the Companies Act, 2013, any money transferred to unpaid dividend account which is not encashed / claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority. The Company has uploaded the details of unpaid / unclaimed amounts lying with the Company as on March 31, 2022 on the Company's website at [www.oracle.com/financialservices](http://www.oracle.com/financialservices) and on the website of the Ministry of Corporate Affairs at [www.iepf.gov.in](http://www.iepf.gov.in).

- m) Unclaimed Shares: In terms of Part C of Schedule V of the Listing Regulations, there are no shares outstanding in demat suspense account / unclaimed suspense account of the Company.
- n) During the financial year 2021-22, no loans and advances have been granted to firms / companies in which Directors of the Company are interested.

**Discretionary requirements as specified in Part E of Schedule II of the listing regulations:**

- a) Separate posts of Chairperson and Chief Executive Officer: the Chairperson of the Board is a Non-Executive Director and his position is separate from that of the Managing Director and Chief Executive Officer of the Company.
- b) The Statutory Auditors have issued unmodified audit opinion / report for the financial year 2021-22.
- c) The Internal Auditor of the Company reports to the Audit Committee.

# CEO & CFO Certificate

May 4, 2022  
The Board of Directors  
Oracle Financial Services Software Limited  
Mumbai

## CEO & CFO Compliance Certificate pursuant to Regulation 17(8) and Part B of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We the undersigned, in our respective capacities as Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of Oracle Financial Services Software Limited ("the Company"), certify that:

- A. We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2022 and that to the best of our knowledge and belief state that:
1. These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  2. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2022 are fraudulent, illegal or violative of the Company's code of conduct.
- C. We are responsible for establishing and maintaining internal controls for financial reporting and evaluating the effectiveness of the internal control systems over the financial reporting of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated, to the auditors and the Audit Committee, wherever applicable:
1. Significant changes in internal control over financial reporting during the year ended March 31, 2022;
  2. Significant changes in accounting policies during the year ended March 31, 2022; and that the same have been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud, of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Oracle Financial Services Software Limited

**Chaitanya Kamat**  
Managing Director & CEO  
DIN: 00969094

**Makarand Padalkar**  
Whole-time Director & CFO  
DIN: 02115514

---

## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and Senior Management Personnel have confirmed compliance with the Code of Ethics and Business Conduct for the financial year ended March 31, 2022.

For Oracle Financial Services Software Limited

**Chaitanya Kamat**  
Managing Director & CEO  
DIN: 00969094  
Mumbai, May 4, 2022

# Certificate on corporate governance

To the Members,  
**Oracle Financial Services Software Limited**

I have examined the compliance of conditions of Corporate Governance by **Oracle Financial Services Software Limited** for the year ended **31<sup>st</sup> March 2022**, as stipulated in the Regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanation given to me and based on the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

I have carried out the verification of the records through digital mode as well as relied upon the Management representation made by the Company due to prevailing conditions of COVID-19 in the country.

**CS Prashant Diwan**  
Practicing Company Secretary  
FCS No.: 1403 / CP No.: 1979

PR: 1683/2022  
UDIN: F001403D000496931

Date: June 15, 2022  
Place: Mumbai

# Management's discussion and analysis of financial condition and results of operations

## Technology trends in the financial services industry and outlook

The last two years of pandemic-led digital surge have presented opportunities and challenges to financial institutions. Digital capability helps expand financial ecosystem by integrating the customer needs and financial services products. With an exponential growth of customers adopting digital financial services, financial institutions are scaling up their investments for building a completely new experience in financial services that embed in the customer's life.

Using technologies that enable hyper-personalization using real-time insights and data analytics driven learning systems, financial institutions need to proactively identify customer needs at the point of interaction to deliver an embedded financial experience. The systems should have the capability to easily integrate with broader commerce and financial ecosystems to deliver this experience.

The traditional financial services business model is slow to respond to changing finance and risk processes and meeting regulatory demand. Adoption of unified data models, integration of processes, and progression to the cloud provide an opportunity to turn the data into insight that fuels growth and change. Digitization has also led to increased instances of financial crime. To counter these risks, banks and financial institutions can leverage advanced analytics with AI / ML to stay ahead of financial criminals and to fuel growth.

Digitization of trade and supply chain finance have also emerged as key priority areas since existing monolithic systems are unable to cater to expanded demands when economies are recovering from the effects of pandemic.

Cloud / Software-as-a-Service (SaaS) based solutions offer flexibility, faster go-to-market and avoid large up-front investments. Financial institutions are increasingly electing these as deployment options.

Oracle Financial Services Software is committed to empowering financial institutions to become more responsive, agile, collaborative, and insightful in what they do. Our solutions are architected to enable financial institutions establish new business models, operate flexibly, respond proactively to market conditions, create new business opportunities and drive growth.

## Business overview

Oracle Financial Services Software Limited, majority owned by Oracle, is a world leader in providing Financial Technology Solutions across Retail Banking, Corporate Banking, Risk and Finance, Financial Crime and Compliance Management. Oracle Financial Services Software is focused on helping our customers deliver better financial services; financial services that empower customers, drive vibrant economies, make institutions more resilient, and help them to keep their customers safe from financial crime.

Our mission is to empower financial institutions to deliver better financial services through innovative, market leading technology, business solutions and service offerings.

We offer financial institutions the world's most comprehensive and modern, cloud-ready banking applications and a technology footprint that addresses their complex IT and business requirements. Our solutions are built on an agile and adaptive architecture, with innovation built-in for faster business outcomes flexibility in the choice of cloud or on-premise deployment based on customer preference.

The products business is our principal business segment. We also have a services business comprising our bespoke consulting services business and the business process outsourcing services.

These segments are described in detail below:

## Products

We provide a comprehensive suite of IT solutions delivering a compelling digital experience and digital engagement for financial institutions of varying business focus, geographic spread, and scale. Our customers rely on our solutions to modernize their technology platforms, accelerate digitization, and deliver superior customer services.

### Retail and Corporate Banking

Oracle Financial Services' retail banking solutions offer efficient mobile banking, faster transaction processing, and personalized account insights to build stronger customer relationships. Our corporate banking solutions help customers better manage their global operations through product offerings across various functions—corporate lending, cash and liquidity management, treasury management, trade finance, and supply chain finance.

As one of the leading banking IT solutions providers, we have been at the forefront of the ongoing transformation towards componentization and adoption of microservices-based architecture to make each component a standalone unit of value. Our product portfolio has significantly expanded over the past few years as more and more components are now brought to market as standalone offerings.



The key products that cater to the banking business include:

**Oracle FLEXCUBE** is a complete banking solution for retail, corporate and investment banking, consumer lending, asset management, and investor servicing including payments. Oracle FLEXCUBE can help banks jumpstart digital transformation and leapfrog their capabilities to stay relevant, competitive, and compliant in a fast-evolving industry. With its modern, digital, shrink wrapped, pre-configured, interoperable, scalable, and connected capabilities, Oracle FLEXCUBE can help catapult banks to the forefront of digital innovation and leadership.

Oracle FLEXCUBE equips banks for the era of physical and digital by helping them drive higher revenues, lower costs and improving service levels and convenience. It offers the right mix of digital self-service and assisted engagement capabilities, coupled with robust product processing functionalities that enable banks enhance customer experiences. Enabled by the latest User Experience and technologies like Machine Learning, Natural Language Processing and Intelligent Assistants, Oracle FLEXCUBE empowers bankers with new insights, predictions, and capabilities to personalize customer engagement while automating and streamlining routine processes. It's comprehensive set of APIs and Business Services enables banks to open data and services to third party developers to drive newer ways to collaborate and build revenue streams in the age of Open Banking.

Oracle FLEXCUBE offers comprehensive functional capabilities across multiple lines of business and supports new business capabilities and functionalities, regulatory compliances, and country specific localizations. It enables banks to standardize operations across multiple countries, transform their processes, address niche business requirements, respond faster to market, and manage compliances. Oracle FLEXCUBE offers out of the box support for multiple payment standards such as SWIFT gpi (global payments innovation), SEPA Instant, PSD2, PAD, and FATCA phase III.

Oracle FLEXCUBE offers banks the agility to adapt architectures to suit different transformation paths and diverse operating / business models through a componentized architecture. These components and services are tailored for a personalized user experience, improve underlying business logic, and offer front to back functionality. Oracle FLEXCUBE components are standalone, enterprise-grade systems enabling seamless configurability and ease of integration and deployment to work with existing product processors within a banks' IT framework. Oracle FLEXCUBE provides banks the flexibility to adopt various cloud deployment and SaaS options that facilitates the product and service combinations that best suit requirements.

**Oracle FLEXCUBE Universal Banking** is a comprehensive core banking solution that helps banks take advantage of rapidly emerging opportunities in the industry. The solution enables banks to offer retail banking and corporate banking services that meet evolving customer needs and effectively comply with regulatory guidelines and industry standards. Banks can offer tailor made accounts, deposits, loans, mortgages, fixed assets, microfinance and financial inclusion products and services and efficiently manage product lifecycles. The solution enables streamlining and automation of core processing and operations. Embedded machine learning capabilities help unlock the value of data with new insights.

**Oracle FLEXCUBE for Islamic Banking**, a comprehensive Sharia-compliant solution for Islamic banks. Integrated on an agile and scalable IT platform, Oracle FLEXCUBE is built to manage the evolving requirements of Islamic banks which can leverage its proven infrastructure and finely tuned Islamic modules to offer Sharia compliant products, support operations, and achieve fast implementation. The solution also allows banks to offer conventional banking alongside Islamic banking.

**Oracle FLEXCUBE Investor Servicing** is a flexible, highly configurable, and widely deployed transfer agency platform that helps automate transfer agency operations, fund distribution, and pension recordkeeping. The solution equips fund managers to launch sophisticated products such as hedge funds, mutual funds and investment linked products and fee structures and reduce transaction costs, helping them gain market share.

**Oracle Financial Services Lending and Leasing** is an asset finance solution that can be deployed on the cloud or on-premise to help reduce time to market and usher in a better, unified delivery for the asset finance companies and their customers. The solution provides a superior experience for the customer, the distributor (dealer), and the lender through its end-to-end capabilities - from origination to servicing and collections.

**Oracle Banking Enterprise Limits and Collateral Management** is an enterprise application that enables banks to gain a holistic view of their exposure by centralizing limits definition process and collateral management. It is a real-time solution for exposure tracking, credit facility creation and renewal, collateral pooling, and collateral valuation. Built on Service Oriented Architecture (SOA), it is designed to deliver comprehensive capability that helps banks deploy the application centrally.

**Oracle Banking Platform** is a componentized solution designed as a native SOA platform, helping banks progressively transform their business models by streamlining and automating business processes, adopting new distribution strategies, and implementing key enterprise services.

**Oracle Banking API** solution for Open Banking offers more than 1600 ready to deploy RESTful APIs and end points to build connected experiences across the banking value chain. Compliant with PSD2 (revised EU Payment Service Directive), the solution enables banks to build seamless partnerships with third-party technology organizations, easily integrate with corporate client applications through open interfaces.

**Oracle Banking Branch** is a comprehensive retail banking engagement solution for the branch that enables efficient servicing and branch operations and empowers branch staff with the capabilities and insights to progressively shift from a transactional focus to a relationship and advisory focus. The solution is built on a microservices architecture for the cloud but can also be offered on-premise based on the customers' requirements.

**Oracle Banking Origination** is a comprehensive retail banking engagement solution that helps banks deliver streamlined onboarding and originations of new business. It offers consistent and seamless cross-channel origination experience for customers, accounts, deposits, loans, and credit cards. The solution is built on a microservices architecture for cloud and on-premises and supports multi-entity deployment.

**Oracle Banking Cash Management** offers comprehensive cash management solutions across collection management, receivables management, and cash flow forecasting, helping banks meet the corporate customers' cash management needs and regulatory requirements while being nimble enough to address dynamic market needs.

**Oracle Banking Liquidity Management** enables banks to run a single, centralized liquidity management solution for corporate customers. The solution provides real-time consolidated view to liquidity view across geographies. It offers comprehensive sweeping and pooling features and supports hybrid structures that enable customers manage their daily liquidity in a consolidated and effective manner. The solution also provides advanced techniques such as additional avenues for higher yield investments with flexibility to cater to country regulatory restrictions.

**Oracle Banking Corporate Lending** is an end-to-end digitally enabled lending solution. The solution enables easy integration with banks' internal and external systems of customers, partner banks and agencies which supports open interface (API) standards and delivers faster loan processing. It allows banks to embrace digital capabilities across the enterprise from credit management, origination to servicing. Its flexible reporting capability and its ability to integrate with vendors and credit bureaus enables banks to comply effectively with new regulations. The solution provides banks the capability to finance large and complex loan requirements of corporate customers.

**Oracle Banking Supply Chain Finance** is a comprehensive, digitized, end-to-end, front-to-back solution that supports the full lifecycle of supply chain finance and factoring across receivables and payables, offering supplier and buyer centric financing. Offered as a cloud service but also available on-premise, it gives corporate banks the flexibility needed to help their clients optimize working capital and reduce transaction risk.

**Oracle Banking Trade Finance** is a comprehensive solution for managing trade finance operations in a unified manner. The solution offers end-to-end capabilities for a diverse range of trade financing products and instruments in documentary credits, guarantees, and documentary collections.

**Oracle Banking Treasury Management** is a comprehensive real time solution for the Treasury back office. It helps banks centralize investment management and capital markets post trade operations. The solution offers improved visibility, better controls and streamlined and automated processes.

**Oracle Banking Virtual Account Management** helps corporate banking customers to manage complex global account structures and control working capital effectively. The solution is available on the cloud but can also be offered on-premise. With Oracle Banking Virtual Account Management, the corporate customers can easily rationalize number of real accounts and efficiently manage liquidity.

**Oracle Banking Digital Experience** is a highly customizable, context-aware, omnichannel digital banking solution that can integrate with any core processor and service all lines of business. It helps banks execute their digital strategies without requiring a one-size-fits-all approach. A shrink-wrapped customer experience solution designed for scale, it provides an intuitive experience on mobiles, wearables, digital personal assistants, and desktop applications. Rendering a responsive design and ready-to-go retail and corporate business functionality, the solution offers a holistic omnichannel digital banking experience.

**Oracle Banking Payments** is a digital payment solution that enables payment processing in real time, anywhere, and at scale with a unified payments hub built on the ISO 20022 framework. The one-stop payments solution optimizes transaction efficiencies by catering to multiple payment types and supporting SWIFT gpi for cross-border payments.

**Oracle Banking Corporate Lending Process Management** is built to accelerate the process of origination and servicing of corporate loans, enhance digital experience, and empower banks to address customers' financing needs. This is optionally available as a scalable, secure, and highly available SaaS based cloud service. Banks can now easily close loans with an efficient workflow that ensures settlements and legal proceedings are undertaken smoothly. An Open API enabled solution, Oracle Banking Corporate Lending Process Management allows banks to create new and connected experiences for their customers.

**Oracle Banking Credit Facilities Process Management** is a comprehensive credit management solution that enables banks to accelerate credit origination, pre-qualify wide variety of credit lines and enhance customer experience, and track exposures to customers in real-time and mitigate business risks. This is optionally available as a scalable, secure, and highly available SaaS based cloud service. The solution allows for periodic re-evaluation of collateral and customers' credit worthiness throughout the credit lifecycle. Banks can also proactively track utilizations, collateral leverages, credit and risk scores, and covenants to ensure customers are meeting compliance requirements.

**Oracle Banking Enterprise Collections** is an enterprise-class collections platform designed to assist financial institutions with managing repayments of their consumer loan portfolios. The solution enables financial institutions in identification of delinquent accounts, and their accurate tracking and monitoring with high standards of efficiency. The solution covers the delinquent life cycle of a consumer loan starting from the identification of the symptoms of delinquency to tracking delinquency and impairment.

**Oracle Banking Enterprise Originations** is an enterprise-class platform covering the entire origination process from prospecting through fulfillment. Oracle Banking Enterprise Originations enables banks to simplify complex origination processes and deliver seamless customer experience throughout the origination lifecycle. The solution operates across channels, providing a common origination process for both assisted and self-service customers.

## Risk and Finance

Our Modern Risk and Finance solutions are led by **Oracle Financial Services Analytical Applications (OFSAA)** which is a suite of industry leading applications catering to the critical areas of Risk, Finance, Treasury, Front office, Regulatory Reporting and Compliance.

**Oracle Financial Services Analytical Applications Infrastructure (AAI)** provides state of the art tools / frameworks / libraries that support building OFSAA analytical applications and power their runtime across Risk, Finance, Treasury and Financial Crime & Compliance domains. AAI's compute engines process data at scale exploiting hybrid compute engines that include Big-Data cluster. AAI supports business logic that is both deterministic and model based with powerful predictive analytics framework that delivers the foundation for Artificial Intelligence (AI) / Machine Learning (ML) and augmented learning. AAI's customer footprint is a testament to its enterprise nature and ability to address regulatory needs, real-time responsiveness, and complex decision support systems for financial institutions across the globe. AAI's portfolio has approved global patents, with both US-Patents & Trademarks Office (US-PTO) and European Union Patents Office (EPO) gives it unique advantage.

Financial Services industry is continually faced with the challenge to comprehend and react to exponentially growing volumes of data. The need to identify hidden data patterns while leveraging governance capabilities like versioning, makes Machine Learning and Predictive Analytics the mandatory capabilities for Financial Services organizations. **Oracle Financial Services Model Management and Governance** addresses this challenge by providing a solution that combines advanced model lifecycle management with the ability to address regulatory requirements and model governance. In addition, it provides industry's first and only declarative paradigm for graph-model definition to support graph analytics.

**Oracle Financial Services Financial Crime and Compliance Management (FCCM)** suite comprises of a modern, comprehensive, and extensible suite of applications that enable financial institutions with advanced capabilities to effectively combat financial crime and comply with regulations while enhancing operational efficiency. These solutions are built with the leveraging AI and Machine Learning platforms, such as Graph and incorporates principles, Responsible AI for ethical use of AI.

Oracle FCCM's key offerings span across the entire financial crime and compliance management value chain including streamlined Know Your Customer checks and Sanctions screening, Anti Money Laundering (AML) Transaction Monitoring and Detection, efficient Enterprise Case Management, timely Compliance Regulatory Reporting and Management dashboards. The offerings are augmented by a comprehensive Data Management and Advanced Analytics capabilities to manage complex new generation threats. The key advanced analytics capabilities include an integrated analytics workbench for machine learning based scenario modelling, and embedded graph analytics-based data visualizations enabling discovery of hidden networks, entity resolution, advanced case investigations, and network pattern analysis.

**Oracle Financial Services Financial Crime and Compliance Studio** product builds on top of Oracle Financial Services Model Management and Governance solution and provides a tailored AI / ML platform for Financial Crime and Compliance domain with pre-seeded and curated features engineered for Financial Crime Data Model. It also provides entity resolution functionality, pre-seeded Financial Crime Global Graph Model, a full reference implementation of Machine Learning for AML (ML4AML) and a set of typology models that are significant accelerators for customers.

**Oracle Financial Services Data Management suite** delivers a comprehensive set of data models, data management processes and tools to manage the organizational data assets enabling consistent data-driven insights for statutory, regulatory, and management outcomes. The data management capabilities underpin all the analytical applications in the OFSAA suite. A financial reconciliation framework is at the core of active data quality and governance capabilities that enables financial institutions to derive standardized analytical outcomes across Risk, Finance, Compliance, and Customer Insights. The suite delivers integrations to Oracle Financial Services FLEXCUBE, Oracle ERP, Oracle Enterprise Data Management Cloud, and Oracle CX Unity providing unparalleled insights for enterprise data analysis, lineage, and literacy. Comprehensive AI / ML capabilities for intelligent data ingestion and a vast library of contextual data quality controls and key indicators help establish an active repository of data with current, historical, and potential predictive capabilities with the confidence of completeness, consistency, and accuracy delivered.

**Oracle Financial Services Accounting Foundation Cloud Service** with Oracle ERP jointly delivers an industry-first integrated cloud-based Accounting and General Ledger (GL) cloud service with Data and Analytics capabilities. It seamlessly bridges the summary financial statements, detailed instrument and customer account level details at scale. It brings the best practice of accounting and the rigor of the GL and enables the use of the financial information for creating customer opportunities.

**Oracle Financial Services Treasury Risk Management** products are integrated solutions covering interest rate risk, liquidity risk and funds transfer pricing. The solution helps in improving forecasting and predictive modelling capabilities through pre-built models that leverage Artificial Intelligence and Machine Learning methods.

**Oracle Financial Services Applications for Regulatory Compliance** is a suite of jurisdictionally aligned regulatory solutions. They comprehensively cover 'sources to report' requirements for regulatory outcomes across detailed account-level financial statements, risk reporting for capital and liquidity and specialized data-driven risk and financial reporting. They come with seamless integration to the accounting process and solutions that drive accounting standards and fair value computations. These rely on Oracle financial services' industry-leading data management capabilities for data-intensive processing with lineage, transparency, and scale built-in. The suite supports continuous compliance for complex Basel III post-crisis reforms covering, revised Standardized Approach for Credit Risk, Market Risk, FRTB, Counterparty Credit Risk, Large Exposures, and Leverage Ratio guidelines mandated for various jurisdictions from 2023 onwards.

**Oracle Financial Services Application for Financial Accounting Standards** enable a unified IFRS 9/CECL approach using a modularized design approach, which allows for easier solution integration and client-specific extensions, and enables financial institutions to perform granular calculations on a common dataset. Oracle Financial Services Hedge management and IFRS valuation products cater to Hedge Management, IFRS9 based Hedge Accounting standards on Micro hedging, Fair valuations using inbuilt methods, IFRS13 Fair Valuation Level Allocation, and Disclosure requirements of IFRS7.

**Oracle Financial Services Finance and Risk Applications for Insurance** provide a diverse set of solutions for the insurance industry to address financial accounting and reporting requirements under global accounting standards and end-to-end reserving needs. These solutions are built on Oracle's integrated Risk and Finance architecture and provide out-of-the-box capabilities for grouping contracts, liability calculations, sub ledger accounting and disclosure reporting, while seamlessly integrating with Finance and Actuarial applications, enabling accounting, performance management, risk management, and reporting from a single platform. Our Reserving tool helps in creating varied triangles and estimate reserves using multiple in-built reserving methods. The results are used in processes such as capital modelling, business planning and other regulatory reporting.

**Oracle Financial Services Analytical Applications for Customer Insight** suite of products comprises of Banking & Insurance Performance Analytics and Retail Customer Analytics products which are front office applications aimed at promoting top-line growth through data driven insights into customer behavior. The solution helps improve top-line growth with improved profitability by managing the profitable customer journeys and their lifecycle with the bank. The banks have an added flexibility of deploying the Performance Analytics solution on cloud.

## Services

**Oracle Financial Services PrimeSourcing** offers a comprehensive suite of consulting and application services addressing retail, corporate, and investment banking, funds, cash management, trade, treasury, payments, lending, private wealth management, asset management, compliance, enterprise risk and business analytics. The offerings encompass end-to-end consulting partnership, providing comprehensive business and technology solutions that enable financial services enterprises to improve process efficiencies, optimize costs, meet risk and compliance requirements, define IT architecture, and manage the transformation process.

**Oracle Financial Services BPO Services** provide cost effective and high quality BPO services ranging from complex back-office work to contact center services for the banking, capital markets, insurance, and asset management domains. This comprehensive ecosystem of BPO services is backed by a mature process and consulting framework. The BPO offerings are ISO 9001 certified for quality management and ISO 27001 certified for information security management.

## Our revenues

Our revenues comprise of license fees, maintenance fees and consulting fees in respective business segments.

### License fee

Our standard licensing arrangements for products provide the bank a right to use the product up to a limit on number of users or sites or such other usage metric upon the payment of a license fee. The license fee is a function of a variety of quantitative and qualitative factors, including the number of copies, users, modules and geographical locations supported. The licenses are perpetual, non-exclusive, personal, non-transferable and royalty free.

### Maintenance fees

Customers typically sign a Maintenance fee contract with us under which, we provide technical support, maintenance, problem resolution and upgrades for the licensed products. These support agreements typically cover a period of twelve months and are renewed for further period of twelve months.

### Consulting fee

We provide consulting services to our customers. The customer is typically charged a service fee on either a fixed price basis or a time and material basis based on the professional efforts incurred and associated out of pocket expenses. Both PrimeSourcing and BPO businesses comprise only of consulting services. In products business, our customers can optionally avail our consulting services related to the implementation of products at their sites, integration with other systems or enhancements to address their specific requirements.

The revenues generated from license fees and consulting services rendered by us depends on factors such as the number of new customers added, milestones achieved, implementation effort, etc. Therefore, such revenues typically vary from quarter to quarter and year to year. The annual maintenance contracts generate steady revenues and could grow to the extent that new customers are entering a support agreement.

## Analysis of our consolidated financial results

The following discussion is based on our audited consolidated financial statements, which have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") 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).

The consolidated financial statements include Oracle Financial Services Software Limited ("the Company"), its subsidiaries and Controlled Trust (together referred to as "OFSS group" as described in note 1 to the consolidated financial statements) ("the Group") as at March 31, 2022.

You should read the following discussion of our financial position and results of operations together with the detailed consolidated Ind AS financial statements and the notes which form integral part of such financial statements. Our fiscal year ends on March 31 of each year.

## Performance summary

(Amounts in ₹ million)

| Year ended March 31, 2022 | Products    | Services   | Total       |
|---------------------------|-------------|------------|-------------|
| Revenue from operations   | 46,916.03   | 5,298.52   | 52,214.55   |
| Operating expenses        | (22,393.78) | (3,992.45) | (26,386.23) |
| Unallocable expenses      | –           | –          | (1,888.97)  |
| Income from operations    | 24,522.25   | 1,306.07   | 23,939.35   |
| Operating margin          | 52%         | 25%        | 46%         |
| Profit for the year       |             |            | 18,888.26   |
| Profit margin             |             |            | 36%         |
| Year ended March 31, 2021 |             |            |             |
| Revenue from operations   | 44,251.70   | 5,587.67   | 49,839.37   |
| Operating expenses        | (20,430.78) | (4,115.17) | (24,545.95) |
| Unallocable expenses      | –           | –          | (1,839.76)  |
| Income from operations    | 23,820.92   | 1,472.50   | 23,453.66   |
| Operating margin          | 54%         | 26%        | 47%         |
| Profit for the year       |             |            | 17,618.55   |
| Profit margin             |             |            | 35%         |

Our total revenues in the fiscal year ended March 31, 2022 were ₹ 52,214.55 million, increase of 5% over our total revenues of ₹ 49,839.37 million in the fiscal year ended March 31, 2021. The increase in revenues was primarily attributable to increase in the revenues from our product business.

Income from operations in the fiscal year ended March 31, 2022 was ₹ 23,939.35 million representing an increase of 2% from ₹ 23,453.66 million in the fiscal year ended March 31, 2021. The profit for the year in the fiscal year ended March 31, 2022 was ₹ 18,888.26 million, as against ₹ 17,618.55 million in the fiscal year ended March 31, 2021.

## Revenues from operations

### Products revenues

Our products revenues represented 90% and 89% of our total revenues for the fiscal year ended March 31, 2022 and March 31, 2021 respectively. Our products revenues were ₹ 46,916.03 million in the fiscal year ended March 31, 2022, increase of 6% from ₹ 44,251.70 million during the fiscal year ended March 31, 2021.

The percentages of our products revenues are as follows for different streams:

|                  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|------------------|------------------------------|------------------------------|
| License fees     | 14%                          | 13%                          |
| Consulting fees  | 52%                          | 52%                          |
| Maintenance fees | 34%                          | 35%                          |
| Total            | 100%                         | 100%                         |

### Services revenues

Our services revenues represented 10% and 11% of our total revenues for the fiscal year ended March 31, 2022 and March 31, 2021 respectively. Our services revenues were ₹ 5,298.52 million in the fiscal year ended March 31, 2022, decrease of 5% from ₹ 5,587.67 million in the fiscal year ended March 31, 2021.

The percentage of total services revenues from time and material contracts was 64% in fiscal year 2022 and 73% in fiscal year 2021, with the remainder of our services revenues attributable to fixed price contracts.

## Finance income and other income, net

Our finance and other income primarily comprises of interest on bank deposits and foreign exchange gain / loss. Our finance and other income in the fiscal year ended March 31, 2022, was ₹ 1,343.42 million, as compared to ₹ 1,319.66 million in the fiscal year ended March 31, 2021.

## Expenses

### Operating expenses

The operating expenses consist of costs attributable to the compensation expenses for employees, project related travel expenses, professional fees paid to vendors, the cost of application software for internal use, selling and marketing expenses (including commissions payable to our partners), research and development expenses, product advertising and marketing expenses, finance

cost, contribution against Corporate Social Responsibility and overhead expenses associated with support functions such as human resources, finance, facilities and infrastructure, IT along with depreciation and amortization. We recognize these expenses as incurred.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical feasibility of project is established, future economic benefits are probable, the OFSS group has an intention and ability to complete and use or sell the software and the cost can be measured reliably. Software product development costs incurred subsequent to the achievement of technical feasibility are not material and are expensed as incurred.

## Employee costs

Our employee costs related expenditure increased by 9% to ₹ 24,058.62 million in the fiscal year ended March 31, 2022 from ₹ 22,017.54 million in the fiscal year ended March 31, 2021. Employee costs relate to salaries and bonuses paid to employees in India overseas, stock compensation charge to eligible employees along with staff welfare activities for employees.

## Travel related expenses

Our travel related expenditure decreased by 45% to ₹ 349.99 million in the fiscal year ended March 31, 2022 from ₹ 638.01 million in the fiscal year ended March 31, 2021. Travel costs relate to airfare, accommodation and other related expenses incurred on travel of our employees on projects, sales and marketing and for internal assignments.

## Professional fees

Our professional fees related expenditure increased by 9% to ₹ 1,595.75 million in the fiscal year ended March 31, 2022 from ₹ 1,469.70 million in the fiscal year ended March 31, 2021 representing 3% of revenue from operations in both fiscal years 2022 and 2021. Professional fees include services hired from external consultants for various projects.

## Finance cost

Finance cost decreased by 36% to ₹ 122.01 million in the fiscal year ended March 31, 2022 from ₹ 191.29 million in the fiscal year ended March 31, 2021. Finance cost relates to interest on lease liability and income tax.

## Other expenses

Our other expenditure increased by 19% to ₹ 1,220.84 million in the fiscal year ended March 31, 2022 from ₹ 1,028.06 million in the fiscal year ended March 31, 2021. The other expenses represent 2% of revenue from operations in both the fiscal years 2022 and 2021. Other expenses primarily consist of Corporate Social Responsibility expenditure, various facilities costs, application software, communication and other miscellaneous expenses.

## Depreciation and amortization

Depreciation and amortization comprises of depreciation on Property, plant and equipment and on Right-of-use asset. Our depreciation and amortization charge was ₹ 927.99 million and ₹ 1,041.11 million for the year ended March 31, 2022 and March 31, 2021 representing 2% of revenue from operations in both the fiscal years 2022 and 2021.

## Operating Margin

Operating profit for the year ended March 31, 2022 is ₹ 23,939.35 million as against ₹ 23,453.66 million during the year ended March 31, 2021.

## Income taxes

Our provision for income taxes in the fiscal year ended March 31, 2022 was ₹ 6,394.51 million as against ₹ 7,154.77 million in the fiscal year ended March 31, 2021. Our effective tax rate was 25% and 29% in the fiscal year 2022 and 2021, respectively. Income taxes also include foreign taxes representing income taxes payable overseas by us in various countries.

## Profit for the year

As a result of the foregoing factors, net profit has increased by 7% to ₹ 18,888.26 million in fiscal year 2022 from ₹ 17,618.55 million in fiscal year 2021.

## Analysis of our unconsolidated results

The following discussion is based on our audited unconsolidated financial statements, which have been prepared in accordance with Ind AS 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).

You should read the following discussion of our financial position and results of operations together with the detailed unconsolidated Ind AS financial statements and the notes which form an integral part of such financial statements. Our fiscal year ends on March 31 of each year.

## Performance summary

(Amounts in ₹ million)

| Year ended March 31, 2022 | Products    | Services   | Total       |
|---------------------------|-------------|------------|-------------|
| Revenue from operations   | 35,533.77   | 3,427.56   | 38,961.33   |
| Operating expenses        | (14,417.03) | (1,962.15) | (16,379.18) |
| Unallocable expenses      |             |            | (1,380.76)  |
| Income from operations    | 21,116.74   | 1,465.41   | 21,201.39   |
| Operating margin          | 59%         | 43%        | 54%         |
| Profit for the year       |             |            | 18,112.09   |
| Profit margin             |             |            | 46%         |
| Year ended March 31, 2021 |             |            |             |
| Revenue from operations   | 32,864.37   | 3,587.75   | 36,452.12   |
| Operating expenses        | (12,389.98) | (2,091.70) | (14,481.68) |
| Unallocable expenses      |             |            | (1,256.44)  |
| Income from operations    | 20,474.39   | 1,496.05   | 20,714.00   |
| Operating margin          | 62%         | 42%        | 57%         |
| Profit for the year       |             |            | 16,392.85   |
| Profit margin             |             |            | 45%         |

Our total revenues in the fiscal year ended March 31, 2022 were ₹ 38,961.33 million, increase of 7% over our total revenues of ₹ 36,452.12 million in fiscal year ended March 31, 2021. The increase in revenues was primarily attributable to increase in the revenues from our product business.

Income from operations in the fiscal year ended March 31, 2022 was ₹ 21,201.39 million representing an increase of 2% from ₹ 20,714 million in the fiscal year ended March 31, 2021. The profit for the year in the fiscal year ended March 31, 2022 was ₹ 18,112.09 million, as against ₹ 16,392.85 million in the fiscal year ended March 31, 2021.

## Revenues from operations

### Products revenues

As of March 31, 2022 our products revenues were ₹ 35,533.77 million, an increase of 8% from ₹ 32,864.37 million in the fiscal year ended March 31, 2021. Products revenues represented 91% and 90% of our total revenues in the fiscal year ended March 31, 2022 and 2021 respectively.

The percentages of our products revenues are as follows for different streams:

|                  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|------------------|------------------------------|------------------------------|
| License fees     | 15%                          | 14%                          |
| Consulting fees  | 48%                          | 48%                          |
| Maintenance fees | 37%                          | 38%                          |
| Total            | 100%                         | 100%                         |

### Services revenues

Our services revenues represented 9% and 10% of our total revenues for the fiscal year ended March 31, 2022 and March 31, 2021 respectively. Our services revenues were ₹ 3,427.56 million and ₹ 3,587.75 million in the fiscal year ended March 31, 2022 and March 31, 2021 respectively.

The percentage of total services revenues from time and material contracts was 59% in the fiscal year ended March 31, 2022 and 69% in the fiscal year ended March 31, 2021, with the remainder of our services revenues attributable to fixed price contracts.

## Finance income and other income, net

Our finance and other income primarily comprise of interest on bank deposits and foreign exchange gain / loss. Further, a dividend of ₹ 1,500.66 million has been received from a wholly owned subsidiary company in the fiscal year ended March 31, 2022 which is disclosed under other income. This has resulted in an overall increase of our finance and other income to ₹ 2,560.12 million in the fiscal year ended March 31, 2022, as compared to ₹ 1,164.81 million in the fiscal year ended March 31, 2021.

## Expenses

### Operating expenses

The operating expenses consist of costs attributable to the compensation expenses for employees, project related travel expenses, professional fees paid to vendors, the cost of application software for internal use, selling and marketing expenses, research and development expenses, finance cost, bad debts, impairment loss (reversed) on contract assets, contribution against Corporate Social Responsibility and overhead expenses associated with support functions such as human resources, finance, facilities and infrastructure, IT along with depreciation and amortization. We recognize these expenses as incurred.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical feasibility of project is established, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the cost can be measured reliably. Software product development costs incurred subsequent to the achievement of technical feasibility are not material and are expensed as incurred.

### Employee costs

Our employee costs increased by 17% to ₹ 14,545.54 million in the fiscal year ended March 31, 2022 from ₹ 12,443.21 million in the fiscal year ended March 31, 2021. Employee costs relate to salaries and bonuses paid to employees in India and at overseas branches, stock compensation charge to eligible employees along with staff welfare activities for employees.

### Travel related expenses

Our travel related expenditure decreased by 65% to ₹ 110.05 million in the fiscal year ended March 31, 2022 from ₹ 317.51 million in the fiscal year ended March 31, 2021. Travel costs relate to airfare, accommodation, and other related expenses incurred on travel of our employees on projects, sales and marketing, and for internal assignments.

### Professional fees

Our professional fees related expenditure were ₹ 1,345.12 million in the fiscal year ended March 31, 2022, as against ₹ 1,312.81 million in the fiscal year ended March 31, 2021, representing 3% and 4% of revenue from operations for the years ended March 31, 2022 and March 31, 2021 respectively. Professional fees include services hired of external consultants for various projects and other support services.

### Finance Cost

Our finance cost expenditure decreased by 33% to ₹ 32.30 million in the fiscal year ended March 31, 2022 from ₹ 47.99 million in the fiscal year ended March 31, 2021. Finance cost relates to interest on lease liability and income tax.

### Other expenses

Our other expenditure increased by 29% to ₹ 1,047.12 million in the fiscal year ended March 31, 2022 from ₹ 814.57 million in the fiscal year ended March 31, 2021. The other expenses represent 3% and 2% of revenue from operations for the year ended March 31, 2022 and year ended March 31, 2021 respectively. Other expenses primarily consist of Corporate Social Responsibility expenditure, reversal of provision for diminution in value of investment, bad debts and Impairment loss (reversed) on contract assets, various facilities and infrastructure costs, application software, communication, auditors' remuneration and other miscellaneous expenses.

### Depreciation and amortization

Depreciation and amortization charge comprises of depreciation on property, plant and equipment and on right-of-use asset. Our depreciation and amortization charge was ₹ 679.81 million and ₹ 802.03 million for the year ended March 31, 2022 and 2021 representing 2% revenues from operations.

### Operating Margin

Operating profit for the year ended March 31, 2022, is ₹ 21,201.39 million as against ₹ 20,714.00 million during the year ended March 31, 2021. Our operating profit margin was 54% and 57% for fiscal years 2022 and 2021 respectively.

### Income taxes

Our provision for income taxes in the fiscal year ended March 31, 2022, was ₹ 5,649.42 million as against ₹ 5,485.96 million in the fiscal year ended March 31, 2021. Our effective tax rate was 24% and 25% for the fiscal years ended March 31, 2022 and March 31, 2021 respectively. Income taxes also include foreign taxes representing income taxes payable overseas by the Company in various countries.

### Profit for the year

As a result of the foregoing factors, net profit for the year ended March 31, 2022, was ₹ 18,112.09 million as against ₹ 16,392.85 million during the year ended March 31, 2021.



## Other metrics

### Key financial ratios

The following table summarizes the key financial ratios for the year ended March 31, 2022, and March 31, 2021.

|   | Consolidated            |            | Unconsolidated           |            |
|---|-------------------------|------------|--------------------------|------------|
|   | 2022                    | 2021       | 2022                     | 2021       |
| Financial Performance                                 |                         |            |                          |            |
| Net profit ratio                                      | 36%                     | 35%        | 46%                      | 45%        |
| Financial Position                                    |                         |            |                          |            |
| Current ratio   | 6.7 times               | 7.3 times  | 9.8 times                | 10.6 times |
| Net capital turnover ratio                            | 0.9 times               | 0.9 times  | 1.0 times                | 1.0 times  |
| Trade receivables turnover ratio                      | 6.0 times               | 5.8 times  | 7.7 times                | 8.4 times  |
| Trade payables turnover ratio                         | 8.2 times               | 8.3 times  | 7.6 times <sup>1</sup>   | 5.4 times  |
| Debt service coverage ratio                           | 60.5 times <sup>2</sup> | 39.0 times | 152.4 times <sup>2</sup> | 59.2 times |
| Debt equity ratio (Lease liabilities on total equity) | 0.01 times              | 0.01 times | 0.01 times               | 0.01 times |
| Return on equity                                      | 27%                     | 26%        | 32%                      | 29%        |
| Return on capital employed                            | 35%                     | 35%        | 41%                      | 39%        |
| Return on investment                                  | N.A.                    | N.A.       | 19% <sup>3</sup>         | 0%         |
| Days Sales Outstanding                                | 59 days                 | 54 days    | 50 days                  | 44 days    |

<sup>1</sup> Reduction in trade payables towards services availed / goods received has resulted in an improvement in the ratio.

<sup>2</sup> Increase in cash profits along with reduction in lease liability has resulted in an increase in the ratio.

<sup>3</sup> During the year ended March 31, 2022, the Company has received dividend from one of its wholly owned subsidiary company.

### Trade receivables

As per Consolidated financials, trade receivables as of fiscal March 31, 2022 and 2021 were ₹ 9,262.74 million and ₹ 8,027.53 million respectively. As per unconsolidated financials trade receivables as of fiscal March 31, 2022, and 2021 were ₹ 5,568.23 million and ₹ 4,562.87 million respectively.

The Group periodically reviews its trade receivables outstanding as well as the ageing, quality of the trade receivables, customer relationship and the history of the client.

### Geographic breakup of revenues

The following table represents the percentage breakup of our consolidated and unconsolidated revenues for our products and services business by region:

|                                    | Year ended March 31, 2022 |                   |                | Year ended March 31, 2021 |                   |                |
|------------------------------------|---------------------------|-------------------|----------------|---------------------------|-------------------|----------------|
|                                    | Products Revenues         | Services Revenues | Total Revenues | Products Revenues         | Services Revenues | Total Revenues |
| Consolidated                       |                           |                   |                |                           |                   |                |
| Americas (NAMER)                   | 31%                       | 71%               | 35%            | 29%                       | 74%               | 34%            |
| Europe, Middle East, Africa (EMEA) | 34%                       | 17%               | 33%            | 35%                       | 16%               | 32%            |
| Asia Pacific (JAPAC)               | 35%                       | 12%               | 32%            | 36%                       | 10%               | 34%            |
| Total                              | 100%                      | 100%              | 100%           | 100%                      | 100%              | 100%           |
| Unconsolidated                     |                           |                   |                |                           |                   |                |
| Americas (NAMER)                   | 26%                       | 69%               | 30%            | 24%                       | 72%               | 29%            |
| Europe, Middle East, Africa (EMEA) | 39%                       | 19%               | 37%            | 40%                       | 17%               | 37%            |
| Asia Pacific (JAPAC)               | 35%                       | 12%               | 33%            | 36%                       | 11%               | 34%            |
| Total                              | 100%                      | 100%              | 100%           | 100%                      | 100%              | 100%           |

## Customer concentration

The percentage of total revenues during fiscal years 2022 and 2021 that we derived from our largest customer, largest five customers and largest ten customers on consolidated and unconsolidated basis is provided in the accompanying table. The Company contracts end customers in several countries through the local subsidiary of Oracle Corporation. Entities under common control are considered as a single customer for the purpose of reporting customer concentration.

|                  | Products Revenues |      | Services Revenues |      | Total Revenues |      |
|------------------|-------------------|------|-------------------|------|----------------|------|
|                  | 2022              | 2021 | 2022              | 2021 | 2022           | 2021 |
| Consolidated     |                   |      |                   |      |                |      |
| Largest customer | 56%               | 53%  | 25%               | 22%  | 51%            | 48%  |
| Top 5 customers  | 67%               | 64%  | 60%               | 64%  | 63%            | 61%  |
| Top 10 customers | 72%               | 70%  | 80%               | 81%  | 68%            | 67%  |
| Unconsolidated   |                   |      |                   |      |                |      |
| Largest customer | 66%               | 71%  | 97%               | 97%  | 69%            | 74%  |
| Top 5 customers  | 93%               | 91%  | 100%              | 100% | 93%            | 92%  |
| Top 10 customers | 96%               | 94%  | 100%              | 100% | 96%            | 95%  |

## Internal control systems and their adequacy

Oracle Financial Services Software group has in place adequate systems for internal control commensurate with the size of the business operations of the Company and documented procedures covering all financial and operating functions. These systems are designed to provide reasonable assurance with regard to maintaining adequate controls, monitoring economy and efficiency of operations, protecting assets from unauthorized use or losses, and ensuring reliability of financial and operational information. The Group continuously strives to align all its processes and controls with global best practices.

## Opportunities and threats

In line with our mission, we strive to understand the needs of our customers and help them transform their systems with front to back solutions and digital capabilities that enable them to deliver better financial services while managing the risks.

- Financial institutions are increasing their focus and investments on getting ready for the digital era. Their customers, both retail and corporate, are demanding financial services that help them holistically and seamlessly cover their commerce domain.
- This leads to demand for offerings that provide far more immersive products that embedded financial services to the customers.
- Driven by the regulatory requirements and the push into the digital era, banks are increasing their spend on risk and finance technology that can give them better insight, resiliency, and better management of the profitability.
- Industry is shifting to nimble point solutions with rapid deployment capability and SaaS / Cloud based deployments are increasingly in focus.
- Financial institutions are increasingly investing in solutions to help drive innovation, flexibility and support various operating models. Adoption of IOT, Machine Learning, AI, hyperdata, etc. are helping shape the service delivery and strategy.
- This high demand has seen entrance of new players who attempt to provide relevant niche solutions rapidly. The existing competition is also organically and inorganically investing in creating right solutions.
- Uncertainties caused by COVID-19 pandemic, geo-political situations continue to play in the background and could impact the scale and speed of transformation by the customers.

## Liquidity and capital resources

Our capital requirement relate primarily to financing the growth of our business. We have historically financed the majority of our working capital, capital expenditure and other requirements through our operating cash flow. During fiscal year 2022 and 2021, we generated cash from operations of ₹ 18,561.53 million and ₹ 19,195.06 million respectively as per consolidated financials and ₹ 15,981.10 million and ₹ 15,447.76 million respectively as per unconsolidated financials.

We are a zero-debt company. We expect that our primary financing requirements in the future will be capital expenditure and working capital requirements in connection with the expansion of our business. We believe that the cash generated from operations will be sufficient to satisfy our currently foreseeable capital expenditure and working capital requirements.

## Human capital

We are a global organization with multi-country teams having diverse backgrounds. Our strong culture and processes ensure seamless collaboration across geographies.

As at March 31, 2022, the Company had 6,805 employees (March 31, 2021 - 6,527) and the OFSS Group had 7,884 employees (March 31, 2021 - 7,977).

## Talent acquisition and retention

We recruit graduates and post-graduates from top engineering and business schools. We also hire domain experts from the banking industry creating a right mix of employees with functional and technology expertise. We also aim to be the best in class employer having employees across the regions in all the markets we operate. We maintain above Industry gender equality in our hiring.

We invest in continuous learning of our employees and engage them in programs that develop agility to work in a constantly transforming ecosystem. The blend of functional knowledge and technical expertise, coupled with in-house training and real-life experiences in working with financial institutions, makes our employees unique. We leverage the virtual libraries across the organization and also use on-line learning from leading learning portals.

We encourage employees on creating patents which are unique to our domain as also, to write technical papers in reputed journals.

## Employee experience and well-being

We have a comprehensive Employee Assistance Program for helping employees cope with the various life stages and changes with resilience and acceptance as a person. Our women employees are part of the global Oracle Women's Leadership initiative and undergo specialized programs for developing future women leaders.

Global outbreak of COVID-19 Pandemic has in general impacted socio-economic lives of people. We continued to support various initiatives for Employee Wellbeing, such as expanded insurance coverage for employees and their family, access to various resources to get emergency assistance for medical help, oxygen concentrators etc. In addition, we strengthened the well-being and counselling initiatives to help employees cope with the stress and various difficulties faced during pandemic.

During the financial year, when the second wave was strong and vaccine availability was limited, we organized free vaccination for all our employees, their families and the contract / support staff.

## Performance management and career development

Our performance review system helps us identify strengths of our employees as well as areas of improvement. The employees go through learning plans that address the areas of improvement. An active talent review program that helps build a talent pipeline. The reviews also help identify the top talent who are nurtured with a personalized leadership development program at both, local and global levels, working with the best in class Universities and thought leaders.

Our Oracle University helps our employees enhance their skills through an individual learning plan training in both technology / functional domains and soft skills. At mid / senior levels, the leadership and behavioral training is an important element of our program to groom future leaders. We have enabled access to highly specialized training courses offered by top universities around the world. Employees completing these programs get a formal certification from respective universities.

## Rewards and recognition

Our reward mechanism is geared towards recognizing employee achievements. We have a number of recognition programs which encourage the individual, team and group. Our Pacesetter Awards program recognizes individual excellence, and such high achievers get nominated for high-end, future focused training from premium learning agencies.

## Risks and concerns

The Company has a robust plan for managing the risks faced in its global operations. The Risk Management Committee reviews the risks, possible impact and the mitigation plan. Listed below are the some of the major risks, their impact and the mitigation plan.

| Risks  | Mitigation Plan   |
|--|---|
| <p>Human Resources</p> <p>Human talent is the most important asset of the Company. The industry dynamics and demand for experienced employees has put pressure on retention of employees. Attrition creates shortage of critical skills, constrains the delivery capacity and increases retention and replacement costs.</p>   | <p>The Company endeavors to create a professionally rewarding and enriching work environment. Our performance management and training systems help employee development and engagement. We undertake various tactical initiatives to retain the talent. The Company also invests in various employee wellbeing initiatives to help employees deal with pandemic. The Company has also significantly reduced the new talent acquisition time to enable faster replacement.</p> |
| <p>Change in Buyer Behavior</p> <p>Changes in the buyer behavior cause disruptions in the market and can impact the Company. Preference for a Subscription / cloud based purchases is gaining prominence while buying decisions are shifting from enterprise to components. Customer engagement is also shifting from traditional in-person engagement to virtual multi-point engagement. Such disruptive changes impact the industry dynamics, allows for emergence of new age competition.</p> | <p>Assessment of industry changes is intrinsic to the business of the Company and the Company keeps a close watch on market preferences, customer responses and competitive products in the industry to drive the suitable changes to its business strategy. Company responds to the changes with upgradation of its product platform through focused R&amp;D, transformation of customer sales and engagement processes.</p>   |

## Risks

## Mitigation Plan

### Competition

The Company faces competition from established global, as well as regional and local IT products and service providers. The Company also faces competition from new-age players who offer niche solutions.

The Company is a global leader in providing Financial Technology Solutions across Retail Banking, Corporate Banking, modern Risk and Finance and Financial Crime and Compliance Management. The Company's solutions are deployed in on-premises & SAAS mode and incorporate new technologies such as Artificial Intelligence and Machine Learning (AI / ML) which enable the users to provide a differentiated solution to its customers. The Company is strongly positioned to offer competitive offerings catering to the digital enablement of its customer's businesses.

### Disruption and uncertainty due to COVID-19 Pandemic

While vaccination of majority of the population and easing restrictions allude to normalcy of business operations, further waves could impact the economies and growth plans of the Company.

The Company has a robust IT and data security infrastructure and business continuity processes enables the Company to effectively respond to any type of hybrid work locations.

The Company has also conducted pan-India vaccination drives for its employees and their immediate family members. The Company continually monitors the situation and calibrates its responses in the best interest of its customers and health and safety of its employees.

### Legal Claims

Litigation claims can arise from commercial disputes, intellectual property entitlements and employment related matters, tax demands among others. The risk increases due to vast geographic presence of the Company's operations and nature of its business. Litigation can be lengthy, expensive and disruptive. The results of litigation cannot be predicted, and an adverse decision could result in monetary damages or injunctive reliefs that could affect the business, operating results or financial condition of the Company. The Company can also face risk of claims due to default in service delivery due to lock-downs in various countries and cities.

The Company has a strong process of review of customer commitments and contracts before they are signed. The Company relies on the expertise of its parent, which helps to get a first-hand knowledge of laws and compliances in various jurisdictions, to help mitigating the risks and manage compliances.

The Company regularly trains its employees on applicable laws and has a strong whistle blower mechanism for reporting any non-compliances.

The Company has appropriate insurance covers such as Directors and Officers (D&O) policy to cover liabilities of the Company's managers and to protect them from potential claims which might arise from the decisions and actions taken within the scope of their regular duties. For the liabilities arising out of professional work, the Company protects itself through and Errors and Omissions (E&O) insurance cover.

### Cyber Risk

Due to the nature of its offerings, there is a risk of disruption or damage to the Company from any incidence involving compromise of data resulting in financial loss, reputational damage or legal claims.

Defense in cybersecurity calls for a range of near real-time, interactive services from the Company's IT infrastructure. The Company has implemented cyber security controls as per the NIST framework as also per ISO 27001 standard to detect, prevent and remediate data breach threats. These often include compute, encryption, tiered storage, analytics, identity and access management, data protection, usage of VPN, event log management, notification, data management, and security policy enforcement services. These controls are continuously monitored for their effectiveness.

## Risks

### Infringement of Intellectual Property

The Company's primary business is IT Products and protecting Intellectual Property (IP) rights is crucial to the Company. Any misappropriation could harm its competitive position. Similarly, it is crucial to ensure that the Company's products do not infringe on any third-party intellectual property.

### Regulatory Compliance

The Company is a listed entity in India and has business presence across various countries. It deposes employees on-site for various project requirements.

The Company complies with all the local laws and regulations where it operates. Ever changing laws and increasing exposure under various statutes, local labor, tax and mobility requirements, immigration laws, cross border FX movement compliances, etc. are some of the regulations which add complexity.

### Customer Contract delivery

Company faces customer contract delivery risk on account of the probability of loss arising from failure in contract performance which may lead to, cost overruns, non-payment of dues, loss of future business or potential legal claim.

### Foreign Exchange Rate Volatility

A substantial portion of the Company's revenue is generated in foreign currencies, while majority of the Company's expenses are incurred in Indian Rupees. Exchange rate volatility can Company's results.

### Geographical Spread

The Company's customer base is spread over 150 countries. It is therefore imperative to manage a multi-cultural workforce and deal with business dynamics across these countries.

Exposure to local conditions including maintenance of work environment and adhering to local laws, are the key factors which may impact the performance of the Company in each of such jurisdictions.

## Mitigation Plan

The Company relies on a combination of copyright registrations and their renewals, license agreements, confidentiality agreements with employees, nondisclosure and other contractual confidentiality obligations imposed on its customers and vendors with whom it has entered into marketing, distribution, implementation and/or support services agreements and third parties from whom the Company purchases goods / avails services, to protect the proprietary intellectual property rights.

The Company relies on a highly secured IT environment that prevents unauthorized access to, and reproduction of, the source code and other IP assets. Further, the Company subjects all products to a mandatory validation against any unauthorized usage of third-party IP.

Strict adherence to the law of land is a key principle that the Company follows and always takes a conservative view when interpretations of regulations are unclear.

Regular monitoring of the local applicable statutes, and advisory support from the local professional consultants are some of the measures that the Company undertakes to ensure that it remains compliant in all jurisdictions. It also relies on expertise of the parent in managing the compliances (legal, tax, mobility, etc.) across various countries.

Company enters standard contract to protect the revenue recognition and legal risks. Any deviations to standard clauses require approval from appropriate management level, ensuring that the Company has full assessment of key contract terms, risks and commercials before the contract is signed.

Contact execution risks include risks such as technical, people, mobility, environmental risks, etc. Each of such risks is studied and mitigation plan is prepared.

The Company maintains professional liability (E&O) insurance policy to hedge against any claims made by the clients for compensation against contract delivery deficiencies.

The Company hedges the trade receivables in major currencies with the objective to minimize the volatility in realized exchange gain or loss (i.e., difference in the currency conversion based on the rate when invoice is booked and when it gets collected).

The Company's geographic spread offers it a natural hedge against economic slowdown affecting a region.

The Company, through its local offices along with expert support of global advisors, aims to ensure compliance with the laws of the land.

| Risks   | Mitigation Plan  |
|---|--|
| <p data-bbox="97 132 483 163">Economic and Political Environment</p> <p data-bbox="97 165 788 371">The Company faces local economic and political challenges in the jurisdictions it operates in. These include changes in the political environment, war situation, inflation, GDP growth, and major changes in economic policies &amp; taxation, mobility constraints, etc. These can impact business growth and are considered as risks for the Company. Being a listed entity, the Company also faces shareholder activism.</p> <p data-bbox="97 392 788 454">The Company also faces increasing challenges in staff deployment across countries due to mobility restrictions in various countries.</p> <p data-bbox="97 474 788 562">The Company's global operations are also impacted by manmade and natural calamities (e.g., war, epidemics &amp; pandemics, earthquakes, floods, etc.).</p> | <p data-bbox="809 165 1444 286">The Company aims to proactively avoid situations with overt political risk. The Company, through its parent resources, carefully assesses the local situation to minimize impact of such risks on its assets, safety of its personnel, and business.</p> <p data-bbox="809 306 1444 423">The Company has a global team which focusses on monitoring the mobility regulations in various countries and attempts to mitigate the requirements through a local hire where feasible.</p> <p data-bbox="809 443 1444 705">The Company also reviews the specific SOS situation in a country / region in which it has business activities and takes appropriate actions to safeguard the interest of its employees. The Company has engaged global organizations that specialize in providing SOS assistance to its personnel globally. The Company also proactively tracks situation of any calamities and various Government &amp; WHO advisories and take appropriate actions for its employees who could potentially be impacted.</p> |

## **Consolidated financials**

**Financial statements for the year ended March 31, 2022 prepared in accordance with Ind AS (Consolidated).**

# Independent Auditor's Report

To the Members of Oracle Financial Services Software Limited

## Report on the Audit of Consolidated Ind AS Financial Statements

### 1. Opinion

We have audited the accompanying Consolidated Ind AS financial statements of Oracle Financial Services Software Limited ("the Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2022, the Consolidated profit and consolidated total other comprehensive income, Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

### 2. Basis for Opinion

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on Consolidated Ind AS financial statements.

### 3. Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report which is based on audit procedures performed by us and by the other auditor of the components as described in the "Other Matter" paragraph 7 below.

| Sr. No. | Key Audit Matter  | Auditor's Response  |
|---------|---|---|
| 1.      | <b>Evaluation of income tax provision</b><br><br>The Group has uncertain income tax positions which includes matters under dispute involving significant judgment to determine the possible outcome of these disputes.<br><br>Further the Group has operations in a number of different jurisdictions and are therefore subject to many tax regimes and differing rules and regulations. Management is required to ensure compliance with tax laws applicable in each jurisdiction and appropriately determine the tax expense. Further, management is also required to evaluate the transfer pricing mechanism as per applicable tax laws in different jurisdictions and its consequential impact on adequacy of provision for income tax and deferred tax of the Group. | <b>Principal Audit Procedures:</b><br><br>a) Evaluated the design and tested the operating effectiveness of the relevant controls, through combination of procedures involving inquiry and observation, reperformance and inspection of evidence in respect of operation of these controls to assess how the Group monitors income tax and related developments and their assessment of the potential impact on the Group.<br><br>b) For uncertain tax positions, obtained details of income tax assessments, appeal orders and income tax demands from management. |



| Sr. No.   | Key Audit Matter   | Auditor's Response  |
|-----------|--|---|
|           | <p>In accordance with Appendix C "Uncertainty over Income tax Treatments" in Ind AS 12 "Income taxes", the Group has during the year ended March 31, 2022, reviewed the uncertain tax positions in respect of all matters and wherever considered appropriate recognised income tax provisions relating to uncertain income tax treatments and the related interest expense thereon.</p> <p>Refer note 2.3(f), 16, 26 (vi), 27(b) and 38 of the consolidated Ind AS financial statements.</p>  | <p>c) Evaluated the management's underlying assumptions of the validity and adequacy of provisions for uncertain income tax positions and evaluated the basis of determination of the possible outcome of the disputes. Also considered legal precedence and other rulings and read, where applicable, external advice sought by the Company for these uncertain income tax positions and reviewed related correspondence in evaluating management's position on these uncertain income tax matters.</p> <p>d) For key tax jurisdictions, assessed transfer pricing mechanism including the basis of recording provisions for uncertain income tax treatment and interest thereon, as per applicable tax laws. We discussed with management and understood the rationale for recording the provision for uncertain tax positions.</p> <p>e) Tested current income tax and deferred tax computation provided by the management and checked the arithmetical accuracy of the amounts reported for current and deferred tax, including assessment of effective tax rate reconciliation to evaluate the Group's total income tax expense for the year.</p>  |
| <b>2.</b> | <b>Revenue Recognition</b>   | <b>Principal Audit Procedures:</b>  |
|           | <p>The Group's revenue streams consist of license fees, maintenance fees and consulting fees – fixed price and time &amp; material contracts.</p> <p>Revenue from contracts with customers is recognized in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers ("Ind AS 115").</p> <p>The application of Ind AS 115 involves certain key judgements relating to identification of distinct performance obligations, determination of the transaction price, allocation of transaction price to the identified performance obligations especially to license fees, the appropriateness of the basis used to measure revenue recognised over time or at a point in time, including relevant cut-off at period end dates.</p> <p>Refer note 2.3 (e), 17, 25 and 26 (ix) of the consolidated Ind AS financial statements.</p> | <p>a) Evaluated whether the revenue recognition of the Group is in accordance with the accounting policies and principles as per Ind AS 115.</p> <p>b) Obtained an understanding of management's internal controls over the revenue process and evaluated whether these were designed in line with the Ind AS 115. Tested relevant internal controls, including information technology (IT) controls, over revenue process. Carried out a combination of procedures involving inquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</p> <p>c) Performed following procedures on a sample of revenue contracts entered into by Group, selected on a test check basis as deemed appropriate:</p> <p>i) Read and identified the distinct performance obligations in these contracts and compared these performance obligations with those identified and recorded in the books of accounts.</p> <p>ii) Read the terms of the contracts and checked determination of the transaction price including any variable consideration. Also, checked management's evaluation of the stand-alone selling price for each performance obligation.</p> <p>iii) Tested the basis used by the management to measure revenue recognised over time or at a point in time as per the requirements of Ind AS 115.</p> <p>d) Performed cut-off testing procedures (by selecting a sample of contracts either side of year-end) to test that revenue has been recognised in the appropriate accounting period.</p> |

| Sr. No. | Key Audit Matter  | Auditor's Response   |
|---------|---|--|
| 3.      | <b>Impairment of Goodwill</b>   | <b>Principal Audit Procedures:</b>   |
|         | <p>The goodwill amounting to ₹ 6,086.63 million represents 6.97% of its total assets. For the cash generating units (CGUs) which also includes goodwill, the determination of the recoverable amount of these CGUs requires significant estimates in determining the key assumptions supporting the expected future cash flows of the business, the utilisation of the relevant assets and the most appropriate discount rate.</p> <p>Refer to note 2.3 (b), 6, 26 (iv) and 31 of the consolidated Ind AS financial statements.</p> | <p>a) Focused our testing on the impairment of goodwill and the key assumptions and estimates made by management.</p> <p>b) Audit procedures included an assessment of the controls over the impairment assessment process.</p> <p>c) Evaluated the design and tested the operating effectiveness of the relevant controls.</p> <p>d) Carried out the following procedures on the valuation report and supporting assumptions provided to us:</p> <ul style="list-style-type: none"> <li>i. Evaluated whether the approach and methodology used by management to calculate the value in use of each CGU complies with Ind AS 36 Impairment of Assets.</li> <li>ii. Obtained and analysed the projections provided by management for each CGU, to determine whether the forecast cash flows are supportable based on historical performance, including assessment of long-term growth rate.</li> <li>iii. Analysed and reviewed the discount rates calculated by management i.e. Weighted Average Cost of Capital (WACC).</li> <li>iv. Assessed the key cash flow assumptions based on historical performance and industry information.</li> </ul> <p>e) Performed sensitivity analysis around the key assumptions used by management to ascertain the extent of change in those assumptions that either individually or collectively would be required for an impairment charge.</p> <p>f) Assessed the appropriateness of the recognition, measurement and related disclosures of goodwill.</p> |

#### 4. Information other than the Consolidated Ind AS financial statements and Auditor's report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors Report, Corporate Governance Report and Management Discussion and Analysis, but does not include the Consolidated Ind AS financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's report.

Our opinion on the Consolidated Ind AS financial statements does not cover the other information and we will not express any form of assurance thereon.

In connection with our audit of the Consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

#### 5. Management's responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate

internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the Company's financial reporting process.

## **6. Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under the section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary Companies which are Companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Ind AS financial statements of which we are the independent auditor regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 7. Other Matters

We did not audit the Ind AS financial statements/financial information, in respect of five subsidiaries, whose Ind AS financial statements/financial information reflect total assets of ₹ 27,238.57 million and net assets of ₹ 14,742.19 million as at March 31, 2022, total revenues of ₹ 40,770.39 million, total profit after tax (net) of ₹ 1,118.96 million, total comprehensive income of ₹ 1,188.02 million and net cash inflows of ₹ 648.71 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statement/financial information have been audited by other auditor, whose Ind AS financial statements/financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditor.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

## 8. Report on Other Legal and Regulatory Requirements

8.1 As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditor on separate Ind AS financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of consolidated Ind AS Financial Statements.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flow and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India to the extent applicable and the operating effectiveness of such controls, refer to our separate report in Annexure 1 to this report.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate Ind AS financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
  - i. The Group has disclosed the impact of pending litigations on the financial position in its Consolidated Ind AS financial statements – Refer Note 27 (b) and Note 38 to the Consolidated Ind AS financial statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India – Refer Note to the 13(b)(iii) to the Consolidated Ind AS financial statements;
  - iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act by us and other auditors as stated in paragraph 7 above, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified

in any manner whatsoever by or on behalf of the Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act by us and other auditors as stated in paragraph 7 above, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act by us and other auditors as stated in paragraph 7 above, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement; and
- v. a) The interim dividend declared and paid by the Company (for financial year 2020-21) during the year is in compliance with provisions of Section 123 of the Companies Act, 2013.
- b) The Board of Directors of the Company have declared interim dividend for the financial year 2021-22 on May 04, 2022. The amount of interim dividend is in accordance with section 123 of the Act, as applicable.
- 8.2 With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor’s Report) Order, 2020 (the “Order”/ “CARO”) issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor’s report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries including issued by other auditor as stated in paragraph 7 above which are included in the consolidated Ind AS financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports, except to the extent stated hereinbelow:

| <b>Sr. No.</b> | <b>Name of the Company</b>                                   | <b>Clause number of the CARO report which is qualified or adverse</b> |
|----------------|--|---|
| 1.             | Oracle Financial Services Software Limited – Holding Company | Clause 3(viii)(a) – delay in payment of foreign withholding tax.      |

**For Mukund M. Chitale & Co.**

Chartered Accountants  
Firm Regn. No. 106655W

**S. M. Chitale**

Partner  
M. No. 111383

UDIN: 22111383AJKHVN3285

Date: May 4, 2022  
Place: Mumbai

## **Annexure 1 to the Independent Auditor's Report of even date on the consolidated Ind AS financial statements of Oracle Financial Services Software Limited**

### **Referred to in paragraph [8.1(f)] under Report on Other Legal and Regulatory Requirements of our report of even date**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. In conjunction with our audit of the consolidated Ind AS financial statements of Oracle Financial Services Software Limited as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Oracle Financial Services Software Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies to the extent applicable, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing as prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and both. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

4. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Ind AS financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

5. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

6. In our opinion, the Holding Company and its subsidiary companies to the extent applicable, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matter**

7. Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to two subsidiary companies to the extent applicable, which are companies incorporated in India, is based on the corresponding reports of the auditor of such subsidiary companies incorporated in India.

**For Mukund M. Chitale & Co.**

Chartered Accountants  
Firm Regn. No. 106655W

**S. M. Chitale**

Partner  
M. No. 111383

UDIN: 22111383AJKHVN3285

Date: May 4, 2022  
Place: Mumbai

# Consolidated balance sheet as at March 31, 2022

(Amounts in ₹ million)

|  | Notes | March 31, 2022   | March 31, 2021   |
|--|-------|------------------|------------------|
| <b>ASSETS</b>  |       |                  |                  |
| Non-current assets   |       |                  |                  |
| Property, plant and equipment  | 3     | 1,713.68         | 1,915.95         |
| Capital work-in-progress   | 3     | 38.16            | 1.33             |
| Right-of-use Assets  | 4     | 811.81           | 736.14           |
| Investment property  | 5     | 102.00           | 102.00           |
| Goodwill   | 6     | 6,086.63         | 6,086.63         |
| Financial assets   | 7     | 1,551.22         | 1,400.71         |
| Deferred tax assets (net)  | 16    | 1,422.99         | 1,309.88         |
| Income tax assets (net)  |       | 8,798.10         | 8,328.43         |
| Other non-current assets   | 10    | 400.00           | 386.81           |
|  |       | 20,924.59        | 20,267.88        |
| Current assets   |       |                  |                  |
| Financial Assets   |       |                  |                  |
| Trade receivables  | 8     | 9,262.74         | 8,027.53         |
| Cash and cash equivalents  | 9 (a) | 16,799.73        | 16,948.28        |
| Other bank balances  | 9 (b) | 34,425.19        | 32,193.04        |
| Other current financial assets   | 7     | 2,317.94         | 2,782.87         |
| Income tax assets (net)  |       | 1,037.47         | 939.67           |
| Other current assets   | 10    | 2,579.66         | 1,676.29         |
|  |       | 66,422.73        | 62,567.68        |
| <b>TOTAL</b>   |       | <b>87,347.32</b> | <b>82,835.56</b> |
| <b>EQUITY AND LIABILITIES</b>  |       |                  |                  |
| Equity   |       |                  |                  |
| Equity share capital   | 11    | 431.23           | 430.31           |
| Other equity   | 12    | 70,565.71        | 68,057.43        |
| <b>Total equity</b>  |       | <b>70,996.94</b> | <b>68,487.74</b> |
| Non-current liabilities  |       |                  |                  |
| Financial liabilities  |       |                  |                  |
| Lease liability  | 28    | 547.43           | 423.82           |
| Other financial liabilities  | 13    | 49.51            | 47.78            |
| Other non-current liabilities  | 14    | 169.03           | 6.81             |
| Provisions   | 15    | 1,517.17         | 1,294.66         |
| Deferred tax liability (net)   | 16    | 1,779.68         | 2,332.53         |
| Income tax liabilities (net)   |       | 2,398.50         | 1,727.70         |
|  |       | 6,461.32         | 5,833.30         |
| Current liabilities  |       |                  |                  |
| Financial liabilities  |       |                  |                  |
| Lease liability  | 28    | 286.42           | 273.79           |
| Trade payables   |       |                  |                  |
| Payable to micro and small enterprises   | 13    | 11.33            | 4.86             |
| Payable to others  | 13    | 385.32           | 453.18           |
| Other current financial liabilities  | 13    | 2,205.28         | 2,217.53         |
| Other current liabilities  | 14    | 5,199.08         | 3,940.84         |
| Provisions   | 15    | 1,588.18         | 1,446.19         |
| Income tax liabilities (net)   |       | 213.45           | 178.13           |
|  |       | 9,889.06         | 8,514.52         |
| <b>TOTAL</b>   |       | <b>87,347.32</b> | <b>82,835.56</b> |
| Summary of significant accounting policies   | 2     |                  |                  |
| The accompanying notes form an integral part of the consolidated financial statements. |       |                  |                  |

As per our report of even date

**For Mukund M. Chitale & Co.**

Chartered Accountants  
ICAI Firm Registration No. 106655W

**S. M. Chitale**

Partner  
Membership No. 111383

**Mumbai, India  
May 4, 2022**

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

**S Venkatachalam**

Chairperson  
DIN: 00257819

**Makarand Padalkar**

Whole-time Director  
& Chief Financial Officer  
DIN: 02115514

**Mumbai, India  
May 4, 2022**

**Chaitanya Kamat**

Managing Director  
& Chief Executive Officer  
DIN: 00969094

**Onkarnath Banerjee**

Company Secretary  
& Compliance Officer  
ACS: 8547



# Consolidated statement of profit and loss for the year ended March 31, 2022

(Amounts in ₹ million, except share data)

|  | Notes | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|--|-------|------------------------------|------------------------------|
| Revenue from operations  | 17    | 52,214.55                    | 49,839.37                    |
| Finance income   | 18    | 901.85                       | 1,138.65                     |
| Other income, net  | 19    | 441.57                       | 181.01                       |
| Total income   |       | 53,557.97                    | 51,159.03                    |
| <b>EXPENSES</b>  |       |                              |                              |
| Employee benefit expenses  | 20    | 24,058.62                    | 22,017.54                    |
| Travel related expenses  |       | 349.99                       | 638.01                       |
| Professional fees  |       | 1,595.75                     | 1,469.70                     |
| Finance cost   | 21    | 122.01                       | 191.29                       |
| Other operating expenses   | 22    | 1,220.84                     | 1,028.06                     |
| Depreciation and amortization  | 3 & 4 | 927.99                       | 1,041.11                     |
| Total expenses   |       | 28,275.20                    | 26,385.71                    |
| Profit before tax  |       | 25,282.77                    | 24,773.32                    |
| Tax expenses   | 16    |                              |                              |
| Current tax  |       | 7,032.73                     | 7,087.21                     |
| Deferred tax   |       | (638.22)                     | 67.56                        |
| Total tax expenses   |       | 6,394.51                     | 7,154.77                     |
| Profit for the year  |       | 18,888.26                    | 17,618.55                    |
| Other comprehensive income   |       |                              |                              |
| <i>Items that will not be reclassified subsequently to profit or loss</i>              |       |                              |                              |
| Actuarial (loss) on gratuity fund  |       | (129.19)                     | (14.71)                      |
| Deferred tax   | 16    | 32.56                        | 3.55                         |
| <i>Items that will be reclassified subsequently to profit and loss</i>                 |       |                              |                              |
| Exchange differences on translation of foreign operations                              |       | 60.94                        | 61.74                        |
| Total other comprehensive income for the year, net of tax                              |       | (35.69)                      | 50.58                        |
| Total comprehensive income for the year  |       | 18,852.57                    | 17,669.13                    |
| Profit attributable to:  |       |                              |                              |
| Equity holders of the Company  |       | 18,888.26                    | 17,618.55                    |
| Non-controlling interests  |       | –                            | –                            |
|  |       | 18,888.26                    | 17,618.55                    |
| Total comprehensive income attributable to:  |       |                              |                              |
| Equity holders of the Company  |       | 18,852.57                    | 17,669.13                    |
| Non-controlling interests  |       | –                            | –                            |
|  |       | 18,852.57                    | 17,669.13                    |
| Earnings per equity share of par value of ₹ 5 each<br>(March 31, 2021 - ₹ 5) (in ₹)    | 24    |                              |                              |
| Basic  |       | 219.19                       | 204.90                       |
| Diluted  |       | 218.04                       | 203.99                       |
| Summary of significant accounting policies   | 2     |                              |                              |
| The accompanying notes form an integral part of the consolidated financial statements. |       |                              |                              |

As per our report of even date

**For Mukund M. Chitale & Co.**

Chartered Accountants  
ICAI Firm Registration No. 106655W

**S. M. Chitale**

Partner  
Membership No. 111383

**Mumbai, India  
May 4, 2022**

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

**S Venkatachalam**

Chairperson  
DIN: 00257819

**Makarand Padalkar**

Whole-time Director  
& Chief Financial Officer  
DIN: 02115514

**Mumbai, India  
May 4, 2022**

**Chaitanya Kamat**

Managing Director  
& Chief Executive Officer  
DIN: 00969094

**Onkarnath Banerjee**

Company Secretary  
& Compliance Officer  
ACS: 8547

## Consolidated statement of changes in equity for the year ended March 31, 2022

Year ended March 31, 2022

(Amounts in ₹ million, except share data)

| Particulars  | Equity share capital |               | Share application money pending allotment | Securities premium | General reserve | Employee stock options outstanding | Other equity                               |                         | Retained earnings | Other comprehensive income           |   | Total equity attributable to equity holders of the Company |
|--|----------------------|---------------|---|--------------------|-----------------|------------------------------------|--|-------------------------|-------------------|--------------------------------------|---|--|
|  | No. of shares        | Share capital |   |                    |                 |                                    | Contribution from Ultimate Holding Company | Gain on Treasury shares |                   | Foreign currency translation reserve | Remeasurement of defined benefit obligation |  |
| Balance as of April 1, 2021  | 86,062,233           | 430.31        | -   | 16,146.72          | 10,145.19       | 1,514.34                           | 385.26                                     | 607.71                  | 37,080.63         | 2,177.58                             | -   | 68,487.74  |
| <i>Changes in equity for the year ended March 31, 2022</i>   |                      |               |   |                    |                 |                                    |  |                         |                   |                                      |   |  |
| Application money received for exercised options   | -                    | -             | 257.72                                    | -                  | -               | -                                  | -  | -                       | -                 | -                                    | -   | 257.72   |
| Shares issued for exercised options  | 184,232              | 0.92          | (257.72)                                  | 256.80             | -               | -                                  | -  | -                       | -                 | -                                    | -   | -  |
| Stock compensation charge  | -                    | -             | -   | -                  | -               | 484.35                             | 137.95                                     | -                       | -                 | -                                    | -   | 622.30   |
| Forfeiture of options  | -                    | -             | -   | -                  | -               | (26.91)                            | -  | -                       | 26.91             | -                                    | -   | -  |
| Stock compensation related to options exercised  | -                    | -             | -   | 410.42             | -               | (410.42)                           | -  | -                       | -                 | -                                    | -   | -  |
| Profit for the year  | -                    | -             | -   | -                  | -               | -                                  | -  | -                       | 18,888.26         | -                                    | -   | 18,888.26  |
| Interim equity dividend  | -                    | -             | -   | -                  | -               | -                                  | -  | -                       | (17,223.39)       | -                                    | -   | (17,223.39)  |
| Actuarial gain (loss) on gratuity fund including deferred tax thereon                                  | -                    | -             | -   | -                  | -               | -                                  | -  | -                       | -                 | -                                    | (96.63)                                     | (96.63)  |
| Exchange differences on translation of foreign operations  | -                    | -             | -   | -                  | -               | -                                  | -  | -                       | -                 | 60.94                                | -   | 60.94  |
| Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings | -                    | -             | -   | -                  | -               | -                                  | -  | -                       | (96.63)           | -                                    | 96.63                                       | -  |
| Balance as of March 31, 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  |

Year ended March 31, 2021

(Amounts in ₹ million, except share data)

| Particulars  | Equity share capital |               |   | Other equity       |                 |                                    | Retained earnings | Other comprehensive income | Total equity attributable to equity holders of the Company |  |                         |                                      |
|--|----------------------|---------------|---|--------------------|-----------------|------------------------------------|-------------------|----------------------------|--|--|-------------------------|--------------------------------------|
|  | No. of shares        | Share capital | Share application money pending allotment | Securities premium | General reserve | Employee stock options outstanding |                   |                            |  | Contribution from Ultimate Holding Company | Gain on Treasury shares | Foreign currency translation reserve |
| Balance as of April 1, 2020  | 85,879,298           | 429.40        | -   | 15,500.79          | 10,145.19       | 1,726.79                           | 263.88            | 607.71                     | 34,906.20  | 2,115.84                                   | -                       | 65,695.80                            |
| <i>Changes in equity for the year ended March 31, 2021</i>   |                      |               |   |                    |                 |                                    |                   |                            |  |  |                         |                                      |
| Application money received for exercised options   | -                    | -             | 55.83                                     | -                  | -               | -                                  | -                 | -                          | -  | -  | -                       | 55.83                                |
| Shares issued for exercised options  | 182,935              | 0.91          | (55.83)                                   | 54.92              | -               | -                                  | -                 | -                          | -  | -  | -                       | -                                    |
| Stock compensation charge  | -                    | -             | -   | -                  | -               | 417.29                             | 121.38            | -                          | -  | -  | -                       | 538.67                               |
| Forfeiture of options  | -                    | -             | -   | -                  | -               | (38.73)                            | -                 | -                          | 38.73  | -  | -                       | -                                    |
| Stock compensation related to options exercised  | -                    | -             | -   | 591.01             | -               | (591.01)                           | -                 | -                          | -  | -  | -                       | -                                    |
| Profit for the year  | -                    | -             | -   | -                  | -               | -                                  | -                 | -                          | 17,618.55  | -  | -                       | 17,618.55                            |
| Interim equity dividend  | -                    | -             | -   | -                  | -               | -                                  | -                 | -                          | (15,471.69)  | -  | -                       | (15,471.69)                          |
| Actuarial gain (loss) on gratuity fund including deferred tax thereon                                  | -                    | -             | -   | -                  | -               | -                                  | -                 | -                          | -  | -  | (11.16)                 | (11.16)                              |
| Exchange differences on translation of foreign operations  | -                    | -             | -   | -                  | -               | -                                  | -                 | -                          | -  | 61.74                                      | -                       | 61.74                                |
| Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings | -                    | -             | -   | -                  | -               | -                                  | -                 | -                          | (11.16)  | -  | 11.16                   | -                                    |
| Balance as of March 31, 2021   | 86,062,233           | 430.31        | -   | 16,146.72          | 10,145.19       | 1,514.34                           | 385.26            | 607.71                     | 37,080.63  | 2,177.58                                   | -                       | 68,487.74                            |

Summary of significant accounting policies [Refer note 2]

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

As per our report of even date

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

**For Mukund M. Chitale & Co.**

Chartered Accountants  
ICAI Firm Registration No. 106655W

**S. M. Chitale**

Partner  
Membership No. 111383

**Mumbai, India  
May 4, 2022**

**S Venkatachalam**

Chairperson  
DIN: 00257819

**Mumbai, India  
May 4, 2022**

**Chaitanya Kamat**

Managing Director  
& Chief Executive Officer  
DIN: 00969094

**Makarand Padalkar**

Whole-time Director  
& Chief Financial Officer  
DIN: 02115514

**Onkarnath Banerjee**

Company Secretary  
& Compliance Officer  
ACS: 8547

# Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2022

## 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 73.11% (March 31, 2021 - 73.26%) ownership interest in the Company as at March 31, 2022.

The Company along with its subsidiaries is principally engaged in the business of providing information technology solutions and business processing services 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 consolidated financial statements for the year ended March 31, 2022 were approved by the Company's Board of Directors and authorized for issue on May 4, 2022.

The Company has following subsidiaries and controlled entity (hereinafter collectively referred as the "OFSS group"):

| Companies   | Country of Incorporation   | Holding % | Relationship     |
|---|----------------------------|-----------|------------------|
| <b>Direct holding</b>   |                            |           |                  |
| Oracle Financial Services Software B.V.                                 | The Netherlands            | 100%      | Subsidiary       |
| Oracle Financial Services Software Pte. Ltd.                            | Singapore                  | 100%      | Subsidiary       |
| Oracle Financial Services Software America, Inc.                        | United States of America   | 100%      | Subsidiary       |
| ISP Internet Mauritius Company  | Republic of Mauritius      | 100%      | Subsidiary       |
| Oracle (OFSS) Processing Services Limited                               | India                      | 100%      | Subsidiary       |
| Oracle (OFSS) ASP Private Limited                                       | India                      | 100%      | Subsidiary       |
| Oracle Financial Services Software Chile Limitada                       | Chile                      | 100%      | Subsidiary       |
| Oracle Financial Services Software (Shanghai) Limited                   | People's Republic of China | 100%      | Subsidiary       |
| Mantas India Private Limited  | India                      | 100%      | Subsidiary       |
| Oracle (OFSS) BPO Services Limited*                                     | India                      | 100%      | Subsidiary       |
| i-flex Employee Stock Option Trust                                      | India                      | -         | Controlled Trust |
| <b>Subsidiaries of Oracle Financial Services Software America, Inc.</b> |                            |           |                  |
| Oracle Financial Services Software, Inc.                                | United States of America   | 100%      | Subsidiary       |
| Mantas Inc.   | United States of America   | 100%      | Subsidiary       |
| <b>Subsidiary of Mantas Inc.</b>  |                            |           |                  |
| Sotas Inc.  | United States of America   | 100%      | Subsidiary       |
| <b>Subsidiary of Oracle Financial Services Software B.V.</b>            |                            |           |                  |
| Oracle Financial Services Software SA                                   | Greece                     | 100%      | Subsidiary       |
| <b>Subsidiary of Oracle Financial Services Software Pte. Ltd.</b>       |                            |           |                  |
| Oracle Financial Services Consulting Pte. Ltd.                          | Singapore                  | 100%      | Subsidiary       |
| <b>Subsidiaries of ISP Internet Mauritius Company</b>                   |                            |           |                  |
| Oracle (OFSS) BPO Services Inc.   | United States of America   | 100%      | Subsidiary       |

\*Oracle (OFSS) BPO Services Limited was subsidiary of ISP Internet Mauritius Company up to November 12, 2021, subsequent to which it has become direct subsidiary of the Company.

## Note 2: Significant accounting policies

### 2.1 Basis of preparation

These consolidated financial statements comprising of balance sheet as at March 31, 2022, statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended have been prepared in accordance with Ind AS 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).

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- certain financial assets and liabilities, including derivative instruments, that are measured at fair value
- assets held for sale
- defined benefit plan
- share-based payments

Previous year's comparative numbers have been reclassified wherever necessary, to conform to current year's presentation.

## 2.2 Basis of consolidation

OFSS consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and Controlled Trust as listed out in Note 1. Control is achieved when the OFSS group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the OFSS group controls an investee if and only if the OFSS group has:

- i) Power over investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the OFSS group has less than a majority of the voting or similar rights of an investee, the OFSS group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a) The contractual arrangement with the other vote holders of the investee
- b) Rights arising from other contractual arrangements
- c) The OFSS group's voting rights and potential voting rights
- d) The size of the OFSS group's holding of voting rights relative to the size and dispersion of the holdings of the other voting right holders

The OFSS group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the OFSS group obtains control over the subsidiary and ceases when the OFSS group loses control over the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all entities used for the consolidation are drawn up to same reporting date as that of parent company i.e. as at March 31, 2022.

The financial statements of the companies under OFSS group are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation.

## 2.3 Summary of significant accounting policies

The significant accounting policies adopted by the OFSS group, in respect of the consolidated financial statements are set out as below:

### (a) Property, plant and equipment including intangibles and capital work-in-progress, depreciation and amortization

#### *Property, plant and equipment including intangibles and capital work-in-progress*

Freehold land is stated at cost. All other items of property, plant and equipment and capital work in progress, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the OFSS group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in the statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. All additions during the reported year are considered at cost.

The OFSS group purchases certain specific-use application software, which is in ready to use condition, for internal use. It is estimated that such software has a relatively short useful life, usually less than one year. The OFSS group, therefore, charges to the consolidated statement of profit and loss the cost of acquiring such software.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination becomes their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

### ***Depreciation and amortization***

Depreciation and amortization are computed as per the straight-line method using the rates arrived at based on the useful lives estimated by the management. The estimated useful life considered for depreciation of fixed assets is as follows:

| Asset description                   | Asset life (in years)           |
|-------------------------------------|---------------------------------|
| Improvement to leasehold premises   | Lesser of 7 years or lease term |
| Buildings                           | 20                              |
| Computer equipments                 | 3                               |
| Office equipments                   | 2-5                             |
| Electricals and other installations | 2-7                             |
| Furniture and fixtures              | 2-7                             |

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The management has estimated, supported by an independent assessment by professionals, the useful lives of buildings as 20 years. These lives are lower than those indicated in schedule II to the Act.

The management has estimated, based on an internal assessment, the useful lives of the following classes of assets.

- The useful lives of servers and networking equipment's forming part of computer equipment's are estimated as 3 years. These lives are lower than those indicated in schedule II to the Act.
- The useful lives of furniture and fixtures and electrical and other installations are estimated at 2-7 years. These lives are lower than those indicated in schedule II to the Act.

### **(b) Impairment of non-financial assets**

The carrying amounts of non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's or cash generating unit's (CGU) fair value less cost of disposal, and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to assets.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are validated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The OFSS group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the OFSS group's CGUs to which the individual assets are allocated.

Goodwill is tested for impairment annually as at March 31 and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

### **(c) Foreign currencies**

The OFSS group's consolidated financial statements are presented in Indian Rupees ("INR"), which is also the parent company's functional currency. For each entity the OFSS group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### ***Foreign currency balances***

Transactions in foreign currencies are initially recorded by the OFSS group's entities at their respective functional currency using spot rates on the dates of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the relevant functional currency at exchange rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## *OFSS group companies*

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the date of the transactions. For practical reasons, the OFSS group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the date of the transactions. The exchange differences arising on translation for consolidation are recognized in Other Comprehensive income (OCI).

In accordance with Appendix B to Ind AS 21 "Foreign Currency Transactions and Advance Considerations", the date of the transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset or liability, expense or income, is when the OFSS group has received or paid advance consideration in foreign currency.

### **(d) Research and development expenses for software products**

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical feasibility of project is established, future economic benefits are probable, the OFSS group has an intention and ability to complete and use or sell the software and the cost can be measured reliably.

Software product development costs incurred subsequent to the achievement of technical feasibility are not material and are expensed as incurred.

### **(e) Revenue recognition**

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration that the OFSS group expects to receive in exchange for those products or services.

In arrangements for software development and related services along with maintenance services, the OFSS group has applied the guidance as per Ind AS 115, Revenue from contracts with customers, by applying revenue recognition criteria for each distinct performance obligations. For allocating the transaction price, the OFSS group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. For Software licenses, the OFSS group is using a residual approach for estimating the standalone selling price of software license as the pricing is highly variable. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

The OFSS group accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The OFSS group presents revenues net of indirect taxes in its consolidated statement of profit and loss.

#### ***Performance obligation***

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed.

Product maintenance revenue is recognised rateably over the period of the contract.

Revenue from fixed price contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered.

Revenue from contracts on time and material basis is recognized as services are performed.

#### ***Contract balances***

Revenue in excess of billing is classified as contract asset i.e. unbilled revenue while billing in excess of revenue is classified as contract liability i.e. deferred revenue. Contract assets are classified as unbilled receivables when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unbilled Revenue are classified as non-financial asset if the contractual right to consideration is dependent on completion of contractual milestones.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the benefit period.

## **(f) Income-tax**

### ***Current income tax***

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the OFSS group operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity. Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate, including provision required for uncertain tax treatment.

Current tax assets and current tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Income tax consequence of dividends are linked more directly to past transactions or events that generates distributable profit. Therefore, the OFSS group recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the OFSS group originally recognizes those past transactions or events.

### ***Deferred tax***

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### ***Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments:***

The interpretation in Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances



The OFSS group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments based on the approach that better predicts the resolution of the uncertainty. In determining the approach that better predicts the resolution of the uncertainty, the OFSS group has considered, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the OFSS group expects the taxation authority to make its examination and resolve issues that might arise from that examination.

### **(g) Investment properties**

Investment properties are measured initially and subsequently at cost. Though the OFSS group measures investment property using cost based measurement, the fair value of investment property is disclosed annually in the notes which form an integral part of the financial statements. Fair values are determined based on an evaluation performed by an accredited external independent valuer applying a valuation technique as per the international norms and standards. Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from such disposal. The difference between the net sale proceeds and the carrying amount of asset is recognized in statement of profit and loss in the period of derecognition.

### **(h) Non-current assets held for sale**

The OFSS group classifies non-current assets and disposal groups as held for sale if their carrying amounts shall be recovered principally through a sale rather than through continuing use. Sale transactions shall include exchanges of non-current assets for other non-current assets when the exchange has commercial substance.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

All other notes to the financial statements primarily include amounts for continuing operations, unless otherwise mentioned.

### **(i) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the OFSS group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The OFSS group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, so as to maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the OFSS group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At the reporting date, the OFSS group analyzes the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies. For this analysis, the OFSS group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The OFSS group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the OFSS group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## **(j) Financial instruments – initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The OFSS group recognizes a financial asset or a liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

### **Financial assets**

#### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as financial assets measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss as appropriate. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### *Subsequent measurement*

For purposes of subsequent measurement, financial assets of OFSS group are classified in three categories:

- Debt instruments measured at amortized cost
- Debt instruments at fair value through other comprehensive income (OCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss

#### *Debt instruments measured at amortized cost*

This category is the most relevant to the OFSS group. Debt instruments are measured at amortized cost if the asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the consolidated statement of profit and loss. The losses arising from impairment are recognized in the consolidated statement of profit and loss.

#### *Debt instruments at fair value through OCI*

Debt instruments are measured at fair value through other comprehensive income if the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The OFSS group has not designated any financial assets at fair value through OCI.

#### *Debt instruments at fair value through profit or loss*

Debt instruments at fair value through profit or loss include assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by Ind AS 109 Financial Instruments. Debt instruments at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of profit and loss.

#### *Derecognition*

A financial asset is derecognized i.e. removed from the OFSS group's consolidated statement of financial position when:

- The contractual rights to the cash flows from the financial asset expire or
- The OFSS group has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the OFSS group has transferred substantially all the risks and rewards of the asset, or (b) the OFSS group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the OFSS group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the OFSS group continues to recognize the transferred asset to the extent of the OFSS group's continuing involvement. In that case, the OFSS group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the OFSS group has retained.

#### *Impairment of financial assets*

The OFSS group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. For trade receivables the OFSS group follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the OFSS group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the OFSS group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The OFSS group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. Further, the trade receivables have customer concentration across the globe and therefore the OFSS group also considers the socio-economic conditions of the regions where the customers are located.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

#### ***Interest income***

Interest income is recognized using the effective interest method.

### **Financial liabilities**

#### ***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The OFSS group's financial liabilities include trade payables, accrued expenses, accrued compensation to employees, advance from customers, dividend and dividend tax payable along with unpaid dividends.

#### ***Subsequent measurement***

The OFSS group measures all financial liabilities at amortized cost except for financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Financial liabilities held for trading are measured at fair value through profit or loss. The OFSS group has not designated any financial liability as at fair value through profit or loss.

#### ***Derecognition***

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit and loss.

### **Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the OFSS group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss, unless designated as effective hedging instruments.

## **(k) Derivative financial instruments and hedge accounting**

#### ***Initial recognition and subsequent measurement***

The OFSS group uses forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

The OFSS group enters into foreign currency forward contracts that is used to hedge risk of exposure of changes in the fair value of trade receivables on account of foreign currency rate movement. These derivative contracts are not designated as hedges and accounted for at fair value through profit or loss and are included in other income, net.

## **(l) Leases**

### *OFSS group as a Lessee*

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The OFSS group recognizes right-of-use asset and a corresponding lease liability for all lease arrangements in which the OFSS group is a lessee, except for a short term lease of 12 months or less and leases of low-value assets. For short term lease and low-value asset arrangements, the OFSS group recognizes the lease payments as an operating expense on straight-line basis over the lease term.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease arrangement. Right-of-use assets and lease liabilities are measured according to such options when it is reasonably certain that the OFSS group will exercise these options.

The right-of-use asset are recognized at the inception of the lease arrangement at the amount of the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date of lease arrangement reduced by any lease incentives received, added by initial direct costs incurred and an estimate of costs to be incurred by the OFSS group in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Estimated useful life of right-of-use assets is determined on the basis of useful life of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is an indication that their carrying value may not be recoverable. Impairment loss, if any is recognized in the statement of profit and loss account.

The lease liability is measured at amortized cost, at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease arrangement or, if not readily determinable, at the incremental borrowing rate in the country of domicile of such leases. Lease liabilities are remeasured with corresponding adjustments to right-of-use assets to reflect any reassessment or lease modifications.

### *OFSS group as a Lessor*

Leases for which the OFSS group is a lessor is classified as finance or operating lease. If the terms of the lease arrangement transfers substantially all the risks and rewards of ownership to the lessee, such lease arrangement is classified as finance lease. All other leases are classified as operating leases.

In case of sub-lease, the OFSS group recognizes investment in sub-lease separately in the financial statements. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from such lease arrangement. For operating leases, rental income is recognized on a straight-line basis over the term of the lease arrangement.

The weighted average incremental borrowing rate applied to lease liabilities recognized in the balance sheet at the date of initial application was 7.29%.

## **(m) Share based payments**

Selected employees of the OFSS group also receive remuneration in the form of share-based payments under stock option program of the Company.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognized in employee benefits expense, together with a corresponding increase in 'employee stock options outstanding' in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the OFSS group's best estimate of the number of equity instruments that will ultimately vest.

The consolidated statement of profit and loss expense or credit recognized in employee benefit expense represents the movement in cumulative expense recognized as at the beginning and end of the year.

Oracle Corporation, the ultimate holding company of Oracle Financial Services Software Limited has extended its Stock Option program (ESOP) to selected employees of OFSS's subsidiaries and branches, who are working outside India. The cost of equity-settled transactions is also determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognized in employee benefit expenses over the period in which the performance and/or service conditions are fulfilled with a corresponding impact under statement of changes in equity as Contribution from Ultimate Holding Company. Oracle Corporation has also extended its Employee Stock Purchase Plan (ESPP) to employees of OFSS group. Under the plan, the employees are eligible to purchase the shares of Oracle Corporation at discounted price. The discount amount on the shares purchased during the year by employees is treated as Contribution from ultimate holding company.

## **(n) Provisions**

Provisions are recognized when the OFSS group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

## **(o) Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The OFSS group has no obligation, other than the contribution payable to the provident fund. The OFSS group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Certain eligible employees of the OFSS group on Indian payroll are entitled to superannuation, a defined contribution plan. The OFSS group makes monthly contributions until retirement or resignation of the employee which are recognized as an expense when incurred. The OFSS group has no further obligations beyond its monthly contributions, the corpus of which is invested with the Life Insurance Corporation of India.

Compensated absences which are expected to occur within twelve months after the end of the period in which employee renders the related services are recognized as undiscounted liability at the balance sheet date. The expected cost of compensated absences which are not expected to occur within twelve months after the end of the period in which employee renders related services are recognized at the present value based on actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

The OFSS group operates a defined benefit gratuity plan in India, which requires contributions to be made to a fund administered and managed by the LIC to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the OFSS group, although LIC administers the scheme.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the OFSS group recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The OFSS group recognizes the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

## **(p) Treasury shares**

The Company had created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The EBT was used as a vehicle for distributing shares to employees under the employee remuneration schemes. The shares held by EBT are treated as treasury shares.

Own equity instruments (treasury shares) are recognized at cost and deducted from equity. Gain or loss is recognized in Other Equity on the sale of the Company's own equity instruments.

## **(q) Cash dividend to equity shareholders of the Company**

The Company recognizes a liability to make cash or noncash distributions to equity shareholders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the Act, a distribution of interim dividend is authorized when it is approved by the Board of Directors and final dividend is authorized when it is approved by the shareholders of the Company. A corresponding amount is recognized directly in other equity.

## **(r) Earnings per share**

The earnings considered in ascertaining the OFSS group's earnings per share comprise the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of shares, if any which would have been issued on the conversion of all dilutive potential equity shares. The weighted average number of shares and potentially dilutive equity shares are adjusted for the bonus shares and sub-division of shares. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## **(s) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and short term investments with an original maturity of three months or less.

## **2.4 Recent accounting pronouncements**

### **Standards issued but not yet effective**

The Ministry of Corporate Affairs (MCA) vide the Companies (Indian Accounting Standards) Amendment Rules, 2022 has notified Ind AS 16 and Ind AS 37 on March 23, 2022:

#### **Ind AS 16 Property Plant and equipment**

The amendment is applicable to the Company from financial year beginning April 1, 2022.

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the statement of profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The OFSS group has evaluated the amendment and there is no impact on its standalone financial statements.

#### **Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets**

The amendment is applicable to the Company from financial year beginning April 1, 2022, although early adoption is permitted.

The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The OFSS group has evaluated the amendment and the impact is not expected to be material.

### Note 3: Property, plant and equipment

(a) Year ended March 31, 2022

| Particulars                         | Gross carrying value |           |                  |                         | Depreciation         |                      |           |                  | Net carrying value      |                      |                      |
|-------------------------------------|----------------------|-----------|------------------|-------------------------|----------------------|----------------------|-----------|------------------|-------------------------|----------------------|----------------------|
|                                     | As at April 01, 2021 | Additions | Sale / deletions | Translation gain (loss) | As at March 31, 2022 | As at April 01, 2021 | Additions | Sale / deletions | Translation (gain) loss | As at March 31, 2022 | As at March 31, 2022 |
| Freehold Land                       | 436.31               | -         | -                | -                       | 436.31               | -                    | -         | -                | -                       | -                    | 436.31               |
| Improvement to leasehold premises   | 491.76               | -         | 137.21           | 2.62                    | 357.17               | 477.29               | 7.66      | 137.21           | 2.62                    | 350.36               | 6.81                 |
| Buildings                           | 2,089.95             | -         | -                | -                       | 2,089.95             | 1,272.08             | 104.06    | -                | -                       | 1,376.14             | 713.81               |
| Computer equipments                 | 2,961.48             | 309.30    | 55.87            | 1.26                    | 3,216.17             | 2,527.06             | 369.22    | 55.58            | 1.02                    | 2,841.72             | 374.45               |
| Office equipments                   | 265.42               | 6.02      | 6.38             | (0.12)                  | 264.94               | 252.41               | 7.95      | 6.25             | (0.09)                  | 254.02               | 10.92                |
| Electricals and other installations | 925.63               | -         | -                | -                       | 925.63               | 908.04               | 5.28      | -                | -                       | 913.32               | 12.31                |
| Furniture and fixtures              | 1,088.60             | 31.09     | 65.34            | 1.55                    | 1,055.90             | 906.32               | 54.27     | 65.30            | 1.54                    | 896.83               | 159.07               |
| Total                               | 8,259.15             | 346.41    | 264.80           | 5.31                    | 8,346.07             | 6,343.20             | 548.44    | 264.34           | 5.09                    | 6,632.39             | 1,713.68             |
|                                     |                      |           |                  |                         |                      |                      |           |                  |                         |                      | 38.16                |
|                                     |                      |           |                  |                         |                      |                      |           |                  |                         |                      | 1,751.84             |

(b) Year ended March 31, 2021

| Particulars                         | Gross carrying value |           |                  |                         | Depreciation         |                      |           |                  | Net carrying value      |                      |                      |
|-------------------------------------|----------------------|-----------|------------------|-------------------------|----------------------|----------------------|-----------|------------------|-------------------------|----------------------|----------------------|
|                                     | As at April 01, 2020 | Additions | Sale / deletions | Translation gain (loss) | As at March 31, 2021 | As at April 01, 2020 | Additions | Sale / deletions | Translation (gain) loss | As at March 31, 2021 | As at March 31, 2021 |
| Freehold Land                       | 436.31               | -         | -                | -                       | 436.31               | -                    | -         | -                | -                       | -                    | 436.31               |
| Improvement to leasehold premises   | 497.54               | -         | 5.84             | 0.06                    | 491.76               | 475.41               | 7.66      | 5.84             | 0.06                    | 477.29               | 14.47                |
| Buildings                           | 2,089.95             | -         | -                | -                       | 2,089.95             | 1,168.02             | 104.06    | -                | -                       | 1,272.08             | 817.87               |
| Computer equipments                 | 2,892.29             | 174.00    | 106.96           | 2.15                    | 2,961.48             | 2,226.29             | 406.36    | 106.85           | 1.26                    | 2,527.06             | 434.42               |
| Office equipments                   | 265.48               | 1.74      | 2.28             | 0.48                    | 265.42               | 245.83               | 8.33      | 2.04             | 0.29                    | 252.41               | 13.01                |
| Electricals and other installations | 925.47               | 0.16      | -                | -                       | 925.63               | 901.69               | 6.35      | -                | -                       | 908.04               | 17.59                |
| Furniture and fixtures              | 1,100.42             | 21.73     | 32.25            | (1.30)                  | 1,088.60             | 885.02               | 53.49     | 30.81            | (1.38)                  | 906.32               | 182.28               |
| Total                               | 8,207.46             | 197.63    | 147.33           | 1.39                    | 8,259.15             | 5,902.26             | 586.25    | 145.54           | 0.23                    | 6,343.20             | 1,915.95             |
|                                     |                      |           |                  |                         |                      |                      |           |                  |                         |                      | 1.33                 |
|                                     |                      |           |                  |                         |                      |                      |           |                  |                         |                      | 1,917.28             |

| Particulars          | (Amounts in ₹ million)         |             |                      |                   |       |
|----------------------|--------------------------------|-------------|----------------------|-------------------|-------|
|                      | As at March 31, 2022           |             | As at March 31, 2021 |                   |       |
|                      | Amount in CWIP for a period of |             |                      |                   |       |
|                      | Less than 1 year               | 1 - 2 years | 2 - 3 years          | More than 3 years | Total |
| Projects in progress | 38.16                          | -           | -                    | -                 | 38.16 |
| Total                | 38.16                          | -           | -                    | -                 | 38.16 |

There are no projects as of March 31, 2022 and March 31, 2021, whose completion is overdue or has exceeded its cost compared to its original plan.

#### Note 4: Right-of-use asset

Year ended March 31, 2022

| Particulars        | (Amounts in ₹ million) |           |                  |                         |                         |                      |
|--------------------|------------------------|-----------|------------------|-------------------------|-------------------------|----------------------|
|                    | Gross carrying value   |           |                  | Depreciation            |                         |                      |
|                    | As at April 01, 2021   | Additions | Sale / deletions | Translation gain (loss) | Translation (gain) loss | As at March 31, 2022 |
| Right-of-use asset | 1,294.62               | 488.46    | 419.79           | 5.47                    | 5.47                    | 1,368.76             |
| Total              | 1,294.62               | 488.46    | 419.79           | 5.47                    | 5.47                    | 1,368.76             |

Year ended March 31, 2021

| Particulars        | (Amounts in ₹ million) |           |                  |                         |                         |                      |
|--------------------|------------------------|-----------|------------------|-------------------------|-------------------------|----------------------|
|                    | Gross carrying value   |           |                  | Depreciation            |                         |                      |
|                    | As at April 01, 2020   | Additions | Sale / deletions | Translation gain (loss) | Translation (gain) loss | As at March 31, 2021 |
| Right-of-use asset | 1,629.70               | 230.53    | 571.10           | 5.49                    | 5.49                    | 1,294.62             |
| Total              | 1,629.70               | 230.53    | 571.10           | 5.49                    | 5.49                    | 1,294.62             |



## Note 5: Investment property

Year ended March 31, 2022

| Particulars   | (Amounts in ₹ million)     |           |                     |                            |                            |                            | Net carrying value<br>As at<br>March 31,<br>2022 |
|---------------|----------------------------|-----------|---------------------|----------------------------|----------------------------|----------------------------|--|
|               | As at<br>April 01,<br>2021 | Additions | Sale /<br>deletions | Translation<br>gain (loss) | As at<br>March 31,<br>2022 | Depreciation               |  |
|               |                            |           |                     |                            | As at<br>April 01,<br>2021 | As at<br>March 31,<br>2022 |  |
| Freehold land | 102.00                     | -         | -                   | -                          | -                          | -                          | 102.00   |
| Total         | 102.00                     | -         | -                   | -                          | -                          | -                          | 102.00   |

Year ended March 31, 2021

| Particulars   | (Amounts in ₹ million)     |           |                     |                            |                            |                            | Net carrying value<br>As at<br>March 31,<br>2021 |
|---------------|----------------------------|-----------|---------------------|----------------------------|----------------------------|----------------------------|--|
|               | As at<br>April 01,<br>2019 | Additions | Sale /<br>deletions | Translation<br>gain (loss) | As at<br>March 31,<br>2021 | Depreciation               |  |
|               |                            |           |                     |                            | As at<br>April 01,<br>2020 | As at<br>March 31,<br>2021 |  |
| Freehold land | 102.00                     | -         | -                   | -                          | -                          | -                          | 102.00   |
| Total         | 102.00                     | -         | -                   | -                          | -                          | -                          | 102.00   |

The OFSS group's investment property consists of a portion of land at Pune, India.

The fair value of the investment property as at March 31, 2022 and March 31, 2021 is based on valuations performed by RNC VALUECON LLP; an accredited independent valuer. RNC VALUECON LLP is one of the senior most and reputed valuer in the field of asset valuation. RNC VALUECON LLP has been carrying out valuation as per the International norms and Standards. The fair value of the above investment property as at March 31, 2022 and March 31, 2021 is ₹ 237.60 million and ₹ 205.50 million respectively.

The direct operating expenses incurred in relation to investment property are ₹ 2.89 million and ₹ 2.70 million for the financial year ended March 31, 2022 and March 31, 2021 respectively. These expenses are included in repairs and maintenance under Note 22: Other operating expenses.

The OFSS group has no restrictions on the realizability of its investment properties and has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. Fair value hierarchy disclosures for investment properties have been provided in note 37 on fair value measurement.

| Reconciliation of fair value:  | (Amounts in ₹ million) |
|--|------------------------|
| Fair Value of Investment Property as on April 1, 2020                      | 204.30                 |
| Adjustment towards Fair Values for the financial year ended March 31, 2021 | 1.20                   |
| Fair Value of Investment Property as on March 31, 2021                     | 205.50                 |
| Adjustment towards Fair Values for the financial year ended March 31, 2022 | 32.10                  |
| Fair Value of Investment Property as on March 31, 2022                     | 237.60                 |

| Description of valuation techniques used and key inputs to valuation on investment properties: |   |  | (Amounts in ₹)   |
|--|---|--|--|
| Investment property  | Valuation technique                         | Significant unobservable inputs  | Range (weighted average)   |
| Freehold land  | Market approach<br>(Sale Comparison Method) | Estimated market rate per sq. mt. of freehold land<br>Negotiation, location and physical adjustments<br>Final adjusted price per sq. mt. | March 31, 2022<br>March 31, 2021<br>₹ 23,077 to ₹ 31,250<br>₹ 26,531 to ₹ 30,556<br>-10% to 0%<br>-20% to 5%<br>₹ 14,873 to ₹ 16,515<br>₹ 13,333 to ₹ 20,296 |

The fair market value of the portion of land is computed using the market approach (Sale Comparison Method). The prevalent market rates of comparable property in the vicinity are considered to estimate the market value of the investment property. To estimate the market rate of land, a local enquiry as well as a market survey has been conducted with property dealers, brokers, owners of similar property in the surrounding areas and the rates from Joint Sub-Registrars' Office for actual transactions and the ready reckoner rates have also been considered. Weightages to additional factors like shape, size, location, frontage, access to main road and the demand and supply of similar properties have been considered while computing the market value of the investment property.

**Note 6: Goodwill**

Year ended March 31, 2022

| Particulars                               | (Amounts in ₹ million) |           |                  |                                    |                      |                      |                    |                  |                         |                      |                      |
|---|------------------------|-----------|------------------|------------------------------------|----------------------|----------------------|--------------------|------------------|-------------------------|----------------------|----------------------|
|   | Gross carrying value   |           |                  | Amortization and impairment losses |                      |                      | Net carrying value |                  |                         |                      |                      |
|   | As at April 01, 2021   | Additions | Sale / deletions | Translation gain (loss)            | As at March 31, 2022 | As at April 01, 2021 | Additions          | Sale / deletions | Translation (gain) loss | As at March 31, 2022 | As at March 31, 2022 |
| Goodwill on consolidation [Refer note 31] | 6,086.63               | -         | -                | -                                  | 6,086.63             | -                    | -                  | -                | -                       | 6,086.63             | 6,086.63             |
| Total                                     | 6,086.63               | -         | -                | -                                  | 6,086.63             | -                    | -                  | -                | -                       | 6,086.63             | 6,086.63             |

Year ended March 31, 2021

| Particulars                               | (Amounts in ₹ million) |           |                  |                                    |                      |                      |                    |                  |                         |                      |                      |
|---|------------------------|-----------|------------------|------------------------------------|----------------------|----------------------|--------------------|------------------|-------------------------|----------------------|----------------------|
|   | Gross carrying value   |           |                  | Amortization and impairment losses |                      |                      | Net carrying value |                  |                         |                      |                      |
|   | As at April 01, 2020   | Additions | Sale / deletions | Translation gain (loss)            | As at March 31, 2021 | As at April 01, 2020 | Additions          | Sale / deletions | Translation (gain) loss | As at March 31, 2021 | As at March 31, 2021 |
| Goodwill on consolidation [Refer note 31] | 6,086.63               | -         | -                | -                                  | 6,086.63             | -                    | -                  | -                | -                       | 6,086.63             | 6,086.63             |
| Total                                     | 6,086.63               | -         | -                | -                                  | 6,086.63             | -                    | -                  | -                | -                       | 6,086.63             | 6,086.63             |

## Note 7: Financial assets

|  | (Amounts in ₹ million) |                |
|--|------------------------|----------------|
|  | March 31, 2022         | March 31, 2021 |
| Non-current  |                        |                |
| Other financial assets at fair value through profit or loss                  |                        |                |
| Investment in Sarvatra Technologies Private Limited (Unquoted)*              |                        |                |
| 242,240 (March 31, 2021 - 242,240) equity shares of ₹ 10 each, fully paid-up | –                      | –              |
|  | –                      | –              |
| Other financial assets measured at amortized cost                            |                        |                |
| Deposits for premises and others   | 628.83                 | 550.31         |
| Tax deducted at source paid under protest                                    | 922.39                 | 850.40         |
|  | 1,551.22               | 1,400.71       |
|  | 1,551.22               | 1,400.71       |
| Current  |                        |                |
| Other financial assets measured at amortized cost                            |                        |                |
| Unbilled receivable  | 2,017.10               | 2,450.54       |
| Deposits for premises and others   | 41.28                  | 150.85         |
| Other receivables and advances   | 259.56                 | 181.48         |
|  | 2,317.94               | 2,782.87       |

\*The OFSS group had made an investment of ₹ 45.00 million and the same has been fair valued as at the balance sheet date.

Breakup of financial assets carried at amortized cost

|   | (Amounts in ₹ million) |                |
|---|------------------------|----------------|
|   | March 31, 2022         | March 31, 2021 |
| Trade receivables [Refer note 8]          | 9,262.74               | 8,027.53       |
| Cash and bank balances [Refer note 9]     | 51,224.92              | 49,141.32      |
| Deposits for premises and others          | 670.11                 | 701.16         |
| Tax deducted at source paid under protest | 922.39                 | 850.40         |
| Unbilled revenue                          | 2,017.10               | 2,450.54       |
| Other receivables and advances            | 259.56                 | 181.48         |
|   | 64,356.82              | 61,352.43      |

## Note 8: Trade receivables

|                            | (Amounts in ₹ million) |                |
|----------------------------|------------------------|----------------|
|                            | March 31, 2022         | March 31, 2021 |
| Secured, considered good   | –                      | –              |
| Unsecured, considered good | 9,371.33               | 8,145.46       |
| Credit impaired            | 93.90                  | 5.09           |
|                            | 9,465.23               | 8,150.55       |
| Impairment allowance       |                        |                |
| Unsecured, considered good | (108.59)               | (117.93)       |
| Credit impaired            | (93.90)                | (5.09)         |
|                            | (202.49)               | (123.02)       |
|                            | 9,262.74               | 8,027.53       |

No trade receivables are due from directors or other key managerial personnel of the Company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

## Trade receivables ageing

(Amounts in ₹ million)

| As at March 31, 2022         | Outstanding for following periods from due date of payment <sup>#</sup> |                    |                   |             |             |                   | Total     |
|------------------------------|---|--------------------|-------------------|-------------|-------------|-------------------|-----------|
|                              | Not due   | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years |           |
| Undisputed trade receivables |   |                    |                   |             |             |                   |           |
| Considered good              | 2,378.81  | 6,736.51           | 204.05            | 42.82       | 2.48        | 6.66              | 9,371.33  |
| Credit impaired              | -   | -                  | -                 | -           | -           | -                 | -         |
| Disputed trade receivables   |   |                    |                   |             |             |                   |           |
| Considered good              | -   | -                  | -                 | -           | -           | -                 | -         |
| Credit impaired              | -   | 35.55              | 29.96             | 8.87        | 3.24        | 16.28             | 93.90     |
|                              | 2,378.81  | 6,772.06           | 234.01            | 51.69       | 5.72        | 22.94             | 9,465.23  |
| Less: Impairment allowance   |   |                    |                   |             |             |                   | (202.49)  |
|                              |   |                    |                   |             |             |                   | 9,262.74  |
| Add: Unbilled receivables    |   |                    |                   |             |             |                   | 2,017.10  |
|                              |   |                    |                   |             |             |                   | 11,279.84 |

(Amounts in ₹ million)

| As at March 31, 2021         | Outstanding for following periods from due date of payment <sup>#</sup> |                    |                   |             |             |                   | Total     |
|------------------------------|---|--------------------|-------------------|-------------|-------------|-------------------|-----------|
|                              | Not due   | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years |           |
| Undisputed trade receivables |   |                    |                   |             |             |                   |           |
| Considered good              | 1,323.63  | 6,517.30           | 244.03            | 11.22       | 24.17       | 25.11             | 8,145.46  |
| Credit impaired              | -   | -                  | -                 | -           | -           | -                 | -         |
| Disputed trade receivables   |   |                    |                   |             |             |                   |           |
| Considered good              | -   | -                  | -                 | -           | -           | -                 | -         |
| Credit impaired              | -   | -                  | -                 | 2.04        | 1.96        | 1.09              | 5.09      |
|                              | 1,323.63  | 6,517.30           | 244.03            | 13.26       | 26.13       | 26.20             | 8,150.55  |
| Less: Impairment allowance   |   |                    |                   |             |             |                   | (123.02)  |
|                              |   |                    |                   |             |             |                   | 8,027.53  |
| Add: Unbilled receivables    |   |                    |                   |             |             |                   | 2,450.54  |
|                              |   |                    |                   |             |             |                   | 10,478.07 |

<sup>#</sup>Wherever the due date of payment is not specified, the disclosure is from the date of transaction.

## Note 9: Cash and bank balances

(Amounts in ₹ million)

|  | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| (a) Cash and cash equivalents  |                |                |
| Balances with banks:   |                |                |
| In current accounts*   | 16,456.06      | 16,564.30      |
| In deposit accounts with original maturity of less than 3 months                           | 295.04         | 298.05         |
| In unclaimed dividend accounts   | 48.63          | 85.93          |
|  | 16,799.73      | 16,948.28      |
| (b) Other bank balances  |                |                |
| Balances with banks:   |                |                |
| In deposit accounts with original maturity of more than 3 months but less than 12 months** | 34,423.65      | 32,191.48      |
| In margin money deposit accounts   | 1.54           | 1.56           |
|  | 34,425.19      | 32,193.04      |
|  | 51,224.92      | 49,141.32      |

\*Current account includes ₹ 1.14 million (March 31, 2021 ₹ 5.65 million) on account of restricted cash and bank balances held by i-flex Employee Stock Option Trust controlled by the Company.

\*\*Deposit accounts with original maturity of more than 3 months but less than 12 months includes ₹ 1,047.82 million (March 31, 2021 ₹ 1,037.94 million) on account of restricted cash and bank balances held by i-flex Employee Stock Option Trust controlled by the Company.

Cash at banks earns interest at floating rates based on the daily bank deposit rates and the daily balances. Time deposits are placed for varying periods ranging from 7 days to 364 days, depending on the immediate cash requirements of the OFSS group. The time deposits earn interest at the respective deposit rates.

Changes in liabilities arising from financing activities is primarily due to repayment of lease liabilities [Refer note 28: Leases].

## Note 10: Other assets

|  | (Amounts in ₹ million) |                |
|--|------------------------|----------------|
|  | March 31, 2022         | March 31, 2021 |
| Non-current                                    |                        |                |
| GST, VAT, service tax and other indirect taxes | 302.10                 | 300.60         |
| Prepaid expenses                               | 5.14                   | 3.89           |
| Deferred contract cost                         | 92.76                  | 82.32          |
|  | 400.00                 | 386.81         |
| Current  |                        |                |
| Unbilled revenue                               | 2,004.68               | 1,187.18       |
| GST, VAT, service tax and other indirect taxes | 374.56                 | 260.69         |
| Prepaid expenses                               | 142.24                 | 175.93         |
| Deferred contract cost                         | 58.18                  | 52.49          |
|  | 2,579.66               | 1,676.29       |

## Note 11: Equity share capital

|  | (Amounts in ₹ million) |                |
|--|------------------------|----------------|
|  | March 31, 2022         | March 31, 2021 |
| Authorized:  |                        |                |
| 100,000,000 (March 31, 2021 - 100,000,000) equity shares of ₹ 5 each | 500.00                 | 500.00         |
| Issued, subscribed and fully paid-up:                                |                        |                |
| 86,246,465 (March 31, 2021 - 86,062,233) equity shares of ₹ 5 each   | 431.23                 | 430.31         |

- (a) The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (b) Details of shareholders holding more than 5% equity shares in the Company:

| Name and relationship of shareholder:              | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Oracle Global (Mauritius) Limited, holding company |                |                |
| Number of equity shares                            | 63,051,197     | 63,051,197     |
| % of equity shares                                 | 73.11%         | 73.26%         |

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of equity shares.

- (c) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

|   | No. of equity shares | Amounts in ₹ million |
|---|----------------------|----------------------|
| Outstanding as at April 1, 2020   | 85,879,298           | 429.40               |
| Issued during the year ended March 31, 2021 under the employee stock option plan (ESOP) | 182,935              | 0.91                 |
| Outstanding as at March 31, 2021  | 86,062,233           | 430.31               |
| Issued during the year ended March 31, 2022 under the employee stock option plan (ESOP) | 184,232              | 0.92                 |
| Outstanding as at March 31, 2022  | 86,246,465           | 431.23               |

- (d) Refer note 29(b) for details of shares reserved for issue under the employee stock option plan (ESOP) of the Company.

## Note 12: Other equity

|  | (Amounts in ₹ million) |                |
|--|------------------------|----------------|
|  | March 31, 2022         | March 31, 2021 |
| Share application money pending allotment# | 0.00                   | 0.00           |
| Securities premium                         | 16,813.94              | 16,146.72      |
| General reserve                            | 10,145.19              | 10,145.19      |
| Employee stock options outstanding         | 1,561.36               | 1,514.34       |
| Contribution from Ultimate Holding Company | 523.21                 | 385.26         |
| Gain on Treasury shares                    | 607.71                 | 607.71         |
| Retained earnings                          | 38,675.78              | 37,080.63      |
| Other comprehensive income                 | 2,238.52               | 2,177.58       |
|  | 70,565.71              | 68,057.43      |

#Represents amount less than ₹ 0.01 million

### **Share application money pending allotment**

Share application money pending allotment represents the amount received on exercise of stock options by the eligible employees under the prevailing ESOP schemes of the Company, on which allotment is yet to be made.

Share application money pending allotment as at March 31, 2022 represents the money received from employees of the Company towards exercise of 125 OFSS Stock Units (OSUs) at the exercise price of ₹ 5 under Oracle Financial Services Software Limited Stock Plan 2014 ("OFSS Stock Plan 2014"). Each stock option and OSU is entitled for one equity share of ₹ 5 each of the Company.

Share application money pending allotment as at March 31, 2021 represents the money received from employees of the Company towards exercise of 572 OFSS Stock Units (OSUs) at the exercise price of ₹ 5 under Oracle Financial Services Software Limited Stock Plan 2014 ("OFSS Stock Plan 2014"). Each stock option and OSU is entitled for one equity share of ₹ 5 each of the Company.

### **Securities premium**

Securities premium represents amount received in excess of face value on issue of shares by the Company. It also includes transfer of stock compensation related to options exercised from employee stock options outstanding (other equity). The securities premium will be utilized in accordance with the provisions of the Act.

### **General reserve**

General reserve represents the amount of profits appropriated by the Company.

### **Employee stock options outstanding**

Selected employees of the OFSS group also receive remuneration in the form of share-based payments under stock option program of the Company. Employee stock options outstanding represents the fair value of equity-settled transactions, calculated at the date when the grant is made using an appropriate valuation model and recognized over the period in which the performance and/or service conditions are fulfilled.

### **Contribution from Ultimate Holding Company**

Oracle Corporation, the Ultimate Holding Company of Oracle Financial Services Software Limited has extended its stock option program to selected employees of OFSS's overseas subsidiaries and branches. Contribution from Ultimate Holding Company represents the fair value of equity-settled transactions; calculated at the date when the grant is made using an appropriate valuation model and recognized over the period in which the performance and/or service conditions are fulfilled.

Oracle Corporation has also extended its Employee Stock Purchase Plan (ESPP) to employees of OFSS group. Under the plan, the employees are eligible to purchase the shares of Oracle Corporation at discounted price. The discount amount on the shares purchased during the year by employees is treated as Contribution from Ultimate Holding Company.

### **Gain on Treasury shares**

Company's own equity instruments (treasury shares) are recognized at cost and deducted from equity. Gain or loss on the sale of the Company's own equity instruments is recognized in Other Equity.

### **Retained earnings**

Retained earnings represents the undistributed earnings, net of amounts transferred to general reserve; if any.

**Note:** The Board of Directors have declared an interim dividend on May 4, 2022 of ₹ 190 per equity share for the year ended March 31, 2022. This would result in estimated cash outflow of ₹ 16,396.37 million.

The Board of Directors had declared an interim dividend on May 5, 2021 of ₹ 200 per equity share for the year ended March 31, 2021. This had resulted in cash outflow of ₹ 17,223.39 million.

### **Other comprehensive income**

Other comprehensive income represents the exchange differences arising on translation of foreign subsidiaries and branches for consolidation and the remeasurements of the defined benefit gratuity plan; comprising of actuarial gains and losses on its net liabilities / assets.

## Note 13: Financial liabilities

(Amounts in ₹ million)

|   | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| (a) Trade payable measured at amortized cost                |                |                |
| Current   |                |                |
| - Payable to micro and small enterprises*                   | 11.33          | 4.86           |
| - Payable to others   | 385.32         | 453.18         |
|   | 396.65         | 458.04         |
| (b) Other financial liabilities                             |                |                |
| Non-current   |                |                |
| Financial liabilities measured at amortized cost            |                |                |
| Accrued compensation to employees                           | 49.51          | 47.78          |
|   | 49.51          | 47.78          |
| Current   |                |                |
| Derivative instruments at fair value through profit or loss |                |                |
| Derivatives not designated as hedges                        |                |                |
| Foreign exchange forward contract, net**                    | 24.62          | 45.02          |
|   | 24.62          | 45.02          |
| Other financial liabilities measured at amortized cost      |                |                |
| Accrued compensation to employees                           | 1,053.92       | 920.33         |
| Accrued Expenses  | 861.04         | 982.22         |
| Capital creditors   | 51.86          | 44.29          |
| Advance from customers                                      | 165.21         | 139.74         |
| Unpaid dividends***   | 48.63          | 85.93          |
|   | 2,180.66       | 2,172.51       |
|   | 2,205.28       | 2,217.53       |

\*(i) The identification of Micro and Small Enterprises is based on Management's knowledge of their status.

### Dues to micro and small enterprises - As per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

(Amounts in ₹ million)

|  | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| - Principal amount remaining unpaid to any supplier as at the end of the year  | 11.33          | 4.86           |
| - Amount of interest due remaining unpaid to any supplier as at the end of the year  | -              | -              |
| - Amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year                | -              | -              |
| - Amount of interest due and payable for the period of delay in making payment (where the principal has been paid but interest under the MSMED Act, 2006 not paid) | -              | -              |
| - Amount of interest accrued and remaining unpaid at the end of year   | -              | -              |
| - Amount of further interest remaining due and payable even in the succeeding year   | -              | -              |
|  | 11.33          | 4.86           |

\*\**(ii) The OFSS group entered into foreign exchange forward contracts with the intention of reducing the foreign exchange risk of Trade receivable, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.*

\*\*\**(iii) There is no amount due and outstanding as at balance sheet date to be credited to the Investor Education and Protection Fund, except an amount of ₹ 3.10 million which is held back with the Company based on court order received.*

Terms and conditions of financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-day terms
- Other financial liabilities are normally settled as and when due



## Ageing of trade payable

(Amounts in ₹ million)

| As at March 31, 2022             | Outstanding for following periods from due date of payment <sup>#</sup> |                  |             |             |                   | Total  |
|----------------------------------|---|------------------|-------------|-------------|-------------------|--------|
|                                  | Not due   | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years |        |
| Undisputed                       |   |                  |             |             |                   |        |
| - To micro and small enterprises | 11.33   | -                | -           | -           | -                 | 11.33  |
| - To others                      | 72.85   | 222.59           | 75.78       | 3.59        | 10.51             | 385.32 |
|                                  | 84.18   | 222.59           | 75.78       | 3.59        | 10.51             | 396.65 |
| Disputed                         |   |                  |             |             |                   |        |
| - To micro and small enterprises | -   | -                | -           | -           | -                 | -      |
| - To others                      | -   | -                | -           | -           | -                 | -      |
|                                  | -   | -                | -           | -           | -                 | -      |
|                                  | 84.18   | 222.59           | 75.78       | 3.59        | 10.51             | 396.65 |

(Amounts in ₹ million)

| As at March 31, 2021             | Outstanding for following periods from due date of payment <sup>#</sup> |                  |             |             |                   | Total  |
|----------------------------------|---|------------------|-------------|-------------|-------------------|--------|
|                                  | Not due   | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years |        |
| Undisputed                       |   |                  |             |             |                   |        |
| - To micro and small enterprises | 4.86  | -                | -           | -           | -                 | 4.86   |
| - To others                      | 232.39  | 191.67           | 0.86        | 25.51       | 2.75              | 453.18 |
|                                  | 237.25  | 191.67           | 0.86        | 25.51       | 2.75              | 458.04 |
| Disputed                         |   |                  |             |             |                   |        |
| - To micro and small enterprises | -   | -                | -           | -           | -                 | -      |
| - To others                      | -   | -                | -           | -           | -                 | -      |
|                                  | -   | -                | -           | -           | -                 | -      |
|                                  | 237.25  | 191.67           | 0.86        | 25.51       | 2.75              | 458.04 |

<sup>#</sup>Wherever the due date of payment is not specified, the disclosure is from the date of transaction.

## Note 14: Other liabilities

(Amounts in ₹ million)

|                             | March 31, 2022 | March 31, 2021 |
|-----------------------------|----------------|----------------|
| Non-current                 |                |                |
| Deferred Revenue            | 169.03         | 6.81           |
|                             | 169.03         | 6.81           |
| Current                     |                |                |
| Deferred Revenue            | 4,348.22       | 3,228.87       |
| Withholding and other taxes | 334.30         | 225.99         |
| Other statutory dues        | 516.56         | 485.98         |
|                             | 5,199.08       | 3,940.84       |

## Note 15: Provisions

(Amounts in ₹ million)

|                              | March 31, 2022 | March 31, 2021 |
|------------------------------|----------------|----------------|
| Non-current                  |                |                |
| For gratuity [Refer note 30] | 1,517.17       | 1,294.66       |
|                              | 1,517.17       | 1,294.66       |
| Current                      |                |                |
| For gratuity [Refer note 30] | 151.73         | 151.56         |
| For compensated absence      | 1,436.45       | 1,294.63       |
|                              | 1,588.18       | 1,446.19       |

## Note 16: Income taxes

(a) The major components of income tax expense for the year ended March 31, 2022 and March 31, 2021 are:

(Amounts in ₹ million)

|  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|--|------------------------------|------------------------------|
| (i) Profit or loss section                                       |                              |                              |
| Current taxes  | 7,032.73                     | 7,087.21                     |
| Deferred taxes   | (638.22)                     | 67.56                        |
| Income tax expense reported in the statement of profit and loss  | 6,394.51                     | 7,154.77                     |
| (ii) Other Comprehensive Income (OCI) section                    |                              |                              |
| Deferred tax on actuarial (loss) on gratuity fund                | (32.56)                      | (3.55)                       |
| Income tax expense charge reported in Other Comprehensive Income | (32.56)                      | (3.55)                       |

Deferred tax charge for the year ended March 31, 2022 and March 31, 2021 relates to origination and reversal of temporary differences.

(b) Reconciliation of tax expense and accounting profit for the year ended March 31, 2022 and March 31, 2021:

(Amounts in ₹ million)

|  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|--|------------------------------|------------------------------|
| Profit before tax  | 25,282.77                    | 24,773.32                    |
| Enacted tax rates in India   | 25.168%                      | 25.168%                      |
| Computed expected tax expenses   | 6,363.17                     | 6,234.95                     |
| Tax effect   |                              |                              |
| of earlier years   | (401.96)                     | (392.52)                     |
| on income at different rates   | (91.76)                      | (69.36)                      |
| on undistributed profits   | (552.85)                     | 356.98                       |
| on non-deductible expenses for tax purpose                               | (92.53)                      | 118.70                       |
| Overseas taxes   | 512.86                       | 610.49                       |
| Others   | 657.58                       | 295.53                       |
| Income tax expense reported in consolidated statement of profit and loss | 6,394.51                     | 7,154.77                     |

(c) The tax effect of significant temporary differences that resulted in net deferred tax asset are as follows:

(Amounts in ₹ million)

|  | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Deferred tax asset                           |                |                |
| Difference between book and tax depreciation | 169.76         | 157.92         |
| Provision for compensated absence            | 311.21         | 272.07         |
| Provision for gratuity                       | 388.04         | 367.95         |
| Impairment loss on financial assets          | 57.49          | 74.57          |
| Net operating loss                           | 131.70         | 170.51         |
| Other timing differences                     | 364.79         | 266.86         |
|  | 1,422.99       | 1,309.88       |
| Deferred tax liability                       |                |                |
| Tax on undistributed profits                 | (1,779.68)     | (2,332.53)     |
|  | (1,779.68)     | (2,332.53)     |
| Net deferred tax (liability)                 | (356.69)       | (1,022.65)     |

The deferred tax credit of the OFSS group for year ended March 31, 2022 is ₹ 638.22 million. OFSS group recognizes a deferred tax liability on the undistributed profits of subsidiaries by assessment of the undistributed profits which are expected to be distributed in the foreseeable future for each subsidiary. During the year ended March 31, 2022, the OFSS group has reassessed its estimate of the quantum of taxes on undistributed profits of all the subsidiaries and based on its reassessment has recorded deferred tax liabilities reversal of ₹ 552.85 million. This deferred tax liabilities reversal of ₹ 552.85 million, forms part of the deferred tax credit for the year ended March 31, 2022 of OFSS group as mentioned hereinabove.

Deferred tax asset and deferred tax liabilities have been offset wherever the OFSS group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. The unused tax losses having various expiry dates for which no deferred tax asset is recognized in the balance sheet amounts to ₹ 1,473.30 million (March 31, 2021 ₹ 1,435.03 million).

(d) Reconciliation of net deferred tax asset is as follows:

|   | (Amounts in ₹ million)       |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| Balance, beginning of year  | (1,022.65)                   | (961.88)                     |
| Tax income (expense) during the year recognized in profit or loss | 638.22                       | (67.56)                      |
| Tax income during the year recognized in OCI                      | 32.56                        | 3.55                         |
| Translation differences   | (4.82)                       | 3.24                         |
| Balance, end of the year  | (356.69)                     | (1,022.65)                   |

### Note 17: Revenue from operations

|   | (Amounts in ₹ million)       |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| Product licenses and related activities | 46,916.03                    | 44,251.70                    |
| IT solutions and consulting services    | 5,298.52                     | 5,587.67                     |
|   | 52,214.55                    | 49,839.37                    |

### Note 18: Finance income

|  | (Amounts in ₹ million)       |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| Interest on financial assets measured at amortized cost: |                              |                              |
| Balance with banks in current and deposit accounts       | 851.03                       | 1,078.49                     |
| Deposits for premises and others                         | 49.94                        | 53.24                        |
| Investment in sublease                                   | 0.03                         | 1.67                         |
| Others   | 0.85                         | 5.25                         |
|  | 901.85                       | 1,138.65                     |

### Note 19: Other income, net

|  | (Amounts in ₹ million)       |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| Fair value (loss) gain on derivatives not designated as hedges | (62.44)                      | 74.09                        |
| Foreign exchange gain (loss), net                              | 279.96                       | (297.87)                     |
| (Loss) profit on sale of fixed assets, net                     | (0.34)                       | 1.16                         |
| Miscellaneous income   | 224.39                       | 403.63                       |
|  | 441.57                       | 181.01                       |

### Note 20: Employee benefit expenses

|   | (Amounts in ₹ million)       |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| Salaries and bonus                        | 21,383.07                    | 19,651.06                    |
| Contribution to provident and other funds | 1,230.38                     | 1,076.49                     |
| Stock compensation expense                | 622.30                       | 538.67                       |
| Staff welfare expenses                    | 822.87                       | 751.32                       |
|   | 24,058.62                    | 22,017.54                    |

### Note 21: Finance cost

|                             | (Amounts in ₹ million)       |                              |
|-----------------------------|------------------------------|------------------------------|
|                             | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| Interest on lease liability | 48.30                        | 68.51                        |
| Interest on income tax      | 73.71                        | 122.78                       |
|                             | 122.01                       | 191.29                       |

## Note 22: Other operating expenses

(Amounts in ₹ million)

|  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|--|------------------------------|------------------------------|
| Application software   | 14.05                        | 21.03                        |
| Communication expenses   | 90.61                        | 87.71                        |
| Rent   | 88.81                        | 99.72                        |
| Power  | 116.99                       | 112.97                       |
| Insurance  | 25.23                        | 22.54                        |
| Repairs and maintenance:                                       |                              |                              |
| Buildings and leasehold premises                               | 30.26                        | 25.70                        |
| Computer equipments  | 12.30                        | 16.51                        |
| Others   | 61.87                        | 71.16                        |
| Rates and taxes  | 56.40                        | 76.68                        |
| Impairment loss recognized (reversed) on contract assets       | 99.80                        | (252.56)                     |
| Impairment loss on other financial assets                      | 3.69                         | 1.88                         |
| Bad debts  | 36.13                        | 110.36                       |
| Corporate Social Responsibility expenditure [Refer note below] | 430.58                       | 386.26                       |
| Miscellaneous expenses   | 154.12                       | 248.10                       |
|  | 1,220.84                     | 1,028.06                     |

As per the requirements of Section 135 of the Companies Act, 2013 the OFSS group was required to spend an amount of ₹ 430.58 million (March 31, 2021 - ₹ 386.26 million) on Corporate Social Responsibility expenditure based on the average net profits of the three immediately preceding financial years. The OFSS group has spent an amount of ₹ 440.40 million (March 31, 2021 - ₹ 386.26 million) against CSR expenditure; of which ₹ 9.82 million has been carried forward for set off against CSR spends in the next financial year.

## Note 23: Financial ratios

| Particulars                                     | Numerator   | Denominator  | March 31, 2022 | March 31, 2021 | Variance |
|---|---|--|----------------|----------------|----------|
| (a) Current ratio (in times)                    | Total current assets  | Total current liabilities                                    | 6.7            | 7.3            | -8.6%    |
| (b) Return on equity ratio (in %)               | Profit for the year   | Average total equity   | 27.1%          | 26.3%          | 3.1%     |
| (c) Trade receivables turnover ratio (in times) | Revenue from operations   | Average trade receivables                                    | 6.0            | 5.8            | 4.7%     |
| (d) Trade payables turnover ratio (in times)    | Purchases of services and other expenses  | Average trade payables                                       | 8.2            | 8.3            | -1.2%    |
| (e) Net capital turnover ratio (in times)       | Revenue from operations   | Total current assets less total current liabilities          | 0.9            | 0.9            | 0.2%     |
| (f) Net profit ratio (in %)                     | Profit for the year   | Revenue from operations                                      | 36.2%          | 35.4%          | 2.3%     |
| (g) Return on capital employed (in %)           | Profit before tax and finance cost  | Networth + lease liabilities + deferred tax liabilities      | 34.5%          | 34.9%          | -1.1%    |
| (h) Debt equity ratio (in times)                | Total debts (lease liabilities)   | Total equity   | 0.01           | 0.01           | 15.3%    |
| (i) Debt service coverage ratio (in times)      | Profit for the year + non-cash operating expenses + finance cost + Other non-cash adjustments | Lease payments (repayment of lease liability + finance cost) | 60.53          | 39.04          | 55.0%*   |

\*Increase in cash profits along with reduction in lease liability has resulted in an increase in the ratio.

**Note 24: Reconciliation of basic and diluted shares used in computing earnings per share**

(Number of equity shares)

|  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|--|------------------------------|------------------------------|
| Weighted average shares outstanding for basic earnings per share                 | 86,171,977                   | 85,986,435                   |
| Add: Effect of dilutive stock options  | 457,148                      | 384,381                      |
| Weighted average shares outstanding for diluted earnings per share               | 86,629,125                   | 86,370,816                   |
| Profit attributable to equity shareholders (in ₹ million)                        | 18,888.26                    | 17,618.55                    |
| Earnings per equity share of par value of ₹ 5 each (March 31, 2021 - ₹ 5) (in ₹) |                              |                              |
| Basic  | 219.19                       | 204.90                       |
| Diluted  | 218.04                       | 203.99                       |

**Note 25: Disclosure on revenue from operations****(a) 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.

| Year ended March 31, 2022               | (Amounts in ₹ million) |          |           |
|---|------------------------|----------|-----------|
| Particulars                             | Products               | Services | Total     |
| Revenue by Geography                    |                        |          |           |
| India                                   | 3,742.56               | 35.31    | 3,777.87  |
| Outside India                           |                        |          |           |
| Americas                                |                        |          |           |
| United States of America                | 10,378.86              | 3,785.25 | 14,164.11 |
| Rest of America                         | 4,043.26               | 6.21     | 4,049.47  |
| Europe                                  | 8,019.58               | 708.14   | 8,727.72  |
| Asia Pacific                            | 12,603.89              | 571.33   | 13,175.22 |
| Middle East and Africa                  | 8,127.88               | 192.28   | 8,320.16  |
|   | 46,916.03              | 5,298.52 | 52,214.55 |
| Revenue by Streams and type of Contract |                        |          |           |
| License Fees                            | 6,646.69               | –        | 6,646.69  |
| Maintenance Fees                        | 15,990.52              | –        | 15,990.52 |
| Consulting fees                         |                        |          |           |
| Fixed Price                             | 14,732.09              | 1,882.57 | 16,614.66 |
| Time & Material Basis                   | 9,546.73               | 3,415.95 | 12,962.68 |
|   | 46,916.03              | 5,298.52 | 52,214.55 |

| Year ended March 31, 2021               | (Amounts in ₹ million) |          |           |
|---|------------------------|----------|-----------|
| Particulars                             | Products               | Services | Total     |
| Revenue by Geography                    |                        |          |           |
| India                                   | 3,348.81               | 51.82    | 3,400.63  |
| Outside India                           |                        |          |           |
| Americas                                |                        |          |           |
| United States of America                | 8,996.80               | 4,130.21 | 13,127.01 |
| Rest of America                         | 3,789.41               | 31.32    | 3,820.73  |
| Europe                                  | 7,973.48               | 714.80   | 8,688.28  |
| Asia Pacific                            | 12,814.75              | 481.60   | 13,296.35 |
| Middle East and Africa                  | 7,328.45               | 177.92   | 7,506.37  |
|   | 44,251.70              | 5,587.67 | 49,839.37 |
| Revenue by Streams and type of Contract |                        |          |           |
| License Fees                            | 5,689.02               | –        | 5,689.02  |
| Maintenance Fees                        | 15,475.13              | –        | 15,475.13 |
| Consulting fees                         |                        |          |           |
| Fixed Price                             | 13,002.34              | 1,501.18 | 14,503.52 |
| Time & Material Basis                   | 10,085.21              | 4,086.49 | 14,171.70 |
|   | 44,251.70              | 5,587.67 | 49,839.37 |

- (b) During the year ended March 31, 2022, the OFSS group recognized revenue of ₹ 3,267.67 million from opening deferred revenue as of April 1, 2021. During the year ended March 31, 2021, the OFSS group recognized revenue of ₹ 4,196.62 million from opening deferred revenue as of April 1, 2020.
- (c) During the year ended March 31, 2022, the OFSS group has not recognized any revenue from performance obligations satisfied prior to April 1, 2021. During the year ended March 31, 2021, the OFSS group has not recognized any revenue from performance obligations satisfied prior to April 1, 2020.
- (d) Change in contract assets and contract liabilities are on account of transactions undertaken in the normal course of business. In accordance with Ind AS 115, unbilled revenue of ₹ 2,004.68 million as at March 31, 2022 (March 31, 2021 ₹ 1,187.18 million) has been classified as other current asset.

**(e) Reconciliation of revenue recognized with contract price**

(Amounts in ₹ million)

|                                 | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|---------------------------------|------------------------------|------------------------------|
| Revenue as per contracted price | 52,252.91                    | 49,894.58                    |
| Reduction towards discounts     | (38.36)                      | (55.21)                      |
| Revenue from operations         | 52,214.55                    | 49,839.37                    |

**(f) Remaining Performance obligation**

The OFSS group has applied the practical expedient as provided in Ind AS 115 and excluded the disclosure relating to remaining performance obligation for

- contracts where the original expected duration is one year or less.
- contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date. Typically this involves those contracts where invoicing is on time and material basis.

Remaining performance obligation estimates are subject to change and are affected by several factors such as terminations, changes in the scope of contracts, periodic revalidations of estimates and other macro economic factors.

The aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at March 31, 2022, after considering the practical expedient mentioned above is ₹ 16,910.81 million (March 31, 2021 - ₹ 15,585.26 million), out of which 60% (March 31, 2021 - 58%) is expected to be recognized as revenue within the next one year and the balance thereafter.

**(g) Asset recognized from the costs to obtain a contract**

The OFSS group recognizes incremental costs of obtaining a contract with customers as an asset and disclose them under "Other assets" as Deferred contract costs in the Consolidated financial statements. Incremental costs of obtaining contracts are those costs that the OFSS group incurs to obtain a contract with the customer that would not have been incurred if the contract had not been obtained. Such deferred contract costs assets are amortized over the benefit period.

The OFSS group has amortized deferred contract cost of ₹ 62.22 million for the year ended March 31, 2022 (March 31, 2021 - ₹ 58.17 million) and has closing balance of deferred contract cost asset of ₹ 150.94 million as at March 31, 2022 (March 31, 2021 - ₹ 134.81 million).

**Note 26: Significant accounting judgements, estimates and assumptions**

The preparation of the OFSS group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions and estimate at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are described below. These assumptions and estimates are based on available parameters as on the date of preparation of financial statements. These assumptions and estimates, however, may change due to market changes or circumstances arising that are beyond the control of the OFSS group.

**i) Leases**

The OFSS group has entered into commercial property leases for its offices. The OFSS group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The OFSS group uses significant judgement in assessing the lease term and the applicable discount rate. The OFSS group has lease contracts which include extension and termination option and this requires exercise of judgement by The OFSS group in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease period.

## **ii) Fair value of investment property**

As per the Ind AS, the OFSS group is required to disclose the fair value of the investment property. Accordingly, the Company has engaged an independent valuation specialist to assess the fair values of investment property as at March 31, 2022 and March 31, 2021. The investment property was valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the investment property. The key assumptions used to determine fair value of the investment property and sensitivity analysis are provided in note 5.

## **iii) Employee Benefit Trust**

The Company had formed a Trust with name i-flex Employee Stock Option Trust (The Trust) in the year 1998. The main object was to provide benefit to the employees through stock purchase scheme. The Trust was holding equity shares of the Company which have been sold during the previous year. The Trust funds would now be utilized for the benefit of the employees. However, as per the Trust deed, the Company may use its controlling power on certain activities of the Trust. Accordingly, the financial of the Trust are consolidated with the financials of the OFSS group.

## **iv) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the projections for the next five years and do not include restructuring activities that the OFSS group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognized by the OFSS group. The key assumptions used to determine the recoverable amount for the different CGUs, are disclosed and further explained in Note 31.

## **v) Share based payments**

The Company measures share-based payments and transactions at fair value and recognizes over the vesting period using Black Scholes valuation model. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and model used for estimating fair value for share-based payment transactions are disclosed in note 29(b).

## **vi) Taxes**

Income tax expense comprises current tax expense and the net changes in the deferred tax asset or liability during the year. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions, including disclosures thereof. Also refer Note 2.3 (f), Note 16 and Note 38.

Deferred tax liability is recognized on the undistributed profits of subsidiaries where it is expected that the earnings of the subsidiary will be distributed in foreseeable future. Deferred tax asset is recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

## **vii) Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and other post-employment retirement benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date annually. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases is based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in note 30.

## viii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 37 for further disclosures.

## ix) Revenue Recognition

The OFSS group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables. The OFSS group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

In determining the transaction price for the contract, judgement is required to assess if the consideration is fixed or is considered variable and whether there is any constraint on such variable consideration such as volume discounts, service level credits and price concessions. The OFSS group uses judgement to determine an appropriate standalone selling price for each performance obligation and allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract except for sale of software licenses, where the OFSS group uses a residual approach for estimating the standalone selling price of software license as the pricing is highly variable.

Contract fulfilment costs are generally expensed as incurred except for certain contract costs which meet the criteria for capitalization. Such costs are amortized over the benefit period. The assessment of this criteria requires the application of judgement.

## Note 27: Capital commitments and contingent liabilities

| Particulars  | (Amounts in ₹ million) |                |
|--|------------------------|----------------|
|  | March 31, 2022         | March 31, 2021 |
| (a) Capital Commitments towards Property, Plant and Equipment                            |                        |                |
| Contracts remaining to be executed on capital account not provided for (net of advances) | 105.16                 | 154.53         |
| (b) Contingent liabilities (refer note 38 for Tax litigations)                           | Nil                    | 3.20           |

## Note 28: Leases

### Where OFSS group is lessee

#### Finance lease

The changes in the carrying values of right-of-use asset for the year ended March 31, 2022 and March 31, 2021 are given in note 4.

Set out below are the carrying amounts of lease liabilities and the movement during the year ended March 31, 2022 and March 31, 2021:

| Particulars                          | (Amounts in ₹ million)  |                         |
|--------------------------------------|-------------------------|-------------------------|
|                                      | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
| Balance at the beginning of the year | 697.61                  | 1,146.82                |
| Modifications                        | 424.93                  | (25.48)                 |
| (Gain) on lease modification         | (9.57)                  | -                       |
| Interest on lease liability          | 48.30                   | 68.51                   |
| Repayments                           | (331.72)                | (479.29)                |
| Exchange impact                      | 4.30                    | (12.95)                 |
| At the end of the year               | 833.85                  | 697.61                  |
| Current                              | 286.42                  | 273.79                  |
| Non current                          | 547.43                  | 423.82                  |
| Total                                | 833.85                  | 697.61                  |



The maturity analysis of undiscounted lease liabilities as at March 31, 2022 and March 31, 2021 are as follows:

| Particulars        | (Amounts in ₹ million)  |                         |
|--------------------|-------------------------|-------------------------|
|                    | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
| Less than one year | 328.49                  | 315.62                  |
| 1 to 5 years       | 572.52                  | 473.75                  |
| More than 5 years  | 0.47                    | 1.12                    |
| Total              | 901.48                  | 790.49                  |

The following amounts are recognized in the statement of profit and loss for the year ended March 31, 2022 and March 31, 2021:

| Particulars   | (Amounts in ₹ million) |                |
|---|------------------------|----------------|
|   | March 31, 2022         | March 31, 2021 |
| Depreciation expenses on right-of-use asset   | 379.55                 | 454.86         |
| Interest expense on lease liability   | 48.30                  | 68.51          |
| Expense relating to short term leases and other service charges<br>(included in other operating expenses as rent) | 88.81                  | 99.72          |
| Total   | 516.66                 | 623.09         |
| Interest income from subleasing right-of-use asset  | (0.03)                 | (1.67)         |
| (Gain) on lease modification  | (27.01)                | -              |
| Total   | 489.62                 | 621.42         |

The OFSS group had total cash outflows for leases of ₹ 283.42 million (excluding interest) for the year ended March 31, 2022 (March 31, 2021 - ₹ 410.78 million). The OFSS group does not have any non-cash additions to right-of-use assets and lease liabilities for the year ended March 31, 2022. Further, there are no future cash outflows relating to leases that have not yet commenced.

There is no future income receivable from subleasing of right-of-use asset as at March 31, 2022 and March 31, 2021.

The minimum rental payments to be made in future in respect of leases to which the OFSS group has chosen to apply the practical expedient as per the standard as of March 31, 2022 and March 31, 2021 is as follows:

| Particulars       | (Amounts in ₹ million) |                |
|-------------------|------------------------|----------------|
|                   | March 31, 2022         | March 31, 2021 |
| Less than 1 year  | 1.13                   | 6.99           |
| 1 to 5 years      | -                      | 0.16           |
| More than 5 years | -                      | -              |
| Total             | 1.13                   | 7.15           |

## Note 29: Share based compensation / payments

### (a) Employee Stock Purchase Scheme (ESPS)

The Company had adopted the ESPS administered through a Trust with the name i-flex Employee Stock Option Trust ("the Trust") to provide equity based incentives to key employees of the Company. i-flex Solutions Trustee Company Ltd. is the Trustee of this Trust.

No allocation of shares to the employees have been made through the Trust since 2005 and all selected employees under the Trust have exercised their right of purchase of shares prior to March 31, 2014. In this regard, the Trustee Company had filed a petition in the Honorable Bombay High Court to seek directions for utilization of the remaining unallocated shares along with the other assets held by the Trust for the benefit of the employees of the Company. As per the order of the Honorable Bombay High Court dated August 1, 2016, the trust funds would be utilized for the benefit of the employees. Accordingly, during the financial year, the trust has incurred an expenditure of ₹ 22.24 million (March 31, 2021 - ₹ 8.33 million) towards welfare of employees of the Company.

As at March 31, 2022, the Trust is not holding any equity shares (March 31, 2021 - Nil equity shares) of the Company.

## (b) Employee Stock Option Plan (ESOP)

The Members at their Annual General Meeting held on August 14, 2001, approved grant of ESOPs to the employees / directors of the Company and its subsidiaries up to 7.5% of the issued and paid-up capital of the Company from time to time. This said limit was enhanced and approved up to 12.5% of the issued and paid-up capital of the Company from time to time, by the Members at their Annual General Meeting held on August 18, 2011. This limit is an all inclusive limit applicable for stock options ("options") granted in the past and in force and those that will be granted by the Company.

Pursuant to ESOP scheme approved by the shareholders of the Company on August 14, 2001, the Board of Directors, on March 4, 2002 approved the 2002 Employees Stock Option Plan ("Scheme 2002") for issue of 4,753,600 options to the employees and directors of the Company and its subsidiaries. According to the Scheme 2002, the Company has granted 4,548,920 options prior to the IPO and 619,000 options at various dates after IPO (including the grants of options out of options forfeited earlier). On August 25, 2010, the Board of Directors approved the Employees Stock Option Plan 2010 Scheme ("Scheme 2010") for issue of 618,000 options to the employees and directors of the Company and its subsidiaries. According to the Scheme 2010, the Company has granted 638,000 options (including the grants of options out of options forfeited earlier). As at March 31, 2022 there are no options outstanding under ESOP Scheme 2002 and ESOP Scheme 2010.

Pursuant to ESOP scheme approved by the shareholders of the Company in their meeting held on August 18, 2011, the Board of Directors approved the Employees Stock Option Plan 2011 Scheme ("Scheme 2011"). Accordingly, the Company has granted 1,950,500 options under the Scheme 2011. Nomination and Remuneration Committee in their meeting held on August 7, 2014, approved Oracle Financial Services Software Limited Stock Plan 2014 ("OFSS Stock Plan 2014"). Accordingly, the Company has granted 178,245 Stock Options and 1,183,643 OFSS Stock Units (OSUs) under OFSS Stock Plan 2014. The issuance terms of OSUs are the same as for options. Till March 2019, employees could elect to receive 1 OSU in lieu of 4 awarded options at their respective exercise price.

As per the Scheme 2002, Scheme 2010 and Scheme 2011, each of 20% of the total options granted vest on completion of 12, 24, 36, 48 and 60 months from the date of grant. In respect of the OFSS Stock Plan 2014, each of 25% of the total options / OSUs granted will vest on completion of 12, 24, 36 and 48 months from the date of grant. Any vesting is subject to continued employment of the employee with the Company or its subsidiaries. Options / OSUs have exercise period of 10 years from the date of grant. The employee pays the exercise price and applicable taxes upon exercise of options / OSUs.

A summary of the activity in the Company's ESOP (Scheme 2010) is as follows:

|                                  | Year ended March 31, 2022   |                                     | Year ended March 31, 2021   |                                     |
|----------------------------------|-----------------------------|-------------------------------------|-----------------------------|-------------------------------------|
|                                  | Shares arising from options | Weighted average exercise price (₹) | Shares arising from options | Weighted average exercise price (₹) |
| Outstanding at beginning of year | –                           | –                                   | 33,835                      | 2,050                               |
| Granted                          | –                           | –                                   | –                           | –                                   |
| Exercised                        | –                           | –                                   | (12,805)                    | 2,050                               |
| Forfeited                        | –                           | –                                   | (21,030)                    | 2,050                               |
| Outstanding at end of the year   | –                           | –                                   | –                           | –                                   |
| Vested options                   | –                           | –                                   | –                           | –                                   |
| Unvested options                 | –                           | –                                   | –                           | –                                   |
| Options vested during the year   | –                           | –                                   | –                           | –                                   |

A summary of the activity in the Company's ESOP (Scheme 2011) is as follows:

|                                  | Year ended March 31, 2022   |                                     | Year ended March 31, 2021   |                                     |
|----------------------------------|-----------------------------|-------------------------------------|-----------------------------|-------------------------------------|
|                                  | Shares arising from options | Weighted average exercise price (₹) | Shares arising from options | Weighted average exercise price (₹) |
| Outstanding at beginning of year | 324,116                     | 2,943                               | 354,942                     | 2,932                               |
| Granted                          | –                           | –                                   | –                           | –                                   |
| Exercised                        | (86,082)                    | 2,725                               | (12,076)                    | 2,376                               |
| Forfeited                        | (23,926)                    | 2,305                               | (18,750)                    | 3,096                               |
| Outstanding at end of the year   | 214,108                     | 3,102                               | 324,116                     | 2,943                               |
| Vested options                   | 214,108                     | –                                   | 324,116                     | –                                   |
| Unvested options                 | –                           | –                                   | –                           | –                                   |
| Options vested during the year   | –                           | –                                   | –                           | –                                   |

A summary of the activity in the Company's ESOP (OFSS Stock Plan 2014) is as follows:

|                                  | Year ended March 31, 2022            |                                     | Year ended March 31, 2021            |                                     |
|----------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|                                  | Shares arising from options and OSUs | Weighted average exercise price (₹) | Shares arising from options and OSUs | Weighted average exercise price (₹) |
| Outstanding at beginning of year | 588,829                              | 758                                 | 595,174                              | 798                                 |
| Granted                          | 156,215                              | 5                                   | 172,975                              | 5                                   |
| Exercised                        | (98,150)                             | 236                                 | (158,054)                            | 6                                   |
| Forfeited                        | (27,308)                             | 832                                 | (21,266)                             | 1,357                               |
| Outstanding at end of the year   | 619,586                              | 647                                 | 588,829                              | 758                                 |
| Vested options and OSUs          | 256,677                              |                                     | 227,249                              |                                     |
| Unvested options and OSUs        | 362,909                              |                                     | 361,580                              |                                     |
| Options vested during the year   | 133,947                              |                                     | 141,343                              |                                     |

During the year ended March 31, 2022, the Company has granted 156,215 OSUs at an exercise price of ₹ 5 (March 31, 2021 - 172,975 OSUs at an exercise price of ₹ 5) under OFSS Stock Plan 2014.

The weighted average share price for the year over which options / OSUs were exercised was ₹ 4,111 (March 31, 2021 - ₹ 3,005).

The details of options / OSUs unvested and options / OSUs vested and exercisable as on March 31, 2022 are as follows:

|                                       | Exercise prices (₹) | Number of Options | Weighted average exercise price (₹) | Weighted average remaining contractual life (Years) |
|---------------------------------------|---------------------|-------------------|-------------------------------------|---|
| Options / OSUs unvested               | 5                   | 360,752           | 5                                   | 8.4   |
|                                       | 4,158               | 2,157             | 4,158                               | 6.2   |
| Options / OSUs vested and exercisable | 5                   | 146,144           | 5                                   | 6.1   |
|                                       | 3,077               | 107,748           | 3,077                               | 1.5   |
|                                       | 3,127               | 106,360           | 3,127                               | 0.8   |
|                                       | 3,241               | 34,890            | 3,241                               | 3.0   |
|                                       | 3,393               | 39,775            | 3,393                               | 4.2   |
|                                       | 3,579               | 6,325             | 3,579                               | 5.2   |
|                                       | 3,987               | 23,075            | 3,987                               | 3.6   |
|                                       | 4,158               | 6,468             | 4,158                               | 6.2   |
|                                       |                     | 833,694           | 1,278                               | 5.5   |

The details of options / OSUs unvested and options / OSUs vested and exercisable as on March 31, 2021 are as follows:

|                                       | Exercise prices (₹) | Number of Options | Weighted average exercise price (₹) | Weighted average remaining contractual life (Years) |
|---------------------------------------|---------------------|-------------------|-------------------------------------|---|
| Options / OSUs unvested               | 5                   | 354,354           | 5                                   | 8.4   |
|                                       | 3,579               | 2,025             | 3,579                               | 6.2   |
|                                       | 4,158               | 5,201             | 4,158                               | 7.2   |
| Options / OSUs vested and exercisable | 5                   | 109,247           | 5                                   | 6.0   |
|                                       | 1,930               | 43,463            | 1,930                               | 0.7   |
|                                       | 3,077               | 152,883           | 3,077                               | 2.5   |
|                                       | 3,127               | 127,770           | 3,127                               | 1.8   |
|                                       | 3,241               | 36,278            | 3,241                               | 4.0   |
|                                       | 3,393               | 45,050            | 3,393                               | 5.2   |
|                                       | 3,579               | 6,325             | 3,579                               | 6.2   |
|                                       | 3,987               | 25,050            | 3,987                               | 4.6   |
|                                       | 4,158               | 5,299             | 4,158                               | 7.2   |
|                                       |                     |                   | 912,945                             | 1,533   |

Options / OSUs granted during the financial year ended March 31, 2022:

The weighted average fair value of options / OSUs granted during the year was ₹ 4,309 (March 31, 2021 - ₹ 3,039).

The Black Scholes valuation model has been used for computing the above weighted average fair value of options / OSUs granted considering the following inputs:

|                                     | Year Ended March 31, 2022<br>OFSS Stock Plan 2014 (OSU) |                 |                |             |
|-------------------------------------|---|-----------------|----------------|-------------|
|                                     | August, 2021  | September, 2021 | December, 2021 | March, 2022 |
| Weighted average share price (in ₹) | 4,315   | 4,807           | 4,235          | 3,482       |
| Exercise Price (in ₹)               | 5/-   | 5/-             | 5/-            | 5/-         |
| Expected Volatility                 | 32%   | 31%             | 31%            | 32%         |
| Weighted average life (in years)    | 3.26  | 3.12            | 3.12           | 3.12        |
| Expected dividend rate              | Nil   | Nil             | Nil            | Nil         |
| Average risk-free interest rate %   | 5.19%   | 4.84%           | 4.92%          | 5.36%       |

|                                     | Year Ended March 31, 2021<br>OFSS Stock Plan 2014 (OSU)<br>July, 2020 |
|-------------------------------------|---|
| Weighted average share price (in ₹) | 3,044   |
| Exercise Price (in ₹)               | 5/-   |
| Expected Volatility                 | 32%   |
| Weighted average life (in years)    | 3.11  |
| Expected dividend rate              | Nil   |
| Average risk-free interest rate %   | 4.5%  |

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life; the Company expects the volatility of its share price to reduce as it matures.

### Note 30: Defined benefits obligations

#### Defined contribution plans

During the year ended March 31, 2022 and March 31, 2021, the OFSS group contributed following amounts to defined contributions plans:

| Particulars         | (Amounts in ₹ million)       |                              |
|---------------------|------------------------------|------------------------------|
|                     | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| Provident fund      | 529.42                       | 445.64                       |
| Superannuation fund | 122.71                       | 111.51                       |
|                     | 652.13                       | 557.15                       |

#### Defined benefit plan – gratuity

The amounts recognized in the statement of profit and loss are as follows:

| Particulars                                 | (Amounts in ₹ million)       |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| Current service cost                        | 180.91                       | 161.67                       |
| Past service cost                           | 25.64                        | –                            |
| Interest cost, net                          | 85.50                        | 76.42                        |
| Total included in employee benefit expenses | 292.05                       | 238.09                       |

Remeasurements recognized in other comprehensive income (OCI) are as follows:

| Particulars                                   | (Amounts in ₹ million)       |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| Due to change in demographic assumptions      | 18.24                        | 7.64                         |
| Due to change in financial assumptions        | (34.82)                      | (12.58)                      |
| Due to change in experience adjustments       | 145.47                       | 20.24                        |
| Return on plan assets (excl. Interest income) | 0.30                         | (0.59)                       |
| Total re-measurements in OCI                  | 129.19                       | 14.71                        |

The amounts recognized in the balance sheet are as follows:

| Particulars                           | (Amounts in ₹ million)  |                         |
|---------------------------------------|-------------------------|-------------------------|
|                                       | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
| Present value of unfunded obligations | 1,683.10                | 1,453.99                |
| Fair value of plan assets             | (14.20)                 | (7.77)                  |
| Net liability                         | 1,668.90                | 1,446.22                |

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

| Particulars   | (Amounts in ₹ million)       |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| Defined benefit obligation at beginning of the year | 1,453.99                     | 1,343.67                     |
| Current service cost                                | 180.91                       | 161.67                       |
| Past service cost                                   | 25.64                        | -                            |
| Interest cost                                       | 86.03                        | 76.87                        |
| Effect of exchange rate changes                     | 6.05                         | (6.62)                       |
| Benefits paid                                       | (198.41)                     | (136.90)                     |
| Re-measurement                                      |                              |                              |
| Due to change in demographic assumptions            | 18.24                        | 7.64                         |
| Due to change in financials assumptions             | (34.82)                      | (12.58)                      |
| Due to change in experience adjustments             | 145.47                       | 20.24                        |
| Defined benefit obligation at end of the year       | 1,683.10                     | 1,453.99                     |

Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

| Particulars  | (Amounts in ₹ million)       |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| Fair value of plan assets at beginning of the year | 7.77                         | 2.98                         |
| Interest income                                    | 0.53                         | 0.45                         |
| (Return) on plan assets (excl. Interest income)    | (0.30)                       | 0.59                         |
| Contributions by employer                          | 149.96                       | 79.96                        |
| Benefits paid                                      | (143.76)                     | (76.21)                      |
| Fair value of plan assets at end of the year       | 14.20                        | 7.77                         |

Plan assets are administered by LIC of India.

The assumptions used in accounting for the gratuity plan are set out as below:

| Particulars                     | March 31, 2022    | March 31, 2021    |
|---------------------------------|-------------------|-------------------|
| Discount rate                   | 3.68% - 7.00%     | 3.15% - 6.80%     |
| Expected returns on plan assets | 7.00%             | 6.80%             |
| Salary escalation rate          | 2.00% - 8.00%     | 2.00% - 8.00%     |
| Weighted average duration       | 6 years - 9 years | 8 years - 9 years |

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

The OFSS group evaluates these assumptions annually based on its long-term plans of growth and industry standards. The discount rates are based on current market yields on government bonds consistent with the currency and estimated term of the post employment benefits obligations. Plan assets are administered by LIC. The expected rate of return on plan assets is based on the expected average long term rate of return on investments of the fund during the terms of the obligation.

The OFSS group's contribution to the fund for the year ending March 31, 2023 is expected to be ₹ 139.98 million (March 31, 2022 - ₹ 134.89 million).

A quantitative sensitivity analysis for significant assumptions on defined benefit obligation as at March 31, 2022 is as shown below:

| Particulars             | Sensitivity level | (Amounts in ₹ million)    |                           |
|-------------------------|-------------------|---------------------------|---------------------------|
|                         |                   | Year ended March 31, 2022 | Year ended March 31, 2021 |
| Financial assumptions   |                   |                           |                           |
| Discount rate           | - 0.5%            | 1,750.59                  | 1,511.24                  |
|                         | + 0.5%            | 1,619.96                  | 1,400.42                  |
| Salary escalation rate  | - 0.5%            | 1,627.47                  | 1,406.92                  |
|                         | + 0.5%            | 1,740.98                  | 1,503.21                  |
| Demographic assumptions |                   |                           |                           |
| Withdrawal rate         | - 1%              | 1,689.09                  | 1,459.09                  |
|                         | + 1%              | 1,677.49                  | 1,458.26                  |

### Note 31: Impairment testing of goodwill

Goodwill acquired through business combinations with indefinite lives has been allocated to the two cash generating units (CGUs) below, which are also operating and reportable segments, for impairment testing:

1. Product licenses and related activities ("Products")
2. IT solutions and consulting services ("Services")

Carrying amount of goodwill allocated to each of the CGUs:

|                                  | (Amounts in ₹ million) |                |
|----------------------------------|------------------------|----------------|
|                                  | March 31, 2022         | March 31, 2021 |
| Products                         | 5,861.99               | 5,861.99       |
| Services                         | 224.64                 | 224.64         |
| Total carrying value of goodwill | 6,086.63               | 6,086.63       |

The OFSS group performed its annual impairment test for years ended March 31, 2022 and March 31, 2021 on respective balance sheet date. The recoverable amount of above CGUs exceeded their carrying amounts.

#### Products CGU

The recoverable amount of the Products CGU as at March 31, 2022 is determined based on a value in use calculation using projections covering a five-year period. The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 1% (March 31, 2021 1%). This growth rate is in line with the industry average growth rate. The pre-tax discount rate applied to the cash flow projections for impairment testing during the current year is 17.27% (March 31, 2021 - 20.49%). The management did not identify impairment for this CGU.

#### Key assumptions used for value in use calculations

The calculation of value in use for Products CGU is most sensitive to the following assumptions:

- Operating margins
- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period

**Operating margins** - Operating margins are based on average values achieved in the current financial year.

**Discount rates** - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

**Growth rate estimates** - Rates are in line with the industry average growth rate.

## Note 32: Financial risk management objectives and policies

The OFSS group activities expose it to market risks, liquidity risk and credit risks. The management oversees these risks and is aided by the Risk Management Committee whose scope is to formulate the risk management policy, which will identify elements of risk, if any which may affect the OFSS group.

### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises of foreign currency risk.

#### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of monetary items will fluctuate because of changes in foreign exchange rates. This may have potential impact on the statement of profit and loss and other components of equity, where monetary items are denominated in a foreign currency which are different from functional currency in which they are measured. As of balance sheet date, the OFSS group's net foreign currency exposure expressed in INR that is not hedged is ₹ 1,883.77 million (March 31, 2021 - ₹ 3,140.30 million).

Following are the carrying amounts of foreign currency denominated monetary items (net) of OFSS group where it has significant exposure as at the balance sheet date:

| Currency | (Amounts in ₹ million) |                |
|----------|------------------------|----------------|
|          | March 31, 2022         | March 31, 2021 |
| USD      | 2,585.24               | 2,436.09       |
| SGD      | (933.69)               | (675.39)       |
| GBP      | 225.83                 | 479.56         |
| EUR      | 300.18                 | 572.50         |
| AUD      | (66.09)                | (38.11)        |

The OFSS group manages its foreign currency risk by hedging the receivables in the major currencies (USD, EUR, AUD, GBP and JPY) using hedging instrument as forward contracts. The period of the forward contracts is determined by the expected collection period for invoices which currently ranges between 30 to 120 days.

#### Foreign currency sensitivity

The table below demonstrates sensitivity impact on OFSS group's profit after tax and total equity due to change in foreign exchange rates of currencies where it has significant exposure:

| Currency | (Amounts in ₹ million) |         |                |         |
|----------|------------------------|---------|----------------|---------|
|          | March 31, 2022         |         | March 31, 2021 |         |
|          | +1%                    | -1%     | +1%            | -1%     |
| USD      | 61.49                  | (61.49) | 48.36          | (48.36) |
| SGD      | (6.42)                 | 6.42    | (5.82)         | 5.82    |
| GBP      | 2.60                   | (2.60)  | 1.95           | (1.95)  |
| EUR      | (4.33)                 | 4.33    | (6.01)         | 6.01    |
| AUD      | 2.60                   | (2.60)  | 3.23           | (3.23)  |

The above sensitivity impact gain (loss) is due to every percentage point appreciation or depreciation in the exchange rate of respective currencies, with all other variables held constant. Sensitivity impact is computed based on change in value of monetary assets and liabilities denominated in above respective currency, where the functional currency of the entity is a currency other than above respective currency and entities with functional currency as above respective currency where transactions are in foreign currencies. The OFSS group's exposure to foreign currency changes for all other currencies is not material.

### (b) Liquidity risk

Liquidity risk management implies maintaining sufficient availability of funds to meet obligations when due and to close out market positions. The OFSS group monitors rolling forecast of the cash and cash equivalent on the basis of expected cash flows.

The table below summarizes the maturity profile of the OFSS group's financial liabilities:

| Particulars                            | (Amounts in ₹ million) |                    |          |
|--|------------------------|--------------------|----------|
|  | Less than One year     | More than One year | Total    |
| As at March 31, 2022                   |                        |                    |          |
| Lease liability                        | 286.42                 | 547.43             | 833.85   |
| Trade payable                          | 396.65                 | –                  | 396.65   |
| Accrued compensation to employees      | 1,053.92               | 49.51              | 1,103.43 |
| Accrued Expenses                       | 861.04                 | –                  | 861.04   |
| Capital creditors                      | 51.86                  | –                  | 51.86    |
| Advance from customers                 | 165.21                 | –                  | 165.21   |
| Unpaid dividends                       | 48.63                  | –                  | 48.63    |
| Foreign exchange forward contract, net | 24.62                  | –                  | 24.62    |
|  | 2,888.35               | 596.94             | 3,485.29 |

| Particulars                            | (Amounts in ₹ million) |                    |          |
|--|------------------------|--------------------|----------|
|  | Less than One year     | More than One year | Total    |
| As at March 31, 2021                   |                        |                    |          |
| Lease liability                        | 273.79                 | 423.82             | 697.61   |
| Trade payable                          | 458.04                 | –                  | 458.04   |
| Accrued compensation to employees      | 920.33                 | 47.78              | 968.11   |
| Accrued Expenses                       | 982.22                 | –                  | 982.22   |
| Capital creditors                      | 44.29                  | –                  | 44.29    |
| Advance from customers                 | 139.74                 | –                  | 139.74   |
| Unpaid dividends                       | 85.93                  | –                  | 85.93    |
| Foreign exchange forward contract, net | 45.02                  | –                  | 45.02    |
|  | 2,949.36               | 471.60             | 3,420.96 |

The OFSS group has sufficient funds in cash and cash equivalent and other bank balances to meet obligations towards financial liabilities.

### (c) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The OFSS group is exposed to credit risk from its operating activities (primarily trade receivables) and from its finance activities, including time deposits with banks, foreign exchange transactions and other financial instruments.

#### Trade receivables

Customer credit risk is managed in line with the established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on regional historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 8.

#### Cash and Bank balances

Credit risk from balances with banks is managed by the OFSS group's treasury department in accordance with the OFSS group's policy. Investments of surplus funds are made only with existing Bankers and within credit limits assigned to each banker.

OFSS group follows a conservative philosophy and aims to invest surplus funds mainly in India and only in time deposits with well-known and highly rated banks. The duration of such time deposits will not exceed 364 days. The OFSS group, on quarterly basis, monitors the credit ratings and total deposit balances of each of its bankers. Further limits are set to minimize the concentration of risks and therefore mitigate financial loss of any potential failure to repay deposits.



### Note 33: Capital management

For the purpose of the OFSS group's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the OFSS group's capital management is to maximize the equity shareholder value.

The OFSS group manages its capital structure and makes adjustments in light of changes in economic conditions and other financial requirements.

### Note 34: Derivative instruments

The Company enters into forward foreign exchange contracts where the counter party is a bank. The Company purchases forward foreign exchange contracts to mitigate the risks of change in foreign exchange rate on receivables denominated in certain foreign currencies. The Company considers the risk of non-performance by the counter party as non-material.

As at March 31, 2022 the Company has following outstanding derivative instrument:

| Particulars                           | (Amounts in million) |        |                |        |
|---------------------------------------|----------------------|--------|----------------|--------|
|                                       | March 31, 2022       |        | March 31, 2021 |        |
| Forward contracts – Sell in US Dollar | USD                  | 61.70  | USD            | 50.30  |
| Forward contracts – Sell in AU Dollar | AUD                  | 7.20   | AUD            | 11.10  |
| Forward contracts – Sell in Euro      | EUR                  | 5.40   | EUR            | 2.50   |
| Forward contracts – Sell in JPY       | JPY                  | 780.00 | JPY            | 428.00 |
| Forward contracts – Sell in GBP       | GBP                  | 2.40   | GBP            | 0.50   |

### Note 35: Summary of Net Assets and Share in Profit or Loss of the Group

| March 31, 2022  |             | (Amounts in ₹ million) |                           |      |                                     |        |                                     |      |
|---|-------------|------------------------|---------------------------|------|-------------------------------------|--------|-------------------------------------|------|
| Name of the Entity                                    | Net Assets  | %                      | Share in Profit or (loss) | %    | Share in other comprehensive income | %      | Share in total comprehensive income | %    |
| Parent  |             |                        |                           |      |                                     |        |                                     |      |
| Oracle Financial Services Software Limited            | 58,024.64   | 83%                    | 18,112.09                 | 96%  | (83.95)                             | 235%   | 18,028.14                           | 96%  |
| Subsidiaries  |             |                        |                           |      |                                     |        |                                     |      |
| Indian  |             |                        |                           |      |                                     |        |                                     |      |
| Oracle (OFSS) Processing Services Limited             | 486.35      | 1%                     | 36.68                     | 0%   | (0.17)                              | 0%     | 36.51                               | 0%   |
| Oracle (OFSS) BPO Services Limited                    | 265.58      | 0%                     | 106.78                    | 1%   | (1.36)                              | 4%     | 105.42                              | 1%   |
| Oracle (OFSS) ASP Private Limited                     | 42.84       | 0%                     | 0.69                      | 0%   | -                                   | 0%     | 0.69                                | 0%   |
| Mantas India Private Limited                          | 22.19       | 0%                     | 0.37                      | 0%   | -                                   | 0%     | 0.37                                | 0%   |
| Foreign   |             |                        |                           |      |                                     |        |                                     |      |
| Oracle Financial Services Software B.V.               | 2,006.21    | 3%                     | (33.95)                   | 0%   | (133.29)                            | 373%   | (167.24)                            | (1%) |
| Oracle Financial Services Software SA                 | 247.11      | 0%                     | 333.37                    | 2%   | (6.56)                              | 18%    | 326.81                              | 2%   |
| Oracle Financial Services Software Pte. Ltd.          | 410.59      | 1%                     | (221.13)                  | (1%) | (107.05)                            | 300%   | (328.18)                            | (2%) |
| Oracle Financial Services Consulting Pte. Ltd.        | (258.55)    | 0%                     | (0.22)                    | 0%   | 0.17                                | 0%     | (0.05)                              | 0%   |
| Oracle Financial Services Software America, Inc.      | 10,450.18   | 15%                    | (0.05)                    | 0%   | 302.78                              | (847%) | 302.73                              | 2%   |
| Oracle Financial Services Software, Inc.              | 11,573.46   | 16%                    | 1,230.61                  | 6%   | 310.93                              | (870%) | 1,541.54                            | 8%   |
| Mantas Inc.   | 216.40      | 0%                     | 0.04                      | 0%   | 6.27                                | (18%)  | 6.31                                | 0%   |
| Sotas Inc.  | 20.85       | 0%                     | (0.04)                    | 0%   | 0.60                                | (2%)   | 0.56                                | 0%   |
| ISP Internet Mauritius Company                        | 397.87      | 1%                     | 122.15                    | 1%   | -                                   | 0%     | 122.15                              | 1%   |
| Oracle (OFSS) BPO Services Inc.                       | (666.74)    | (1%)                   | 29.79                     | 0%   | (20.38)                             | 57%    | 9.41                                | 0%   |
| Oracle Financial Services Software Chile Limitada     | 647.41      | 1%                     | 97.65                     | 1%   | (23.57)                             | 66%    | 74.08                               | 0%   |
| Oracle Financial Services Software (Shanghai) Limited | 198.24      | 0%                     | 14.69                     | 0%   | 12.49                               | (35%)  | 27.18                               | 0%   |
| Controlled Trust                                      |             |                        |                           |      |                                     |        |                                     |      |
| Indian  |             |                        |                           |      |                                     |        |                                     |      |
| i-flex Employee Stock Option Trust                    | 1,047.17    | 1%                     | 1.32                      | 0%   | -                                   | 0%     | 1.32                                | 0%   |
| Adjustments arising out of consolidation              | (14,134.86) | (21%)                  | (942.58)                  | (6%) | (292.60)                            | 819%   | (1,235.18)                          | (7%) |
| Total   | 70,996.94   | 100%                   | 18,888.26                 | 100% | (35.69)                             | 100%   | 18,852.57                           | 100% |

March 31, 2021

| Name of the Entity                                    | Net Assets  | %     | Share in Profit or (loss) | %    | Share in other comprehensive income | %      | Share in total comprehensive income | %    |
|---|-------------|-------|---------------------------|------|-------------------------------------|--------|-------------------------------------|------|
| Parent  | 56,459.88   | 83%   | 16,392.85                 | 93%  | (29.82)                             | (59%)  | 16,363.03                           | 93%  |
| Subsidiaries  |             |       |                           |      |                                     |        |                                     |      |
| Indian  |             |       |                           |      |                                     |        |                                     |      |
| Oracle (OFSS) Processing Services Limited             | 449.84      | 1%    | 68.60                     | 0%   | 2.10                                | 4%     | 70.70                               | 0%   |
| Oracle (OFSS) BPO Services Limited                    | 155.20      | 0%    | 141.09                    | 1%   | 4.29                                | 8%     | 145.38                              | 1%   |
| Oracle (OFSS) ASP Private Limited                     | 42.15       | 0%    | 1.01                      | 0%   | -                                   | 0%     | 1.01                                | 0%   |
| Mantas India Private Limited                          | 21.82       | 0%    | 0.60                      | 0%   | -                                   | 0%     | 0.60                                | 0%   |
| Foreign   |             |       |                           |      |                                     |        |                                     |      |
| Oracle Financial Services Software B.V.               | 3,662.83    | 5%    | 256.95                    | 1%   | 142.39                              | 282%   | 399.34                              | 2%   |
| Oracle Financial Services Software SA                 | 214.98      | 0%    | (71.37)                   | 0%   | 5.58                                | 11%    | (65.79)                             | 0%   |
| Oracle Financial Services Software Pte. Ltd.          | 673.70      | 1%    | (119.69)                  | (1%) | 126.15                              | 249%   | 6.46                                | 0%   |
| Oracle Financial Services Consulting Pte. Ltd.        | (258.50)    | 0%    | (0.22)                    | 0%   | 0.21                                | 0%     | (0.01)                              | 0%   |
| Oracle Financial Services Software America, Inc.      | 10,147.45   | 15%   | (0.05)                    | 0%   | (263.09)                            | (519%) | (263.14)                            | (1%) |
| Oracle Financial Services Software, Inc.              | 9,988.28    | 15%   | 1,560.29                  | 9%   | (241.54)                            | (477%) | 1,318.75                            | 7%   |
| Mantas Inc.   | 210.09      | 0%    | (0.37)                    | 0%   | (5.45)                              | (11%)  | (5.82)                              | 0%   |
| Sotas Inc.  | 20.29       | 0%    | (0.04)                    | 0%   | (0.52)                              | (1%)   | (0.56)                              | 0%   |
| ISP Internet Mauritius Company                        | 275.72      | 0%    | (0.81)                    | 0%   | -                                   | 0%     | (0.81)                              | 0%   |
| Oracle (OFSS) BPO Services Inc.                       | (676.23)    | (1%)  | 40.83                     | 0%   | 18.51                               | 37%    | 59.34                               | 0%   |
| Oracle Financial Services Software Chile Limitada     | 571.35      | 1%    | 70.29                     | 0%   | 59.90                               | 118%   | 130.19                              | 1%   |
| Oracle Financial Services Software (Shanghai) Limited | 171.02      | 0%    | 16.17                     | 0%   | 8.65                                | 17%    | 24.82                               | 0%   |
| Controlled Trust                                      |             |       |                           |      |                                     |        |                                     |      |
| Indian  |             |       |                           |      |                                     |        |                                     |      |
| i-flex Employee Stock Option Trust                    | 1,045.85    | 2%    | 22.29                     | 1%   | -                                   | 0%     | 22.29                               | 0%   |
| Adjustments arising out of consolidation              | (14,687.98) | (22%) | (759.87)                  | (4%) | 223.22                              | 441%   | (536.65)                            | (3%) |
| Total   | 68,487.74   | 100%  | 17,618.55                 | 100% | 50.58                               | 100%   | 17,669.13                           | 100% |

## Note 36: Net equity dividend remitted in foreign exchange

|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|---|------------------------------|------------------------------|
| Year of remittance (ending on)  | March 31, 2022               | March 31, 2021               |
| Period to which it relates  | March 31, 2021               | March 31, 2020               |
| Number of non resident shareholders   | 2                            | 3                            |
| Number of equity shares on which dividend was due   | 63,053,072                   | 63,053,556                   |
| Amount remitted (in US\$ million)   | 164.53                       | 142.36                       |
| Amount remitted (in EUR million)#   | –                            | 0.00                         |
| Amount remitted (in AUD million)  | 0.01                         | 0.01                         |
| Amount remitted net off TDS ₹ 630.59 million (March 31, 2021 ₹ 567.55 million) (in ₹ million) | 11,980.02                    | 10,782.09                    |

#Represents amount less than EUR 0.01 million

## Note 37: Fair values

The management has assessed that fair value of financial instruments approximates their carrying amounts largely due to the short term maturities of these instruments.

### Fair value hierarchy:

The following table provides the fair value measurement hierarchy of the OFSS group's assets and liabilities.

Fair value measurement hierarchy for assets and liabilities as at March 31, 2022:

|   | Date of valuation | Total  | Fair value measurement using                       |  |  |
|---|-------------------|--------|--|--|--|
|   |                   |        | Quoted prices<br>in active<br>markets<br>(Level 1) | Significant<br>observable<br>inputs<br>(Level 2) | Significant<br>unobservable<br>inputs<br>(Level 3) |
| (Amounts in ₹ million)                                    |                   |        |  |  |  |
| Assets for which fair values are disclosed:               |                   |        |  |  |  |
| Investment property [Refer note 5]                        | March 31, 2022    | 237.60 | –  | 237.60   | –  |
| Liabilities measured at fair value:                       |                   |        |  |  |  |
| Foreign exchange forward contract, net<br>[Refer note 13] | March 31, 2022    | 24.62  | –  | 24.62  | –  |

Fair value measurement hierarchy for assets and liabilities as at March 31, 2021:

|   | Date of valuation | Total  | Fair value measurement using                       |  |  |
|---|-------------------|--------|--|--|--|
|   |                   |        | Quoted prices<br>in active<br>markets<br>(Level 1) | Significant<br>observable<br>inputs<br>(Level 2) | Significant<br>unobservable<br>inputs<br>(Level 3) |
| (Amounts in ₹ million)                                    |                   |        |  |  |  |
| Assets for which fair values are disclosed:               |                   |        |  |  |  |
| Investment property [Refer note 5]                        | March 31, 2021    | 204.30 | –  | 204.30   | –  |
| Liabilities measured at fair value:                       |                   |        |  |  |  |
| Foreign exchange forward contract, net<br>[Refer note 13] | March 31, 2021    | 45.02  | –  | 45.02  | –  |

### The following methods and assumptions are used to estimate the fair values:

The OFSS group enters into derivative financial instruments with various banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies.

There have been no transfers between Level 1 and Level 2 during the periods March 31, 2022 and March 31, 2021.

### Note 38: Tax litigations

As at March 31, 2022, the OFSS group has certain litigations with respect to tax matters for various assessment years amounting to ₹ 21,059.00 million (March 31, 2021 – ₹ 12,150.43 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 ₹ 13,850.59 million (March 31, 2021 – ₹ 5,858.05 million) as at March 31, 2022. Further for certain litigations the OFSS group has aggregate provisions of ₹ 1,209.04 million (March 31, 2021 – ₹ 896.78 million) as at March 31, 2022.

### Note 39: Names of Related Parties and description of relationship

| Relationship   | Names of related parties   |
|--|--|
| (i) Related parties where control exists                                     |  |
| Ultimate Holding Company   | Oracle Corporation   |
| Holding Company  | Oracle Global (Mauritius) Limited  |
| (ii) Related parties with whom transactions have taken place during the year |  |
| Fellow Subsidiaries  | Oracle America, Inc.<br>Oracle Austria GmbH<br>Oracle Argentina S.R.L.<br>Oracle Belgium B.V.B.A./SPRL.<br>Oracle Bilgisayar Sistemleri Limited Sirketi<br>Oracle Canada ULC<br>Oracle Caribbean, Inc.<br>Oracle (China) Software Systems Company Limited<br>Oracle Colombia Limitada<br>Oracle Consulting Kazakhstan LLP<br>Oracle Corporation (Thailand) Company Limited<br>Oracle Corporation Australia Pty. Limited<br>Oracle Corporation Japan<br>Oracle Corporation Malaysia Sdn. Bhd.<br>Oracle Corporation Singapore Pte. Ltd.<br>Oracle Corporation (South Africa)(Pty) Limited<br>Oracle Corporation UK Limited<br>Oracle Czech s.r.o.<br>Oracle Danmark ApS<br>Oracle de Centroamerica, S.A.<br>Oracle de Mexico, S.A. de C.V.<br>Oracle Deutschland B.V & Co. KG<br>Oracle Do Brasil Sistemas Limitada<br>Oracle East Central Europe Limited<br>Oracle East Central Europe Services B.V.<br>Oracle Egypt Limited<br>Oracle EMEA Limited<br>Oracle France, S.A.S.<br>Oracle Global Services Limited<br>Oracle Global Services Canada ULC<br>Oracle Global Services France SARL<br>Oracle Global Services Singapore Pte. Ltd.<br>Oracle Hardware JSC<br>Oracle Hrvatska d.o.o.<br>Oracle Hellas, S.A.<br>Oracle Information Technology Services (Shenzhen) Co. Ltd<br>Oracle Iberica, S.R.L.<br>Oracle Hungary Kft.<br>Oracle Italia S.r.l.<br>Oracle India Private Limited<br>Oracle Korea, Ltd.<br>Oracle Luxembourg S.a.r.l.<br>Oracle Nederland B.V.<br>Oracle New Zealand |

|                                      |  |
|--------------------------------------|--|
| Relationship                         | Names of related parties<br>Oracle Norge AS<br>Oracle (Philippines) Corporation<br>Oracle Polska, Sp.z.o.o.<br>Oracle Portugal – Sistemas de Informacao Lda.<br>Oracle Research and Development Centre, Beijing, Ltd.<br>Oracle Romania SRL<br>Oracle Serbia and Montenegro d.o.o<br>Oracle Slovensko spol. s r.o.<br>Oracle Software (Schweiz) GmbH<br>Oracle Solution Services (India) Private Ltd.<br>Oracle SRBIJA CRNA GORA d.o.o.<br>Oracle Svenska AB<br>Oracle Systems Hong Kong Limited<br>Oracle Systems Limited<br>Oracle Systems Pakistan (Private) Limited<br>Oracle Taiwan LLC<br>Oracle Technology Systems (Kenya) Limited<br>Oracle Vietnam Pte. Ltd.<br>Oracle Portugal – Sistemas de Informacao Lda<br>NetSuite Ireland Limited<br>PT Oracle Indonesia<br>Sistemas Oracle de Chile, S.A.<br>Sistemas Oracle del Peru, S.A. |
| (iii) Key Managerial Personnel (KMP) | Chaitanya Kamat – Managing Director and Chief Executive Officer<br>Makarand Padalkar – Whole-time Director and Chief Financial Officer<br>Onkarnath Banerjee – Company Secretary & Compliance Officer  |
| (iv) Independent Directors           | S Venkatachalam<br>Sridhar Srinivasan<br>Richard Jackson<br>Jane Murphy  |

Transactions and balances outstanding with these parties are described below:

(Amounts in ₹ million)

| Particulars                                     | Transaction                  |                              | Amount receivable (payable) |                         |
|---|------------------------------|------------------------------|-----------------------------|-------------------------|
|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 | As at<br>March 31, 2022     | As at<br>March 31, 2021 |
| Revenue   |                              |                              |                             |                         |
| <b>Fellow Subsidiaries</b>                      |                              |                              |                             |                         |
| Oracle America, Inc.                            | 5,222.97                     | 3,901.33                     | 743.76                      | 858.30                  |
| Oracle Austria GmbH                             | 15.84                        | 20.47                        | 7.73                        | 2.00                    |
| Oracle Argentina S.R.L.                         | 0.40                         | 0.13                         | –                           | –                       |
| Oracle Belgium B.V.B.A/SPRL.                    | 16.50                        | 67.80                        | 2.89                        | 3.17                    |
| Oracle Bilgisayar Sistemleri Limited Sirketi    | 10.48                        | 8.38                         | 0.38                        | 0.66                    |
| Oracle Canada ULC                               | 1,725.91                     | 1,505.84                     | 203.92                      | 323.66                  |
| Oracle Caribbean, Inc.                          | 169.07                       | 185.05                       | 9.73                        | 7.44                    |
| Oracle (China) Software Systems Company Limited | 68.20                        | 48.98                        | 19.61                       | 2.81                    |
| Oracle Colombia Limitada                        | 160.67                       | 269.30                       | 27.06                       | 100.92                  |
| Oracle Consulting Kazakhstan LLP                | 1.44                         | 0.12                         | 0.24                        | –                       |
| Oracle Corporation Japan                        | 2,781.89                     | 2,575.06                     | 502.06                      | 433.54                  |
| Oracle Corporation (South Africa)(Pty) Limited  | 869.37                       | 827.11                       | 134.00                      | 198.55                  |
| Oracle Corporation (Thailand) Company Limited   | 402.27                       | 483.30                       | 61.19                       | 70.77                   |
| Oracle Corporation Australia Pty. Limited       | 3,541.11                     | 3,664.55                     | 573.87                      | 920.77                  |
| Oracle Corporation Malaysia Sdn. Bhd.           | 612.73                       | 329.49                       | 122.25                      | 52.52                   |
| Oracle Corporation Singapore Pte. Ltd.          | 724.90                       | 822.47                       | 138.40                      | 88.82                   |

(Amounts in ₹ million)

| Particulars                                     | Transaction                  |                              | Amount receivable (payable) |                         |
|---|------------------------------|------------------------------|-----------------------------|-------------------------|
|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 | As at<br>March 31, 2022     | As at<br>March 31, 2021 |
| Oracle Corporation UK Limited                   | 796.31                       | 835.79                       | 238.81                      | 197.32                  |
| Oracle Czech s.r.o.                             | 132.07                       | 104.77                       | 20.95                       | 12.16                   |
| Oracle Danmark ApS                              | –                            | 37.69                        | –                           | 0.44                    |
| Oracle de Centroamerica, S.A.                   | 127.22                       | 48.05                        | 15.87                       | 9.33                    |
| Oracle de Mexico, S.A. de C.V.                  | 28.27                        | 39.39                        | 4.18                        | 8.80                    |
| Oracle Deutschland BV & Co. KG                  | 25.96                        | 23.72                        | 9.14                        | 4.14                    |
| Oracle Do Brasil Sistemas Limitada              | 168.24                       | 169.63                       | 99.83                       | 109.11                  |
| Oracle East Central Europe Limited              | 324.97                       | 308.28                       | 57.97                       | 92.37                   |
| Oracle East Central Europe Services B.V.        | 0.15                         | –                            | 0.10                        | 0.10                    |
| Oracle EMEA Limited                             | 28.68                        | –                            | –                           | –                       |
| Oracle Egypt Limited                            | 786.17                       | 626.64                       | 100.91                      | 70.39                   |
| Oracle France, S.A.S.                           | 82.51                        | 136.30                       | 12.33                       | 43.84                   |
| Oracle Hardware JSC                             | 209.13                       | 0.58                         | 5.91                        | –                       |
| Oracle Hellas, S.A.                             | 187.44                       | 246.18                       | 34.52                       | 45.00                   |
| Oracle Hrvatska d.o.o.                          | 6.86                         | 20.86                        | 0.12                        | 10.96                   |
| Oracle Hungary Kft.                             | 59.55                        | 152.91                       | 6.30                        | 18.29                   |
| Oracle Iberica, S.R.L.                          | 169.10                       | 165.80                       | 21.33                       | (17.61)                 |
| Oracle India Private Limited                    | 561.08                       | 524.16                       | 384.17                      | 84.73                   |
| Oracle Italia S.r.l.                            | 213.93                       | 206.54                       | 34.24                       | 38.83                   |
| Oracle Korea, Ltd.                              | 31.52                        | 28.14                        | 8.23                        | 6.07                    |
| Oracle Luxembourg S.a.r.l.                      | 32.06                        | 36.49                        | 3.80                        | 10.26                   |
| Oracle Nederland B.V.                           | 277.87                       | 421.64                       | 55.60                       | 69.48                   |
| Oracle New Zealand                              | 409.73                       | 323.64                       | 34.41                       | 59.58                   |
| Oracle Norge AS                                 | 23.97                        | 27.54                        | 2.16                        | 2.95                    |
| Oracle (Philippines) Corporation                | 311.64                       | 168.82                       | 219.33                      | 10.40                   |
| Oracle Polska, Sp.z.o.o.                        | 2.52                         | 3.05                         | 0.37                        | –                       |
| Oracle Portugal – Sistemas de Informacao Lda.   | 148.97                       | 88.64                        | 34.58                       | 18.08                   |
| Oracle Slovensko spol. s r.o.                   | 79.66                        | 211.53                       | 7.75                        | 20.69                   |
| Oracle Serbia and Montenegro d.o.o              | 66.66                        | 64.73                        | 302.25                      | 244.99                  |
| Oracle SRBIJA CRNA GORA d.o.o.                  | 258.23                       | 330.26                       | –                           | –                       |
| Oracle Systems Hong Kong Limited                | 492.30                       | 426.37                       | 51.54                       | 42.70                   |
| Oracle Systems Limited                          | 1,853.08                     | 1,559.49                     | 512.17                      | 336.85                  |
| Oracle Systems Pakistan (Private) Limited       | 400.07                       | 358.19                       | 127.78                      | 101.94                  |
| Oracle Svenska AB                               | 113.69                       | –                            | 19.97                       | –                       |
| Oracle Software (Schweiz) GmbH                  | 29.89                        | –                            | 17.51                       | –                       |
| Oracle Taiwan LLC                               | 496.60                       | 409.33                       | 68.03                       | 62.64                   |
| Oracle Technology Systems (Kenya) Limited       | 83.66                        | 48.91                        | 16.73                       | 1.91                    |
| Oracle Vietnam Pte. Ltd.                        | 279.78                       | 192.12                       | 58.88                       | 25.30                   |
| PT Oracle Indonesia                             | 179.69                       | 163.93                       | 34.36                       | 35.93                   |
| Oracle Romania SRL                              | 482.18                       | 327.85                       | 52.62                       | 82.31                   |
| Sistemas Oracle de Chile, S.A.                  | 298.89                       | 109.81                       | 27.11                       | 33.79                   |
| Sistemas Oracle del Peru, S.A.                  | 30.50                        | 29.31                        | 4.69                        | 7.97                    |
| Impairment allowance                            |                              |                              |                             |                         |
| <b>Fellow Subsidiaries</b>                      |                              |                              |                             |                         |
| Oracle America, Inc.                            | 0.09                         | (2.72)                       | (0.38)                      | (0.29)                  |
| Oracle (Philippines) Corporation                | 0.43                         | (0.02)                       | (0.48)                      | (0.05)                  |
| Oracle Austria GmbH                             | 0.10                         | 0.22                         | (0.85)                      | (0.75)                  |
| Oracle (China) Software Systems Company Limited | 0.02                         | –                            | (0.02)                      | –                       |

(Amounts in ₹ million)

| Particulars                                    | Transaction                  |                              | Amount receivable (payable) |                         |
|--|------------------------------|------------------------------|-----------------------------|-------------------------|
|  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 | As at<br>March 31, 2022     | As at<br>March 31, 2021 |
| Oracle Canada ULC                              | (0.01)                       | 0.01                         | (0.06)                      | (0.07)                  |
| Oracle Caribbean, Inc.                         | (0.03)                       | 0.02                         | (0.01)                      | (0.04)                  |
| Oracle Colombia Limitada                       | (0.04)                       | 0.04                         | (0.01)                      | (0.05)                  |
| Oracle Corporation (South Africa)(Pty) Limited | (1.19)                       | (2.79)                       | (2.01)                      | (3.20)                  |
| Oracle Corporation (Thailand) Company Limited  | 0.02                         | (0.11)                       | (0.04)                      | (0.02)                  |
| Oracle Corporation Australia Pty. Limited      | 0.05                         | (0.92)                       | (0.23)                      | (0.18)                  |
| Oracle Corporation Japan                       | 0.11                         | (0.91)                       | (0.22)                      | (0.11)                  |
| Oracle Corporation Malaysia Sdn. Bhd.          | 0.05                         | (0.11)                       | (0.05)                      | -                       |
| Oracle Corporation Singapore Pte. Ltd.         | 0.04                         | (0.16)                       | (0.06)                      | (0.02)                  |
| Oracle Corporation UK Limited                  | 0.10                         | (1.32)                       | (0.10)                      | -                       |
| Oracle Czech s.r.o.                            | -                            | 0.01                         | (0.01)                      | (0.01)                  |
| Oracle Do Brasil Sistemas Limitada             | 0.18                         | (10.86)                      | (0.18)                      | -                       |
| Oracle East Central Europe Limited             | (0.22)                       | 0.26                         | (0.05)                      | (0.27)                  |
| Oracle East Central Europe Services B.V.       | -                            | 0.01                         | (0.05)                      | (0.05)                  |
| Oracle Egypt Limited                           | 0.25                         | (4.88)                       | (1.03)                      | (0.78)                  |
| Oracle France, S.A.S.                          | 0.27                         | 2.38                         | (2.65)                      | (2.38)                  |
| Oracle Hardware JSC                            | 5.91                         | (13.95)                      | (5.91)                      | -                       |
| Oracle Hellas, S.A.                            | 0.02                         | (1.00)                       | (0.12)                      | (0.10)                  |
| Oracle Hrvatska d.o.o.                         | (0.01)                       | 0.01                         | -                           | (0.01)                  |
| Oracle Hungary Kft.                            | (0.01)                       | -                            | -                           | (0.01)                  |
| Oracle Iberica, S.R.L.                         | 0.01                         | -                            | (0.01)                      | -                       |
| Oracle India Private Limited                   | 2.21                         | (0.65)                       | (2.21)                      | -                       |
| Oracle Italia S.r.l.                           | (0.01)                       | -                            | (0.01)                      | (0.02)                  |
| Oracle Korea, Ltd.                             | -                            | (0.01)                       | -                           | -                       |
| Oracle Luxembourg S.a.r.l.                     | (0.01)                       | 0.01                         | -                           | (0.01)                  |
| Oracle Nederland B.V.                          | 0.83                         | (10.50)                      | (0.83)                      | -                       |
| Oracle New Zealand                             | -                            | (0.02)                       | (0.01)                      | (0.01)                  |
| Oracle Portugal – Sistemas de Informacao Lda.  | 0.01                         | 0.01                         | (0.02)                      | (0.01)                  |
| Oracle Romania SRL                             | (0.14)                       | 0.13                         | (0.02)                      | (0.16)                  |
| Oracle Serbia and Montenegro d.o.o             | 19.42                        | 2.97                         | (23.52)                     | (4.10)                  |
| Oracle Slovensko spol. s r.o.                  | (0.01)                       | (0.02)                       | -                           | (0.01)                  |
| Oracle Software (Schweiz) GmbH                 | 0.01                         | -                            | (0.01)                      | -                       |
| Oracle Svenska AB                              | 0.29                         | -                            | (0.29)                      | -                       |
| Oracle Systems Hong Kong Limited               | 0.01                         | (0.05)                       | (0.02)                      | (0.01)                  |
| Oracle Systems Limited                         | 2.24                         | (0.14)                       | (5.04)                      | (2.80)                  |
| Oracle Systems Pakistan (Private) Limited      | (0.72)                       | (51.83)                      | (0.02)                      | (0.74)                  |
| Oracle Taiwan LLC                              | 0.02                         | (0.10)                       | (0.03)                      | (0.01)                  |
| Oracle Technology Systems (Kenya) Limited      | -                            | (1.53)                       | -                           | -                       |
| Oracle Vietnam Pte. Ltd.                       | 0.02                         | (0.01)                       | (0.03)                      | (0.01)                  |
| PT Oracle Indonesia                            | (0.05)                       | 0.01                         | (0.01)                      | (0.06)                  |
| Sistemas Oracle de Chile, S.A.                 | 0.01                         | -                            | (0.01)                      | -                       |
| Advance received from Customers                |                              |                              |                             |                         |
| <b>Fellow Subsidiaries</b>                     |                              |                              |                             |                         |
| Oracle America, Inc.                           | (5.25)                       | (0.16)                       | (0.79)                      | (6.04)                  |
| Oracle Belgium B.V.B.A/SPRL.                   | (0.92)                       | 0.03                         | -                           | (0.92)                  |
| Oracle Corporation Malaysia Sdn. Bhd.          | (2.74)                       | 0.08                         | -                           | (2.74)                  |
| Oracle East Central Europe Limited             | -                            | (5.81)                       | -                           | -                       |



(Amounts in ₹ million)

| Particulars                                     | Transaction                  |                              | Amount receivable (payable) |                         |
|---|------------------------------|------------------------------|-----------------------------|-------------------------|
|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 | As at<br>March 31, 2022     | As at<br>March 31, 2021 |
| Oracle East Central Europe Services B.V.        | (44.35)                      | 38.93                        | –                           | (44.35)                 |
| Oracle Hungary Kft.                             | (0.17)                       | 0.01                         | –                           | (0.17)                  |
| Oracle Software (Schweiz) GmbH                  | (0.02)                       | –                            | –                           | (0.02)                  |
| Oracle Systems Limited                          | 20.81                        | (18.29)                      | (36.83)                     | (16.02)                 |
| Deferred Revenue                                |                              |                              |                             |                         |
| <b>Fellow Subsidiaries</b>                      |                              |                              |                             |                         |
| Oracle America, Inc.                            | –                            | –                            | (272.06)                    | –                       |
| Oracle East Central Europe Services B.V.        | –                            | –                            | –                           | (0.14)                  |
| Oracle France, S.A.S.                           | –                            | –                            | (11.20)                     | (6.43)                  |
| Oracle Nederland B.V.                           | –                            | –                            | (0.71)                      | (7.83)                  |
| Oracle Norge AS                                 | –                            | –                            | –                           | (6.60)                  |
| Oracle (Philippines) Corporation                | –                            | –                            | –                           | (7.48)                  |
| Oracle Polska, Sp.z.o.o.                        | –                            | –                            | –                           | (0.39)                  |
| Oracle Portugal – Sistemas de Informacao Lda.   | –                            | –                            | (0.31)                      | (0.10)                  |
| Oracle Systems Pakistan (Private) Limited       | –                            | –                            | (0.45)                      | (5.24)                  |
| Oracle Technology Systems (Kenya) Limited       | –                            | –                            | (18.05)                     | (13.11)                 |
| Oracle Software (Schweiz) GmbH                  | –                            | –                            | (0.52)                      | –                       |
| Oracle Slovensko spol. s r.o.                   | –                            | –                            | (0.67)                      | –                       |
| Oracle Vietnam Pte. Ltd.                        | –                            | –                            | (1.94)                      | (12.55)                 |
| Unbilled revenue                                |                              |                              |                             |                         |
| <b>Fellow Subsidiaries</b>                      |                              |                              |                             |                         |
| Oracle America, Inc.                            | –                            | –                            | 424.31                      | 446.37                  |
| Oracle Austria GmbH                             | –                            | –                            | 3.09                        | 0.82                    |
| Oracle Argentina S.R.L.                         | –                            | –                            | 0.54                        | 0.13                    |
| Oracle Belgium B.V.B.A/SPRL.                    | –                            | –                            | 1.51                        | 0.94                    |
| Oracle Bilgisayar Sistemleri Limited Sirketi    | –                            | –                            | 7.92                        | 0.93                    |
| Oracle (China) Software Systems Company Limited | –                            | –                            | 1.62                        | 2.94                    |
| Oracle Canada ULC                               | –                            | –                            | 82.65                       | 154.14                  |
| Oracle Caribbean, Inc.                          | –                            | –                            | 26.82                       | 3.18                    |
| Oracle Colombia Limitada                        | –                            | –                            | 6.31                        | 7.13                    |
| Oracle Consulting Kazakhstan LLP                | –                            | –                            | 0.12                        | 0.12                    |
| Oracle Corporation (South Africa)(Pty) Limited  | –                            | –                            | 33.55                       | 68.81                   |
| Oracle Corporation (Thailand) Company Limited   | –                            | –                            | 20.97                       | 16.26                   |
| Oracle Corporation Australia Pty. Limited       | –                            | –                            | 201.65                      | 282.26                  |
| Oracle Corporation Japan                        | –                            | –                            | 166.81                      | 173.05                  |
| Oracle Corporation Malaysia Sdn. Bhd.           | –                            | –                            | 32.50                       | 37.71                   |
| Oracle Corporation Singapore Pte. Ltd.          | –                            | –                            | 26.42                       | 80.79                   |
| Oracle Corporation UK Limited                   | –                            | –                            | 32.63                       | 23.90                   |
| Oracle Czech s.r.o.                             | –                            | –                            | 8.71                        | 42.49                   |
| Oracle de Centroamerica, S.A.                   | –                            | –                            | 6.36                        | 1.31                    |
| Oracle Deutschland BV & Co. KG                  | –                            | –                            | 2.55                        | –                       |
| Oracle East Central Europe Limited              | –                            | –                            | 15.88                       | 34.52                   |
| Oracle de Mexico, S.A. de C.V.                  | –                            | –                            | 2.25                        | 1.28                    |
| Oracle do Brasil Sistemas Limitada              | –                            | –                            | 21.04                       | 16.84                   |
| Oracle France, S.A.S.                           | –                            | –                            | 7.39                        | 9.32                    |

(Amounts in ₹ million)

| Particulars                                     | Transaction                  |                              | Amount receivable (payable) |                         |
|---|------------------------------|------------------------------|-----------------------------|-------------------------|
|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 | As at<br>March 31, 2022     | As at<br>March 31, 2021 |
| Oracle Egypt Limited                            | -                            | -                            | 58.89                       | 28.91                   |
| Oracle Hellas, S.A.                             | -                            | -                            | 24.68                       | 6.94                    |
| Oracle Hrvatska d.o.o.                          | -                            | -                            | 0.02                        | 7.33                    |
| Oracle Hungary Kft.                             | -                            | -                            | 0.24                        | 6.06                    |
| Oracle Iberica, S.R.L.                          | -                            | -                            | 9.06                        | 15.24                   |
| Oracle India Private Limited                    | -                            | -                            | 69.55                       | 22.46                   |
| Oracle Italia S.r.l.                            | -                            | -                            | 15.94                       | 10.59                   |
| Oracle Korea, Ltd.                              | -                            | -                            | 1.68                        | 0.36                    |
| Oracle Luxembourg S.a.r.l.                      | -                            | -                            | 0.22                        | 3.20                    |
| Oracle Nederland B.V.                           | -                            | -                            | 10.68                       | 15.66                   |
| Oracle New Zealand                              | -                            | -                            | 32.54                       | 17.09                   |
| Oracle Norge AS                                 | -                            | -                            | 1.50                        | -                       |
| Oracle (Philippines) Corporation                | -                            | -                            | 11.19                       | 3.24                    |
| Oracle Portugal – Sistemas de Informacao Lda.   | -                            | -                            | 1.31                        | -                       |
| Oracle Serbia and Montenegro d.o.o              | -                            | -                            | 0.64                        | 6.03                    |
| Oracle SRBIJA CRNA GORA d.o.o.                  | -                            | -                            | 22.79                       | 23.51                   |
| Oracle Romania SRL                              | -                            | -                            | 31.14                       | 19.39                   |
| Oracle Slovensko spol. s r.o.                   | -                            | -                            | 1.99                        | 7.95                    |
| Oracle Software (Schweiz) GmbH                  | -                            | -                            | 0.15                        | -                       |
| Oracle Svenska AB                               | -                            | -                            | 7.14                        | -                       |
| Oracle Systems Hong Kong Limited                | -                            | -                            | 66.95                       | 22.92                   |
| Oracle Systems Limited                          | -                            | -                            | 95.07                       | 206.43                  |
| Oracle Systems Pakistan (Private) Limited       | -                            | -                            | 22.25                       | 74.87                   |
| Oracle Taiwan LLC                               | -                            | -                            | 16.94                       | 19.23                   |
| Oracle Technology Systems (Kenya) Limited       | -                            | -                            | 2.39                        | 1.61                    |
| Oracle Vietnam Pte. Ltd.                        | -                            | -                            | 6.15                        | 2.84                    |
| Oracle Polska, Sp.z.o.o.                        | -                            | -                            | 0.23                        | -                       |
| Oracle EMEA Limited                             | -                            | -                            | 28.91                       | -                       |
| PT Oracle Indonesia                             | -                            | -                            | 10.84                       | 8.73                    |
| Sistemas Oracle de Chile, S.A.                  | -                            | -                            | 70.16                       | 1.11                    |
| Sistemas Oracle del Peru, S.A.                  | -                            | -                            | 4.22                        | 4.18                    |
| Rent expenses (including lease payments)        |                              |                              |                             |                         |
| <b>Fellow Subsidiaries</b>                      |                              |                              |                             |                         |
| Oracle India Private Limited                    | 1.06                         | 0.10                         | (0.89)                      | (3.75)                  |
| Oracle (China) Software Systems Company Limited | 1.02                         | 0.72                         | (0.09)                      | (0.13)                  |
| Oracle Corporation Australia Pty. Limited       | 1.87                         | 4.01                         | (0.17)                      | (0.06)                  |
| Oracle Corporation Singapore Pte. Ltd.          | -                            | 24.27                        | -                           | (1.37)                  |
| Oracle Hellas, S.A.                             | 12.36                        | 15.50                        | (1.52)                      | (2.33)                  |
| Oracle America, Inc.                            | 7.06                         | 10.88                        | (0.08)                      | (0.94)                  |
| Oracle Nederland B.V.                           | 2.38                         | 3.21                         | (0.13)                      | (5.36)                  |
| Oracle France, S.A.S.                           | 0.47                         | 0.60                         | (0.70)                      | (0.12)                  |
| Oracle Corporation Japan                        | 4.34                         | 4.98                         | -                           | -                       |
| Sistemas Oracle de Chile, S.A.                  | 2.59                         | 7.23                         | (0.47)                      | (1.47)                  |
| Oracle Global Services France SARL              | 0.16                         | -                            | (0.16)                      | -                       |
| Oracle Global Services Singapore Pte. Ltd.      | 19.80                        | -                            | (21.36)                     | -                       |
| Oracle Systems Limited                          | 34.46                        | 49.33                        | -                           | -                       |

(Amounts in ₹ million)

| Particulars   | Transaction                  |                              | Amount receivable (payable) |                         |
|---|------------------------------|------------------------------|-----------------------------|-------------------------|
|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 | As at<br>March 31, 2022     | As at<br>March 31, 2021 |
| Professional fee expenses                                 |                              |                              |                             |                         |
| <b>Fellow Subsidiaries</b>                                |                              |                              |                             |                         |
| Oracle America, Inc.                                      | 152.09                       | 176.70                       | (40.49)                     | (153.98)                |
| Oracle Corporation Australia Pty. Limited                 | 3.43                         | 3.46                         | (2.95)                      | (0.52)                  |
| Oracle Corporation Japan                                  | 15.94                        | (0.14)                       | (9.79)                      | (2.47)                  |
| Oracle Corporation Singapore Pte. Ltd.                    | 37.66                        | 27.77                        | (22.74)                     | (2.65)                  |
| Oracle Corporation UK Limited                             | 1.47                         | 3.40                         | (1.63)                      | (2.78)                  |
| Oracle Deutschland B.V & Co. KG                           | 0.24                         | 6.81                         | (0.17)                      | (0.28)                  |
| Oracle France, S.A.S.                                     | 0.11                         | 0.05                         | (0.10)                      | (0.05)                  |
| Oracle Global Services Limited                            | 1.42                         | 0.38                         | (1.82)                      | (0.41)                  |
| Oracle Global Services Canada ULC                         | 6.70                         | 20.10                        | 0.65                        | (23.63)                 |
| Oracle Information Technology Services (Shenzhen) Co. Ltd | 33.51                        | 27.87                        | (4.97)                      | (11.67)                 |
| Oracle India Private Limited                              | 296.60                       | 286.95                       | (109.75)                    | (95.74)                 |
| Oracle Italia S.R.L.                                      | –                            | 0.65                         | –                           | (0.67)                  |
| Oracle Iberica, S.R.L.                                    | 0.16                         | 4.09                         | (1.63)                      | (5.86)                  |
| Oracle Systems Limited                                    | 6.97                         | 9.98                         | (5.06)                      | (8.99)                  |
| Oracle Hellas, S.A.                                       | –                            | 3.54                         | (2.71)                      | (3.54)                  |
| Oracle de Mexico, S.A. de C.V.                            | 0.07                         | 1.77                         | 24.10                       | 21.76                   |
| Oracle Research and Development Centre, Beijing, Ltd.     | 1.10                         | 0.25                         | (0.78)                      | (0.06)                  |
| Oracle Canada ULC   | –                            | 4.85                         | (5.66)                      | (8.28)                  |
| Oracle Do Brasil Sistemas Limitada                        | –                            | 0.80                         | (0.48)                      | (0.52)                  |
| Oracle Corporation (Thailand) Company Limited             | 5.95                         | 4.55                         | (3.73)                      | (4.58)                  |
| Oracle Nederland B.V.                                     | 0.74                         | 0.80                         | (0.55)                      | (0.30)                  |
| Oracle Solution Services (India) Private Ltd.             | 0.16                         | 6.62                         | –                           | (7.06)                  |
| Oracle Taiwan LLC   | –                            | –                            | 0.14                        | 0.13                    |
| Oracle EMEA Limited                                       | 10.23                        | 17.93                        | (6.42)                      | (12.07)                 |
| Oracle Portugal – Sistemas de Informacao Lda.             | 13.22                        | 9.27                         | (19.46)                     | (9.35)                  |
| Oracle Systems Hong Kong limited                          | –                            | (1.41)                       | –                           | (0.38)                  |
| Oracle Romania SRL  | 0.41                         | –                            | (0.04)                      | –                       |
| Oracle Vietnam Pte. Ltd.                                  | 5.06                         | 1.11                         | (6.47)                      | (1.12)                  |
| Sistemas Oracle de Chile, S.A.                            | 0.19                         | 4.10                         | (0.43)                      | (1.86)                  |
| Oracle (Philippines) Corporation                          | 1.84                         | –                            | (1.43)                      | –                       |
| Oracle Colombia Limitada                                  | 11.98                        | –                            | (12.44)                     | –                       |
| Oracle Korea, Ltd.  | 5.31                         | –                            | (5.36)                      | –                       |
| Oracle Systems Pakistan (Private) Limited                 | 0.78                         | –                            | (0.78)                      | –                       |
| PT Oracle Indonesia                                       | –                            | (0.80)                       | 0.86                        | 0.82                    |
| Reimbursement (recovery) of expenses                      |                              |                              |                             |                         |
| <b>Fellow Subsidiaries</b>                                |                              |                              |                             |                         |
| <b>Professional fees</b>                                  |                              |                              |                             |                         |
| Oracle Technology Systems (Kenya) Limited                 | 0.05                         | –                            | –                           | –                       |
| Oracle America, Inc.                                      | 33.38                        | 66.15                        | (80.87)                     | (96.85)                 |
| Oracle Corporation (South Africa)(Pty) Limited            | 10.96                        | (0.43)                       | (4.11)                      | –                       |
| Oracle East Central Europe Services B.V.                  | 0.01                         | (0.01)                       | (0.48)                      | (0.46)                  |
| Oracle Italia S.r.l.                                      | 1.89                         | –                            | –                           | –                       |
| Oracle Serbia and Montenegro d.o.o                        | 0.12                         | 1.66                         | (0.14)                      | (1.66)                  |
| Oracle Canada ULC   | –                            | –                            | (1.43)                      | –                       |
| Oracle Corporation (Thailand) Company Limited             | –                            | –                            | (0.55)                      | –                       |

(Amounts in ₹ million)

| Particulars                                    | Transaction                  |                              | Amount receivable (payable) |                         |
|--|------------------------------|------------------------------|-----------------------------|-------------------------|
|  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 | As at<br>March 31, 2022     | As at<br>March 31, 2021 |
| Oracle Do Brasil Sistemas Limitada             | -                            | (0.80)                       | (0.90)                      | (0.72)                  |
| Oracle East Central Europe Limited             | -                            | 0.10                         | 0.01                        | (5.35)                  |
| Oracle Corporation UK Limited                  | -                            | 0.73                         | -                           | (1.17)                  |
| Oracle de Mexico, S.A. de C.V.                 | -                            | -                            | -                           | (0.52)                  |
| Oracle Polska, Sp.z.o.o.                       | -                            | -                            | (0.02)                      | (0.02)                  |
| Oracle Vietnam Pte. Ltd.                       | 0.20                         | 0.25                         | -                           | (0.25)                  |
| <b>Other expenses</b>                          |                              |                              |                             |                         |
| Oracle (Philippines) Corporation               | (0.10)                       | 0.42                         | (1.55)                      | (3.07)                  |
| Oracle America, Inc.                           | (0.33)                       | -                            | -                           | 2.10                    |
| Oracle Canada ULC                              | 2.79                         | 30.14                        | (29.66)                     | (87.44)                 |
| Oracle Colombia Limitada                       | 0.02                         | -                            | (0.30)                      | -                       |
| Oracle Corporation (South Africa)(Pty) Limited | 9.57                         | 14.64                        | (4.47)                      | (9.90)                  |
| Oracle Corporation (Thailand) Company Limited  | (9.13)                       | 3.61                         | (0.40)                      | (12.74)                 |
| Oracle Corporation Australia Pty. Limited      | (0.58)                       | 0.58                         | -                           | (0.76)                  |
| Oracle Corporation Malaysia Sdn. Bhd.          | (1.55)                       | 3.15                         | (1.68)                      | (5.25)                  |
| Oracle Do Brasil Sistemas Limitada             | 0.39                         | 0.43                         | (0.90)                      | (0.61)                  |
| Oracle East Central Europe Limited             | 3.73                         | 1.53                         | (4.71)                      | (5.18)                  |
| Oracle East Central Europe Services B.V.       | (0.85)                       | (0.14)                       | (4.58)                      | (5.44)                  |
| Oracle Egypt Limited                           | -                            | -                            | -                           | (0.10)                  |
| Oracle Hungary Kft.                            | 0.04                         | 3.88                         | (1.18)                      | (4.57)                  |
| Oracle Italia S.r.l.                           | (3.48)                       | 10.45                        | (2.51)                      | (16.25)                 |
| Oracle Korea, Ltd.                             | (0.01)                       | 0.02                         | (0.31)                      | (0.32)                  |
| Oracle New Zealand                             | 0.99                         | (0.68)                       | (1.98)                      | (4.16)                  |
| Oracle Polska, Sp.z.o.o.                       | (0.04)                       | (0.01)                       | (5.85)                      | (5.94)                  |
| Oracle Portugal – Sistemas de Informacao Lda.  | 0.04                         | 0.06                         | -                           | (1.32)                  |
| Oracle Serbia and Montenegro d.o.o             | (2.76)                       | 3.75                         | (1.02)                      | (3.81)                  |
| Oracle SRBIJA CRNA GORA d.o.o.                 | 8.33                         | 1.98                         | (0.74)                      | (0.54)                  |
| Oracle Systems Hong Kong Limited               | -                            | 0.07                         | -                           | (0.39)                  |
| Oracle Taiwan LLC                              | 3.64                         | 3.51                         | (3.59)                      | (4.60)                  |
| Oracle Vietnam Pte. Ltd.                       | (2.56)                       | (0.02)                       | 0.06                        | (2.50)                  |
| PT Oracle Indonesia                            | 17.78                        | 3.82                         | (1.93)                      | (17.04)                 |
| Oracle Slovensko spol. s r.o.                  | (0.45)                       | 3.94                         | -                           | (5.58)                  |
| Sistemas Oracle de Chile, S.A.                 | 0.17                         | 0.46                         | (0.86)                      | (0.69)                  |
| Procurement of fixed assets                    |                              |                              |                             |                         |
| <b>Fellow Subsidiaries</b>                     |                              |                              |                             |                         |
| Oracle Corporation Singapore Pte. Ltd.         | -                            | -                            | -                           | 0.18                    |
| Oracle India Private Limited                   | (0.02)                       | -                            | 0.02                        | -                       |
| Staff Welfare Expenses                         |                              |                              |                             |                         |
| <b>Fellow Subsidiaries</b>                     |                              |                              |                             |                         |
| Oracle America, Inc.                           | 1.16                         | 3.55                         | (0.69)                      | (3.66)                  |
| Oracle Corporation Australia Pty. Limited      | 0.14                         | (0.30)                       | (0.41)                      | -                       |
| Oracle Corporation Japan                       | 0.51                         | -                            | -                           | -                       |
| Oracle Corporation Singapore Pte. Ltd.         | 0.10                         | 0.26                         | (0.01)                      | (0.07)                  |
| Oracle Corporation UK Limited                  | 0.37                         | 2.49                         | (0.15)                      | (1.83)                  |
| Oracle EMEA Limited                            | 0.09                         | -                            | -                           | -                       |
| Oracle Nederland B.V.                          | 0.07                         | -                            | 0.19                        | 0.18                    |

(Amounts in ₹ million)

| Particulars  | Transaction                  |                              | Amount receivable (payable) |                         |
|--|------------------------------|------------------------------|-----------------------------|-------------------------|
|  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 | As at<br>March 31, 2022     | As at<br>March 31, 2021 |
| Oracle France, S.A.S.                              | 0.10                         | –                            | –                           | –                       |
| Sistemas Oracle de Chile, S.A.                     | –                            | –                            | 0.54                        | –                       |
| Oracle India Private Limited                       | –                            | –                            | (0.01)                      | –                       |
| Other expenses                                     |                              |                              |                             |                         |
| <b>Ultimate Holding Company</b>                    |                              |                              |                             |                         |
| Oracle Corporation                                 | –                            | –                            | –                           | 0.61                    |
| <b>Fellow Subsidiaries</b>                         |                              |                              |                             |                         |
| Oracle America, Inc.                               | –                            | 1.35                         | –                           | 0.37                    |
| Oracle Corporation Singapore Pte. Ltd.             | –                            | 0.33                         | (0.04)                      | (0.27)                  |
| Oracle Corporation UK Limited                      | –                            | 1.47                         | –                           | 0.04                    |
| Oracle Colombia Limitada                           | –                            | (0.04)                       | –                           | (0.30)                  |
| Oracle East Central Europe Limited                 | –                            | (0.02)                       | –                           | (0.11)                  |
| Oracle France, S.A.S.                              | –                            | 0.04                         | –                           | –                       |
| Oracle India Private Limited                       | 12.16                        | 6.27                         | (8.88)                      | (4.80)                  |
| Oracle Systems Limited                             | 0.07                         | 5.21                         | –                           | (5.28)                  |
| NetSuite Ireland Limited                           | –                            | 0.27                         | (0.27)                      | (0.27)                  |
| Sistemas Oracle de Chile, S.A.                     | –                            | –                            | –                           | (10.75)                 |
| Miscellaneous income (including sublease receipts) |                              |                              |                             |                         |
| <b>Fellow Subsidiaries</b>                         |                              |                              |                             |                         |
| Oracle America, Inc.                               | –                            | 7.33                         | –                           | 0.56                    |
| Oracle Corporation UK Limited                      | 16.77                        | 40.37                        | 2.99                        | 12.41                   |
| Oracle Solution Services (India) Private Ltd.      | 14.86                        | 18.44                        | –                           | –                       |
| Oracle Portugal – Sistemas de Informacao Lda       | –                            | 9.60                         | –                           | –                       |
| Oracle EMEA Limited                                | 0.22                         | –                            | 0.20                        | –                       |
| Oracle Nederland B.V.                              | 6.23                         | –                            | –                           | –                       |
| Oracle Do Brasil Sistemas Limitada                 | 6.13                         | –                            | –                           | –                       |
| Oracle India Private Limited                       | 52.37                        | 67.76                        | 1.16                        | –                       |
| Security Deposit                                   |                              |                              |                             |                         |
| <b>Fellow Subsidiaries</b>                         |                              |                              |                             |                         |
| Oracle France, S.A.S.                              | –                            | –                            | 0.15                        | 0.15                    |
| Other advances                                     |                              |                              |                             |                         |
| <b>Ultimate Holding Company</b>                    |                              |                              |                             |                         |
| Oracle Corporation                                 | –                            | –                            | 32.99                       | –                       |
| <b>Fellow Subsidiaries</b>                         |                              |                              |                             |                         |
| Oracle America, Inc.                               | –                            | –                            | 64.62                       | 8.59                    |
| Oracle (China) Software Systems Company Limited    | –                            | –                            | 0.57                        | –                       |
| Oracle India Private Limited                       | –                            | –                            | 1.67                        | –                       |
| Oracle EMEA Limited                                | –                            | –                            | 0.06                        | –                       |
| Oracle France, S.A.S.                              | –                            | –                            | 1.04                        | 0.59                    |

(Amounts in ₹ million)

| Particulars                                     | Transaction                  |                              | Amount receivable (payable) |                         |
|---|------------------------------|------------------------------|-----------------------------|-------------------------|
|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 | As at<br>March 31, 2022     | As at<br>March 31, 2021 |
| Other payables                                  |                              |                              |                             |                         |
| <b>Fellow Subsidiaries</b>                      |                              |                              |                             |                         |
| Oracle Deutschland B.V & Co. KG                 | –                            | –                            | –                           | (0.60)                  |
| Oracle East Central Europe Limited              | –                            | –                            | (0.01)                      | –                       |
| Oracle Polska, Sp.z.o.o.                        | –                            | –                            | (4.65)                      | –                       |
| Stock compensation expense                      |                              |                              |                             |                         |
| <b>Ultimate Holding Company</b>                 |                              |                              |                             |                         |
| Oracle Corporation                              | 136.90                       | 120.78                       | 0.65                        | –                       |
| Oracle Employee Stock Purchase Plan             |                              |                              |                             |                         |
| <b>Ultimate Holding Company</b>                 |                              |                              |                             |                         |
| Oracle Corporation                              | 0.89                         | 0.60                         | (14.93)                     | (10.26)                 |
| Payment of equity dividend                      |                              |                              |                             |                         |
| <b>Holding Company</b>                          |                              |                              |                             |                         |
| Oracle Global (Mauritius) Limited               | 12,610.24                    | 11,349.22                    | –                           | –                       |
| <b>Key Managerial personnel</b>                 | 31.70                        | 21.24                        | –                           | –                       |
| <b>Independent Directors</b>                    | 1.20                         | 1.00                         | –                           | –                       |
| Key Managerial personnel [Refer note (i) below] |                              |                              |                             |                         |
| Short term employment benefits                  | 67.73                        | 65.30                        | –                           | –                       |
| Post-employment retiral benefits                | 0.78                         | 1.07                         | –                           | –                       |
| Share based payments                            | 151.46                       | 139.10                       | –                           | –                       |
| Commission                                      |                              |                              |                             |                         |
| <b>Independent Directors</b>                    | 15.70                        | 15.70                        | –                           | –                       |
| Reimbursement of expenses                       |                              |                              |                             |                         |
| <b>Directors</b>                                | 0.03                         | (0.26)                       | –                           | –                       |

Note (i): Remuneration includes salary, bonus and perquisites. During the year, 41,500 OSUs under OFSS Stock Plan 2014 (March 31, 2021 – 47,000 OSUs under OFSS Stock Plan 2014) were granted to KMP.

Note (ii): Terms and conditions of transactions with related parties.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year end are unsecured and interest free and settlement occurs in cash.

## Note 40: 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:

- Product licenses and related activities (“Products”) and
- 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 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.

During the year ended March 31, 2022, 'Business Process Outsourcing Services' segment which was earlier reported as a separate business segment is now aggregated with Services segment. Due to this change in the disclosure of reportable segments, the OFSS group has restated the segment information for earlier comparative periods in accordance with requirements of Ind AS 108 'Operating Segments'.

| Year ended March 31, 2022 |           | (Amounts in ₹ million) |            |  |
|---------------------------|-----------|------------------------|------------|--|
| Particulars               | Products  | Services               | Total      |  |
| Revenue                   | 46,916.03 | 5,298.52               | 52,214.55  |  |
| Segment result            | 24,522.25 | 1,306.07               | 25,828.32  |  |
| Unallocable expenses      |           |                        | (1,888.97) |  |
| Finance income            |           |                        | 901.85     |  |
| Other income, net         |           |                        | 441.57     |  |
| Profit before tax         |           |                        | 25,282.77  |  |
| Tax expenses              |           |                        | (6,394.51) |  |
| Net profit                |           |                        | 18,888.26  |  |

| Year ended March 31, 2021 |           | (Amounts in ₹ million) |            |  |
|---------------------------|-----------|------------------------|------------|--|
| Particulars               | Products  | Services               | Total      |  |
| Revenue                   | 44,251.70 | 5,587.67               | 49,839.37  |  |
| Segment result            | 23,820.92 | 1,472.50               | 25,293.42  |  |
| Unallocable expenses      |           |                        | (1,839.76) |  |
| Finance income            |           |                        | 1,138.65   |  |
| Other income, net         |           |                        | 181.01     |  |
| Profit before tax         |           |                        | 24,773.32  |  |
| Tax expenses              |           |                        | (7,154.77) |  |
| Net profit                |           |                        | 17,618.55  |  |

### Other information

| Year ended March 31, 2022      |           | (Amounts in ₹ million) |             |           |  |
|--------------------------------|-----------|------------------------|-------------|-----------|--|
| Particulars                    | Products  | Services               | Unallocable | Total     |  |
| Capital expenditure by segment |           |                        |             |           |  |
| Property, Plant and Equipment  | 280.07    | 42.10                  | 24.24       | 346.41    |  |
| Depreciation and amortization  | 607.08    | 149.67                 | 171.24      | 927.99    |  |
| Other non cash expenses        | 142.14    | (3.54)                 | 1.02        | 139.62    |  |
| Segment assets                 | 21,326.28 | 1,517.62               | 64,503.42   | 87,347.32 |  |
| Segment liabilities            | 9,890.38  | 1,101.66               | 5,358.34    | 16,350.38 |  |
| Equity                         |           |                        | 70,996.94   | 70,996.94 |  |

Year ended March 31, 2021

(Amounts in ₹ million)

| Particulars                    | Products  | Services | Unallocable | Total     |
|--------------------------------|-----------|----------|-------------|-----------|
| Capital expenditure by segment |           |          |             |           |
| Property, Plant and Equipment  | 152.44    | 27.15    | 18.04       | 197.63    |
| Depreciation and amortization  | 719.88    | 173.36   | 147.87      | 1,041.11  |
| Other non cash expenses        | (152.56)  | 12.12    | 0.12        | (140.32)  |
| Segment assets                 | 18,106.07 | 2,688.06 | 62,041.43   | 82,835.56 |
| Segment liabilities            | 8,096.30  | 1,016.85 | 5,234.67    | 14,347.82 |
| Equity                         |           |          | 68,487.74   | 68,487.74 |

### Geographical segments

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

| Regions                  | Year ended<br>March 31, 2022 |      | Year ended<br>March 31, 2021 |      |
|--------------------------|------------------------------|------|------------------------------|------|
|                          | Amounts in<br>₹ million      | %    | Amounts in<br>₹ million      | %    |
| India                    | 3,777.87                     | 7%   | 3,400.63                     | 7%   |
| Outside India            |                              |      |                              |      |
| Americas                 |                              |      |                              |      |
| United States of America | 14,164.11                    | 27%  | 13,127.01                    | 26%  |
| Rest of America          | 4,049.47                     | 8%   | 3,820.73                     | 8%   |
| Europe                   | 8,727.72                     | 17%  | 8,688.28                     | 17%  |
| Asia Pacific             | 13,175.22                    | 25%  | 13,296.35                    | 27%  |
| Middle East and Africa   | 8,320.16                     | 16%  | 7,506.37                     | 15%  |
|                          | 52,214.55                    | 100% | 49,839.37                    | 100% |

Revenue of ₹ 26,614.53 million (March 31, 2021 ₹ 23,686.46 million) is derived from a single customer in 'Products' and 'Services' segment.

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

| Regions                  | As at<br>March 31, 2022 |      | As at<br>March 31, 2021 |      |
|--------------------------|-------------------------|------|-------------------------|------|
|                          | Amounts in<br>₹ million | %    | Amounts in<br>₹ million | %    |
| India                    | 10,821.82               | 60%  | 10,601.01               | 61%  |
| Outside India            |                         |      |                         |      |
| Americas                 |                         |      |                         |      |
| United States of America | 5,203.58                | 29%  | 5,204.25                | 30%  |
| Rest of America          | 42.17                   | 0%   | 19.74                   | 0%   |
| Europe                   | 1,256.20                | 7%   | 1,295.04                | 7%   |
| Asia Pacific             | 473.64                  | 3%   | 414.69                  | 2%   |
| Middle East and Africa   | 152.97                  | 1%   | 22.56                   | 0%   |
|                          | 17,950.38               | 100% | 17,557.29               | 100% |

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.

As per our report of even date

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

**For Mukund M. Chitale & Co.**

Chartered Accountants  
ICAI Firm Registration No. 106655W

**S Venkatachalam**

Chairperson  
DIN: 00257819

**Chaitanya Kamat**

Managing Director  
& Chief Executive Officer  
DIN: 00969094

**S. M. Chitale**

Partner  
Membership No. 111383

**Makarand Padalkar**

Whole-time Director  
& Chief Financial Officer  
DIN: 02115514

**Onkarnath Banerjee**

Company Secretary  
& Compliance Officer  
ACS: 8547

**Mumbai, India  
May 4, 2022**

**Mumbai, India  
May 4, 2022**



## Consolidated statement of cash flow for the year ended March 31, 2022

(Amounts in ₹ million)

|  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|--|------------------------------|------------------------------|
| Cash flows from operating activities   |                              |                              |
| Profit before tax  | 25,282.77                    | 24,773.32                    |
| Adjustments to reconcile profit before tax to cash (used in) provided by operating activities: |                              |                              |
| Depreciation and amortization  | 927.99                       | 1,041.11                     |
| Loss (Profit) on sale of fixed assets, net   | 0.34                         | (1.16)                       |
| Impairment loss recognized (reversed) on contract assets                                       | 99.80                        | (252.56)                     |
| Impairment loss recognized on other financial assets   | 3.69                         | 1.88                         |
| Bad debts  | 36.13                        | 110.36                       |
| Finance income   | (901.85)                     | (1,138.65)                   |
| Employee stock compensation expense  | 622.30                       | 538.67                       |
| (Gain) on lease modification   | (27.01)                      | –                            |
| Effect of exchange rate changes in cash and cash equivalent                                    | (297.81)                     | 122.84                       |
| Effect of exchange rate changes in assets and liabilities                                      | 31.37                        | (30.83)                      |
| Finance cost   | 122.01                       | 191.29                       |
| Operating Profit before Working Capital changes  | 25,899.73                    | 25,356.27                    |
| Movements in working capital   |                              |                              |
| (Increase) in other non-current financial assets   | (71.99)                      | (41.18)                      |
| (Increase) decrease in other non-current assets  | (12.09)                      | 4.10                         |
| (Increase) decrease in trade receivables   | (1,330.47)                   | 1,524.34                     |
| Decrease (increase) in other current financial assets  | 393.30                       | (289.08)                     |
| (Increase) decrease in other current assets  | (889.17)                     | 560.74                       |
| Increase in non-current financial liabilities  | 2.67                         | 0.63                         |
| Increase in other non-current liabilities  | 161.89                       | 6.84                         |
| Increase in non-current provisions   | 93.32                        | 81.21                        |
| (Decrease) increase in trade payables  | (88.28)                      | 96.65                        |
| Increase (decrease) in other current financial liabilities                                     | 7.57                         | (52.17)                      |
| Increase (decrease) in current liabilities   | 1,263.42                     | (1,085.73)                   |
| Increase in current provisions   | 133.88                       | 144.99                       |
| Cash from operating activities   | 25,563.78                    | 26,307.61                    |
| Payment of domestic and foreign taxes  | (7,002.25)                   | (7,112.55)                   |
| Net cash provided by operating activities  | 18,561.53                    | 19,195.06                    |
| Cash flows from investing activities   |                              |                              |
| Purchase of property, plant and equipment  | (375.66)                     | (190.00)                     |
| Proceeds from sale of property, plant and equipment  | 0.12                         | 2.95                         |
| Refund of deposits for premises and others   | 69.69                        | 82.17                        |
| Bank fixed deposits having maturity of more than three months matured                          | 35,525.22                    | 35,121.86                    |
| Bank fixed deposits having maturity of more than three months booked                           | (37,806.72)                  | (35,872.77)                  |
| Interest received  | 900.40                       | 1,288.52                     |
| Income from investment in sublease   | 13.75                        | 25.40                        |
| Net cash (used in) / provided by investing activities  | (1,673.20)                   | 458.13                       |

# Consolidated statement of cash flow for the year ended March 31, 2022 (continued)

(Amounts in ₹ million)

|  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|--|------------------------------|------------------------------|
| Cash flows from financing activities   |                              |                              |
| Proceeds from issue of shares under employee stock option plan   | 257.72                       | 55.83                        |
| Equity dividend paid   | (17,260.69)                  | (15,466.31)                  |
| Repayment of lease liability   | (283.42)                     | (410.78)                     |
| Interest paid  | (48.30)                      | (76.75)                      |
| Net cash (used in) financing activities  | (17,334.69)                  | (15,898.01)                  |
| Net increase in cash and cash equivalents  | (446.36)                     | 3,755.18                     |
| Cash and cash equivalents at beginning of the year   | 16,948.28                    | 13,315.94                    |
| Effect of exchange rate changes in cash and cash equivalents   | 297.81                       | (122.84)                     |
| Cash and cash equivalents at end of the year   | 16,799.73                    | 16,948.28                    |
| Component of cash and cash equivalents   |                              |                              |
| Balances with banks:   |                              |                              |
| In current accounts*   | 16,456.06                    | 16,564.30                    |
| In deposit accounts with original maturity of less than 3 months   | 295.04                       | 298.05                       |
| In unclaimed dividend account**  | 48.63                        | 85.93                        |
| Total cash and cash equivalents [Refer note 9 (a)]   | 16,799.73                    | 16,948.28                    |
| *Current account includes ₹ 1.14 million (March 31, 2021 ₹ 5.65 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.  |                              |                              |

As per our report of even date

**For Mukund M. Chitale & Co.**

Chartered Accountants  
ICAI Firm Registration No. 106655W

**S. M. Chitale**

Partner  
Membership No. 111383

**Mumbai, India  
May 4, 2022**

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

**S Venkatachalam**

Chairperson  
DIN: 00257819

**Makarand Padalkar**

Whole-time Director  
& Chief Financial Officer  
DIN: 02115514

**Mumbai, India  
May 4, 2022**

**Chaitanya Kamat**

Managing Director  
& Chief Executive Officer  
DIN: 00969094

**Onkarnath Banerjee**

Company Secretary  
& Compliance Officer  
ACS: 8547

**Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies**

| Sr. No.                 | Name of the Subsidiary   | Reporting period | Reporting Currency | Exchange rate | Share capital | Reserves and Surplus | Total assets | Total Liabilities | Investments | Turnover  | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend | % of Shareholding |
|-------------------------|--|------------------|--------------------|---------------|---------------|----------------------|--------------|-------------------|-------------|-----------|------------------------|------------------------|-----------------------|-------------------|-------------------|
| <b>Subsidiaries</b>     |  |                  |                    |               |               |                      |              |                   |             |           |                        |                        |                       |                   |                   |
| 1                       | Oracle Financial Services Software B.V.                              | 31-Mar-22        | EURO               | 84.49         | 776.31        | 1,229.90             | 5,123.98     | 3,608.16          | 490.39      | 14,387.25 | 212.71                 | 246.66                 | (33.95)               | -                 | 100%              |
| 2                       | Oracle Financial Services Software SA                                | 31-Mar-22        | EURO               | 84.49         | 289.39        | (42.28)              | 603.70       | 356.59            | -           | 542.80    | 330.77                 | (2.60)                 | 333.37                | -                 | 100%              |
| 3                       | Oracle Financial Services Software Pte. Ltd.                         | 31-Mar-22        | USD                | 75.71         | 6.63          | 403.96               | 5,301.38     | 4,890.79          | -           | 12,829.87 | 220.53                 | 441.66                 | (221.13)              | -                 | 100%              |
| 4                       | Oracle Financial Services Consulting Pte. Ltd.                       | 31-Mar-22        | SGD                | 55.94         | -             | 6.71                 | 6.95         | 0.24              | -           | -         | (0.22)                 | -                      | (0.22)                | -                 | 100%              |
| 5                       | Oracle Financial Services Software America, Inc.                     | 31-Mar-22        | USD                | 75.71         | -             | 10,450.18            | 21.93        | -                 | 10,428.25   | -         | (0.06)                 | (0.01)                 | (0.05)                | -                 | 100%              |
| 6                       | Oracle Financial Services Software, Inc.                             | 31-Mar-22        | USD                | 75.71         | -             | 11,573.46            | 15,365.07    | 3,791.61          | -           | 12,877.51 | 1,881.34               | 650.73                 | 1,230.61              | -                 | 100%              |
| 7                       | Mantas Inc.  | 31-Mar-22        | USD                | 75.71         | -             | 216.40               | 216.56       | 0.16              | -           | -         | 0.05                   | 0.01                   | 0.04                  | -                 | 100%              |
| 8                       | Sotas Inc.   | 31-Mar-22        | USD                | 75.71         | -             | 20.85                | 20.85        | -                 | -           | -         | (0.05)                 | (0.01)                 | (0.04)                | -                 | 100%              |
| 9                       | Mantas India Private Limited   | 31-Mar-22        | INR                | 1.00          | 15.00         | 7.19                 | 22.31        | 0.12              | -           | -         | 0.79                   | 0.42                   | 0.37                  | -                 | 100%              |
| 10                      | ISP Internet Mauritius Company                                       | 31-Mar-22        | USD                | 75.71         | 196.74        | 201.13               | 362.12       | 1.00              | 36.75       | -         | 122.15                 | -                      | 122.15                | -                 | 100%              |
| 11                      | Oracle (OFSS) BPO Services Inc.                                      | 31-Mar-22        | USD                | 75.71         | 0.01          | (666.75)             | 123.81       | 790.55            | -           | 262.28    | 31.17                  | 1.38                   | 29.79                 | -                 | 100%              |
| 12                      | Oracle (OFSS) BPO Services Limited                                   | 31-Mar-22        | INR                | 1.00          | 58.19         | 207.39               | 436.93       | 171.35            | -           | 394.46    | 94.92                  | (11.86)                | 106.78                | -                 | 100%              |
| 13                      | Oracle (OFSS) Processing Services Limited                            | 31-Mar-22        | INR                | 1.00          | 13.00         | 473.35               | 520.65       | 34.47             | 0.17        | 281.29    | 52.00                  | 15.32                  | 36.68                 | -                 | 100%              |
| 14                      | Oracle (OFSS) ASP Private Limited                                    | 31-Mar-22        | INR                | 1.00          | 51.70         | (8.86)               | 43.03        | 0.19              | -           | -         | 0.69                   | -                      | 0.69                  | -                 | 100%              |
| 15                      | Oracle Financial Services Software Chile Limitada (Shanghai) Limited | 31-Dec-21        | CLP                | 0.10          | 80.86         | 566.55               | 1,058.95     | 411.54            | -           | 653.15    | 23.88                  | (73.77)                | 97.65                 | -                 | 100%              |
| 16                      | Oracle Financial Services Software (Shanghai) Limited                | 31-Dec-21        | CNY                | 11.94         | 46.06         | 152.18               | 302.15       | 103.91            | -           | 228.14    | 29.18                  | 14.49                  | 14.69                 | -                 | 100%              |
| <b>Controlled Trust</b> |  |                  |                    |               |               |                      |              |                   |             |           |                        |                        |                       |                   |                   |
| 17                      | i-flex Employee Stock Option Trust                                   | 31-Mar-21        | INR                | 1.00          | -             | 1,047.17             | 1,050.54     | 3.37              | -           | -         | 16.79                  | 15.47                  | 1.32                  | -                 | -                 |
| Total                   |  |                  |                    |               | 1,533.89      | 25,838.53            | 30,580.91    | 14,164.05         | 10,955.56   | 42,456.75 | 3,016.64               | 1,297.89               | 1,718.75              | -                 | -                 |

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

**S Venkatachalam**  
Chairperson  
DIN: 00257819

Mumbai, India  
June 15, 2022

This page has been intentionally left blank.

## **Unconsolidated financials**

**Financial statements for the year ended March 31, 2022 prepared in accordance with Ind AS (Unconsolidated).**

# Independent Auditor's Report

To the Members of Oracle Financial Services Software Limited

## Report on the Audit of Standalone Ind AS Financial Statements

### 1. Opinion

We have audited the accompanying standalone Ind AS financial statements of Oracle Financial Services Software Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### 2. Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on standalone Ind AS financial statements.

### 3. Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter   | Auditor's Response  |
|---------|--|---|
| 1.      | <b>Evaluation of income taxes provision</b><br><br>The Company has uncertain income tax positions which includes matters under dispute involving significant judgment to determine the possible outcome of these disputes.<br><br>Management is required to ensure compliance with tax laws, including transfer pricing mechanism and appropriately determine the tax expense and its consequential impact on adequacy of provision for income tax and deferred tax. | <b>Principal Audit Procedures:</b><br><br>a) Evaluated the design and tested the operating effectiveness of the relevant controls, through combination of procedures involving inquiry and observation, reperformance and inspection of evidence in respect of operation of these controls to assess how the Company monitors income tax and related developments and their assessment of the potential impact on the Company.<br><br>b) For uncertain tax positions, obtained details of income tax assessments, appeal orders and income tax demands from management. |

| Sr. No.   | Key Audit Matter   | Auditor's Response  |
|-----------|--|---|
|           | <p>In accordance with Appendix C "Uncertainty over Income tax Treatments" in Ind AS 12 "Income taxes", the Company has during the year ended March 31, 2022, reviewed the uncertain tax positions and recognised income tax provisions relating to uncertain income tax treatments and the related interest expense thereon.</p> <p>Refer note 2.2(f), 16, 26 (v), 27(b) and 39 of the Standalone Ind AS Financial Statements.</p>   | <p>c) Evaluated the management's underlying assumptions of the validity and adequacy of provisions for uncertain income tax positions and evaluated the basis of determination of the possible outcome of the disputes. Also considered legal precedence and other rulings and read, where applicable, external advice sought by the Company for these uncertain income tax positions and reviewed related correspondence in evaluating management's position on these uncertain income tax matters. We discussed with management and understood the rationale for recording the provision for uncertain tax positions.</p> <p>d) Tested current income tax and deferred tax computation provided by the management and checked the arithmetical accuracy of the amounts reported for current and deferred tax, including assessment of effective tax rate reconciliation to evaluate the Company's total income tax expense for the year.</p>  |
| <b>2.</b> | <b>Revenue Recognition</b>   | <b>Principal Audit Procedures:</b>  |
|           | <p>The Company's revenue streams consist of license fees, maintenance fees and consulting fees – fixed price and time &amp; material contracts.</p> <p>Revenue from contracts with customers is recognized in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers ("Ind AS 115").</p> <p>The application of Ind AS 115 involves certain key judgements relating to identification of distinct performance obligations, determination of the transaction price, allocation of transaction price to the identified performance obligations especially to license fees, the appropriateness of the basis used to measure revenue recognised over time or at a point in time, including relevant cut-off at period end dates.</p> <p>Refer note 2.2.(e), 17, 26 (viii) and 43 of the standalone Ind AS Financial Statements.</p> | <p>a) Evaluated whether the revenue recognition of the Company is in accordance with the accounting policies and principles of Ind AS 115.</p> <p>b) Obtained an understanding of management's internal controls over the revenue process and evaluated whether these were designed in line with the Ind AS 115. Tested relevant internal controls, including information technology (IT) controls, over revenue process. Carried out a combination of procedures involving inquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</p> <p>c) Performed following procedures on a sample of revenue contracts entered into by Company, selected on a test check basis as deemed appropriate:</p> <p>i) Read and identified the distinct performance obligations in these contracts and compared these performance obligations with those identified and recorded in the books of accounts.</p> <p>ii) Read the terms of the contracts and checked determination of the transaction price including any variable consideration. Also, checked management's evaluation of the stand-alone selling price for each performance obligation.</p> <p>iii) Tested the basis used by the management to measure revenue recognised over time or at a point in time as per the requirements of Ind AS 115.</p> <p>d) Performed cut-off testing procedures (by selecting a sample of contracts either side of year-end) to test that revenue has been recognised in the appropriate accounting period.</p> |

#### 4. Information other than the standalone Ind AS financial statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors Report, Corporate Governance Report and Management Discussion and Analysis, but does not include the standalone Ind AS financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we will not express any form of assurance thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

## **5. Management's responsibility for the standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, Company's Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **6. Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 7. Report on Other Legal and Regulatory Requirements

- i) As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- ii) As required by section 143 (3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of standalone Ind AS Financial Statements.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on the financial position in its standalone Ind AS financial statements – Refer Note 27 (b) and Note 39 to the standalone Ind AS financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – Refer Note 13(b)(iii) to the Standalone Ind AS financial statements;
    - iv. (a) The Management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The Management has represented that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on audit procedures that we have considered reasonable and appropriate, nothing has come to our notice that has caused us to believe that the representations under sub-clause iv (a) and iv(b) contain any material mis-statement;
- v.
  - a) The interim dividend declared and paid by the Company (for financial year 2020-21) during the year is in compliance with provisions of Section 123 of the Companies Act, 2013.
  - b) The Board of Directors of the Company have declared interim dividend for the financial year 2021-22 on May 04, 2022. The amount of interim dividend is in accordance with section 123 of the Act, as applicable.

**For Mukund M. Chitale & Co.**

Chartered Accountants  
Firm Regn. No. 106655W

**S. M. Chitale**

Partner  
M. No. 111383  
UDIN: 22111383AJKHCT5372

Date: May 4, 2022

Place: Mumbai

## **Annexure 1 to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of Oracle Financial Services Software Limited**

### **Referred to in paragraph [7(i)] under Report on Other Legal and Regulatory Requirements of our report of even date**

According to the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital Work in Progress, Right-of-use Assets and Investment Property.  
B) The Company does not have any Intangible assets and accordingly, the requirements under clause 3(i)(a)(B) of the Companies (Auditor's report) Order, 2020 ("the Order") are not applicable to the Company.
- b) Property, Plant and Equipment, Capital Work in Progress, Right-of-use Assets and Investment Property have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- c) The title deeds of immovable properties included in property, plant and equipment and Investment Property are held in the name of the Company.
- d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year.
- e) No proceedings have been initiated or is pending against the Company during the year for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii)(a) of the Companies (Auditor's report) Order, 2020 ("the Order") are not applicable to the Company.
- b) The Company has not been sanctioned working capital limits at any point of time during the year, from banks or financial institutions and, accordingly, the requirements under clause 3(ii)(b) of the Companies (Auditor's report) Order, 2020 ("the Order") are not applicable to the Company.
- (iii) a) During the year the company has not provided loans or advances in the nature of loans, or stood guarantee, or provided security to any other entity. Accordingly, the requirements under clause 3(iii)(a) of the Companies (Auditor's report) Order, 2020 ("the Order") are not applicable to the Company.
- b) The Company has during the year acquired 99.82% of equity shares of Oracle (OFSS) BPO Services Limited for Rs. 167.60 million towards restructuring of ownership in step-down subsidiary of the Company and the said investment transaction in our opinion, prima facie, is not prejudicial to the Company's interest. The Company has during the year not provided loans or advances in the nature of loans or provided guarantees or given any security.
- c) During the year, the Company has not provided loans or advances in the nature of loans. Accordingly, the requirements under clause 3(iii)(c) of the Companies (Auditor's report) Order, 2020 ("the Order") are not applicable to the Company.
- d) There are no amounts overdue in respect of loans or advances in the nature of loans. Accordingly, the requirements under clause 3(iii)(d) of the Companies (Auditor's report) Order, 2020 ("the Order") are not applicable to the Company.
- e) There are no loans or advance in the nature of loan granted which has fallen due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. Accordingly, the requirements under clause 3(iii)(e) of the Companies (Auditor's report) Order, 2020 ("the Order") are not applicable to the Company.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Accordingly, the requirements under clause 3(iii)(e) of the Companies (Auditor's report) Order, 2020 ("the Order") are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of investments made have been complied with by the Company. In our opinion and according to the information and explanations given to us, there are no loans, guarantees and securities granted in respect of which provisions of section 185 and section 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products/services of the Company.
- (vii) a) Undisputed statutory dues including provident fund, income-tax, sales tax, goods and service tax, duty of customs, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there have been considerable delays in few cases of foreign withholding tax. As explained to us, the Company did not have any dues of excise duty, service tax and employees' state insurance.
- b) According to the information and explanations given to us, there were no undisputed dues in respect of provident fund, income-tax, goods and service tax, sales-tax, duty of customs, value added tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

- c) According to the records of the Company, the dues outstanding of income-tax, sales tax, goods and service tax, duty of customs, value added tax, service tax and cess on account of any dispute, are as follows:

| Name of the statute                   | Nature of the dues     | Amount (₹)    | Period to which the amount relates | Forum where dispute is pending            |
|---------------------------------------|------------------------|---------------|------------------------------------|---|
| The Income Tax Act, 1961              | Income Tax             | 18,764        | April 2007 to March 2008           | Income Tax Appellate Tribunal             |
|                                       | Tax Deducted at Source | 337,202,249   | April 2011 to March 2012           | Commissioner of Appeal (Income-tax)       |
|                                       | Tax Deducted at Source | 309,037,511   | April 2012 to March 2013           | Commissioner of Appeal (Income-tax)       |
|                                       | Tax Deducted at Source | 394,445,630   | April 2013 to March 2014           | Commissioner of Appeal (Income-tax)       |
|                                       | Income Tax             | 2,025,447,376 | April 2014 to March 2015           | Commissioner of Appeal (Income-tax)       |
|                                       | Tax Deducted at Source | 369,346,076   | April 2014 to March 2015           | Commissioner of Appeal (Income-tax)       |
|                                       | Income Tax             | 1,579,304,913 | April 2015 to March 2016           | Commissioner of Appeal (Income-tax)       |
|                                       | Tax Deducted at Source | 254,156,280   | April 2015 to March 2016           | Commissioner of Appeal (Income-tax)       |
|                                       | Income Tax             | 3,394,028,431 | April 2016 to March 2017           | Commissioner of Appeal (Income-tax)       |
|                                       | Tax Deducted at Source | 164,017,904   | April 2016 to March 2017           | Commissioner of Appeal (Income-tax)       |
|                                       | Income Tax             | 4,573,000,504 | April 2017 to March 2018           | Assistant Director of Income Tax, CPC     |
|                                       | Tax Deducted at Source | 122,908,694   | April 2017 to March 2018           | Commissioner of Appeal (Income-tax)       |
| Maharashtra Value Added Tax Act, 2002 | Income Tax             | 177,707,783   | April 2018 to March 2019           | Assistant Director of Income Tax, CPC     |
|                                       | Sales Tax (MVAT)       | 28,943,706    | April 2012 to March 2013           | Joint Commissioner of Sales Tax (Appeals) |
|                                       | Sales Tax (MVAT)       | 26,063,769    | April 2013 to March 2014           | Joint Commissioner of Sales Tax (Appeals) |
|                                       | Sales Tax (MVAT)       | 19,890,239    | April 2014 to March 2015           | Joint Commissioner of Sales Tax (Appeals) |
|                                       | Sales Tax (MVAT)       | 22,169,469    | April 2015 to March 2016           | Joint Commissioner of Sales Tax (Appeals) |
|                                       | Sales Tax (MVAT)       | 35,399,560    | April 2016 to March 2017           | Joint Commissioner of Sales Tax (Appeals) |
| Central Sales Tax Act, 2002           | Sales Tax (MVAT)       | 17,947,319    | April 2017 to June 2017            | Joint Commissioner of Sales Tax (Appeals) |
|                                       | Sales Tax (CST)        | 457,394       | April 2013 to March 2014           | Joint Commissioner of Sales Tax (Appeals) |
|                                       | Sales Tax (CST)        | 44,070        | April 2016 to March 2017           | Deputy Commissioner of Sales Tax          |

Note 1: The demand of Income Tax as reported above is net of demand paid under protest and refunds adjusted against said demand of ₹ 1,811,395,712.

Note 2: The demand of Sales Tax as reported above is net of demand paid under protest of ₹ 12,780,859 against said demand.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- d) The Company has not raised any funds on short term basis during the year and hence, reporting under clause (ix)(d) of the Order is not applicable.
- e) According to the information and explanations given to us and on an overall examination of the standalone Ind AS financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

- (x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3 (x)(a) is not applicable to the Company.
- b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under paragraph 3 (x)(b) is not applicable to the Company.
- (xi) a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year by the Statutory Auditors and upto the date of this report.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year and provided to us, when performing our audit.
- (xii) The Company is not a nidhi company and hence reporting under clause 3 (xii)(a) to 3 (xii)(c) is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports for the period under audit issued to the Company during the year.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act.
- (xvi) a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence reporting under paragraph 3 (xvi)(a) is not applicable to the Company.
- b) The company has not conducted any Non- Banking Financial or Housing Finance activities and hence reporting under clause 3 (xvi)(b) is not applicable to the Company.
- c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under clause 3 (xvi)(c) is not applicable to the Company.
- d) The Group does not have any CIC as part of the group and hence reporting under clause 3 (xvi)(d) is not applicable to the Company.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the Statutory Auditors of the Company during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone Ind AS financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

**For Mukund M. Chitale & Co.**

Chartered Accountants  
Firm Regn. No. 106655W

**S. M. Chitale**

Partner  
M. No. 111383  
UDIN: 22111383AJKHCT5372

Date: May 4, 2022  
Place: Mumbai

## **Annexure 2 to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of Oracle Financial Services Software Limited**

### **Referred to in paragraph [7(ii)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. We have audited the internal financial controls over financial reporting of Oracle Financial Services Software Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

4. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

5. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

6. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Mukund M. Chitale & Co.**

Chartered Accountants  
Firm Regn. No. 106655W

**S. M. Chitale**

Partner  
M. No. 111383  
UDIN: 22111383AJKHCT5372

Date: May 4, 2022

Place: Mumbai

# Balance sheet

## as at March 31, 2022

(Amounts in ₹ million)

|   | Notes | March 31, 2022   | March 31, 2021   |
|---|-------|------------------|------------------|
| <b>ASSETS</b>   |       |                  |                  |
| Non-current assets  |       |                  |                  |
| Property, plant and equipment   | 3     | 1,664.11         | 1,847.30         |
| Capital work-in-progress  | 3     | 36.21            | 0.91             |
| Right-of-use asset  | 4     | 503.10           | 369.22           |
| Investment property   | 5     | 102.00           | 102.00           |
| Financial assets  |       |                  |                  |
| Investments in subsidiaries   | 6     | 7,899.79         | 7,726.81         |
| Other non-current financial assets  | 7     | 1,515.53         | 1,375.87         |
| Deferred tax assets (net)   | 16(c) | 943.95           | 831.11           |
| Income tax assets (net)   |       | 8,359.68         | 7,954.14         |
| Other non-current assets  | 10    | 341.34           | 327.81           |
|   |       | 21,365.71        | 20,535.17        |
| Current assets  |       |                  |                  |
| Financial assets  |       |                  |                  |
| Trade receivables   | 8     | 5,568.23         | 4,562.87         |
| Loan  | 41    | -                | 30.00            |
| Cash and cash equivalents   | 9(a)  | 1,189.27         | 2,248.21         |
| Other bank balances   | 9(b)  | 32,874.23        | 31,054.91        |
| Other current financial assets  | 7     | 1,610.96         | 1,766.85         |
| Other current assets  | 10    | 1,803.94         | 1,677.62         |
|   |       | 43,046.63        | 41,340.46        |
| <b>TOTAL</b>  |       | <b>64,412.34</b> | <b>61,875.63</b> |
| <b>EQUITY AND LIABILITIES</b>   |       |                  |                  |
| Equity  |       |                  |                  |
| Equity share capital  | 11    | 431.23           | 430.31           |
| Other equity  | 12    | 57,593.41        | 56,029.57        |
| Total equity  |       | 58,024.64        | 56,459.88        |
| Non-current liabilities   |       |                  |                  |
| Financial liabilities   |       |                  |                  |
| Lease liability   | 28    | 379.77           | 245.47           |
| Other non-current liabilities   | 14    | 148.90           | -                |
| Provisions  | 15    | 1,487.33         | 1,256.87         |
|   |       | 2,016.00         | 1,502.34         |
| Current liabilities   |       |                  |                  |
| Financial liabilities   |       |                  |                  |
| Lease liability   | 28    | 135.78           | 59.48            |
| Trade payables  |       |                  |                  |
| Payable to micro and small enterprises                                    | 13(a) | 11.28            | 4.82             |
| Payable to others   | 13(a) | 147.49           | 172.66           |
| Other current financial liabilities                                       | 13(b) | 1,160.82         | 1,515.75         |
| Other current liabilities   | 14    | 1,577.46         | 1,036.98         |
| Provisions  | 15    | 1,205.73         | 1,083.75         |
| Income tax liabilities (net)  |       | 133.14           | 39.97            |
|   |       | 4,371.70         | 3,913.41         |
| <b>TOTAL</b>  |       | <b>64,412.34</b> | <b>61,875.63</b> |
| Summary of significant accounting policies                                | 2     |                  |                  |
| The accompanying notes form an integral part of the financial statements. |       |                  |                  |

As per our report of even date

**For Mukund M. Chitale & Co.**

Chartered Accountants  
ICAI Firm Registration No. 106655W

**S. M. Chitale**

Partner  
Membership No. 111383

**Mumbai, India**  
**May 4, 2022**

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

**S Venkatachalam**

Chairperson  
DIN: 00257819

**Makarand Padalkar**

Whole-time Director  
& Chief Financial Officer  
DIN: 02115514

**Mumbai, India**  
**May 4, 2022**

**Chaitanya Kamat**

Managing Director  
& Chief Executive Officer  
DIN: 00969094

**Onkarnath Banerjee**

Company Secretary  
& Compliance Officer  
ACS: 8547



# Statement of profit and loss for the year ended March 31, 2022

(Amounts in ₹ million, except share data)

|  | Notes | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|--|-------|------------------------------|------------------------------|
| Revenue from operations  | 17    | 38,961.33                    | 36,452.12                    |
| Finance income   | 18    | 839.39                       | 1,071.12                     |
| Other income, net  | 19    | 1,720.73                     | 93.69                        |
| Total income   |       | 41,521.45                    | 37,616.93                    |
| Expenses   |       |                              |                              |
| Employee benefit expenses  | 20    | 14,545.54                    | 12,443.21                    |
| Travel related expenses  |       | 110.05                       | 317.51                       |
| Professional fees  |       | 1,345.12                     | 1,312.81                     |
| Finance cost   | 21    | 32.30                        | 47.99                        |
| Other operating expenses   | 22    | 1,047.12                     | 814.57                       |
| Depreciation and amortization  | 3 & 4 | 679.81                       | 802.03                       |
| Total expenses   |       | 17,759.94                    | 15,738.12                    |
| Profit before tax  |       | 23,761.51                    | 21,878.81                    |
| Tax expenses   | 16    |                              |                              |
| Current tax  |       | 5,730.28                     | 5,570.78                     |
| Deferred tax   |       | (80.86)                      | (84.82)                      |
| Total tax expenses   |       | 5,649.42                     | 5,485.96                     |
| Profit for the year  |       | 18,112.09                    | 16,392.85                    |
| Other comprehensive income   |       |                              |                              |
| <i>Items that will not be reclassified subsequently to profit or loss</i>                |       |                              |                              |
| Actuarial (loss) on gratuity fund  |       | (127.06)                     | (23.46)                      |
| Deferred tax   | 16    | 31.98                        | 5.90                         |
| <i>Items that will be reclassified subsequently to profit and loss</i>                   |       |                              |                              |
| Exchange differences on translation of foreign operations                                |       | 11.13                        | (12.26)                      |
| Total other comprehensive income for the year, net of tax                                |       | (83.95)                      | (29.82)                      |
| Total comprehensive income for the year  |       | 18,028.14                    | 16,363.03                    |
| Earnings per equity share of par value of ₹ 5 each<br>(March 31, 2021 - ₹ 5 each) (in ₹) | 25    |                              |                              |
| Basic  |       | 210.19                       | 190.64                       |
| Diluted  |       | 209.08                       | 189.80                       |
| Summary of significant accounting policies   | 2     |                              |                              |
| The accompanying notes form an integral part of the financial statements.                |       |                              |                              |

As per our report of even date

**For Mukund M. Chitale & Co.**

Chartered Accountants  
ICAI Firm Registration No. 106655W

**S. M. Chitale**

Partner  
Membership No. 111383

**Mumbai, India  
May 4, 2022**

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

**S Venkatachalam**

Chairperson  
DIN: 00257819

**Makarand Padalkar**

Whole-time Director  
& Chief Financial Officer  
DIN: 02115514

**Mumbai, India  
May 4, 2022**

**Chaitanya Kamat**

Managing Director  
& Chief Executive Officer  
DIN: 00969094

**Onkarnath Banerjee**

Company Secretary  
& Compliance Officer  
ACS: 8547

# Statement of changes in equity for the year ended March 31, 2022

Year ended March 31, 2022

(Amounts in ₹ million, except share data)

| Particulars  | Equity share capital |               |   | Other equity       |                 |                                    |  | Retained earnings | Other comprehensive income | Total equity attributable to equity holders of the Company |
|--|----------------------|---------------|---|--------------------|-----------------|------------------------------------|--|-------------------|----------------------------|--|
|  | No. of shares        | Share capital | Share application money pending allotment | Securities premium | General reserve | Employee stock options outstanding | Contribution from Ultimate Holding Company |                   |                            |  |
| Balance as of April 1, 2021  | 86,062,233           | 430.31        | -   | 16,146.42          | 10,145.19       | 1,514.34                           | 72.68                                      | 28,118.27         | 32.67                      | 56,459.88  |
| <i>Changes in equity for the year ended March 31, 2022</i>   |                      |               |   |                    |                 |                                    |  |                   |                            |  |
| Application money received for exercised options   | -                    | -             | 257.72                                    | -                  | -               | -                                  | -  | -                 | -                          | 257.72   |
| Shares issued for exercised options  | 184,232              | 0.92          | (257.72)                                  | 256.80             | -               | -                                  | -  | -                 | -                          | -  |
| Stock compensation charge  | -                    | -             | -   | -                  | -               | 484.35                             | 17.94                                      | -                 | -                          | 502.29   |
| Forfeiture of options  | -                    | -             | -   | -                  | -               | (26.91)                            | -  | 26.91             | -                          | -  |
| Stock compensation related to options exercised  | -                    | -             | -   | 410.42             | -               | (410.42)                           | -  | -                 | -                          | -  |
| Profit for the year  | -                    | -             | -   | -                  | -               | -                                  | -  | 18,112.09         | -                          | 18,112.09  |
| Interim equity dividend  | -                    | -             | -   | -                  | -               | -                                  | -  | (17,223.39)       | -                          | (17,223.39)  |
| Actuarial (loss) gain on gratuity fund including deferred tax thereon                                  | -                    | -             | -   | -                  | -               | -                                  | -  | -                 | (95.08)                    | (95.08)  |
| Exchange differences on translation of foreign operations  | -                    | -             | -   | -                  | -               | -                                  | -  | 11.13             | -                          | 11.13  |
| Actuarial (loss) gain on gratuity fund including deferred tax thereon transferred to retained earnings | -                    | -             | -   | -                  | -               | -                                  | -  | (95.08)           | 95.08                      | -  |
| Balance as of March 31, 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  |

Year ended March 31, 2021

(Amounts in ₹ million, except share data)

| Particulars  | Equity share capital |               | Other equity                              |                    |                 | Retained earnings | Other comprehensive income         |  | Total equity attributable to equity holders of the Company |
|--|----------------------|---------------|---|--------------------|-----------------|-------------------|------------------------------------|--|--|
|  | No. of shares        | Share capital | Share application money pending allotment | Securities premium | General reserve |                   | Employee stock options outstanding | Contribution from Ultimate Holding Company |  |
| Balance as of April 1, 2020  | 85,879,298           | 429.40        | -   | 15,500.49          | 10,145.19       | 1,726.79          | 60.27                              | 44.93                                      | 55,083.01  |
| <i>Changes in equity for the year ended March 31, 2021</i>   |                      |               |   |                    |                 |                   |                                    |  |  |
| Application money received for exercised options   | -                    | -             | 55.83                                     | -                  | -               | -                 | -                                  | -  | 55.83  |
| Shares issued for exercised options  | 182,935              | 0.91          | (55.83)                                   | 54.92              | -               | -                 | -                                  | -  | -  |
| Stock compensation charge  | -                    | -             | -   | -                  | -               | 417.29            | 12.41                              | -  | -  |
| Forfeiture of options  | -                    | -             | -   | -                  | -               | (38.73)           | -                                  | -  | -  |
| Stock compensation related to options exercised  | -                    | -             | -   | 591.01             | -               | (591.01)          | -                                  | -  | -  |
| Profit for the year  | -                    | -             | -   | -                  | -               | -                 | -                                  | -  | 16,392.85  |
| Interim equity dividend  | -                    | -             | -   | -                  | -               | -                 | -                                  | -  | (15,471.69)  |
| Actuarial (loss) gain on gratuity fund including deferred tax thereon                                  | -                    | -             | -   | -                  | -               | -                 | -                                  | -  | (17.56)  |
| Exchange differences on translation of foreign operations  | -                    | -             | -   | -                  | -               | -                 | -                                  | (12.26)                                    | -  |
| Actuarial (loss) gain on gratuity fund including deferred tax thereon transferred to retained earnings | -                    | -             | -   | -                  | -               | -                 | -                                  | -  | 17.56  |
| Balance as of March 31, 2021   | 86,062,233           | 430.31        | -   | 16,146.42          | 10,145.19       | 1,514.34          | 72.68                              | 32.67                                      | 56,459.88  |

Summary of significant accounting policies [refer note 2]

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

As per our report of even date

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

**For Mukund M. Chitale & Co.**

Chartered Accountants

ICAI Firm Registration No. 106655W

**S. M. Chitale**

Partner

Membership No. 111383

**Mumbai, India**

**May 4, 2022**

**S Venkatachalam**

Chairperson

DIN: 00257819

**Mumbai, India**

**May 4, 2022**

**Chaitanya Kamat**

Managing Director

& Chief Executive Officer

DIN: 00969094

**Makarand Padaikar**

Whole-time Director

& Chief Financial Officer

DIN: 02115514

**Onkarnath Banerjee**

Company Secretary

& Compliance Officer

ACS: 8547

# Notes annexed to and forming part of financial statements for the year ended March 31, 2022

## 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 73.11% (March 31, 2021 – 73.26%) ownership interest in the Company as at March 31, 2022.

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 standalone financial statements for the year ended March 31, 2022 were approved by the Company's Board of Directors and authorized for issue on May 4, 2022.

## Note 2: Summary of significant accounting policies

### 2.1 Basis of preparation

These standalone financial statements comprising of balance sheet as at March 31, 2022, statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended have been prepared in accordance with Ind AS 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).

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- certain financial assets and liabilities, including derivative instruments, that are measured at fair value
- assets held for sale
- defined benefit plan
- share-based payments

Previous year's comparative numbers in the standalone financial statements have been reclassified wherever necessary, to conform to current year's presentation.

### 2.2 Summary of significant accounting policies

The significant accounting policies adopted by the Company, in respect of the financial statements are set out as below:

#### (a) Property, plant and equipment, capital work-in-progress and depreciation

##### *Property, plant and equipment and capital work-in-progress*

Freehold land is stated at cost. All other items of property, plant and equipment and capital work in progress, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. All additions during the reported year are considered at cost.

The Company purchases certain specific-use application software, which is in ready to use condition, for internal use. It is estimated that such software has a relatively short useful life, usually less than one year. The Company, therefore, charges to the statement of profit and loss the cost of acquiring such software.

## Depreciation

Depreciation is computed as per the straight-line method using the rates arrived at based on the useful lives estimated by the management. The estimated useful life considered for depreciation of fixed assets is as follows:

| Asset description                   | Asset life (in years)           |
|-------------------------------------|---------------------------------|
| Improvement to leasehold premises   | Lesser of 7 years or lease term |
| Buildings                           | 20                              |
| Computer equipments                 | 3                               |
| Office equipments                   | 2-5                             |
| Electricals and other installations | 2-7                             |
| Furniture and fixtures              | 2-7                             |

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The management has estimated, supported by an independent assessment by professionals, the useful lives of buildings as 20 years. These lives are lower than those indicated in schedule II to the Act.

The management has estimated, based on an internal assessment, the useful lives of the following classes of assets.

- The useful lives of servers and networking equipment's forming part of computer equipment's are estimated as 3 years. These lives are lower than those indicated in schedule II to the Act.
- The useful lives of furniture and fixtures and electrical and other installations are estimated at 2-7 years. These lives are lower than those indicated in schedule II to the Act.

## (b) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's or Cash Generating Units' (CGU) fair value less cost of disposal, and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to assets.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are validated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

## (c) Foreign currencies

The standalone financial statements are presented in Indian Rupees ("INR"), which is the functional currency of the Company. For each branch, the Company determines the functional currency and items included in the financial statements of each branch are measured using that functional currency.

### Foreign currency balances

Transactions in foreign currencies are initially recorded by the Company's branches at their respective functional currency using spot rates on the date the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the relevant functional currency at exchange rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss.

Non- monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

The assets and liabilities of foreign branches are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the date of the transactions. For practical reasons, the Company uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the date of the transactions. The exchange differences arising on translation for branch consolidation are recognized in Other Comprehensive Income (OCI).

In accordance with Appendix B to Ind AS 21 "Foreign Currency Transactions and Advance Considerations", the date of the transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset or liability, expense or income, is when the Company has received or paid advance consideration in foreign currency.

## **(d) Research and development expenses for software products**

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical feasibility of project is established, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the cost can be measured reliably.

Software product development costs incurred subsequent to the achievement of technical feasibility are not material and are expensed as incurred.

## **(e) Revenue recognition**

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration that the Company expects to receive in exchange for those products or services.

In arrangements for software development and related services along with maintenance services, the Company has applied the guidance as per Ind AS 115, 'Revenue from Contracts with Customers', by applying revenue recognition criteria for each distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. For software licenses, the Company is using a residual approach for estimating the standalone selling price of software license as the pricing is highly variable. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenues net of indirect taxes in its standalone statement of profit and loss.

### ***Performance obligation***

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed.

Product maintenance revenue is recognized rateably over the period of the contract.

Revenue from fixed price contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered.

Revenue from contracts on time and material basis is recognized as services are performed.

### ***Contract balances***

Revenue in excess of billing is classified as contract asset i.e. unbilled revenue while billing in excess of revenue is classified as contract liability i.e. deferred revenue. Contract assets are classified as unbilled receivables when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unbilled revenues are classified as non-financial asset if the contractual right to consideration is dependent on completion of contractual milestones.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the benefit period.

## **(f) Income tax**

### ***Current income tax***

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company and its branches operate and generate taxable income.

Current income tax relating to items recognized outside statement of profit or loss is recognized either in other comprehensive income or in equity. Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate, including provision required for uncertain tax treatment.

Current tax assets and current tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Income tax consequence of dividends are linked more directly to past transactions or events that generates distributable profit. Therefore, the Company recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Company originally recognizes those past transactions or events.

### **Deferred tax**

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity as applicable. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### **Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments:**

The interpretation in Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments based on the approach that better predicts the resolution of the uncertainty. In determining the approach that better predicts the resolution of the uncertainty, the Company has considered, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the Company expects the taxation authority to make its examination and resolve issues that might arise from that examination.

This interpretation is effective from April 1, 2019. The Company has evaluated the requirements of the amendment and concluded that there is no impact on the retained earnings of the Company as a result of this interpretation. For impact of uncertain tax positions for the year ended March 31, 2022, refer note 16.

## **(g) Investment properties**

Investment properties are measured initially and subsequently at cost. Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed annually in the notes which form an integral part of the financial statements. Fair values are determined based on an evaluation performed by an accredited external independent valuer applying a valuation technique as per the international norms and standards. Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from such disposal. The difference between the net sale proceeds and the carrying amount of asset is recognized in statement of profit and loss in the period of derecognition.

## **(h) Non-current assets held for sale**

The Company classifies non-current assets as held for sale if their carrying amounts shall be recovered principally through a sale rather than through continuing use. Sale transactions shall include exchanges of non-current assets for other non-current assets when the exchange has commercial substance.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment once classified as held for sale are not depreciated.

All other notes to the standalone financial statements primarily include amounts for continuing operations, unless otherwise mentioned.

## **(i) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value so as to maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At the reporting date, the Company analyzes the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



## **(j) Financial instruments – initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or a liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

### **Financial assets**

#### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as financial assets measured at amortized cost, fair value through other comprehensive income or fair value through statement of profit or loss as appropriate. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Investments in subsidiaries and associate are carried at cost as per Ind AS 27 - Separate Financial Statements.

#### *Subsequent measurement*

For purposes of subsequent measurement, financial assets of the Company are classified in three categories:

- Debt instruments measured at amortized cost
- Debt instruments at fair value through other comprehensive income (OCI)
- Debt instruments, derivatives and equity instruments at fair value through statement of profit or loss

#### *Debt instruments measured at amortized cost*

This category is the most relevant to the Company. Debt instruments are measured at amortized cost if the asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

#### *Debt instruments at fair value through OCI*

Debt instruments are measured at fair value through other comprehensive income if the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has not designated any financial assets at fair value through OCI.

#### *Debt instruments at fair value through profit or loss*

Debt instruments at fair value through statement of profit or loss include assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by Ind AS 109 – Financial Instruments. Debt instruments at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit and loss.

#### *Derecognition*

A financial asset is derecognized i.e. removed from the Company's statement of financial position when:

- The contractual rights to the cash flows from the financial asset expire or
- The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

#### *Impairment of financial assets*

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. For trade receivables the Company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. Further, the trade receivables have customer concentration across the globe and therefore the Company also considers the socio-economic conditions of the regions where the customers are located.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

### ***Impairment of investments***

The carrying amounts of investments are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an investment exceeds its recoverable amount.

### ***Interest income***

Interest income is recognized using the effective interest method.

### ***Dividend income***

Dividends are recognized in statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be measured reliably.

## **Financial liabilities**

### ***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, accrued expenses, accrued compensation to employees, advance from customers, amounts due to subsidiaries, dividend and dividend tax payable along with unpaid dividends.

### ***Subsequent measurement***

The Company measures all financial liabilities at amortized cost except for financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Financial liabilities held for trading are measured at fair value through profit or loss. The Company has not designated any financial liability as at fair value through profit or loss.

### ***Derecognition***

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

## **Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109 – Financial Instruments, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss, unless designated as effective hedging instruments.

## **(k) Derivative financial instruments and hedge accounting**

### *Initial recognition and subsequent measurement*

The Company uses forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

The Company enters into foreign currency forward contracts that is used to hedge risk of exposure of changes in the fair value of trade receivables on account of foreign currency rate movement. These derivative contracts are not designated as hedges and accounted for at fair value through statement of profit or loss and are included in other income, net.

## **(l) Leases**

### *Company as a Lessee*

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company recognizes right-of-use asset and a corresponding lease liability for all lease arrangements in which the Company is a lessee, except for a short term lease of 12 months or less and leases of low-value assets. For short term lease and low-value asset arrangements, the Company recognizes the lease payments as an operating expense on straight-line basis over the lease term.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease arrangement. Right-of-use assets and lease liabilities are measured according to such options when it is reasonably certain that the Company will exercise these options.

The right-of-use asset are recognized at the inception of the lease arrangement at the amount of the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date of lease arrangement reduced by any lease incentives received, added by initial direct costs incurred and an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Estimated useful life of right-of-use assets is determined on the basis of useful life of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is an indication that their carrying value may not be recoverable. Impairment loss, if any is recognized in the statement of profit and loss account.

The lease liability is measured at amortized cost, at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease arrangement or, if not readily determinable, at the incremental borrowing rate in the country of domicile of such leases. Lease liabilities are remeasured with corresponding adjustments to right-of-use assets to reflect any reassessment or lease modifications.

### *Company as a Lessor*

Leases for which the Company is a lessor is classified as finance or operating lease. If the terms of the lease arrangement transfers substantially all the risks and rewards of ownership to the lessee, such lease arrangement is classified as finance lease. All other leases are classified as operating leases.

In case of sub-lease, the Company recognizes investment in sub-lease separately in the financial statements. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from such lease arrangement. For operating leases, rental income is recognized on a straight-line basis over the term of the lease arrangement.

The weighted average incremental borrowing rate applied to lease liabilities recognized in the balance sheet at the date of initial application is 9.73% with maturity between 2021 to 2025.

## **(m) Share based payments**

Selected employees of the Company also receive remuneration in the form of share-based payments under stock option program of the Company.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognized in employee benefit expenses, together with a corresponding increase in 'employee stock options outstanding' in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The statement of profit and loss, expense or credit recognized in employee benefit expense represents the movement in cumulative expense recognized as at the beginning and end of the year.

Oracle Corporation, The Ultimate Holding Company of Oracle Financial Services Software Limited has extended its stock option program to selected employees of OFSS's overseas subsidiaries and branches. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognized in employee benefit expenses over the period in which the performance and/or service conditions are fulfilled with a corresponding impact under statement of changes in equity as Contribution from Ultimate Holding Company.

Oracle Corporation has also extended its Employee Stock Purchase Plan (ESPP) to employees of OFSS. Under the plan, the employees are eligible to purchase the shares of Oracle Corporation at discounted price. The discount amount on the shares purchased during the year by employees is treated as Contribution from Ultimate Holding Company.

## **(n) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

## **(o) Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Certain eligible employees of the Company on Indian payroll are entitled to Superannuation, a defined contribution plan. The Company makes monthly contributions until retirement or resignation of the employee which are recognized as an expense when incurred. The Company has no further obligations beyond its monthly contributions, the corpus of which is invested with the Life Insurance Corporation (LIC) of India and HDFC Life.

Compensated absences which are expected to occur within twelve months after the end of the period in which employee renders the related services are recognized as undiscounted liability at the balance sheet date. The expected cost of compensated absences which are not expected to occur within twelve months after the end of the period in which employee renders related services are recognized at the present value based on actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

The Company operates a defined benefit gratuity plan in India, under which the Company makes contributions to a fund administered and managed by LIC and HDFC Life to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the Company, although LIC and HDFC Life administers the scheme.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

## **(p) Cash dividend to equity shareholders of the Company**

The Company recognizes a liability to make cash or noncash distributions to equity shareholders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the Act, a distribution of interim dividend is authorized when it is approved by the Board of Directors and final dividend is authorized when it is approved by the shareholders of the Company. A corresponding amount is recognized directly in other equity.

## **(q) Earnings per share**

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of shares, if any which would have been issued on the conversion of all dilutive potential equity shares. The weighted average number of shares and potentially dilutive equity shares are adjusted for the bonus shares and sub-division of shares. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## **(r) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and short term investments with an original maturity of three months or less.

## **2.3 Recent accounting pronouncements**

### **Standards issued but not yet effective**

The Ministry of Corporate Affairs (MCA) vide the Companies (Indian Accounting Standards) Amendment Rules, 2022 has notified Ind AS 16 and Ind AS 37 on March 23, 2022:

#### **Ind AS 16 Property Plant and equipment**

The amendment is applicable to the Company from financial year beginning April 1, 2022.

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the statement of profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

The Company has evaluated the amendment and there is no impact on its standalone financial statements.

#### **Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets**

The amendment is applicable to the Company from financial year beginning April 1, 2022, although early adoption is permitted.

The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The Company has evaluated the amendment and the impact is not expected to be material.

### Note 3: Property, plant and equipment

(a) Year ended March 31, 2022

| Particulars                         | Gross carrying value |           |                  |                         |                      | Depreciation         |           |                  |                         |                          | Net carrying value   |                      |
|-------------------------------------|----------------------|-----------|------------------|-------------------------|----------------------|----------------------|-----------|------------------|-------------------------|--------------------------|----------------------|----------------------|
|                                     | As at April 01, 2021 | Additions | Sale / deletions | Translation gain (loss) | As at March 31, 2022 | As at April 01, 2021 | Additions | Sale / deletions | Translation (gain) loss | As at March 31, 2022     | As at March 31, 2022 | As at March 31, 2022 |
| Freehold land                       | 436.31               | -         | -                | -                       | 436.31               | -                    | -         | -                | -                       | -                        | 436.31               | 436.31               |
| Improvement to leasehold premises   | 260.30               | -         | -                | -                       | 260.30               | 1.99                 | -         | -                | -                       | 259.14                   | 1.16                 | 1.16                 |
| Buildings                           | 2,089.95             | -         | -                | -                       | 2,089.95             | 104.06               | -         | -                | -                       | 1,376.14                 | 713.81               | 713.81               |
| Computer equipments                 | 2,749.89             | 286.56    | 47.83            | 0.45                    | 2,989.07             | 332.85               | 47.67     | 0.46             | 0.46                    | 2,646.96                 | 342.11               | 342.11               |
| Office equipments                   | 238.47               | 2.42      | 2.09             | (0.17)                  | 238.63               | 6.13                 | 2.09      | (0.16)           | (0.16)                  | 236.72                   | 1.91                 | 1.91                 |
| Electricals and other installations | 925.51               | -         | -                | -                       | 925.51               | 5.28                 | -         | -                | -                       | 913.22                   | 12.29                | 12.29                |
| Furniture and fixtures              | 1,012.26             | 31.07     | 3.90             | 0.12                    | 1,039.55             | 52.77                | 3.90      | 0.10             | 0.10                    | 883.03                   | 156.52               | 156.52               |
| Total                               | 7,712.69             | 320.05    | 53.82            | 0.40                    | 7,979.32             | 503.08               | 53.66     | 0.40             | 0.40                    | 6,315.21                 | 1,664.11             | 1,664.11             |
|                                     |                      |           |                  |                         |                      |                      |           |                  |                         | Capital work-in-progress | 36.21                | 36.21                |
|                                     |                      |           |                  |                         |                      |                      |           |                  |                         |                          | 1,700.32             | 1,700.32             |

(b) Year ended March 31, 2021

| Particulars                         | Gross carrying value |           |                  |                         |                      | Depreciation         |           |                  |                         |                          | Net carrying value   |                      |
|-------------------------------------|----------------------|-----------|------------------|-------------------------|----------------------|----------------------|-----------|------------------|-------------------------|--------------------------|----------------------|----------------------|
|                                     | As at April 01, 2020 | Additions | Sale / deletions | Translation gain (loss) | As at March 31, 2021 | As at April 01, 2020 | Additions | Sale / deletions | Translation (gain) loss | As at March 31, 2021     | As at March 31, 2021 | As at March 31, 2021 |
| Freehold land                       | 436.31               | -         | -                | -                       | 436.31               | -                    | -         | -                | -                       | -                        | 436.31               | 436.31               |
| Improvement to leasehold premises   | 260.30               | -         | -                | -                       | 260.30               | 1.99                 | -         | -                | -                       | 257.15                   | 3.15                 | 3.15                 |
| Buildings                           | 2,089.95             | -         | -                | -                       | 2,089.95             | 104.06               | -         | -                | -                       | 1,272.08                 | 817.87               | 817.87               |
| Computer equipments                 | 2,693.97             | 154.73    | 98.38            | (0.43)                  | 2,749.89             | 370.61               | 98.35     | (0.37)           | (0.37)                  | 2,361.32                 | 388.57               | 388.57               |
| Office equipments                   | 240.34               | 0.01      | 1.86             | (0.02)                  | 238.47               | 6.63                 | 1.86      | (0.01)           | (0.01)                  | 232.84                   | 5.63                 | 5.63                 |
| Electricals and other installations | 925.35               | 0.16      | -                | -                       | 925.51               | 6.35                 | -         | -                | -                       | 907.94                   | 17.57                | 17.57                |
| Furniture and fixtures              | 1,019.41             | 21.68     | 28.73            | (0.10)                  | 1,012.26             | 52.01                | 27.29     | (0.07)           | (0.07)                  | 834.06                   | 178.20               | 178.20               |
| Total                               | 7,665.63             | 176.58    | 128.97           | (0.55)                  | 7,712.69             | 541.65               | 127.50    | (0.45)           | (0.45)                  | 5,865.39                 | 1,847.30             | 1,847.30             |
|                                     |                      |           |                  |                         |                      |                      |           |                  |                         | Capital work-in-progress | 0.91                 | 0.91                 |
|                                     |                      |           |                  |                         |                      |                      |           |                  |                         |                          | 1,848.21             | 1,848.21             |

| Particulars          |  | As at March 31, 2022 |             |             |                   | As at March 31, 2021 |                  |             |             |                   |       |
|----------------------|--|----------------------|-------------|-------------|-------------------|----------------------|------------------|-------------|-------------|-------------------|-------|
|                      |  | Less than 1 year     | 1 - 2 years | 2 - 3 years | More than 3 years | Total                | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| Projects in progress |  | 36.21                | -           | -           | -                 | 36.21                | 0.91             | -           | -           | -                 | 0.91  |
| Total                |  | 36.21                | -           | -           | -                 | 36.21                | 0.91             | -           | -           | -                 | 0.91  |

(c) Capital work-in-progress (CWIP) ageing schedule

(Amounts in ₹ million)

There are no projects as of March 31, 2022 and March 31, 2021; whose completion is overdue or has exceeded its cost compared to its original plan.

#### Note 4: Right-of-use asset

| Particulars        |  | Gross carrying value |           |                  |                         | Depreciation         |                      |           |                  | Net carrying value      |                      |                      |
|--------------------|--|----------------------|-----------|------------------|-------------------------|----------------------|----------------------|-----------|------------------|-------------------------|----------------------|----------------------|
|                    |  | As at April 01, 2021 | Additions | Sale / deletions | Translation gain (loss) | As at March 31, 2022 | As at April 01, 2021 | Additions | Sale / deletions | Translation (gain) loss | As at March 31, 2022 | As at March 31, 2022 |
| Right-of-use asset |  | 673.91               | 309.34    | 229.17           | 3.34                    | 757.42               | 304.69               | 176.73    | 227.66           | 0.56                    | 254.32               | 503.10               |
| Total              |  | 673.91               | 309.34    | 229.17           | 3.34                    | 757.42               | 304.69               | 176.73    | 227.66           | 0.56                    | 254.32               | 503.10               |

(Amounts in ₹ million)

(b) Year ended March 31, 2021

| Particulars        |  | Gross carrying value |           |                  |                         | Depreciation         |                      |           |                  | Net carrying value      |                      |                      |
|--------------------|--|----------------------|-----------|------------------|-------------------------|----------------------|----------------------|-----------|------------------|-------------------------|----------------------|----------------------|
|                    |  | As at April 01, 2020 | Additions | Sale / deletions | Translation gain (loss) | As at March 31, 2021 | As at April 01, 2020 | Additions | Sale / deletions | Translation (gain) loss | As at March 31, 2021 | As at March 31, 2021 |
| Right-of-use asset |  | 918.16               | 28.51     | 269.13           | (3.63)                  | 673.91               | 295.59               | 260.38    | 248.62           | (2.66)                  | 304.69               | 369.22               |
| Total              |  | 918.16               | 28.51     | 269.13           | (3.63)                  | 673.91               | 295.59               | 260.38    | 248.62           | (2.66)                  | 304.69               | 369.22               |

(Amounts in ₹ million)

## Note 5: Investment property

(a) Year ended March 31, 2022

| Particulars   | Gross carrying value       |           |                     |                            | Depreciation               |           |                     |                            | Net carrying value<br>As at<br>March 31,<br>2022 |
|---------------|----------------------------|-----------|---------------------|----------------------------|----------------------------|-----------|---------------------|----------------------------|--|
|               | As at<br>April 01,<br>2021 | Additions | Sale /<br>deletions | Translation<br>gain (loss) | As at<br>April 01,<br>2021 | Additions | Sale /<br>deletions | Translation<br>(gain) loss |  |
| Freehold land | 102.00                     | -         | -                   | -                          | -                          | -         | -                   | -                          | 102.00   |
| Total         | 102.00                     | -         | -                   | -                          | -                          | -         | -                   | -                          | 102.00   |

(b) Year ended March 31, 2021

| Particulars   | Gross carrying value       |           |                     |                            | Depreciation               |           |                     |                            | Net carrying value<br>As at<br>March 31,<br>2021 |
|---------------|----------------------------|-----------|---------------------|----------------------------|----------------------------|-----------|---------------------|----------------------------|--|
|               | As at<br>April 01,<br>2020 | Additions | Sale /<br>deletions | Translation<br>gain (loss) | As at<br>April 01,<br>2020 | Additions | Sale /<br>deletions | Translation<br>(gain) loss |  |
| Freehold land | 102.00                     | -         | -                   | -                          | -                          | -         | -                   | -                          | 102.00   |
| Total         | 102.00                     | -         | -                   | -                          | -                          | -         | -                   | -                          | 102.00   |

The Company's investment property consists of a portion of land at Pune, India.

The fair value of the investment property as at March 31, 2022 and March 31, 2021 is based on valuations performed by RNC VALUECON LLP; an accredited independent valuer. RNC VALUECON LLP is one of the senior most and reputed valuer in the field of asset valuation. RNC VALUECON LLP has been carrying out valuation as per the international norms and standards. The fair value of the above investment property as at March 31, 2022 and March 31, 2021 is ₹ 237.60 million and ₹ 205.50 million respectively.

The direct operating expenses incurred in relation to investment property are ₹ 2.89 million and ₹ 2.70 for the financial year ended March 31, 2022 and March 31, 2021 respectively. These expenses are included in repairs and maintenance under note 22 : other operating expenses.

The Company has no restrictions on the realizability of its investment properties and has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. Fair value hierarchy disclosures for investment properties have been provided in note 24 on fair value measurement.



| Reconciliation of fair value:  |  | (Amounts in ₹ million) |
|--|--|------------------------|
| Fair Value of Investment Property as on March 31, 2020                     |  | 204.30                 |
| Adjustment towards Fair Values for the financial year ended March 31, 2021 |  | 1.20                   |
| Fair Value of Investment Property as on March 31, 2021                     |  | 205.50                 |
| Adjustment towards Fair Values for the financial year ended March 31, 2022 |  | 32.10                  |
| Fair Value of Investment Property as on March 31, 2022                     |  | 237.60                 |

| Investment property | Valuation technique                         | Significant unobservable inputs                          | (Amounts in ₹, except percentages)     |                      |
|---------------------|---|--|--|----------------------|
|                     |   |  | Range (weighted average)               | March 31, 2021       |
| Freehold land       | Market approach<br>(Sale Comparison Method) | Estimated market rate per sq. mt. of freehold land       | March 31, 2022<br>₹ 23,077 to ₹ 31,250 | ₹ 26,531 to ₹ 30,556 |
|                     |   | Negotiation, discount, location and physical adjustments | -10% to 0%                             | -20% to 5%           |
|                     |   | Final adjusted price per sq. mt.                         | ₹ 14,873 to ₹ 16,515                   | ₹ 13,333 to ₹ 20,296 |

The fair market value of the portion of land is computed using the market approach (Sale Comparison Method). The prevalent market rates of comparable property in the vicinity are considered to estimate the market value of the investment property. To estimate the market rate of land, a local enquiry as well as a market survey has been conducted with property dealers, brokers, owners of similar property in the surrounding areas and the rates from Joint Sub-Registrars' Office for actual transactions and the ready reckoner rates have also been considered. Weightages to additional factors like shape, size, location, frontage, access to main road and the demand and supply of similar properties have been considered while computing the market value of the investment property.

## Note 6: Investments in subsidiaries (unquoted) (at cost, unless otherwise stated)

|   | (Amounts in ₹ million) |                |
|---|------------------------|----------------|
|   | March 31, 2022         | March 31, 2021 |
| (i) In wholly owned subsidiaries  |                        |                |
| Oracle (OFSS) ASP Private Limited   |                        |                |
| 5,170,000 (March 31, 2021 - 5,170,000) equity shares of ₹ 10 each, fully paid-up                                | 46.10                  | 46.10          |
| Provision for diminution in value of investment   | (5.40)                 | (5.40)         |
|   | 40.70                  | 40.70          |
| Oracle Financial Services Software B.V.   |                        |                |
| 140,000 (March 31, 2021 - 140,000) equity shares of EUR 100 each, fully paid-up                                 | 776.31                 | 776.31         |
| Equity contribution for stock options / OSUs  | 32.17                  | 32.11          |
|   | 808.48                 | 808.42         |
| Oracle Financial Services Software Pte. Ltd.  |                        |                |
| 250,000 (March 31, 2021 - 250,000) equity shares of SGD 1 each, fully paid-up                                   | 6.63                   | 6.63           |
| Equity contribution for stock options / OSUs  | 123.54                 | 123.48         |
|   | 130.17                 | 130.11         |
| Oracle Financial Services Software America, Inc.  |                        |                |
| 1 (March 31, 2021 - 1) equity share of USD 0.01 each, fully paid-up   | 3,452.26               | 3,452.26       |
| 100 (March 31, 2021 - 100) Series A Convertible Participating Preference Shares of USD 0.01 each, fully paid-up | 2,839.49               | 2,839.49       |
| Fair valuation of loan  | 52.88                  | 52.88          |
| Equity contribution for stock options / OSUs  | 72.41                  | 72.11          |
|   | 6,417.04               | 6,416.74       |
| Oracle Financial Services Software (Shanghai) Limited   |                        |                |
| 100% (March 31, 2021- 100%) subscription to the registered capital  | 45.51                  | 45.51          |
| Equity contribution for stock options / OSUs  | 0.54                   | 0.54           |
|   | 46.05                  | 46.05          |
| Oracle Financial Services Software Chile Limitada   |                        |                |
| 100% (March 31, 2021 - 100%) subscription to the registered capital   | 70.49                  | 70.49          |
| Equity contribution for stock options / OSUs  | 10.39                  | 10.39          |
|   | 80.88                  | 80.88          |
| ISP Internet Mauritius Company  |                        |                |
| 30,000 (March 31, 2021 - 30,000) equity shares of no par value  | 192.12                 | 192.12         |
| Fair valuation of loan  | 113.70                 | 113.70         |
| Equity contribution for stock options / OSUs  | 34.52                  | 32.17          |
| Provision for diminution in value of investment and fair valuation of loan                                      | (167.36)               | (167.36)       |
|   | 172.98                 | 170.63         |
| Oracle (OFSS) Processing Services Limited   |                        |                |
| 1,300,000 (March 31, 2021 - 1,300,000) equity shares of ₹ 10 each, fully paid-up                                | 13.00                  | 13.00          |
| Mantas India Private Limited  |                        |                |
| 1,499,940 (March 31, 2021 - 1,499,940) equity shares of ₹ 10 each, fully paid-up                                | 20.28                  | 20.28          |
| Oracle (OFSS) BPO Services Limited  |                        |                |
| 5,808,660 (March 31, 2021 - Nil) equity shares of ₹ 10/- each, fully paid-up                                    | 167.60                 | -              |
| Equity contribution for stock options / OSUs  | 2.61                   | -              |
|   | 170.21                 | -              |
| Aggregate amount of unquoted investments  | 7,899.79               | 7,726.81       |
| Aggregate amount of impairment of unquoted investments  | 172.76                 | 172.76         |

## Note 7: Financial assets

(Amounts in ₹ million)

|  | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Non-current  |                |                |
| Other financial assets at fair value through profit or loss                  |                |                |
| Investment in Sarvatra Technologies Private Limited (unquoted)*              |                |                |
| 242,240 (March 31, 2021 – 242,240) equity shares of ₹ 10 each, fully paid-up | –              | –              |
|  | –              | –              |
| Other financial assets measured at amortized cost                            |                |                |
| Deposits for premises and others   | 593.14         | 525.47         |
| Tax deducted at source paid under protest                                    | 922.39         | 850.40         |
|  | 1,515.53       | 1,375.87       |
|  | 1,515.53       | 1,375.87       |
| Current  |                |                |
| Other financial assets measured at amortized cost                            |                |                |
| Unbilled revenue   | 1,432.62       | 1,426.11       |
| Amount receivable from subsidiaries  | 18.58          | 61.22          |
| Deposits for premises and others   | 40.68          | 141.75         |
| Other receivables and advances   | 119.08         | 137.77         |
|  | 1,610.96       | 1,766.85       |

\*The Company had made an investment of ₹ 45 million and the same has been fair valued as at the balance sheet date.

Breakup of financial assets measured at amortized cost

(Amounts in ₹ million)

|   | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Deposits for premises and others          | 633.82         | 667.22         |
| Tax deducted at source paid under protest | 922.39         | 850.40         |
| Unbilled revenue                          | 1,432.62       | 1,426.11       |
| Amount receivable from subsidiaries       | 18.58          | 61.22          |
| Other receivables and advances            | 119.08         | 137.77         |
| Trade receivables [note 8]                | 5,568.23       | 4,562.87       |
| Loan                                      | –              | 30.00          |
| Cash and bank balances [note 9]           | 34,063.50      | 33,303.12      |
|   | 42,758.22      | 41,038.71      |

## Note 8: Trade receivables

(Amounts in ₹ million)

|                            | March 31, 2022 | March 31, 2021 |
|----------------------------|----------------|----------------|
| Secured, considered good   | –              | –              |
| Unsecured, considered good | 5,661.14       | 4,665.37       |
| Credit impaired            | 86.87          | 5.09           |
|                            | 5,748.01       | 4,670.46       |
| Impairment allowance       |                |                |
| Unsecured, considered good | (92.91)        | (102.50)       |
| Credit impaired            | (86.87)        | (5.09)         |
|                            | (179.78)       | (107.59)       |
|                            | 5,568.23       | 4,562.87       |

No trade receivables are due from directors or other key managerial personnel of the Company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

## Trade receivables ageing schedule

(Amounts in ₹ million)

| As at March 31, 2022         | Outstanding for following periods from due date of payment <sup>#</sup> |                    |                   |             |             |                   | Total    |
|------------------------------|---|--------------------|-------------------|-------------|-------------|-------------------|----------|
|                              | Not due   | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years |          |
| Undisputed trade receivables |   |                    |                   |             |             |                   |          |
| Considered good              | 3,102.42  | 2,552.95           | –                 | 3.28        | 2.49        | –                 | 5,661.14 |
| Credit impaired              | –   | 34.13              | 27.22             | 8.25        | 3.16        | 14.11             | 86.87    |
| Disputed trade receivables   |   |                    |                   |             |             |                   |          |
| Considered good              | –   | –                  | –                 | –           | –           | –                 | –        |
| Credit impaired              | –   | –                  | –                 | –           | –           | –                 | –        |
|                              | 3,102.42  | 2,587.08           | 27.22             | 11.53       | 5.65        | 14.11             | 5,748.01 |
| Less: Impairment allowance   |   |                    |                   |             |             |                   | (179.78) |
|                              |   |                    |                   |             |             |                   | 5,568.23 |

(Amounts in ₹ million)

| As at March 31, 2021         | Outstanding for following periods from due date of payment <sup>#</sup> |                    |                   |             |             |                   | Total    |
|------------------------------|---|--------------------|-------------------|-------------|-------------|-------------------|----------|
|                              | Not due   | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years |          |
| Undisputed trade receivables |   |                    |                   |             |             |                   |          |
| Considered good              | 1,863.48  | 2,712.22           | 82.83             | 6.84        | –           | –                 | 4,665.37 |
| Credit impaired              | –   | –                  | –                 | 2.03        | 1.96        | 1.10              | 5.09     |
| Disputed trade receivables   |   |                    |                   |             |             |                   |          |
| Considered good              | –   | –                  | –                 | –           | –           | –                 | –        |
| Credit impaired              | –   | –                  | –                 | –           | –           | –                 | –        |
|                              | 1,863.48  | 2,712.22           | 82.83             | 8.87        | 1.96        | 1.10              | 4,670.46 |
| Less: Impairment allowance   |   |                    |                   |             |             |                   | (107.59) |
|                              |   |                    |                   |             |             |                   | 4,562.87 |

<sup>#</sup>Wherever the due date of payment is not specified, the disclosure is from the date of transaction.

## Note 9: Cash and bank balances

(Amounts in ₹ million, except share data)

|  | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| (a) Cash and cash equivalents  |                |                |
| Balances with banks:   |                |                |
| In current accounts  | 860.61         | 1,912.23       |
| In deposit accounts with original maturity of less than 3 months                         | 280.03         | 250.05         |
| In unclaimed dividend accounts   | 48.63          | 85.93          |
|  | 1,189.27       | 2,248.21       |
| (b) Other bank balances  |                |                |
| Balances with banks:   |                |                |
| In deposit accounts with original maturity of more than 3 months but less than 12 months | 32,872.69      | 31,053.35      |
| In margin money deposit accounts   | 1.54           | 1.56           |
|  | 32,874.23      | 31,054.91      |
|  | 34,063.50      | 33,303.12      |

Cash at banks earns interest at floating rates based on the daily bank deposit rates and the daily balances. Time deposits are placed for varying periods ranging from 7 days to 364 days, depending on the immediate cash requirements of the Company. The time deposits earn interest at the respective deposit rates.

Changes in liabilities arising from financing activities is primarily due to repayment of lease liabilities [Refer note 28 – Leases].

## Note 10: Other assets

(Amounts in ₹ million)

|  | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Non-current                                    |                |                |
| GST, VAT, service tax and other indirect taxes | 302.10         | 300.60         |
| Prepaid expenses                               | 5.14           | 3.89           |
| Deferred contract cost                         | 34.10          | 23.32          |
|  | 341.34         | 327.81         |
| Current  |                |                |
| Unbilled revenue                               | 1,417.61       | 1,407.10       |
| GST, VAT, service tax and other indirect taxes | 287.36         | 151.49         |
| Prepaid expenses                               | 82.78          | 103.47         |
| Deferred contract cost                         | 16.19          | 15.56          |
|  | 1,803.94       | 1,677.62       |

## Note 11: Equity share capital

(Amounts in ₹ million)

|  | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Authorized:  |                |                |
| 100,000,000 (March 31, 2021 - 100,000,000) equity shares of ₹ 5 each | 500.00         | 500.00         |
| Issued, subscribed and fully paid-up:                                |                |                |
| 86,246,465 (March 31, 2021 - 86,062,233) equity shares of ₹ 5 each   | 431.23         | 430.31         |

- (a) The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- (b) Details of shareholders holding more than 5% equity shares in the Company:

| Name and relationship of shareholder:              | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Oracle Global (Mauritius) Limited, holding company |                |                |
| Number of equity shares                            | 63,051,197     | 63,051,197     |
| % of equity shares                                 | 73.11%         | 73.26%         |

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of equity shares.

- (c) Reconciliation of equity outstanding at the beginning and at the end of the year:

|   | No. of equity shares | Amounts in ₹ million |
|---|----------------------|----------------------|
| Outstanding as at March 31, 2020  | 85,879,298           | 429.40               |
| Issued during the year ended March 31, 2021 under the employee stock option plan (ESOP) | 182,935              | 0.91                 |
| Outstanding as at March 31, 2021  | 86,062,233           | 430.31               |
| Issued during the year ended March 31, 2022 under the employee stock option plan (ESOP) | 184,232              | 0.92                 |
| Outstanding as at March 31, 2022  | 86,246,465           | 431.23               |

- (d) Refer note 29 (b) for details of shares reserved for issue under the employee stock option plan (ESOP) of the Company.

## Note 12: Other equity

(Amounts in ₹ million)

|  | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Share application money pending allotment <sup>#</sup> | 0.00           | 0.00           |
| Securities premium                                     | 16,813.64      | 16,146.42      |
| General reserve  | 10,145.19      | 10,145.19      |
| Employee stock options outstanding                     | 1,561.36       | 1,514.34       |
| Contribution from Ultimate Holding Company             | 90.62          | 72.68          |
| Retained earnings                                      | 28,938.80      | 28,118.27      |
| Other comprehensive income                             | 43.80          | 32.67          |
|  | 57,593.41      | 56,029.57      |

<sup>#</sup>Represents amount less than ₹ 0.01 million

### Share application money pending allotment

Share application money pending allotment represents the amount received on exercise of stock options by the eligible employees under the prevailing ESOP schemes of the Company, on which allotment is yet to be made.

Note: Share application money pending allotment as at March 31, 2022 represents the money received from employees of the Company towards exercise of 125 OFSS Stock Units (OSUs) at the exercise price of ₹ 5 under Oracle Financial Services Software Limited Stock Plan 2014 ("OFSS Stock Plan 2014"). Each OSUs will entitle one equity share of ₹ 5 each of the Company.

Share application money pending allotment as at March 31, 2021 represents the money received from employees of the Company towards exercise of 572 OFSS Stock Units (OSUs) at the exercise price of ₹ 5 under Oracle Financial Services Software Limited Stock Plan 2014 ("OFSS Stock Plan 2014"). Each OSUs will entitle one equity share of ₹ 5 each of the Company.

### Securities premium

Securities premium represents amount received in excess of face value on issue of shares by the Company. It also includes transfer of stock compensation related to options exercised from employee stock options outstanding (other equity). The securities premium will be utilized in accordance with the provisions of the Act.

### General reserve

General reserve represents the amount of profits appropriated by the Company.

### Employee stock options outstanding

Selected employees of the Company also receive remuneration in the form of share-based payments under stock option program of the Company. Employee stock options outstanding represents the fair value of equity-settled transactions, calculated at the date when the grant is made using an appropriate valuation model and recognized over the period in which the performance and/or service conditions are fulfilled.

### Contribution from Ultimate Holding Company

Oracle Corporation, the Ultimate Holding Company of Oracle Financial Services Software Limited has extended its stock option program to selected employees of the Company's overseas branches. Contribution from Ultimate Holding Company represents the fair value of equity-settled transactions; calculated at the date when the grant is made using an appropriate valuation model and recognized over the period in which the performance and/or service conditions are fulfilled.

Oracle Corporation has also extended its Employee Stock Purchase Plan (ESPP) to employees of the Company. Under the plan, the employees are eligible to purchase the shares of Oracle Corporation at discounted price. The discount amount on the shares purchased during the year by employees is treated as Contribution from Ultimate Holding Company.

### Retained earnings

Retained earnings represents the undistributed earnings, net of amounts transferred to general reserve; if any.

**Note:** The Board of Directors have declared an interim dividend on May 4, 2022 of ₹ 190 per equity share for the year ended March 31, 2022. This would result in estimated cash outflow of ₹ 16,396.37 million.

The Board of Directors had declared an interim dividend on May 5, 2021 of ₹ 200 per equity share for the year ended March 31, 2021. This has resulted in cash outflow of ₹ 17,223.39 million.

### Other comprehensive income

Other comprehensive income represents the exchange differences arising on translation of foreign branches and the remeasurements of the defined benefit gratuity plan; comprising of actuarial gains and losses on its net liabilities / assets.

## Note 13: Financial liabilities

(Amounts in ₹ million)

|   | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| (a) Trade payables measured at amortized cost               |                |                |
| Current   |                |                |
| - Payable to micro and small enterprises*                   | 11.28          | 4.82           |
| - Payable to others   | 147.49         | 172.66         |
|   | 158.77         | 177.48         |
| (b) Other financial liabilities                             |                |                |
| Current   |                |                |
| Derivative instruments at fair value through profit or loss |                |                |
| Derivatives not designated as hedges                        |                |                |
| Foreign exchange forward contract, net**                    | 24.62          | 45.02          |
|   | 24.62          | 45.02          |
| Other financial liabilities measured at amortized cost      |                |                |
| Amount due to subsidiaries                                  | 68.16          | 352.66         |
| Accrued expenses  | 413.17         | 486.79         |
| Accrued compensation to employees                           | 554.83         | 501.06         |
| Capital creditors   | 51.41          | 44.29          |
| Unpaid dividends***   | 48.63          | 85.93          |
|   | 1,136.20       | 1,470.73       |
|   | 1,160.82       | 1,515.75       |

\*(i) The identification of Micro and Small Enterprises is based on Management's knowledge of their status.

### Dues to micro and small enterprises - As per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

(Amounts in ₹ million)

|   | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| - Principal amount remaining unpaid to any supplier as at the end of the year.  | 11.28          | 4.82           |
| - Amount of interest due remaining unpaid to any supplier as at the end of the year.  | -              | -              |
| - Amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.                | -              | -              |
| - Amount of interest due and payable for the period of delay in making payment (where the principal has been paid but interest under the MSMED Act, 2006 not paid). | -              | -              |
| - Amount of interest accrued and remaining unpaid at the end of year.   | -              | -              |
| - Amount of further interest remaining due and payable even in the succeeding year.   | -              | -              |
|   | 11.28          | 4.82           |

\*\* (ii) The Company entered into foreign exchange forward contracts with the intention of reducing the foreign exchange risk of trade receivables; these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

\*\*\* (iii) There is no amount due and outstanding as at balance sheet date to be credited to the Investor Education and Protection Fund, except an amount of ₹ 3.10 million which is held back with the Company based on court order received.

Terms and conditions of financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-day terms
- Other financial liabilities are normally settled as and when due

## Ageing of trade payables

(Amounts in ₹ million)

| As at March 31, 2022             | Outstanding for following periods from due date of payment <sup>#</sup> |                  |             |             |                   | Total  |
|----------------------------------|---|------------------|-------------|-------------|-------------------|--------|
|                                  | Not due   | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years |        |
| Undisputed trade payables        |   |                  |             |             |                   |        |
| - To micro and small enterprises | 11.28   | -                | -           | -           | -                 | 11.28  |
| - To others                      | 9.73  | 135.71           | 0.84        | 0.19        | 1.02              | 147.49 |
| Disputed trade payables          |   |                  |             |             |                   |        |
| - To micro and small enterprises | -   | -                | -           | -           | -                 | -      |
| - To others                      | -   | -                | -           | -           | -                 | -      |
|                                  | 21.01   | 135.71           | 0.84        | 0.19        | 1.02              | 158.77 |

(Amounts in ₹ million)

| As at March 31, 2021             | Outstanding for following periods from due date of payment <sup>#</sup> |                  |             |             |                   | Total  |
|----------------------------------|---|------------------|-------------|-------------|-------------------|--------|
|                                  | Not due   | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years |        |
| Undisputed trade payables        |   |                  |             |             |                   |        |
| - To micro and small enterprises | 4.82  | -                | -           | -           | -                 | 4.82   |
| - To others                      | 118.99  | 51.70            | 0.03        | 1.43        | 0.51              | 172.66 |
| Disputed trade payables          |   |                  |             |             |                   |        |
| - To micro and small enterprises | -   | -                | -           | -           | -                 | -      |
| - To others                      | -   | -                | -           | -           | -                 | -      |
|                                  | 123.81  | 51.70            | 0.03        | 1.43        | 0.51              | 177.48 |

<sup>#</sup>Wherever the due date of payment is not specified, the disclosure is from the date of transaction.

## Note 14: Other liabilities

(Amounts in ₹ million)

|                             | March 31, 2022 | March 31, 2021 |
|-----------------------------|----------------|----------------|
| Current                     |                |                |
| Deferred revenues           | 1,186.37       | 801.08         |
| Withholding and other taxes | 240.54         | 146.96         |
| Other statutory dues        | 150.55         | 88.94          |
|                             | 1,577.46       | 1,036.98       |
| Non-current                 |                |                |
| Deferred revenues           | 148.90         | -              |
|                             | 148.90         | -              |

## Note 15: Provisions

(Amounts in ₹ million)

|                              | March 31, 2022 | March 31, 2021 |
|------------------------------|----------------|----------------|
| Non-current                  |                |                |
| For gratuity [Refer note 30] | 1,487.33       | 1,256.87       |
|                              | 1,487.33       | 1,256.87       |
| Current                      |                |                |
| For gratuity [Refer note 30] | 146.38         | 146.96         |
| For compensated absence      | 1,059.35       | 936.79         |
|                              | 1,205.73       | 1,083.75       |



## Note 16: Income taxes

(a) The major components of income tax expense are:

|  | (Amounts in ₹ million)       |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| (i) Profit or loss section                                       |                              |                              |
| Current taxes  | 5,730.28                     | 5,570.78                     |
| Deferred taxes   | (80.86)                      | (84.82)                      |
| Income tax expense reported in the statement of profit and loss  | 5,649.42                     | 5,485.96                     |
| (ii) Other Comprehensive Income section                          |                              |                              |
| Deferred tax on actuarial gain (loss) on gratuity fund           | 31.98                        | 5.90                         |
| Income tax expense charge reported in Other Comprehensive Income | 31.98                        | 5.90                         |

Deferred tax charge for the year ended March 31, 2022 and March 31, 2021 relates to origination and reversal of temporary differences.

(b) Reconciliation of tax expense and accounting profit:

|   | (Amounts in ₹ million) |                |
|---|------------------------|----------------|
|   | March 31, 2022         | March 31, 2021 |
| Profit before tax   | 23,761.51              | 21,878.81      |
| Enacted tax rates in India                                  | 25.168%                | 25.168%        |
| Computed expected tax expenses                              | 5,980.30               | 5,506.46       |
| Tax effect  |                        |                |
| of earlier years  | (64.42)                | (5.27)         |
| on undistributed profits                                    | -                      | -              |
| on non-deductible expenses / deductions for tax purpose     | (264.34)               | 88.60          |
| overseas taxes  | 157.79                 | 68.18          |
| effect of rate change                                       | -                      | -              |
| others  | (159.91)               | (172.01)       |
| Income tax expense reported in statement of profit and loss | 5,649.42               | 5,485.96       |

(c) The tax effect of significant temporary differences that resulted in deferred tax asset are as follows:

|  | (Amounts in ₹ million) |                |
|--|------------------------|----------------|
|  | March 31, 2022         | March 31, 2021 |
| Deferred tax asset                           |                        |                |
| Difference between book and tax depreciation | 159.67                 | 129.36         |
| Provision for compensated absence            | 260.73                 | 225.57         |
| Provision for gratuity                       | 377.94                 | 353.32         |
| Impairment loss on financial assets          | 50.20                  | 27.08          |
| Other timing differences                     | 95.41                  | 95.78          |
|  | 943.95                 | 831.11         |

Deferred tax asset and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities.

(d) Reconciliation of net deferred tax asset is as follows:

|  | (Amounts in ₹ million)       |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| Balance, beginning of year   | 831.11                       | 740.39                       |
| Tax (expense) income during the year recognized in statement of profit or loss | 80.86                        | 84.82                        |
| Tax (expense) income during the year recognized in other comprehensive income  | 31.98                        | 5.90                         |
| Balance, end of the year   | 943.95                       | 831.11                       |

**Note 17: Revenue from operations**

(Amounts in ₹ million)

|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|---|------------------------------|------------------------------|
| Product licenses and related activities | 35,533.77                    | 32,864.37                    |
| IT solutions and consulting services    | 3,427.56                     | 3,587.75                     |
|   | 38,961.33                    | 36,452.12                    |

**Note 18: Finance income**

(Amounts in ₹ million)

|  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|--|------------------------------|------------------------------|
| Interest on financial assets measured at amortized cost: |                              |                              |
| Balance with banks in current and deposit accounts       | 791.26                       | 1,012.97                     |
| Deposits for premises and others                         | 47.08                        | 50.65                        |
| Investment in sublease                                   | –                            | 0.50                         |
| Loan to subsidiary                                       | 1.05                         | 6.97                         |
| Others   | –                            | 0.03                         |
|  | 839.39                       | 1,071.12                     |

**Note 19: Other income, net**

(Amounts in ₹ million)

|  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|--|------------------------------|------------------------------|
| Fair value (loss) gain on derivatives not designated as hedges | (62.44)                      | 74.09                        |
| Foreign exchange gain (loss), net                              | 192.78                       | (67.12)                      |
| (Loss) profit on sale of property, plant and equipment, net    | (0.14)                       | 0.10                         |
| Miscellaneous income   | 89.87                        | 86.62                        |
| Dividend from subsidiary company                               | 1,500.66                     | –                            |
|  | 1,720.73                     | 93.69                        |

**Note 20: Employee benefit expenses**

(Amounts in ₹ million)

|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|---|------------------------------|------------------------------|
| Salaries and bonus                        | 12,910.64                    | 11,008.28                    |
| Contribution to provident and other funds | 922.96                       | 769.83                       |
| Stock compensation expense                | 496.91                       | 426.61                       |
| Staff welfare expenses                    | 215.03                       | 238.49                       |
|   | 14,545.54                    | 12,443.21                    |

**Note 21: Finance cost**

(Amounts in ₹ million)

|                             | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|-----------------------------|------------------------------|------------------------------|
| Interest on lease liability | 32.30                        | 39.75                        |
| Interest on income tax      | –                            | 8.24                         |
|                             | 32.30                        | 47.99                        |

**Note 22: Other operating expenses**

(Amounts in ₹ million)

|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|---|------------------------------|------------------------------|
| Application software  | 13.36                        | 13.91                        |
| Communication expenses  | 67.84                        | 55.65                        |
| Rent  | 51.17                        | 56.77                        |
| Power   | 108.68                       | 103.65                       |
| Insurance   | 25.19                        | 24.06                        |
| Repairs and maintenance:  |                              |                              |
| Buildings and leasehold premises  | 25.69                        | 22.99                        |
| Computer equipments   | 10.74                        | 12.34                        |
| Others  | 56.67                        | 65.69                        |
| Rates and taxes   | 30.84                        | 51.63                        |
| Reversal of provision for diminution in value of investment in subsidiary company | –                            | (42.11)                      |
| Impairment loss on contract assets  | 92.31                        | (191.34)                     |
| Impairment loss on other financial assets   | 3.33                         | 1.95                         |
| Bad debts   | 26.81                        | 101.37                       |
| Corporate Social Responsibility   | 428.47                       | 384.46                       |
| Auditors' remuneration  | 17.30                        | 15.83                        |
| Miscellaneous expenses  | 88.72                        | 137.72                       |
|   | 1,047.12                     | 814.57                       |

**Note 23: Financial ratios**

| Particulars                                     | Numerator   | Denominator  | March 31,<br>2022 | March 31,<br>2021 | Variance |
|---|---|--|-------------------|-------------------|----------|
| (a) Current ratio (in times)                    | Total current assets  | Total current liabilities                                    | 9.85              | 10.56             | -7%      |
| (b) Return on equity ratio (in %)               | Profit for the year   | Average total equity   | 32%               | 29%               | 10%      |
| (c) Trade receivables turnover ratio (in times) | Revenue from operations   | Average trade receivables                                    | 7.69              | 8.36              | -8%      |
| (d) Trade payables turnover ratio (in times)    | Purchases of services and other expenses  | Average trade payables                                       | 7.64              | 5.38              | 42%*     |
| (e) Net capital turnover ratio (in times)       | Revenue from operations   | Total current assets less total current liabilities          | 1.01              | 0.97              | 4%       |
| (f) Net profit ratio (in %)                     | Profit for the year   | Revenue from operations                                      | 46%               | 45%               | 2%       |
| (g) Return on capital employed (in %)           | Profit before tax and finance cost  | Networth + lease liabilities + deferred tax liabilities      | 41%               | 39%               | 5%       |
| (h) Debt equity ratio (in times)                | Total debts (lease liabilities)   | Total equity   | 0.01              | 0.01              | 0%       |
| (i) Debt service coverage ratio (in times)      | Profit for the year + non-cash operating expenses + finance cost + Other non-cash adjustments | Lease payments (repayment of lease liability + finance cost) | 152.41            | 59.22             | 157%**   |
| (j) Return on investment (in %)                 | Dividend from subsidiary company  | Average investments in subsidiaries                          | 19%               | 0%                | 100%***  |

\*Reduction in trade payables towards services availed / goods received has resulted in an improvement in the ratio.

\*\*Increase in cash profits along with reduction in lease liability has resulted in an increase in the ratio.

\*\*\*During the year ended March 31, 2022, the Company has received dividend from one of its wholly owned subsidiary company.

## Note 24: Fair values

The management has assessed that fair value of financial instruments approximates their carrying amounts largely due to the short term maturities of these instruments.

### Fair value hierarchy:

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Fair value measurement hierarchy for assets and liabilities as at March 31, 2022:

(Amounts in ₹ million)

| Particulars  | Date of valuation | Total  | Fair value measurement using              |   |   |
|--|-------------------|--------|---|---|---|
|  |                   |        | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Assets for which fair values are disclosed:            |                   |        |   |   |   |
| Investment property [Refer note 5]                     | March 31, 2022    | 237.60 | –   | 237.60                                  | –   |
| Liabilities measured at fair value:                    |                   |        |   |   |   |
| Foreign exchange forward contract, net [Refer note 13] | March 31, 2022    | 24.62  | –   | 24.62                                   | –   |

Fair value measurement hierarchy for assets and liabilities as at March 31, 2021:

(Amounts in ₹ million)

| Particulars  | Date of valuation | Total  | Fair value measurement using              |   |   |
|--|-------------------|--------|---|---|---|
|  |                   |        | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Assets for which fair values are disclosed:            |                   |        |   |   |   |
| Investment property [Refer note 5]                     | March 31, 2021    | 205.50 | –   | 205.50                                  | –   |
| Liabilities measured at fair value:                    |                   |        |   |   |   |
| Foreign exchange forward contract, net [Refer note 13] | March 31, 2021    | 45.02  | –   | 45.02                                   | –   |

The following methods and assumptions are used to estimate the fair values:

The Company enters into derivative financial instruments with various banks. Foreign exchange forward contracts are valued using valuation techniques, which employ the use market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies.

There have been no transfers between Level 1 and Level 2 during the periods March 31, 2022 and March 31, 2021.

## Note 25: Reconciliation of basic and diluted equity shares used in computing earnings per share

(Number of equity shares)

|  | Year ended     | Year ended     |
|--|----------------|----------------|
|  | March 31, 2022 | March 31, 2021 |
| Weighted average shares outstanding for basic earnings per share               | 86,171,977     | 85,986,435     |
| Add: Effect of dilutive component of stock options                             | 457,148        | 384,381        |
| Weighted average shares outstanding for diluted earnings per share             | 86,629,125     | 86,370,816     |
| Profit attributable to equity shareholders (In ₹ million)                      | 18,112.09      | 16,392.85      |
| Earnings per equity share of par value of ₹ 5 (March 31, 2021 ₹ 5) each (in ₹) |                |                |
| Basic  | 210.19         | 190.64         |
| Diluted  | 209.08         | 189.80         |

## Note 26: Significant accounting judgements, estimates and assumptions

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions and estimate at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are described below. These assumptions and estimates are based on available parameters as on the date of preparation of standalone financial statements. These assumptions and estimates, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

### (i) Leases

The Company has entered into commercial property leases for its offices.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term and the applicable discount rate. The Company has lease contracts which include extension and termination option and this requires exercise of judgement by the Company in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease period.

### (ii) Fair value of investment property

As per the Ind AS, the Company is required to disclose the fair value of the investment property. Accordingly, the Company has engaged an independent valuation specialist to assess the fair values of investment property as at March 31, 2022 and March 31, 2021. The investment property was valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the investment property. The key assumptions used to determine fair value of the investment property and sensitivity analysis are provided in note 5.

### (iii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the projections for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

### (iv) Share based payments

The Company measures share-based payments and transactions at fair value and recognizes over the vesting period using Black Scholes valuation model. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and model used for estimating fair value for share-based payment transactions are disclosed in note 30 (b).

### (v) Taxes

Income tax expense comprises current tax expense and the net changes in the deferred tax asset or liability during the year. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions, including disclosures thereof. Also refer note 2.2 (f), note 16 and note 39.

### (vi) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment retirement benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date annually. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases is based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in note 30.

#### (vii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 24 for further disclosures.

#### (viii) Revenue recognition

The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

In determining the transaction price for the contract, judgement is required to assess if the consideration is fixed or is considered variable and whether there is any constraint on such variable consideration such as volume discounts, service level credits and price concessions. The Company uses judgement to determine an appropriate standalone selling price for each performance obligation and allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract except for sale of software licenses, where the Company uses a residual approach for estimating the standalone selling price of software license as the pricing is highly variable.

Contract fulfilment costs are generally expensed as incurred except for certain contract costs which meet the criteria for capitalization. Such costs are amortized over the benefit period. The assessment of this criteria requires the application of judgement.

### Note 27: Capital commitments and contingent liabilities

| Particulars  | (Amounts in ₹ million) |                |
|--|------------------------|----------------|
|  | March 31, 2022         | March 31, 2021 |
| (a) Capital commitments towards  |                        |                |
| i) property, plant and equipment   | 93.09                  | 138.13         |
| contracts remaining to be executed on capital account not provided for (net of advances) |                        |                |
| ii) acquisition of shares of step-down subsidiary companies                              | Nil                    | 120.00         |
| iii) unsecured loan to step-down subsidiary company                                      | Nil                    | 144.00         |
| (b) Contingent liabilities (Refer note 39 for tax litigations)                           | Nil                    | Nil            |

### Note 28: Leases

#### Where Company is lessee

The changes in the carrying values of right-of-use asset for the year ended March 31, 2022 and March 31, 2021 are given in note 4.

Set out below are the carrying amounts of lease liabilities and the movement during the year ended March 31, 2022 and March 31, 2021:

| Particulars                          | (Amounts in ₹ million) |                      |
|--------------------------------------|------------------------|----------------------|
|                                      | As at March 31, 2022   | As at March 31, 2021 |
| Balance at the beginning of the year | 304.95                 | 552.60               |
| Modifications                        | 300.01                 | (5.77)               |
| (Gain) on lease modification         | (6.23)                 | -                    |
| Interest on lease liability          | 32.30                  | 39.75                |
| Repayments                           | (118.08)               | (280.75)             |
| Exchange impact                      | 2.60                   | (0.88)               |
| Balance at the end of the year       | 515.55                 | 304.95               |

(Amounts in ₹ million)

| Particulars | As at          | As at          |
|-------------|----------------|----------------|
|             | March 31, 2022 | March 31, 2021 |
| Current     | 135.78         | 59.48          |
| Non current | 379.77         | 245.47         |
| Total       | 515.55         | 304.95         |

The maturity analysis of undiscounted lease liabilities as at March 31, 2022 and March 31, 2021 are as follows:

(Amounts in ₹ million)

| Particulars       | As at          | As at          |
|-------------------|----------------|----------------|
|                   | March 31, 2022 | March 31, 2021 |
| Less than 1 year  | 167.05         | 85.69          |
| 1 to 5 years      | 401.24         | 285.67         |
| More than 5 years | –              | –              |
| Total             | 568.29         | 371.36         |

The following amounts are recognized in the statement of profit and loss for the year ended March 31, 2022 and March 31, 2021:

(Amounts in ₹ million)

| Particulars  | As at          | As at          |
|--|----------------|----------------|
|  | March 31, 2022 | March 31, 2021 |
| Depreciation expenses on right-of-use asset  | 176.73         | 260.38         |
| Interest expense on lease liability  | 32.30          | 39.75          |
| Expense relating to short term leases and other service charges (included in other operating expenses as rent) | 51.18          | 56.77          |
| Total  | 260.21         | 356.90         |
| Interest income from subleasing right-of-use asset   | –              | (0.50)         |
| (Gain) on lease modification   | (6.23)         | –              |
| Total  | 253.98         | 356.40         |

The Company had total cash outflows for leases of ₹ 92.01 million (excluding interest) for the year ended March 31, 2022 (March 31, 2021 - ₹ 241.00 million). The Company did not have any non-cash additions to right-of-use assets and lease liabilities. Further, there are no future cash outflows relating to leases that have not yet commenced.

There is no future income receivable from subleasing of right-of-use asset as at March 31, 2022 (March 31, 2021 - Nil).

The minimum rental payments to be made in future in respect of leases as at March 31, 2022 and March 31, 2021 are as follows:

(Amounts in ₹ million)

| Particulars       | As at          | As at          |
|-------------------|----------------|----------------|
|                   | March 31, 2022 | March 31, 2021 |
| Less than 1 year  | –              | 1.59           |
| 1 to 5 years      | –              | –              |
| More than 5 years | –              | –              |
| Total             | –              | 1.59           |

## Note 29: Share based compensation / payments

### (a) Employee Stock Purchase Scheme (ESPS)

The Company had adopted the ESPS administered through a Trust with the name i-flex Employee Stock Option Trust ("the Trust") to provide equity based incentives to key employees of the Company. i-flex Solutions Trustee Company Ltd. is the Trustee of this Trust.

No allocation of shares to the employees have been made through the Trust since 2005 and all selected employees under the Trust have exercised their right of purchase of shares prior to March 31, 2014. In this regard, the Trustee Company had filed a petition in the Honorable Bombay High Court to seek directions for utilization of the remaining unallocated shares along with the other assets held by the Trust for the benefit of the employees of the Company. As per the order of the Honorable Bombay High Court dated August 1, 2016, the trust funds would be utilized for the benefit of the employees. Accordingly, during the financial year the trust has incurred an expenditure of ₹ 22.24 million (March 31, 2021 - ₹ 8.33 million) towards welfare of employees of the Company.

As at March 31, 2022, the Trust is not holding any equity shares (March 31, 2021 - Nil equity shares) of the Company.

## (b) Employee Stock Option Plan (ESOP)

The Members at their Annual General Meeting held on August 14, 2001, approved grant of ESOPs to the employees / directors of the Company and its subsidiaries up to 7.5% of the issued and paid-up capital of the Company from time to time. This said limit was enhanced and approved up to 12.5% of the issued and paid-up capital of the Company from time to time, by the Members at their Annual General Meeting held on August 18, 2011. This limit is an all inclusive limit applicable for stock options ("options") granted in the past and in force and those that will be granted by the Company.

Pursuant to ESOP scheme approved by the shareholders of the Company on August 14, 2001, the Board of Directors, on March 4, 2002 approved the 2002 Employees Stock Option Plan ("Scheme 2002") for issue of 4,753,600 options to the employees and directors of the Company and its subsidiaries. According to the Scheme 2002, the Company has granted 4,548,920 options prior to the IPO and 619,000 options at various dates after IPO (including the grants of options out of options forfeited earlier). On August 25, 2010, the Board of Directors approved the Employees Stock Option Plan 2010 Scheme ("Scheme 2010") for issue of 618,000 options to the employees and directors of the Company and its subsidiaries. According to the Scheme 2010, the Company has granted 638,000 options (including the grants of options out of options forfeited earlier). As at March 31, 2022 there are no options outstanding under ESOP Scheme 2002 and ESOP Scheme 2010.

Pursuant to ESOP scheme approved by the shareholders of the Company in their meeting held on August 18, 2011, the Board of Directors approved the Employees Stock Option Plan 2011 Scheme ("Scheme 2011"). Accordingly, the Company has granted 1,950,500 options under the Scheme 2011. Nomination and Remuneration Committee in their meeting held on August 7, 2014, approved Oracle Financial Services Software Limited Stock Plan 2014 ("OFSS Stock Plan 2014"). Accordingly, the Company has granted 178,245 Stock Options and 1,183,643 OFSS Stock Units (OSUs) under OFSS Stock Plan 2014. The issuance terms of OSUs are the same as for options. Till March 2019, employees could elect to receive 1 OSU in lieu of 4 awarded options at their respective exercise price.

As per the Scheme 2002, Scheme 2010 and Scheme 2011, each of 20% of the total options granted vest on completion of 12, 24, 36, 48 and 60 months from the date of grant. In respect of the OFSS Stock Plan 2014, each of 25% of the total options / OSUs granted will vest on completion of 12, 24, 36 and 48 months from the date of grant. Any vesting is subject to continued employment of the employee with the Company or its subsidiaries. Options / OSUs have exercise period of 10 years from the date of grant. The employee pays the exercise price and applicable taxes upon exercise of options / OSUs.

A summary of the activity in the Company's ESOP (Scheme 2010) is as follows:

|                                  | Year ended March 31, 2022   |                                     | Year ended March 31, 2021   |                                     |
|----------------------------------|-----------------------------|-------------------------------------|-----------------------------|-------------------------------------|
|                                  | Shares arising from options | Weighted average exercise price (₹) | Shares arising from options | Weighted average exercise price (₹) |
| Outstanding at beginning of year | –                           | –                                   | 33,835                      | 2,050                               |
| Granted                          | –                           | –                                   | –                           | –                                   |
| Exercised                        | –                           | –                                   | (12,805)                    | 2,050                               |
| Forfeited                        | –                           | –                                   | (21,030)                    | 2,050                               |
| Outstanding at end of the year   | –                           | –                                   | –                           | –                                   |
| Vested options                   | –                           | –                                   | –                           | –                                   |
| Unvested options                 | –                           | –                                   | –                           | –                                   |
| Options vested during the year   | –                           | –                                   | –                           | –                                   |

A summary of the activity in the Company's ESOP (Scheme 2011) is as follows:

|                                  | Year ended March 31, 2022   |                                     | Year ended March 31, 2021   |                                     |
|----------------------------------|-----------------------------|-------------------------------------|-----------------------------|-------------------------------------|
|                                  | Shares arising from options | Weighted average exercise price (₹) | Shares arising from options | Weighted average exercise price (₹) |
| Outstanding at beginning of year | 324,116                     | 2,943                               | 354,942                     | 2,932                               |
| Granted                          | –                           | –                                   | –                           | –                                   |
| Exercised                        | (86,082)                    | 2,725                               | (12,076)                    | 2,376                               |
| Forfeited                        | (23,926)                    | 2,305                               | (18,750)                    | 3,096                               |
| Outstanding at end of the year   | 214,108                     | 3,102                               | 324,116                     | 2,943                               |
| Vested options                   | 214,108                     | –                                   | 324,116                     | –                                   |
| Unvested options                 | –                           | –                                   | –                           | –                                   |
| Options vested during the year   | –                           | –                                   | –                           | –                                   |



A summary of the activity in the Company's ESOP (OFSS Stock Plan 2014) is as follows:

|                                  | Year ended March 31, 2022            |                                     | Year ended March 31, 2021            |                                     |
|----------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|                                  | Shares arising from options and OSUs | Weighted average exercise price (₹) | Shares arising from options and OSUs | Weighted average exercise price (₹) |
| Outstanding at beginning of year | 588,829                              | 758                                 | 595,174                              | 798                                 |
| Granted                          | 156,215                              | 5                                   | 172,975                              | 5                                   |
| Exercised                        | (98,150)                             | 236                                 | (158,054)                            | 6                                   |
| Forfeited                        | (27,308)                             | 832                                 | (21,266)                             | 1,357                               |
| Outstanding at end of the year   | 619,586                              | 647                                 | 588,829                              | 758                                 |
| Vested options and OSUs          | 256,677                              |                                     | 227,249                              |                                     |
| Unvested options and OSUs        | 362,909                              |                                     | 361,580                              |                                     |
| Options vested during the year   | 133,947                              |                                     | 141,343                              |                                     |

During the year ended March 31, 2022, the Company has granted 156,215 OSUs at an exercise price of ₹ 5 (March 31, 2021 - 172,975 OSUs at an exercise price of ₹ 5) under OFSS Stock Plan 2014.

The weighted average share price for the year over which options / OSUs were exercised was ₹ 4,111 (March 31, 2021 - ₹ 3,005).

The details of options / OSUs unvested and options / OSUs vested and exercisable as on March 31, 2022 are as follows:

|                                       | Exercise prices (₹) | Number of Options | Weighted average exercise price (₹) | Weighted average remaining contractual life (Years) |
|---------------------------------------|---------------------|-------------------|-------------------------------------|---|
| Options / OSUs unvested               | 5                   | 360,752           | 5                                   | 8.4   |
|                                       | 4,158               | 2,157             | 4,158                               | 6.2   |
| Options / OSUs vested and exercisable | 5                   | 146,144           | 5                                   | 6.1   |
|                                       | 3,077               | 107,748           | 3,077                               | 1.5   |
|                                       | 3,127               | 106,360           | 3,127                               | 0.8   |
|                                       | 3,241               | 34,890            | 3,241                               | 3.0   |
|                                       | 3,393               | 39,775            | 3,393                               | 4.2   |
|                                       | 3,579               | 6,325             | 3,579                               | 5.2   |
|                                       | 3,987               | 23,075            | 3,987                               | 3.6   |
|                                       | 4,158               | 6,468             | 4,158                               | 6.2   |
|                                       |                     | 833,694           | 1,278                               | 5.5   |

The details of options / OSUs unvested and options / OSUs vested and exercisable as on March 31, 2021 are as follows:

|                                       | Exercise prices (₹) | Number of Options | Weighted average exercise price (₹) | Weighted average remaining contractual life (Years) |
|---------------------------------------|---------------------|-------------------|-------------------------------------|---|
| Options / OSUs unvested               | 5                   | 354,354           | 5                                   | 8.4   |
|                                       | 3,579               | 2,025             | 3,579                               | 6.2   |
|                                       | 4,158               | 5,201             | 4,158                               | 7.2   |
| Options / OSUs vested and exercisable | 5                   | 109,247           | 5                                   | 6.0   |
|                                       | 1,930               | 43,463            | 1,930                               | 0.7   |
|                                       | 3,077               | 152,883           | 3,077                               | 2.5   |
|                                       | 3,127               | 127,770           | 3,127                               | 1.8   |
|                                       | 3,241               | 36,278            | 3,241                               | 4.0   |
|                                       | 3,393               | 45,050            | 3,393                               | 5.2   |
|                                       | 3,579               | 6,325             | 3,579                               | 6.2   |
|                                       | 3,987               | 25,050            | 3,987                               | 4.6   |
|                                       | 4,158               | 5,299             | 4,158                               | 7.2   |
|                                       |                     | 912,945           | 1,533                               | 5.4   |

Options / OSUs granted during the financial year ended March 31, 2022:

The weighted average fair value of options / OSUs granted during the year was ₹ 4,309 (March 31, 2021 - ₹ 3,039).

The Black Scholes valuation model has been used for computing the above weighted average fair value of options / OSUs granted considering the following inputs:

|                                     | Year Ended March 31, 2022<br>OFSS Stock Plan 2014 (OSU) |                 |                |             |
|-------------------------------------|---|-----------------|----------------|-------------|
|                                     | August, 2021  | September, 2021 | December, 2021 | March, 2022 |
| Weighted average share price (in ₹) | 4,315   | 4,807           | 4,235          | 3,482       |
| Exercise Price (in ₹)               | 5/-   | 5/-             | 5/-            | 5/-         |
| Expected Volatility                 | 32%   | 31%             | 31%            | 32%         |
| Weighted average life (in years)    | 3.26  | 3.12            | 3.12           | 3.12        |
| Expected dividend rate              | Nil   | Nil             | Nil            | Nil         |
| Average risk-free interest rate %   | 5.19%   | 4.84%           | 4.92%          | 5.36%       |

|                                     | Year Ended<br>March 31, 2021<br>OFSS Stock Plan 2014<br>(OSU)<br>July, 2020 |
|-------------------------------------|---|
| Weighted average share price (in ₹) | 3,044   |
| Exercise Price (in ₹)               | 5/-   |
| Expected Volatility                 | 32%   |
| Weighted average life (in years)    | 3.11  |
| Expected dividend rate              | Nil   |
| Average risk-free interest rate %   | 4.5%  |

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life; the Company expects the volatility of its share price to reduce as it matures.

### Note 30: Employee benefit obligation

#### Defined contribution plans

During year ended March 31, 2022 and 2021, the Company contributed following amounts to defined contributions plans:

| Particulars         | (Amounts in ₹ million)       |                              |
|---------------------|------------------------------|------------------------------|
|                     | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| Provident fund      | 514.05                       | 427.74                       |
| Superannuation fund | 122.71                       | 111.51                       |
|                     | 636.76                       | 539.25                       |

#### Defined benefit plan – gratuity

The amounts recognized in the statement of profit and loss for the year ended March 31, 2022 and 2021 are as follows:

| Particulars                                 | (Amounts in ₹ million)       |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| Current service cost                        | 204.23                       | 157.57                       |
| Interest cost, net                          | 82.77                        | 73.01                        |
| Total included in employee benefit expenses | 287.00                       | 230.58                       |

Remeasurements recognized in other comprehensive income are as follows:

| Particulars  | (Amounts in ₹ million)       |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| Due to change in demographic assumptions           | 17.68                        | 6.70                         |
| Due to change in financial assumptions             | (34.38)                      | (10.39)                      |
| Due to change in experience adjustments            | 143.47                       | 27.74                        |
| (Return) on plan assets (excl. interest income)    | 0.30                         | (0.59)                       |
| Total remeasurements in other comprehensive income | 127.07                       | 23.46                        |

The amounts recognized in the balance sheet are as follows:

| Particulars                           | (Amounts in ₹ million)  |                         |
|---------------------------------------|-------------------------|-------------------------|
|                                       | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
| Present value of unfunded obligations | 1,647.91                | 1,411.60                |
| Fair value of plan assets             | (14.20)                 | (7.77)                  |
| Net liability                         | 1,633.71                | 1,403.83                |

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

| Particulars   | (Amounts in ₹ million)       |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| Defined benefit obligation at beginning of the year | 1,411.60                     | 1,289.47                     |
| Current service cost                                | 178.59                       | 157.57                       |
| Past service cost                                   | 25.64                        | -                            |
| Interest cost                                       | 83.31                        | 73.46                        |
| Effect of exchange rate changes                     | 6.05                         | (6.62)                       |
| Benefits paid                                       | (184.05)                     | (126.33)                     |
| Re-measurements                                     |                              |                              |
| -Due to change in demographic assumptions           | 17.68                        | 6.70                         |
| -Due to changes in financial assumptions            | (34.38)                      | (10.39)                      |
| -Due to change in experience adjustments            | 143.47                       | 27.74                        |
| Defined benefit obligation at end of the year       | 1,647.91                     | 1,411.60                     |

Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

| Particulars  | (Amounts in ₹ million)       |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| Fair value of plan assets at beginning of the year | 7.77                         | 2.98                         |
| Interest income                                    | 0.53                         | 0.45                         |
| (Return) on plan assets (excl. interest income)    | (0.30)                       | 0.59                         |
| Contribution by employer                           | 149.96                       | 79.96                        |
| Benefits paid                                      | (143.76)                     | (76.21)                      |
| Fair value of plan assets at end of the year       | 14.20                        | 7.77                         |

Plan assets are administered by LIC and HDFC Life.

The assumptions used in accounting for the gratuity plan are set out as below:

| Particulars                       | March 31, 2022 | March 31, 2021 |
|-----------------------------------|----------------|----------------|
| Discount rate                     | 3.68% - 7.00%  | 3.15% - 6.80%  |
| Expected return on plan assets    | 7.00%          | 6.80%          |
| Salary escalation rate            | 2.00% - 8.00%  | 2.00% - 8.00%  |
| Weighted average duration (years) | 8 - 9          | 8 - 9          |

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

The Company evaluates these assumptions annually based on its long-term plans of growth and industry standards. The discount rates are based on current market yields on government bonds consistent with the currency and estimated term of the post employment benefits obligations. Plan assets are administered by LIC and HDFC Life. The expected rate of return on plan assets is based on the expected average long term rate of return on investments of the fund during the terms of the obligation.

The Company's contribution to the fund for the year ending March 31, 2023 is expected to be ₹ 139.98 million (March 31, 2022 - ₹ 134.89 million).

A quantitative sensitivity analysis for significant assumptions on defined benefit obligation as at March 31, 2022 and March 31, 2021 is as shown below:

| Particulars             | Sensitivity level | (Amounts in ₹ million)    |                           |
|-------------------------|-------------------|---------------------------|---------------------------|
|                         |                   | Year ended March 31, 2022 | Year ended March 31, 2021 |
| Financial assumptions   |                   |                           |                           |
| Discount rate           | - 0.5%            | 1,714.28                  | 1,466.82                  |
|                         | + 0.5%            | 1,585.81                  | 1,359.91                  |
| Salary escalation rate  | - 0.5%            | 1,593.25                  | 1,366.33                  |
|                         | + 0.5%            | 1,704.75                  | 1,458.89                  |
| Demographic assumptions |                   |                           |                           |
| Withdrawal rate         | - 1%              | 1,654.01                  | 1,416.97                  |
|                         | + 1%              | 1,642.16                  | 1,415.65                  |

### Note 31: Investment in step-down subsidiary company

During the year ended March 31, 2022, the Company acquired 99.82% of equity shares of Oracle (OFSS) BPO Services Limited at ₹ 167.60 million towards restructuring of ownership in step-down subsidiary of the Company. Subsequent to the acquisition, Oracle (OFSS) BPO Services Limited has become a direct subsidiary of the Company.

### Note 32: Financial risk management objectives and policies

The Company's activities expose it to market risks, Liquidity risk and credit risks. The management oversees these risks and is aided by the Risk Management Committee whose scope is to formulate the risk management policy, which will identify elements of risk, if any which may affect the Company.

#### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises of foreign currency risk.

#### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of monetary items will fluctuate because of changes in foreign exchange rates. This may have potential impact on the statement of profit and loss and other components of equity, where monetary items are denominated in a foreign currency, which are different from functional currency in which they are measured. As at the balance sheet date, the Company's net foreign currency exposure expressed in INR that is not hedged is ₹ 1,044.66 million (March 31, 2021 - ₹ 1,630.62 million).

Following are the carrying amounts of foreign currency denominated monetary items (net) of the Company where it has significant exposure as at the balance sheet date:

| Currency | (Amounts in ₹ million) |                |
|----------|------------------------|----------------|
|          | March 31, 2022         | March 31, 2021 |
| USD      | 812.29                 | 8.63           |
| SGD      | 147.43                 | 497.75         |
| GBP      | 101.95                 | 108.46         |
| JPY      | (207.42)               | 28.33          |
| EUR      | 246.94                 | 543.53         |
| AUD      | (18.86)                | 67.98          |

The Company manages its foreign currency risk by hedging the receivables in the major currencies (USD, EUR, AUD, GBP and JPY) using hedging instrument as forward contracts. The period of the forward contracts is determined by the expected collection period for invoices which currently ranges between 30 to 120 days.

## Foreign currency sensitivity

Below table demonstrates sensitivity impact on Company's profit after tax and total equity due to change in foreign exchange rates of currencies where it has significant exposure:

| Currency | (Amounts in ₹ million) |         |                |         |
|----------|------------------------|---------|----------------|---------|
|          | March 31, 2022         |         | March 31, 2021 |         |
|          | +1%                    | -1%     | +1%            | -1%     |
| USD      | 41.04                  | (41.04) | 37.75          | (37.75) |
| EUR      | 5.26                   | (5.26)  | 5.68           | (5.68)  |
| GBP      | 2.55                   | (2.55)  | 1.19           | (1.19)  |
| JPY      | 2.06                   | (2.06)  | 2.43           | (2.43)  |
| SGD      | 1.10                   | (1.10)  | 3.72           | (3.72)  |
| AUD      | 2.92                   | (2.92)  | 5.15           | (5.15)  |

The above sensitivity impact gain (loss) is due to every percentage point appreciation or depreciation in the exchange rate of respective currencies, with all other variables held constant. Sensitivity impact is computed based on change in value of monetary assets and liabilities denominated in above respective currency, where the functional currency of the entity is a currency other than above respective currency and entities with functional currency as above respective currency where transactions are in foreign currencies. The Company's exposure to foreign currency changes for all other currencies is not material.

## (b) Liquidity risk

Liquidity risk management implies maintaining sufficient availability of funds to meet obligations when due and to close out market positions. The Company monitors rolling forecast of the cash and cash equivalent on the basis of expected cash flows.

The table below summarizes the maturity profile of the Company's financial liabilities.

| Particulars                            | (Amounts in ₹ million) |                  |          |
|--|------------------------|------------------|----------|
|  | Less than 1 year       | More than 1 year | Total    |
| As at March 31, 2022                   |                        |                  |          |
| Lease liability                        | 135.78                 | 379.77           | 515.55   |
| Trade payables                         | 158.77                 | –                | 158.77   |
| Foreign exchange forward contract, net | 24.62                  | –                | 24.62    |
| Amount due to subsidiaries             | 68.16                  | –                | 68.16    |
| Accrued expenses                       | 413.17                 | –                | 413.17   |
| Accrued compensation to employees      | 554.83                 | –                | 554.83   |
| Capital creditors                      | 51.41                  | –                | 51.41    |
| Unpaid dividends                       | 48.63                  | –                | 48.63    |
|  | 1,455.37               | 379.77           | 1,835.14 |

| Particulars                            | (Amounts in ₹ million) |                  |          |
|--|------------------------|------------------|----------|
|  | Less than 1 year       | More than 1 year | Total    |
| As at March 31, 2021                   |                        |                  |          |
| Lease liability                        | 59.48                  | 245.47           | 304.95   |
| Trade payables                         | 177.48                 | –                | 177.48   |
| Foreign exchange forward contract, net | 45.02                  | –                | 45.02    |
| Amount due to subsidiaries             | 352.66                 | –                | 352.66   |
| Accrued expenses                       | 486.79                 | –                | 486.79   |
| Accrued compensation to employees      | 501.06                 | –                | 501.06   |
| Capital creditors                      | 44.29                  | –                | 44.29    |
| Unpaid dividends                       | 85.93                  | –                | 85.93    |
|  | 1,752.71               | 245.47           | 1,998.18 |

The Company has sufficient funds in cash and cash equivalents and other bank balances to meet obligations towards financial liabilities.

## (c) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its finance activities, including time deposits with banks, foreign exchange transactions and other financial instruments.

### (i) Trade receivables

Customer credit risk is managed in line with the established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on regional historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 7.

### (ii) Cash and Bank balances

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with existing Bankers and within credit limits assigned to each banker.

Company follows a conservative philosophy and aims to invest surplus funds in India only in time deposits with well-known and highly rated banks. The duration of such time deposits will not exceed 364 days. The Company, on quarterly basis, monitors the credit ratings and total deposit balances of each of its bankers. Further limits are set to minimize the concentration of risks and therefore mitigate financial loss of any potential failure to repay deposits.

## Note 33: Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company's capital management is to maximize the equity shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and other financial requirements.

## Note 34: Derivative instruments

The Company enters into forward foreign exchange contracts where the counter party is a bank. The Company purchases forward foreign exchange contracts to mitigate the risks of change in foreign exchange rate on receivables denominated in certain foreign currencies. The Company considers the risk of non-performance by the counter party as non-material.

As at March 31, 2022 the Company has following outstanding derivative instrument:

| Particulars                           | (Amounts in million) |                |
|---------------------------------------|----------------------|----------------|
|                                       | March 31, 2022       | March 31, 2021 |
| Forward contracts – Sell in US Dollar | USD 61.70            | USD 50.30      |
| Forward contracts – Sell in AU Dollar | AUD 7.20             | AUD 11.10      |
| Forward contracts – Sell in Euro      | EUR 5.40             | EUR 2.50       |
| Forward contracts – Sell in JPY       | JPY 780.00           | JPY 428.00     |
| Forward contracts – Sell in GBP       | GBP 2.40             | GBP 0.50       |

## Note 35: Names of Related Parties and description of relationship:

| Relationship   | Names of related parties  |
|--|---|
| (i) Related parties where control exists                                     |   |
| Ultimate Holding Company   | Oracle Corporation  |
| Holding Company  | Oracle Global (Mauritius) Limited   |
| Direct Subsidiaries  | Oracle Financial Services Software B.V.<br>Oracle Financial Services Software Pte. Ltd.<br>Oracle Financial Services Software Chile Limitada<br>Oracle Financial Services Software (Shanghai) Limited<br>Oracle Financial Services Software America, Inc.<br>ISP Internet Mauritius Company<br>Oracle (OFSS) Processing Services Limited<br>Oracle (OFSS) ASP Private Limited<br>Mantas India Private Limited<br>Oracle (OFSS) BPO Services Limited (from November 12, 2021)  |
| Subsidiaries of Subsidiaries   | Subsidiary of Oracle Financial Services Software B.V.<br>- Oracle Financial Services Software SA<br><br>Subsidiary of Oracle Financial Services Software Pte. Ltd.<br>- Oracle Financial Services Consulting Pte. Ltd.<br><br>Subsidiaries of Oracle Financial Services Software America, Inc.<br>- Oracle Financial Services Software, Inc.<br>- Mantas Inc.<br>Subsidiaries of Mantas Inc.<br>- Sotas Inc.<br><br>Subsidiaries of ISP Internet Mauritius Company<br>- Oracle (OFSS) BPO Services Inc.<br>- Oracle (OFSS) BPO Services Limited (till November 11, 2021)  |
| (ii) Related parties with whom transactions have taken place during the year |   |
| Fellow Subsidiaries  | Oracle Egypt Ltd.<br>Oracle Canada ULC<br>Oracle Taiwan LLC<br>Oracle Romania S.R.L.<br>Oracle Hungary Kft.<br>Oracle EMEA Limited<br>Oracle Czech s.r.o.<br>Oracle America, Inc.<br>Oracle Nederland B.V.<br>Oracle Vietnam Pte. Ltd.<br>Oracle Italia S.R.L.<br>Oracle Polska, Sp.z.o.o.<br>Oracle India Private Limited<br>Oracle East Central Europe Limited<br>Oracle Systems Hong Kong Limited<br>Oracle Corporation UK Limited<br>Oracle (Philippines) Corporation<br>Oracle do Brasil Sistemas Limitada<br>Oracle Corporation Malaysia Sdn. Bhd.<br>Oracle Systems Limited<br>Oracle East Central Europe Services B.V.<br>Oracle Corporation Australia Pty Limited<br>Oracle Solution Services (India) Private Ltd. |

|                                     |  |
|-------------------------------------|--|
| Relationship                        | Names of related parties<br>Oracle Portugal - Sistemas de Informacao Lda.<br>Oracle Corporation (South Africa) (Pty) Limited<br>Oracle Information Technology Service (Shenzhen) Co., Ltd.<br>Oracle Technology Systems (Kenya) Limited<br>Oracle de Mexico, S.A. de C.V.<br>Oracle New Zealand<br>PT Oracle Indonesia<br>Oracle Colombia Limitada<br>Oracle Korea Ltd.<br>Oracle Slovensko spol. s.r.o.<br>Sistemas Oracle del Peru S.R.L.<br>Oracle Caribbean, Inc.<br>Oracle de Centroamerica, S.A.<br>Oracle France<br>Oracle Deutschland BV & Co. KG<br>Oracle Srbija & Crna Gora d.o.o.<br>Sistemas Oracle de Chile Limitada |
| (iii) Controlled Trust              | i-flex Employee Stock Option Trust   |
| (iv) Key Managerial Personnel (KMP) | Chaitanya Kamat - Managing Director and Chief Executive Officer<br>Makarand Padalkar - Whole-time Director & Chief Financial Officer<br>Onkarnath Banerjee - Company Secretary & Compliance Officer  |
| (v) Independent Directors           | S Venkatachalam<br>Richard Jackson<br>Sridhar Srinivasan<br>Jane Murphy  |

Transactions and balances outstanding with these parties are described below:

(Amounts in ₹ million)

| Particulars   | Transaction                  |                              | Amount receivable (payable) |                         |
|---|------------------------------|------------------------------|-----------------------------|-------------------------|
|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 | As at<br>March 31, 2022     | As at<br>March 31, 2021 |
| Revenue   |                              |                              |                             |                         |
| <b>Fellow Subsidiaries</b>                            |                              |                              |                             |                         |
| Oracle America, Inc.                                  | 3,773.49                     | 1,830.87                     | 545.06                      | 660.19                  |
| Oracle Corporation (South Africa) (Pty) Limited       | 869.37                       | 827.11                       | 133.31                      | 197.89                  |
| Oracle India Private Limited                          | 529.64                       | 491.76                       | 384.17                      | 78.72                   |
| Oracle Egypt Ltd.                                     | 765.26                       | 626.64                       | 100.91                      | 70.39                   |
| Oracle Systems Limited                                | -                            | 19.54                        | (0.05)                      | (0.05)                  |
| Oracle do Brasil Sistemas Limitada                    | 159.97                       | 144.72                       | 106.60                      | 98.62                   |
| Oracle Canada ULC                                     | 882.53                       | 378.77                       | 123.23                      | 199.19                  |
| Oracle Caribbean, Inc.                                | 149.54                       | 39.48                        | 16.81                       | 19.31                   |
| Oracle Colombia Limitada                              | 141.98                       | 145.31                       | 24.90                       | 92.16                   |
| Oracle de Centroamerica, S.A.                         | 112.13                       | 19.59                        | 14.44                       | 11.40                   |
| Oracle de Mexico, S.A. de C.V.                        | 20.30                        | 12.41                        | 3.00                        | 8.52                    |
| Sistemas Oracle de Chile Limitada                     | 264.36                       | 49.58                        | 23.88                       | 24.79                   |
| Sistemas Oracle del Peru S.R.L.                       | 26.61                        | 14.22                        | 4.00                        | 5.99                    |
| <b>Subsidiaries</b>                                   |                              |                              |                             |                         |
| Oracle Financial Services Software B.V.               | 12,009.46                    | 10,502.70                    | 827.93                      | 157.77                  |
| Oracle Financial Services Software, Inc.              | 5,653.93                     | 7,538.81                     | 90.41                       | 165.83                  |
| Oracle Financial Services Software Pte. Ltd.          | 8,772.84                     | 8,469.18                     | 2,247.49                    | 1,718.22                |
| Oracle Financial Services Software (Shanghai) Limited | 61.58                        | 63.75                        | 8.53                        | 22.93                   |
| Oracle Financial Services Software Chile Limitada     | 293.00                       | 283.46                       | 98.56                       | 113.47                  |
| Oracle (OFSS) Processing Services Limited             | 22.31                        | 24.24                        | -                           | 27.29                   |



(Amounts in ₹ million)

| Particulars   | Transaction                  |                              | Amount receivable (payable) |                         |
|---|------------------------------|------------------------------|-----------------------------|-------------------------|
|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 | As at<br>March 31, 2022     | As at<br>March 31, 2021 |
| Unbilled revenue                                      |                              |                              |                             |                         |
| <b>Fellow Subsidiaries</b>                            |                              |                              |                             |                         |
| Oracle America, Inc.                                  | –                            | –                            | 270.17                      | 347.89                  |
| Oracle Corporation (South Africa) (Pty) Limited       | –                            | –                            | 33.55                       | 68.81                   |
| Oracle do Brasil Sistemas Limitada                    | –                            | –                            | 19.07                       | 16.53                   |
| Oracle India Private Limited                          | –                            | –                            | 64.61                       | 19.62                   |
| Oracle Egypt Ltd.                                     | –                            | –                            | 58.89                       | 28.91                   |
| Oracle Canada ULC                                     | –                            | –                            | 38.44                       | 93.78                   |
| Oracle Caribbean, Inc.                                | –                            | –                            | 26.37                       | 4.91                    |
| Oracle Colombia Limitada                              | –                            | –                            | 6.79                        | 7.43                    |
| Oracle de Centroamerica, S.A.                         | –                            | –                            | 5.60                        | 1.16                    |
| Oracle de Mexico, S.A. de C.V.                        | –                            | –                            | 1.63                        | 0.92                    |
| Sistemas Oracle de Chile Limitada                     | –                            | –                            | 65.61                       | 1.70                    |
| Sistemas Oracle de Peru S.A.                          | –                            | –                            | 3.67                        | 3.69                    |
| <b>Subsidiaries</b>                                   |                              |                              |                             |                         |
| Oracle Financial Services Software B.V.               | –                            | –                            | 697.74                      | 741.65                  |
| Oracle Financial Services Software, Inc.              | –                            | –                            | 312.20                      | 179.42                  |
| Oracle Financial Services Software Pte. Ltd.          | –                            | –                            | 620.95                      | 937.95                  |
| Oracle Financial Services Software (Shanghai) Limited | –                            | –                            | 20.69                       | 19.67                   |
| Oracle Financial Services Software Chile Limitada     | –                            | –                            | (13.57)                     | 68.38                   |
| Oracle (OFSS) Processing Services Limited             | –                            | –                            | 5.17                        | 6.60                    |
| Deferred revenue                                      |                              |                              |                             |                         |
| <b>Fellow Subsidiary</b>                              |                              |                              |                             |                         |
| Oracle America, Inc.                                  | –                            | –                            | (219.99)                    | –                       |
| <b>Subsidiary</b>                                     |                              |                              |                             |                         |
| Oracle Financial Services Software, Inc.              | –                            | –                            | –                           | (294.02)                |
| Bad debts   |                              |                              |                             |                         |
| <b>Subsidiaries</b>                                   |                              |                              |                             |                         |
| Oracle Financial Services Software, Inc.              | 0.06                         | 0.70                         | –                           | –                       |
| Oracle Financial Services Software Pte. Ltd.          | –                            | 6.75                         | –                           | –                       |
| Oracle Financial Services Software B.V.               | 6.73                         | 71.59                        | –                           | –                       |
| Oracle Financial Services Software Chile Limitada     | 16.64                        | –                            | –                           | –                       |
| Impairment allowance                                  |                              |                              |                             |                         |
| <b>Fellow Subsidiaries</b>                            |                              |                              |                             |                         |
| Oracle America, Inc.                                  | 0.01                         | 0.09                         | (0.15)                      | (0.14)                  |
| Oracle Egypt Ltd.                                     | 0.25                         | (4.88)                       | (1.03)                      | (0.78)                  |
| Oracle Corporation (South Africa) (Pty) Limited       | (1.53)                       | (3.12)                       | (1.34)                      | (2.87)                  |
| Oracle Colombia Limitada                              | (0.03)                       | 0.04                         | (0.01)                      | (0.04)                  |
| Oracle Canada ULC                                     | –                            | 0.04                         | (0.04)                      | (0.04)                  |
| Oracle India Private Limited                          | 2.21                         | –                            | (2.21)                      | –                       |
| Oracle Caribbean, Inc.                                | 0.01                         | –                            | (0.01)                      | –                       |
| Sistemas Oracle de Chile Limitada                     | 0.01                         | –                            | (0.01)                      | –                       |
| Oracle do Brasil Sistemas Limitada                    | 0.18                         | –                            | (0.18)                      | –                       |

(Amounts in ₹ million)

| Particulars  | Transaction                  |                              | Amount receivable (payable) |                         |
|--|------------------------------|------------------------------|-----------------------------|-------------------------|
|  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 | As at<br>March 31, 2022     | As at<br>March 31, 2021 |
| <b>Subsidiaries</b>  |                              |                              |                             |                         |
| Oracle Financial Services Software B.V.                    | 51.72                        | (83.20)                      | (115.59)                    | (63.87)                 |
| Oracle Financial Services Software, Inc.                   | 0.19                         | (23.25)                      | (7.98)                      | (7.79)                  |
| Oracle Financial Services Software Pte. Ltd.               | 13.40                        | (58.07)                      | (15.17)                     | (1.77)                  |
| Oracle Financial Services Software (Shanghai) Limited      | (0.28)                       | 0.28                         | -                           | (0.28)                  |
| Oracle Financial Services Software Chile Limitada          | (5.68)                       | (4.48)                       | -                           | (5.68)                  |
| Rent expenses (including lease payments)                   |                              |                              |                             |                         |
| <b>Fellow Subsidiaries</b>                                 |                              |                              |                             |                         |
| Oracle Nederland B.V.                                      | 2.38                         | 3.21                         | (0.13)                      | (5.36)                  |
| Oracle Systems Limited                                     | 34.46                        | 49.33                        | -                           | -                       |
| Oracle India Private Limited                               | -                            | (0.22)                       | -                           | (3.46)                  |
| Miscellaneous income (including sub-lease receipts)        |                              |                              |                             |                         |
| <b>Fellow Subsidiaries</b>                                 |                              |                              |                             |                         |
| Oracle India Private Limited                               | 52.37                        | 67.76                        | 1.16                        | 12.56                   |
| Oracle Solution Services (India) Private Ltd.              | 14.86                        | 18.44                        | -                           | 4.38                    |
| Oracle Portugal - Sistemas de Informacao Lda.              | -                            | 9.60                         | -                           | -                       |
| Oracle Nederland B.V.                                      | 6.23                         | -                            | -                           | -                       |
| Oracle do Brasil Sistemas Limitada                         | 6.13                         | -                            | -                           | -                       |
| <b>Subsidiaries</b>  |                              |                              |                             |                         |
| Oracle Financial Services Software B.V.                    | -                            | 1.37                         | -                           | -                       |
| Oracle (OFSS) Processing Services Limited                  | 0.25                         | 0.32                         | -                           | -                       |
| Payment of equity dividend                                 |                              |                              |                             |                         |
| <b>Holding Company</b>                                     |                              |                              |                             |                         |
| Oracle Global (Mauritius) Limited                          | 12,610.24                    | 11,349.22                    | -                           | -                       |
| <b>Key managerial personnel</b>                            |                              |                              |                             |                         |
|  | 31.70                        | 21.24                        | -                           | -                       |
| <b>Independent Directors</b>                               |                              |                              |                             |                         |
|  | 1.20                         | 1.00                         | -                           | -                       |
| Professional fee expenses                                  |                              |                              |                             |                         |
| <b>Fellow Subsidiaries</b>                                 |                              |                              |                             |                         |
| Oracle India Private Limited                               | 296.60                       | 286.99                       | (109.75)                    | (95.73)                 |
| Oracle Information Technology Service (Shenzhen) Co., Ltd. | 33.51                        | 27.87                        | (4.97)                      | (11.67)                 |
| Oracle EMEA Limited  | 10.37                        | 16.90                        | (6.42)                      | (11.77)                 |
| Oracle Systems Limited                                     | 4.53                         | 9.98                         | (2.63)                      | (8.99)                  |
| Oracle Corporation (South Africa) (Pty) Limited            | -                            | (0.43)                       | -                           | -                       |
| Oracle Nederland B.V.                                      | -                            | (0.12)                       | -                           | (0.10)                  |
| Oracle de Mexico, S.A. de C.V.                             | 0.07                         | 1.77                         | (0.07)                      | -                       |
| Oracle America, Inc.                                       | -                            | 6.56                         | -                           | (0.60)                  |
| Oracle Deutschland BV & Co. KG                             | -                            | 6.53                         | -                           | -                       |
| Oracle Solution Services (India) Private Ltd.              | -                            | 1.03                         | -                           | (0.96)                  |
| Oracle Vietnam Pte. Ltd.                                   | -                            | -                            | (0.16)                      | -                       |
| Oracle Corporation (Thailand) Company Limited              | 1.96                         | -                            | (1.72)                      | -                       |
| Oracle (Philippines) Corporation                           | 1.84                         | -                            | (1.43)                      | -                       |
| <b>Subsidiaries</b>  |                              |                              |                             |                         |
| Oracle Financial Services Software B.V.                    | 26.14                        | 30.99                        | (10.58)                     | (6.86)                  |
| Oracle Financial Services Software, Inc.                   | 121.48                       | 106.56                       | (54.81)                     | (26.90)                 |
| Oracle Financial Services Software Pte. Ltd.               | 49.33                        | 21.93                        | (15.18)                     | (4.05)                  |
| Oracle (OFSS) Processing Services Limited                  | 206.53                       | 305.55                       | (16.84)                     | (327.65)                |
| Oracle (OFSS) BPO Services Limited                         | 153.81                       | 180.34                       | (20.85)                     | (14.32)                 |
| Oracle Financial Services Software (Shanghai) Limited      | 0.98                         | -                            | (1.02)                      | -                       |

(Amounts in ₹ million)

| Particulars   | Transaction                  |                              | Amount receivable (payable) |                         |
|---|------------------------------|------------------------------|-----------------------------|-------------------------|
|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 | As at<br>March 31, 2022     | As at<br>March 31, 2021 |
| Reimbursement (recovery) of expenses                  |                              |                              |                             |                         |
| <b>Fellow Subsidiaries</b>                            |                              |                              |                             |                         |
| <b>Professional fees</b>                              |                              |                              |                             |                         |
| Oracle America, Inc.                                  | 14.86                        | 56.77                        | (55.39)                     | (80.57)                 |
| Oracle Corporation (South Africa) (Pty) Limited       | 10.96                        | (0.43)                       | (4.11)                      | –                       |
| Oracle Corporation (Thailand) Company Limited         | –                            | –                            | (0.55)                      | –                       |
| Oracle do Brasil Sistemas Limitada                    | –                            | (0.80)                       | (0.90)                      | (0.72)                  |
| Oracle East Central Europe Services B.V.              | 0.01                         | (0.01)                       | (0.48)                      | (0.46)                  |
| Oracle Italia S.R.L.                                  | 1.89                         | –                            | –                           | –                       |
| Oracle Technology Systems (Kenya) Limited             | 0.05                         | –                            | –                           | –                       |
| Oracle Vietnam Pte. Ltd.                              | 0.20                         | 0.25                         | –                           | (0.25)                  |
| <b>Other Expenses</b>                                 |                              |                              |                             |                         |
| Oracle (Philippines) Corporation                      | 0.30                         | 0.03                         | (1.55)                      | (2.67)                  |
| Oracle Canada ULC                                     | 0.77                         | 4.91                         | (2.72)                      | (43.08)                 |
| Oracle Corporation (South Africa) (Pty) Limited       | 9.57                         | 14.64                        | (4.47)                      | (9.90)                  |
| Oracle Corporation (Thailand) Company Limited         | (7.99)                       | 2.27                         | (0.35)                      | (10.96)                 |
| Oracle Corporation Australia Pty Limited              | (0.40)                       | 0.40                         | –                           | (0.58)                  |
| Oracle Corporation Malaysia Sdn. Bhd.                 | (1.71)                       | 2.17                         | (0.52)                      | (4.26)                  |
| Oracle do Brasil Sistemas Limitada                    | 0.39                         | 0.43                         | (0.90)                      | (1.33)                  |
| Oracle East Central Europe Limited                    | 2.77                         | 0.89                         | (3.65)                      | (4.53)                  |
| Oracle East Central Europe Services B.V.              | (0.85)                       | (0.14)                       | (4.58)                      | (5.44)                  |
| Oracle Egypt Ltd.                                     | –                            | –                            | –                           | (0.10)                  |
| Oracle Hungary Kft.                                   | 0.94                         | 3.00                         | (1.18)                      | (3.67)                  |
| Oracle Italia S.R.L.                                  | (3.58)                       | 9.98                         | (2.51)                      | (15.77)                 |
| Oracle Korea Ltd.                                     | (0.01)                       | 0.02                         | (0.31)                      | (0.32)                  |
| Oracle New Zealand                                    | 0.03                         | 0.40                         | (0.98)                      | (4.16)                  |
| Oracle Polska, Sp.z.o.o.                              | (0.09)                       | 0.04                         | (3.54)                      | (3.63)                  |
| Oracle Portugal - Sistemas de Informacao Lda.         | 0.04                         | 0.06                         | –                           | (1.32)                  |
| Oracle Slovensko spol. s.r.o.                         | 2.91                         | 0.87                         | –                           | (2.46)                  |
| Oracle Srbija & Crna Gora d.o.o.                      | 8.33                         | 1.98                         | (0.74)                      | (0.54)                  |
| Oracle Systems Hong Kong Limited                      | 0.00                         | 0.07                         | –                           | (0.39)                  |
| Oracle Taiwan LLC                                     | 1.97                         | 3.51                         | (1.93)                      | (4.60)                  |
| Oracle Vietnam Pte. Ltd.                              | (2.56)                       | (0.02)                       | 0.06                        | (2.50)                  |
| PT Oracle Indonesia                                   | 18.54                        | 2.45                         | (1.28)                      | (15.64)                 |
| Sistemas Oracle de Chile Limitada                     | (0.03)                       | 0.46                         | (0.66)                      | (0.69)                  |
| <b>Subsidiaries</b>                                   |                              |                              |                             |                         |
| Oracle Financial Services Software B.V.               | (114.94)                     | (133.89)                     | 14.31                       | 16.87                   |
| Oracle Financial Services Software, Inc.              | (116.02)                     | (72.93)                      | 11.46                       | 10.41                   |
| Oracle Financial Services Software Pte. Ltd.          | (145.44)                     | (84.98)                      | 20.17                       | 8.77                    |
| Oracle Financial Services Software Chile Limitada     | (26.56)                      | (25.22)                      | 2.37                        | 25.71                   |
| Oracle Financial Services Software (Shanghai) Limited | 12.30                        | (0.12)                       | –                           | 14.04                   |
| Oracle (OFSS) Processing Services Limited             | 0.50                         | (0.42)                       | (0.83)                      | (0.49)                  |
| Oracle (OFSS) BPO Services Limited                    | 0.24                         | (0.78)                       | (0.25)                      | 0.77                    |
| i-flex Employee Stock Option Trust                    | (0.55)                       | (0.56)                       | 0.05                        | 0.56                    |
| Directors   | 0.03                         | (0.26)                       | –                           | –                       |
| Key managerial personnel [Refer note (i)]             |                              |                              |                             |                         |
| Short term employment benefits                        | 67.73                        | 65.30                        | –                           | –                       |
| Post-employment retiral benefits                      | 0.78                         | 1.07                         | –                           | –                       |
| Share based payments                                  | 151.46                       | 139.10                       | –                           | –                       |

(Amounts in ₹ million)

| Particulars   | Transaction                  |                              | Amount receivable (payable) |                         |
|---|------------------------------|------------------------------|-----------------------------|-------------------------|
|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 | As at<br>March 31, 2022     | As at<br>March 31, 2021 |
| Commission  |                              |                              |                             |                         |
| <b>Independent Directors</b>                          | 15.70                        | 15.70                        | -                           | -                       |
| Other expenses  |                              |                              |                             |                         |
| <b>Fellow Subsidiaries</b>                            |                              |                              |                             |                         |
| Oracle America, Inc.                                  | -                            | 1.35                         | -                           | (0.20)                  |
| Oracle Corporation UK Limited                         | -                            | 1.47                         | -                           | (0.11)                  |
| Oracle India Private Limited                          | 9.43                         | 2.95                         | (6.77)                      | (3.35)                  |
| Oracle Corporation Singapore Pte Ltd                  | -                            | 0.33                         | (0.04)                      | (0.27)                  |
| Oracle France   | -                            | 0.04                         | -                           | -                       |
| Oracle Systems Limited                                | 0.07                         | 5.21                         | -                           | (5.28)                  |
| <b>Subsidiary</b>                                     |                              |                              |                             |                         |
| Oracle Financial Services Software (Shanghai) Limited | 0.44                         | 0.56                         | -                           | -                       |
| Procurement / (sale) of fixed assets, net             |                              |                              |                             |                         |
| <b>Fellow Subsidiary</b>                              |                              |                              |                             |                         |
| Oracle India Private Limited                          | (0.02)                       | -                            | 0.02                        | -                       |
| <b>Subsidiary</b>                                     |                              |                              |                             |                         |
| Oracle (OFSS) BPO Services Limited                    | -                            | (1.78)                       | -                           | 1.78                    |
| Investments   |                              |                              |                             |                         |
| <b>Subsidiaries</b>                                   |                              |                              |                             |                         |
| Oracle Financial Services Software B.V.               | 0.06                         | (0.95)                       | 808.48                      | 808.42                  |
| Oracle Financial Services Software Pte. Ltd.          | 0.06                         | (1.38)                       | 130.17                      | 130.11                  |
| Oracle Financial Services Software America, Inc.      | 0.30                         | 1.05                         | 6,417.04                    | 6,416.74                |
| Oracle Financial Services Software (Shanghai) Limited | -                            | 0.01                         | 46.05                       | 46.05                   |
| Oracle Financial Services Software Chile Limitada     | -                            | 0.12                         | 80.88                       | 80.88                   |
| ISP Internet Mauritius Company                        | 2.35                         | 4.24                         | 340.34                      | 337.99                  |
| Mantas India Private Limited                          | -                            | -                            | 20.28                       | 20.28                   |
| Oracle (OFSS) ASP Private Limited                     | -                            | -                            | 46.10                       | 46.10                   |
| Oracle (OFSS) Processing Services Limited             | -                            | -                            | 13.00                       | 13.00                   |
| Oracle (OFSS) BPO Services Limited                    | 170.21                       | -                            | 170.21                      | -                       |
| Dividend received                                     |                              |                              |                             |                         |
| <b>Subsidiary</b>                                     |                              |                              |                             |                         |
| Oracle Financial Services Software B.V.               | 1,500.66                     | -                            | -                           | -                       |
| Stock compensation charge                             |                              |                              |                             |                         |
| <b>Ultimate Holding Company</b>                       |                              |                              |                             |                         |
| Oracle Corporation                                    | 17.05                        | 11.85                        | -                           | -                       |
| Oracle Employee Stock Purchase Plan                   |                              |                              |                             |                         |
| <b>Ultimate Holding Company</b>                       |                              |                              |                             |                         |
| Oracle Corporation                                    | 0.89                         | 0.56                         | (13.42)                     | (10.26)                 |
| Loan to step-down subsidiary company                  |                              |                              |                             |                         |
| Oracle (OFSS) BPO Services Limited                    | (30.00)                      | (76.00)                      | -                           | 30.00                   |
| Interest on loan to step-down subsidiary company      |                              |                              |                             |                         |
| Oracle (OFSS) BPO Services Limited                    | 1.05                         | 6.97                         | -                           | -                       |

(Amounts in ₹ million)

| Particulars                            | Transaction    |                | Amount receivable (payable) |                |
|--|----------------|----------------|-----------------------------|----------------|
|  | Year ended     | Year ended     | As at                       | As at          |
|  | March 31, 2022 | March 31, 2021 | March 31, 2022              | March 31, 2021 |
| Provision for diminution in investment |                |                |                             |                |
| <b>Subsidiaries</b>                    |                |                |                             |                |
| ISP Internet Mauritius Company         | -              | (42.11)        | (167.36)                    | (167.36)       |
| Oracle (OFSS) ASP Private Limited      | -              | -              | (5.40)                      | (5.40)         |

Note (i): Remuneration includes salary, bonus and perquisites. During the year, 41,500 OSUs under OFSS Stock Plan 2014 (March 31, 2021 – 47,000 OSUs under OFSS Stock Plan 2014) were granted to KMP.

Note (ii): Terms and conditions of transactions with related parties.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year end are unsecured and interest free (except loan to step-down subsidiary) and settlement occurs in cash.

### Note 36: Corporate Social Responsibility expenditure

As per the requirements of Section 135 of the Companies Act, 2013 the Company was required to spend an amount of ₹ 428.47 million (March 31, 2021 - ₹ 384.46 million) on Corporate Social Responsibility (CSR) expenditure based on the average net profits of the three immediately preceding financial years. The Company has spent an amount of ₹ 438.29 million (March 31, 2021 - ₹ 384.46 million) against CSR expenditure; of which ₹ 9.82 million has been carried forward for set off against CSR spends in the next financial year.

### Note 37: Dividend from subsidiary company

During the year ended March 31, 2022, the Company has received dividend of ₹ 1,500.66 million from its wholly owned subsidiary company Oracle Financial Services Software B.V.

### Note 38: Net equity dividend remitted in foreign exchange

|   | Year ended     | Year ended     |
|---|----------------|----------------|
|   | March 31, 2022 | March 31, 2021 |
| Year of remittance (ending on)  | March 31, 2022 | March 31, 2021 |
| Period to which it relates  | March 31, 2021 | March 31, 2020 |
| Number of non resident shareholders   | 2              | 3              |
| Number of equity shares on which dividend was due   | 63,053,072     | 63,053,556     |
| Amount remitted (in US\$ million)   | 164.53         | 142.36         |
| Amount remitted (in EUR million) <sup>#</sup>   | -              | 0.00           |
| Amount remitted (in AUD million)  | 0.01           | 0.01           |
| Amount remitted (in ₹ million) (net of TDS ₹ 630.59 million; March 31, 2021 - ₹ 567.55 million) | 11,980.02      | 10,782.09      |

<sup>#</sup>Represents amount less than EUR 0.01 million

### Note 39: Tax litigations

As at March 31, 2022, the Company has certain litigations with respect to tax matters for various assessment years amounting to ₹ 21,059.00 million (March 31, 2021 - ₹ 12,150.43 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 ₹ 13,850.59 million (March 31, 2021 - ₹ 5,858.05 million) as at March 31, 2022. Further for certain litigations the Company has aggregate provisions of ₹ 1,209.04 million (March 31, 2021 - ₹ 896.78 million) as at March 31, 2022.

## Note 40: Auditors remuneration (including GST)

|                        | (Amounts in ₹ million)       |                              |
|------------------------|------------------------------|------------------------------|
|                        | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
| As auditor             |                              |                              |
| Audit fees             | 9.44                         | 8.61                         |
| Limited review         | 8.49                         | 7.43                         |
| Tax audit              | 1.36                         | 1.36                         |
| Certifications         | 1.12                         | 1.15                         |
| Out-of-pocket expenses | –                            | 0.13                         |
|                        | 20.41                        | 18.68                        |

## Note 41: Loan

|                              | (Amounts in ₹ million)  |                         |
|------------------------------|-------------------------|-------------------------|
|                              | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
| Loan to step-down subsidiary | –                       | 30.00                   |

The Company had entered into a loan agreement with its step-down subsidiary company, Oracle (OFSS) BPO Services Limited (the “borrower”) on March 1, 2019 (“effective date”) whereby the Company had agreed to lend to the borrower; a loan in principal sum of not greater than ₹ 250 million for the purpose of working capital requirements of the borrower. Simple interest at an annual fixed rate of 9.50% was calculated on the unpaid principal amount of the loan drawn by the borrower. The interest accrued was due and payable annually to the extent of loan drawn. The borrower may at its option prepay the unpaid principal balance together with interest on the portion so prepaid accrued up to and including the date of prepayment; without any premium or penalty. The unpaid principal was due and payable in full on or before two years from the effective date. The Company had extended the tenure of the loan agreement up to February 28, 2022, wherein they had also amended the interest rate to the One-year State Bank Of India Marginal Cost Lending Rate plus 175 basis points.

During the year ended March 31, 2022, the borrower has repaid the entire outstanding loan amount along with interest accrued under the said loan agreement. The maximum amount of loan outstanding during the year ended March 31, 2022 was ₹ 30.00 million (March 31, 2021 - ₹ 106.00 million).

**Note 42:** Other operating expenses for the year ended March 31, 2021 includes ₹ 42.11 million towards reversal of provision for diminution in value of investment in ISP Internet Mauritius Company.

## Note 43: Disclosure on revenue from operations

### (a) 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.

| Year ended March 31, 2022                | (Amounts in ₹ million) |          |           |
|--|------------------------|----------|-----------|
| Particulars                              | Products               | Services | Total     |
| Revenues by geography                    |                        |          |           |
| India                                    | 3,742.56               | 5.08     | 3,747.64  |
| Outside India                            |                        |          |           |
| Americas                                 |                        |          |           |
| United States of America                 | 6,548.28               | 2,349.82 | 8,898.10  |
| Rest of America                          | 2,658.36               | 2.46     | 2,660.82  |
| Europe                                   | 6,308.55               | 486.11   | 6,794.66  |
| Asia Pacific                             | 8,687.82               | 413.42   | 9,101.24  |
| Middle East and Africa                   | 7,588.20               | 170.67   | 7,758.87  |
|  | 35,533.77              | 3,427.56 | 38,961.33 |
| Revenues by streams and type of contract |                        |          |           |
| License fees                             | 5,413.97               | –        | 5,413.97  |
| Maintenance fees                         | 13,159.53              | –        | 13,159.53 |
| Consulting fees                          |                        |          |           |
| Fixed price                              | 11,246.16              | 1,397.04 | 12,643.20 |
| Time and material basis                  | 5,714.11               | 2,030.52 | 7,744.63  |
|  | 35,533.77              | 3,427.56 | 38,961.33 |

Year ended March 31, 2021

(Amounts in ₹ million)

| Particulars                              | Products  | Services | Total     |
|--|-----------|----------|-----------|
| Revenues by geography                    |           |          |           |
| India                                    | 3,348.80  | 19.40    | 3,368.20  |
| Outside India                            |           |          |           |
| Americas                                 |           |          |           |
| United States of America                 | 5,363.83  | 2,576.00 | 7,939.83  |
| Rest of America                          | 2,603.30  | 11.24    | 2,614.54  |
| Europe                                   | 6,166.35  | 459.08   | 6,625.43  |
| Asia Pacific                             | 8,563.97  | 384.53   | 8,948.50  |
| Middle East and Africa                   | 6,818.12  | 137.50   | 6,955.62  |
|  | 32,864.37 | 3,587.75 | 36,452.12 |
| Revenues by streams and type of contract |           |          |           |
| License fees                             | 4,612.97  | –        | 4,612.97  |
| Maintenance fees                         | 12,551.53 | –        | 12,551.53 |
| Consulting fees                          |           |          |           |
| Fixed price                              | 10,176.09 | 1,107.13 | 11,283.22 |
| Time and material basis                  | 5,523.78  | 2,480.62 | 8,004.40  |
|  | 32,864.37 | 3,587.75 | 36,452.12 |

**(b)** During the year ended March 31, 2022, the Company recognized revenue of ₹ 633.89 million from opening deferred revenue as of April 1, 2021.

During the year ended March 31, 2021, the Company recognized revenue of ₹ 810.96 million from opening deferred revenue as of April 1, 2020.

**(c)** During the year ended March 31, 2022, the Company has not recognized any revenue from performance obligations satisfied prior to April 1, 2021.

During the year ended March 31, 2021, the Company has not recognized any revenue from performance obligations satisfied prior to April 1, 2020.

**(d)** Change in contract assets and contract liabilities are on account of transactions undertaken in the normal course of business. In accordance with Ind AS 115, unbilled revenue of ₹ 1,417.61 million as at March 31, 2022 (March 31, 2021 - ₹ 1,407.10 million) has been classified as other current asset.

**(e) Reconciliation of revenue recognized with contract price for the year**

(Amounts in ₹ million)

|                                 | March 31, 2022 | March 31, 2021 |
|---------------------------------|----------------|----------------|
| Revenue as per contracted price | 38,989.90      | 36,482.03      |
| Reduction towards discounts     | (28.57)        | (29.91)        |
| Revenue from operations         | 38,961.33      | 36,452.12      |

**(f) Remaining performance obligation**

The Company has applied the practical expedient as provided in Ind AS 115 and excluded the disclosure relating to remaining performance obligation for

- i. contracts where the original expected duration is one year or less
- ii. contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date. Typically this involves those contracts where invoicing is on time and material basis.

Remaining performance obligation estimates are subject to change and are affected by several factors such as terminations, changes in the scope of contracts, periodic revalidations of estimates and other macro economic factors.

The aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at March 31, 2022, after considering the practical expedient mentioned above is ₹ 12,517.31 million (March 31, 2021 - ₹ 12,317.61 million), out of which 59% (March 31, 2021 - 58%) is expected to be recognized as revenue within the next one year and the balance thereafter.

**(g) Asset recognized from the costs to obtain a contract**

The Company recognizes incremental costs of obtaining a contract with customers as an asset and discloses them under "other assets" as deferred contract costs in the Standalone financial statements. Incremental costs of obtaining contracts are those costs that the Company incurs to obtain a contract with the customer that would not have been incurred if the contract had not been obtained. Such deferred contract costs assets are amortized over the benefit period.

The Company has amortized deferred contract cost of ₹ 20.20 million for the year ended March 31, 2022 ( March 31, 2021 - ₹ 18.56 million) and has closing balance of deferred contract cost asset of ₹ 50.29 million as at March 31, 2022 (March 31, 2021 - ₹ 38.88 million).

## Note 44: 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 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.

| Year ended March 31, 2022 |           | (Amounts in ₹ million) |            |  |
|---------------------------|-----------|------------------------|------------|--|
| Particulars               | Products  | Services               | Total      |  |
| Revenue from operations   | 35,533.77 | 3,427.56               | 38,961.33  |  |
| Segment result            | 21,116.74 | 1,465.41               | 22,582.15  |  |
| Unallocable expenses      |           |                        | (1,380.76) |  |
| Finance income            |           |                        | 839.39     |  |
| Other income, net         |           |                        | 1,720.73   |  |
| Profit before tax         |           |                        | 23,761.51  |  |
| Tax expenses              |           |                        | (5,649.42) |  |
| Profit for the year       |           |                        | 18,112.09  |  |

| Year ended March 31, 2021 |           | (Amounts in ₹ million) |            |  |
|---------------------------|-----------|------------------------|------------|--|
| Particulars               | Products  | Services               | Total      |  |
| Revenue from operations   | 32,864.37 | 3,587.75               | 36,452.12  |  |
| Segment result            | 20,474.39 | 1,496.05               | 21,970.44  |  |
| Unallocable expenses      |           |                        | (1,256.44) |  |
| Finance income            |           |                        | 1,071.12   |  |
| Other income, net         |           |                        | 93.69      |  |
| Profit before tax         |           |                        | 21,878.81  |  |
| Tax expenses              |           |                        | (5,485.96) |  |
| Profit for the year       |           |                        | 16,392.85  |  |



## Other information

| Year ended March 31, 2022      |           | (Amounts in ₹ million) |             |           |
|--------------------------------|-----------|------------------------|-------------|-----------|
| Particulars                    | Products  | Services               | Unallocable | Total     |
| Capital expenditure by segment |           |                        |             |           |
| Property, plant and equipment  | 280.07    | 32.67                  | 7.31        | 320.05    |
| Depreciation and amortization  | 509.03    | 73.46                  | 97.32       | 679.81    |
| Other non cash expenses        | 119.02    | 2.54                   | 0.89        | 122.45    |
| Segment assets                 | 10,749.32 | 738.23                 | 52,924.79   | 64,412.34 |
| Segment liabilities            | 5,402.26  | 616.68                 | 368.76      | 6,387.70  |
| Equity                         | -         | -                      | 58,024.64   | 58,024.64 |

| Year ended March 31, 2021      |          | (Amounts in ₹ million) |             |           |
|--------------------------------|----------|------------------------|-------------|-----------|
| Particulars                    | Products | Services               | Unallocable | Total     |
| Capital expenditure by segment |          |                        |             |           |
| Property, plant and equipment  | 152.44   | 19.56                  | 4.58        | 176.58    |
| Depreciation and amortization  | 614.14   | 86.34                  | 101.55      | 802.03    |
| Other non cash expenses        | (95.77)  | 7.54                   | (41.90)     | (130.13)  |
| Segment assets                 | 8,327.23 | 1,694.39               | 51,854.01   | 61,875.63 |
| Segment liabilities            | 4,060.15 | 1,113.33               | 242.27      | 5,415.75  |
| Equity                         | -        | -                      | 56,459.88   | 56,459.88 |

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

| Regions                  | Year ended March 31, 2022 |      | Year ended March 31, 2021 |      |
|--------------------------|---------------------------|------|---------------------------|------|
|                          | Amounts in ₹ million      | %    | Amounts in ₹ million      | %    |
| India                    | 3,747.64                  | 10%  | 3,368.20                  | 9%   |
| Outside India            |                           |      |                           |      |
| Americas                 |                           |      |                           |      |
| United States of America | 8,898.10                  | 23%  | 7,939.83                  | 22%  |
| Rest of America          | 2,660.82                  | 7%   | 2,614.54                  | 7%   |
| Europe                   | 6,794.66                  | 17%  | 6,625.43                  | 18%  |
| Asia Pacific             | 9,101.24                  | 23%  | 8,948.50                  | 25%  |
| Middle East and Africa   | 7,758.87                  | 20%  | 6,955.62                  | 19%  |
|                          | 38,961.33                 | 100% | 36,452.12                 | 100% |

Revenue of ₹ 26,813.12 million (March 31, 2021 - ₹ 26,882.14 million) is derived from a single customer in 'Products' and 'Services' segment.

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

| Regions                  | As at March 31, 2022    |      | As at March 31, 2021    |      |
|--------------------------|-------------------------|------|-------------------------|------|
|                          | Amounts in<br>₹ million | %    | Amounts in<br>₹ million | %    |
| India                    | 10,578.02               | 96%  | 10,294.44               | 97%  |
| Outside India            |                         |      |                         |      |
| United States of America | –                       | 0%   | –                       | 0%   |
| Europe                   | 275.45                  | 3%   | 279.08                  | 3%   |
| Asia Pacific             | –                       | 0%   | 5.30                    | 0%   |
| Middle East and Africa   | 152.97                  | 1%   | 22.56                   | 0%   |
|                          | 11,006.44               | 100% | 10,601.38               | 100% |

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.

As per our report of even date

**For Mukund M. Chitale & Co.**

Chartered Accountants  
ICAI Firm Registration No. 106655W

**S. M. Chitale**

Partner  
Membership No. 111383

**Mumbai, India**

**May 4, 2022**

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

**S Venkatachalam**

Chairperson  
DIN: 00257819

**Makarand Padalkar**

Whole-time Director  
& Chief Financial Officer  
DIN: 02115514

**Mumbai, India**

**May 4, 2022**

**Chaitanya Kamat**

Managing Director  
& Chief Executive Officer  
DIN: 00969094

**Onkarnath Banerjee**

Company Secretary  
& Compliance Officer  
ACS: 8547

# Statement of cash flow

## for the year ended March 31, 2022

(Amounts in ₹ million)

|   | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|---|------------------------------|------------------------------|
| Cash flows from operating activities  |                              |                              |
| Profit before tax   | 23,761.51                    | 21,878.81                    |
| Adjustments to reconcile profit before tax to cash provided by operating activities : |                              |                              |
| Depreciation and amortization   | 679.81                       | 802.03                       |
| Loss (profit) on sale of fixed assets, net  | 0.14                         | (0.10)                       |
| Employee stock compensation expense   | 496.91                       | 426.61                       |
| Reversal of provision for diminution in value of investment in subsidiary company     | –                            | (42.11)                      |
| Finance income  | (839.39)                     | (1,071.12)                   |
| Effect of exchange rate changes in cash and cash equivalents                          | (23.74)                      | 11.08                        |
| Effect of exchange rate changes in assets and liabilities                             | 264.80                       | 23.73                        |
| Finance cost  | 32.30                        | 47.99                        |
| Impairment loss recognized (reversed) on financial assets                             | 92.31                        | (191.34)                     |
| Impairment loss recognized on other financial assets                                  | 3.33                         | 1.95                         |
| (Gain) on lease modification  | (6.23)                       | –                            |
| Bad debts   | 26.81                        | 101.37                       |
| Dividend from subsidiary company  | (1,500.66)                   | –                            |
| Operating Profit before Working Capital changes                                       | 22,987.90                    | 21,988.90                    |
| Movements in working capital  |                              |                              |
| (Increase) in other non-current financial assets                                      | (71.99)                      | (41.18)                      |
| (Increase) decrease in other non-current assets                                       | (15.51)                      | 16.22                        |
| (Increase) in trade receivables   | (1,261.51)                   | (327.77)                     |
| (Increase) in other current financial assets  | (72.57)                      | (142.40)                     |
| (Increase) in other current assets  | (126.96)                     | (252.37)                     |
| Increase in non-current provisions  | 108.87                       | 77.47                        |
| (Decrease) in trade payables  | (16.94)                      | (88.10)                      |
| (Decrease) in other current financial liabilities                                     | (324.02)                     | (72.63)                      |
| Increase (decrease) in other current liabilities                                      | 540.52                       | (23.06)                      |
| Increase in other non-current liabilities   | 148.90                       | –                            |
| Increase in current provisions  | 123.20                       | 130.90                       |
| Cash from operating activities  | 22,019.89                    | 21,265.98                    |
| Payment of domestic and foreign taxes   | (6,038.79)                   | (5,818.22)                   |
| Net cash provided by operating activities   | 15,981.10                    | 15,447.76                    |
| Cash flows from investing activities  |                              |                              |
| Purchase of property, plant and equipment   | (348.63)                     | (168.31)                     |
| Proceeds from sale of property, plant and equipment                                   | 0.02                         | 1.57                         |
| Income from investment in sublease  | –                            | 16.02                        |
| Refund of deposits for premises and others  | 77.11                        | 88.41                        |
| Loan repaid by step-down subsidiary company   | 30.00                        | 76.00                        |
| Investment in step-down subsidiary company  | (167.60)                     | –                            |
| Bank fixed deposits having maturity of more than three months matured                 | 34,036.60                    | 33,925.00                    |
| Bank fixed deposits having maturity of more than three months booked                  | (35,900.00)                  | (34,636.60)                  |
| Interest received   | 835.34                       | 1,215.06                     |
| Dividend from subsidiary company  | 1,500.66                     | –                            |
| Net cash provided by investing activities   | 63.50                        | 517.15                       |

# Statement of cash flow for the year ended March 31, 2022 (continued)

(Amounts in ₹ million)

|  | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2021 |
|--|------------------------------|------------------------------|
| Cash flows from financing activities                                     |                              |                              |
| Proceeds from issue of shares under employee stock option plan           | 257.72                       | 55.83                        |
| Equity dividend paid   | (17,260.69)                  | (15,466.31)                  |
| Finance cost   | (32.30)                      | (47.99)                      |
| Repayment of lease liability   | (92.01)                      | (241.00)                     |
| Net cash (used in) financing activities                                  | (17,127.28)                  | (15,699.47)                  |
| Net (decrease) increase in cash and cash equivalents                     | (1,082.68)                   | 265.45                       |
| Cash and cash equivalents at beginning of the period                     | 2,248.21                     | 1,993.84                     |
| Effect of exchange rate changes in cash and cash equivalents             | 23.74                        | (11.08)                      |
| Cash and cash equivalents at end of the year                             | 1,189.27                     | 2,248.21                     |
| Component of cash and cash equivalents                                   |                              |                              |
| Balances with banks:   |                              |                              |
| In current accounts  | 860.61                       | 1,912.23                     |
| In deposit accounts with original maturity of less than three months     | 280.03                       | 250.05                       |
| In unclaimed dividend account*   | 48.63                        | 85.93                        |
| Total cash and cash equivalents at the end of the year [refer note 9(a)] | 1,189.27                     | 2,248.21                     |

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

As per our report of even date

**For Mukund M. Chitale & Co.**

Chartered Accountants  
ICAI Firm Registration No. 106655W

**S. M. Chitale**

Partner  
Membership No. 111383

**Mumbai, India**

**May 4, 2022**

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

**S Venkatachalam**

Chairperson  
DIN: 00257819

**Makarand Padalkar**

Whole-time Director  
& Chief Financial Officer  
DIN: 02115514

**Mumbai, India**

**May 4, 2022**

**Chaitanya Kamat**

Managing Director  
& Chief Executive Officer  
DIN: 00969094

**Onkarnath Banerjee**

Company Secretary  
& Compliance Officer  
ACS: 8547

## **Notice of annual general meeting**

# Notice of annual general meeting

NOTICE is hereby given that the Thirty Third Annual General Meeting of Oracle Financial Services Software Limited (“the Company”) will be held on Wednesday, August 3, 2022 at 5:00 p.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business:

## Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2022 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Yong Meng Kau (DIN: 08234739) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Makarand Padalkar (DIN: 02115514) who retires by rotation and being eligible, offers himself for re-appointment.
4. To confirm the payment of interim dividend of ₹ 190 per equity share already paid, as the final dividend for the financial year ended March 31, 2022.
5. To appoint Statutory Auditors of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), as an Ordinary Resolution the following:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder, including inter alia the Companies (Audit and Auditors) Rules, 2014, and pursuant to the recommendations of the Board and Audit Committee of the Company, M/s. S R Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101049W), be and are hereby appointed as the Statutory Auditors of the Company to hold office for a term of five consecutive years from the conclusion of this 33<sup>rd</sup> Annual General Meeting till the conclusion of the 38<sup>th</sup> Annual General Meeting to be held in the year 2027 and that the Board of Directors of the Company be and is hereby authorized to determine and approve the terms and conditions for appointment, including the remuneration, of the Statutory Auditors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to perform and execute all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto.”

## Special Business:

6. To adopt a new set of Articles of Association of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), as a Special Resolution the following:

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, a new set of Articles of Association, placed before the Members, be and is hereby adopted and substituted in place of the existing Articles of Association of the Company and that the Board of Directors of the Company be and is hereby authorized to perform and execute all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto.”

By Order of the Board of Directors  
For Oracle Financial Services Software Limited

**Onkarnath Banerjee**  
Company Secretary and Compliance Officer  
Membership no. ACS 8547

Mumbai  
June 15, 2022

Registered Office:  
Oracle Park, Off Western Express Highway  
Goregaon (East), Mumbai -400063  
Tel. no. +91 22 6718 3000  
Fax no. +91 22 6718 3001  
CIN: L72200MH1989PLC053666  
Website: [www.oracle.com/financialservices](http://www.oracle.com/financialservices)  
Email: [investors-vp-ofss\\_in\\_grp@oracle.com](mailto:investors-vp-ofss_in_grp@oracle.com)

## Notes:

- a. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the "Act") setting out material facts in respect of item nos. 5 and 6 as mentioned in the above notice is annexed hereto.
- b. Additional information required as per the Act, Regulation 26 and 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), in respect of item nos. 5 and 6 of the Notice, forms an integral part of the Notice. The Directors and Statutory Auditors have furnished the requisite declarations and consents.
- c. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its General circular nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 and 2/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and May 05, 2022 respectively (collectively referred to as "MCA Circulars") permitted holding the Annual General Meeting (AGM) through VC / OAVM, without physical presence of the Members at a common venue. In compliance with the provisions of the Act, Listing Regulations and MCA Circulars, the AGM of the Company is scheduled to be held through VC / OAVM.
- d. The aforesaid MCA Circulars and Securities and Exchange Board of India (SEBI) Circulars dated May 12, 2020, January 15, 2021 and May 13, 2022, have dispensed with requirements of printing and dispatching physical copies of Annual Reports for events to be held in this calendar year 2022, thereby allowing the companies to send Annual Reports by email. Accordingly, notice of the AGM along with the Annual Report 2021-22 is being sent through electronic form to those Members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice and Annual Report 2021-22 is available on the Company's website [www.oracle.com/financialservices](http://www.oracle.com/financialservices), websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively, and on the website of National Securities Depository Limited (NSDL) at <https://www.evoting.nsdl.com>.
- e. Members can submit their questions in advance with regard to the financial statements or any other matter to be placed at the 33<sup>rd</sup> AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID / folio number and mobile number, at the Company's e-mail address, [investors-vp-ofss\\_in\\_grp@oracle.com](mailto:investors-vp-ofss_in_grp@oracle.com) on or before Friday, July 29, 2022, 5:00 p.m. IST. The Company shall make efforts to take up the questions during the AGM and reply suitably.
- f. Members who would like to speak during the AGM may register themselves as a speaker by sending a request from their registered e-mail address mentioning their name, DP ID and Client ID / folio number and mobile number at [investors-vp-ofss\\_in\\_grp@oracle.com](mailto:investors-vp-ofss_in_grp@oracle.com) from Thursday, July 28, 2022 (9:00 a.m. IST) to Friday, July 29, 2022 (5:00 p.m. IST). Those Members who have registered themselves will only be allowed to speak during the AGM. The Members are requested to send their questions in advance at the time of registration as speaker at the AGM. The Company reserves the right to restrict the number of questions and speakers, as appropriate, to ensure the smooth conduct of the AGM.
- g. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, July 28, 2022 to Wednesday, August 3, 2022, both days inclusive, for the purpose of the AGM.
- h. Statutory Registers maintained under the provisions of the Act will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of 33<sup>rd</sup> AGM, i.e., August 3, 2022. Members seeking to inspect such documents can send an email to [investors-vp-ofss\\_in\\_grp@oracle.com](mailto:investors-vp-ofss_in_grp@oracle.com).
- i. The Company has appointed Mr. Prashant Diwan, Practicing Company Secretary (Membership no. FCS 1403 and CP no. 1979), as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- j. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the 33<sup>rd</sup> AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.
- k. Since the AGM will be held through VC / OAVM, the route map to the venue is not applicable and not annexed to this Notice.
- l. Institutional / Corporate Shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of their Board or governing body's Resolution / Authorization, etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting / e-voting at the AGM. The said Resolution / Authorization shall be sent to the Scrutinizer by e-mail through its registered e-mail address at [pddiwan@yahoo.co.in](mailto:pddiwan@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- m. The Members can join the AGM through VC / OAVM form 30 minutes before the scheduled time of commencement of the AGM by following the procedure mentioned in this Notice. Members may note that the VC / OAVM facility allows participation of at least 1,000 Members on a first-come-first-served basis. Members should join on or before the scheduled time or until expiry of 15 minutes from the scheduled time of commencement of AGM. Shareholders holding 2% or more shareholding, promoters, institutional investors, can attend the AGM without any restriction on account of first-come-first-served basis.
- n. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

- o. The recorded transcript of the AGM shall be made available on the website of the Company at [www.oracle.com/financialservices](http://www.oracle.com/financialservices) as soon as possible after the AGM is over.
- p. Members wishing to claim dividends which remain unclaimed are requested to correspond with KFin Technologies Limited, the Registrar and Share Transfer Agents ("RTA") of the Company. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will, as per Section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF).
- q. The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. The Members are requested to claim their dividends from the Company within the stipulated timeline. Details of Members whose unclaimed dividends / shares have been transferred to IEPF are available on the Company's website: [www.oracle.com/financialservices](http://www.oracle.com/financialservices). Members may claim the same by making an application to the IEPF Authority in IEPF Form-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).
- r. Members who hold shares in physical form are requested to notify promptly any change in their addresses, e-mail address, updates to their bank accounts and other relevant information to the Company's RTA, KFin Technologies Limited, having its office at Selenium Tower B, Plot Nos. 31 & 32, Serilingampally Nanakramguda, Financial District, Hyderabad 500032, Telangana, India, or on their e-mail address at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
- s. Members holding shares in physical form are advised to make nomination(s) in respect of their shareholding in the Company. Pursuant to Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, the nomination form (Form No. SH-13) can be downloaded from the website of the RTA: <https://karisma.kfintech.com/Downloads.aspx>.
- t. In terms of the Regulation 40 of Listing Regulations, securities of listed companies can only be transferred in dematerialized form. Accordingly, Members holding shares in physical form are advised to dematerialize their shares to get inherent benefits of dematerialization.
- u. Members who hold shares in dematerialized form are requested to make nomination in respect of their shareholding by contacting their Depository Participants (DP). They should also notify promptly any change in their addresses, bank particulars and other related information to their respective DP.
- v. To support the 'Green Initiative', Members who have not yet registered their e-mail addresses are requested to register the same with their DP, in case the shares are held by them in electronic form and with the RTA, in case the shares are held by them in physical form.
- w. SEBI has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, required to submit their PAN to their DP with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.
- x. SEBI has recently mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from January 1, 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details / documents are provided to RTA by submitting a service requests in duly filled and signed Form ISR – 1. Relevant details and forms prescribed by SEBI in this regard are available on the website of the RTA at <https://ris.kfintech.com/>. On or after April 1, 2023, in case any of the above cited documents / details are not available in the folio(s), RTA shall be constrained to freeze such folio(s).
- y. For any queries or assistance, Members are requested to address all communications to the RTA of the Company. Members may write to the RTA or call RTA on 1800 309 4001 or e-mail to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
- z. The instructions for remote e-voting and joining the AGM are as under:
  - i. In terms of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the ICSI (each as amended or modified from time to time), the Company is providing facility to its Members to cast their votes electronically through the electronic voting service facility provided by NSDL on the items of business set forth in the Notice.
  - ii. The remote e-voting period commences on Friday, July 29, 2022 (9:00 a.m. IST) and ends on Tuesday, August 2, 2022 (5:00 p.m. IST). During this period, Members holding shares in the Company as on the close of business hours of Wednesday, July 27, 2022, being the cut-off date fixed for determining voting rights of Members entitled to participate in the remote e-voting process. During this period, the Members holding their shares either in physical form or in dematerialized form may cast their votes electronically.
  - iii. In case of joint holders, the Member whose name appears as the first holder in the Register of Members of the Company will be entitled to vote at the AGM.
  - iv. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.



aa. The details of the process and manner for remote e-voting and joining the AGM are as under:

Step 1: Access to the NSDL e-voting system

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system

Details on Step 1 is mentioned below:

A) Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in dematerialized form.

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by listed Companies and as a part of increasing the efficiency, individual shareholders holding securities in dematerialized form are allowed to vote through their demat account maintained with Depositories / website of depositories / Depository Participants. Shareholders are advised to update their mobile number and email address in their demat accounts in order to access e-voting facility.

Individual Shareholders holding securities in dematerialized form with NSDL:

1. If you are already registered for NSDL IDeAS facility –
  - Open web browser by typing the following URL: <https://eservices.nsd.com/> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section, this will prompt you to enter your existing User ID and Password.
  - After successful authentication, you will be able to see e-voting services under value added services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page.
  - Click on company name or e-voting service provider – i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
2. If you are not registered for IDeAS e-Services –

Option to register is available at <https://eservices.nsd.com>. Click on “Register online for IDeAS Portal” or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>.
3. Visit the e-voting website of NSDL –
  - Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section.
  - A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page.
  - Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
  - Shareholders / Members can also download NSDL Mobile App “NSDL Speede” facility for seamless voting experience.

Individual Shareholders holding securities in dematerialized form with CDSL:

1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on “New System Myeasi”.
2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-voting service provider i.e. NSDL. Click on NSDL to cast your vote.
3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>.
4. Alternatively, the user can directly access e-voting page by providing demat account number and PAN from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat account. After successful authentication, user will be provided links for the respective e-voting service provider (ESP) i.e. NSDL where the e-voting is in progress.

Individual Shareholders (holding securities in dematerialized form) login through their depository participants:

1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-voting facility.
2. Upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature.
3. Click on company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in dematerialized form for any technical issues related to login through Depository i.e. NSDL and CDSL:

| Login type  | Helpdesk details   |
|---|--|
| Individual Shareholders holding securities in dematerialized form with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30             |
| Individual Shareholders holding securities in dematerialized form with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43 |

B) Login method for shareholders other than Individual shareholders holding securities in dematerialized form and shareholders holding securities in physical form.

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can login at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you login to NSDL eservices after using your login credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical     | Your User ID is:   |
|--|--|
| a) For Members who hold shares in dematerialized account with NSDL | 8 Character DP ID followed by 8 Digit Client ID<br>For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****    |
| b) For Members who hold shares in demat account with CDSL          | 16 Digit Beneficiary ID<br>For example, if your Beneficiary ID is 12***** then your user ID is 12*****   |
| c) For Members holding shares in Physical Form                     | EVEN Number followed by Folio Number registered with the company<br>For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:
  - a) Click on "Forgot User Details / Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) "Physical User Reset Password?" (If you are holding shares in physical form) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number / folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-voting will open.

Details on Step 2 is mentioned below:

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of Oracle Financial Services Software Limited, to cast your vote during the remote e-voting period or voting during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-voting as the voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the "Print" option on the confirmation page.
7. Once you confirm your vote on the resolutions, you will not be allowed to modify your vote.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and to register their e-mail ids for e-voting on the resolutions set out in this notice:

1. In case shares are held in physical form please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card by email to [investors-vp-ofss\\_in\\_grp@oracle.com](mailto:investors-vp-ofss_in_grp@oracle.com).
2. In case shares are held in dematerialized form, please provide DP ID-Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, self attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card to [investors-vp-ofss\\_in\\_grp@oracle.com](mailto:investors-vp-ofss_in_grp@oracle.com). If you are an Individual shareholders holding securities in dematerialized form, you are requested to refer to the login method explained at Step 1 (A), i.e., Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in dematerialized form.

3. Alternatively shareholder / members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by listed companies, individual shareholders holding securities in dematerialized form are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

The instructions for members for e-voting on the day of the AGM are as under:

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members / shareholders, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

Instructions for members for attending the AGM through VC / OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for Access to NSDL e-voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptop for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop, connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

General Guidelines for shareholders:

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
2. In case of any queries with the use of technology, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 / 1800 224 430 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
3. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favor of or against, if any, not later than forty-eight hours after the conclusion of the AGM to the Chairperson of the Company. The Chairperson, or any other person authorized by the Chairperson, shall declare the result of the voting forthwith.
4. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.oracle.com/financialservices](http://www.oracle.com/financialservices) and on the website of NSDL at <https://www.evoting.nsdl.com>, after the result is declared by the Chairperson, and the same shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed.

## Annexure to notice

### Explanatory Statement as required by Section 102(1) of the Companies Act, 2013

The following Explanatory Statement sets out all the material facts relating to item nos. 5 and 6 in the accompanying Notice dated June 15, 2022.

#### Item no. 5:

The Members of the Company at the 28<sup>th</sup> Annual General Meeting held on September 20, 2017 had approved the appointment of M/s. Mukund M. Chitale & Co., Chartered Accountants (ICAI Firm Registration no. 106655W), as the Statutory Auditors of the Company to hold office for a term of five years from the conclusion of the 28<sup>th</sup> Annual General Meeting held in 2017 till the conclusion of this 33<sup>rd</sup> Annual General Meeting.

The Audit Committee and the Board of directors of the Company have recommended the appointment of M/s. S R Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101049W), as the Statutory Auditors of the Company to hold the office for a term of 5 consecutive years from the conclusion of this 33<sup>rd</sup> Annual General Meeting till the conclusion of the 38<sup>th</sup> Annual General Meeting to be held in the year 2027.

In accordance with the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 read with inter alia the Companies (Audit and Auditors) Rules, 2014, M/s. S R Batliboi & Associates LLP, Chartered Accountants, have provided their consent and eligibility certificate to the effect that their appointment, if made, would be in compliance with the applicable laws.

The details required to be disclosed under provisions of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

Proposed fees payable to the statutory auditor(s): For the first year (i.e., FY 2022-23), fees up to INR 3 crores plus applicable taxes and expenses on actuals to be payable for undertaking the statutory audit. The fee for any additional services and the remuneration for undertaking statutory audit from the second year onwards shall be as determined by the Board from time to time in accordance with applicable laws.

1. Terms of appointment: Appointment of M/s. S R Batliboi & Associates LLP, Chartered Accountants, as the Statutory Auditors of the Company will be for a term of 5 consecutive years, from the conclusion of this 33<sup>rd</sup> Annual General Meeting till the conclusion of the 38<sup>th</sup> Annual General Meeting to be held in the year 2027. All other terms of appointment shall be as per the Letter of Engagement as may be signed by the Company.
2. In case of the appointment of a new auditor, any material change in the fees payable to such auditor from that paid to the outgoing auditor along with the rationale for such change: Not applicable.
3. Basis of recommendation for appointment: The Board and Audit Committee have considered various evaluation criteria including competence, skill set, governance, international experience in taxation and accounting matters, audit methodology & processes, use of technology, and depth of talent of the audit firm.
4. Credentials of the Statutory Auditors proposed to be appointed:

M/s. S R Batliboi & Associates LLP, Chartered Accountants, is a part of S R Batliboi & Associates, a network of firms registered with the Institute of Chartered Accountants of India (ICAI). M/s. S R Batliboi & Associates LLP was established in 1965 and has offices across key cities in India. The firm provides audit and financial accounting advisory services. The firm caters to clients across diverse market segments including Industrial, Infrastructure, Consumer Products, Financial Services, Technology, Media and Entertainment, Telecommunications and Professional Services.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution set out at item no. 5 of the Notice.

The Board recommends the resolution at item no. 5 of the Notice.

#### Item no. 6:

The Articles of Association of the Company currently in force were originally adopted when the Company was incorporated in 1989. The Articles of Association were amended from time to time in accordance with the provisions of the Companies Act, 1956.

It is now proposed to amend the existing Articles of Association to make them consistent with the provisions of the Companies Act, 2013 including the Rules framed thereunder. The proposed Articles of Association are available on the Company's website at [www.oracle.com/financialservices](http://www.oracle.com/financialservices) for perusal by the shareholders.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution set out at item no. 6 of the Notice.

The Board recommends the resolution at item no. 6 of the Notice.

**ADDITIONAL INFORMATION OF THE DIRECTORS SEEKING RE-APPOINTMENT AT THE THIRTY THIRD ANNUAL GENERAL MEETING PURSUANT TO REGULATION 26 AND 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2)**

A brief profile of the Directors to be re-appointed is given below:

1. **Mr. Yong Meng Kau** is Vice President for legal, and Deputy Regional General Counsel for Oracle, JAPAC. Prior to joining Oracle in 2001, he was in private practice specializing in corporate and commercial law.

In his current role, Mr. Kau manages the legal team for Oracle's ASEAN and South Asia business and operations and provides legal support to local and regional management across all lines of businesses. He also serves as a director in eight Oracle subsidiaries across Singapore, Vietnam, Indonesia and Bangladesh, and is the Company Secretary for Oracle Corporation Singapore.

Mr. Kau is a fellow of the Singapore Institute of Arbitrators and a Member of the Chartered Institute of Arbitrators.

2. **Mr. Makarand Padalkar** is the Whole-time Director and Chief Financial Officer of the Company. Mr. Padalkar is with the Company since 1994. Prior to his present position, Mr. Padalkar has managed various responsibilities ranging from business & technology consulting to global financial institutions, product development, heading marketing, investor relations and managing corporate strategy. As the head of marketing, he successfully launched the products that are the core foundation of the Company today.

Prior to joining the Company, Mr. Padalkar spent 12 years with a large IT services company in India consulting various clients in BFSI segment in Europe and United States. He managed strategic client relationships and setup one of India's first offshore development centers (ODC) for a large European bank.

Mr. Padalkar is a post graduate engineer from Indian Institute of Technology, Mumbai.

Details of current Directorships and Committee positions held in other companies by the Directors, seeking re-appointment at the Annual General Meeting, are as under:

|  |  |  |
|--|--|--|
| Name   | Mr. Yong Meng Kau  | Mr. Makarand Padalkar  |
| Age  | 58 years   | 63 years   |
| Date of appointment  | November 2, 2018   | May 9, 2019  |
| Qualifications   | Bachelor of Laws (Honours) and Graduate Certificate in International Arbitration from National University of Singapore. Fellow Member of the Singapore Institute of Arbitrators and Member of the Chartered Institute of Arbitrators   | Post Graduate engineer from Indian Institute of Technology, Mumbai |
| Expertise in specific Services, functional areas             | Corporate and Commercial Law   | Financial, Business & Technology Consulting                        |
| Directorships held in other Companies                        | <ul style="list-style-type: none"> <li>- Aconex (Singapore) Pte. Ltd.</li> <li>- Conject Services Pte. Ltd.</li> <li>- MICROS-Fidelio Singapore Pte Ltd</li> <li>- NetSuite Software (Asia Pacific) Pte. Ltd.</li> <li>- OCAPAC Corporation Singapore Pte. Ltd.</li> <li>- Oracle Bangladesh Limited</li> <li>- Oracle Corporation Singapore Pte Ltd</li> <li>- Oracle Global Services Singapore Pte. Ltd.</li> <li>- Oracle Singapore Holdings Pte. Ltd.</li> <li>- Oracle Vietnam Pte. Ltd.</li> <li>- Sun Microsystems Pte. Ltd.</li> </ul> | Sarvatra Technologies Private Limited                              |
| Memberships / Chairmanships of Committees in other Companies | None   | None   |
| No. of Shares held in the Company as on June 15, 2022        | Nil  | 79,027   |

For other details in respect of the above directors, such as the number of meetings of the Board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel, etc., please refer the Corporate Governance Report which is a part of this Annual Report.



**Oracle Financial Services Software Limited**

**Registered Office**

Oracle Park, Off Western Express Highway  
Goregaon (East), Mumbai 400063, Maharashtra, India

**CIN:** L72200MH1989PLC053666

**Investor Enquiries**

Tele + 91.22.6718.3000

Fax + 91.22.6718.3001

[oracle.com/financialservices](https://oracle.com/financialservices)

Copyright © 2022, Oracle Financial Services Software Limited and/or its affiliates. All rights reserved.

Oracle is a registered trademark of Oracle and/or its affiliates. Other names may be trademarks of their respective owners.



Oracle is committed to developing practices and products that help protect the environment

**ORACLE**