



Oracle Financial Services Software Limited

Annual Report
2022-23

Letter to Shareholders

On behalf of the Board of Directors, I am pleased to report that for the financial year ended March 31, 2023, your Company posted a consolidated revenue of ₹ 57 billion, an increase of 9% over the previous financial year. Consolidated net profit for the financial year was ₹ 18 billion.

During the year, your Company continued to invest in talented human capital and rich product offerings. We launched Oracle Banking Cloud Services, a new suite of componentized and cloud based services that provides banks with highly scalable self-service digital experience capabilities that helps renovate and modernize their business capabilities faster and with less risk. The services can run standalone, work seamlessly together, and coexist with existing applications to help banks lower cost and risk while providing innovative products to their customers.

Throughout the year, your Company continued to help banks and financial institutions accelerate time-to-market, improve business agility, redefine customer service and engagement, and lower operating costs. Our offerings deliver an optimal mix of persona-driven digital self-service and assisted engagement capabilities, Artificial Intelligence/Machine Learning and automation-powered product and core operations coupled with an architecture that is anchored on microservices to equip banks and financial institutions for what's next in a fast-evolving industry. These offerings to make Oracle a leading player in the banking and financial services industry.

The Company's customer footprint continues to expand in scale and geography as we cater to the needs of the global multinational banks, small to large regional banks, non-banking and financial services companies, as well as niche fintech players across regional boundaries. 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.

A testament to our successful application of advanced technology was the recognition of the comprehensive implementation of the Oracle Financial Crime and Compliance Management solution suite for VPBank as an Outstanding Project – AML Program Implementation in the 5th Regulation Asia Awards for Excellence 2022. Your Company also won several other recognitions, notable among them being named a leader in the 2022 Gartner® Magic Quadrant™ for global Retail Core Banking. We were recognized for the 10th consecutive year as a global leader in the highly coveted RiskTech 100® 2023, winning the award for core technology and a record-seven solution category wins.

On behalf of the Board of Directors and Management of Oracle Financial Services Software, I would like to thank you for your support and look forward to marching together to achieve newer and more challenging targets.

Regards,

S Venkatachalam

Chairperson

Oracle Financial Services Software Limited

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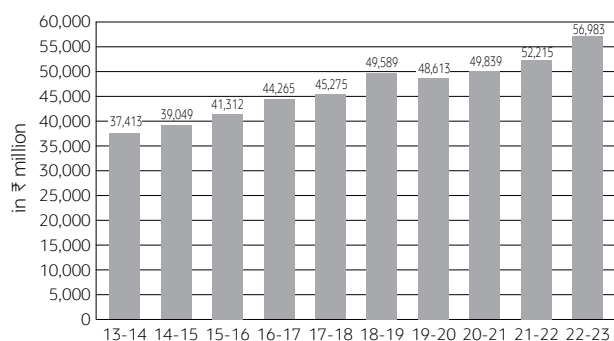
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Annual General Meeting

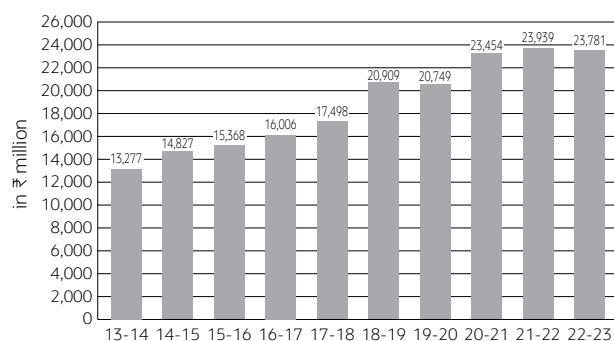
Day and Date	:	Thursday, July 27, 2023
Time	:	5.00 p.m. (IST)
Mode	:	Video Conferencing / Other Audio Visual Means

Ten year history

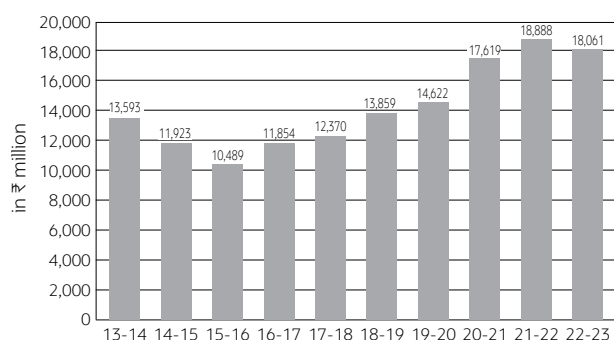
Operating revenue



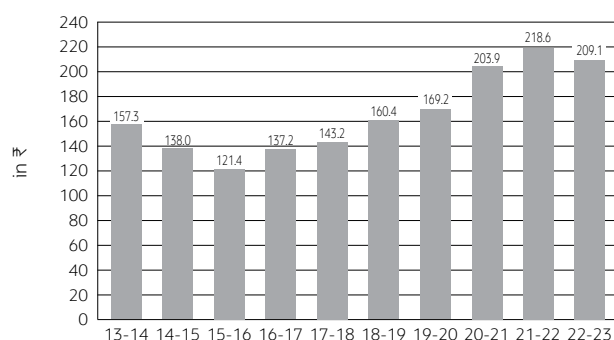
Operating income



Net income

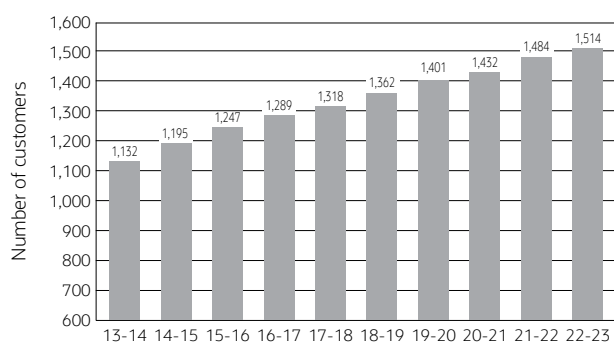


Earnings per share

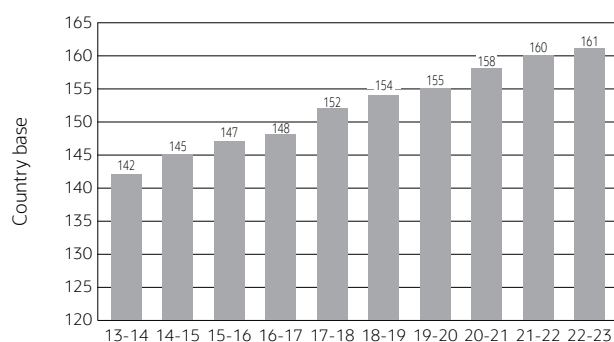


On the base of equity capital as on March 31, 2023.

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 Building, Tower-B,
Plot No 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddy,
Telangana, India - 500 032

Auditors

S. R. Batliboi & Associates LLP
Chartered Accountants

Bankers

Barclays Bank PLC
Canara Bank
Citibank, N.A.
HDFC Bank Ltd.

HSBC Bank
J P Morgan Chase
Kotak Mahindra Bank Ltd.
Yes Bank Ltd.

Management team

Arvind Gulhati
Anand Ramachandran
Bhargava Srinivasa
Chad Menke
Dharpan Koul
George Thomas
Goutam Chatterjee
H S Teji
Karthick R Prasad
Laura Balachandran
Mahesh Kandavar Rao
Mustafa Moonim
Promod Radhakrishnan

Rajaram N Vadapandeshwara
S Bhargava
Sanjay Bajaj
Sanjay Kumar Ghosh
Surendra Shukla
Tushar Chitra
Umesh Arora
Unmesh Pai
Venkatesh Srinivasan
Vikram Gupta
Vinayak L Hampihallikar
Vivek Jalan
Yogendra Singh

Directors' report

Financial year 2022-23

Dear Members,

The Directors present their report on the business and operations of your Company along with its Annual Report and audited financial statements for the financial year 2022-23.

Financial highlights

As per Consolidated financial statements:

(Amounts in ₹ million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	56,983.09	52,214.55
Finance income	1,672.84	901.85
Other income, net	245.59	441.57
Total income	58,901.52	53,557.97
Depreciation and amortization	(806.62)	(927.99)
Profit before tax	25,699.04	25,282.77
Tax expenses	(7,637.63)	(6,394.51)
Profit for the year	18,061.41	18,888.26
Other comprehensive income for the year	1,104.20	(35.69)
Total comprehensive income for the year	19,165.61	18,852.57

As per Unconsolidated financial statements:

(Amounts in ₹ million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	42,555.81	38,961.33
Finance income	1,335.58	839.39
Other income, net	258.65	220.07
Dividend from subsidiary company	932.14	1,500.66
Total income	45,082.18	41,521.45
Depreciation and amortization	(583.85)	(679.81)
Profit before tax	23,431.98	23,761.51
Tax expenses	(5,706.90)	(5,649.42)
Profit for the year	17,725.08	18,112.09
Other comprehensive income for the year	39.78	(83.95)
Total comprehensive income for the year	17,764.86	18,028.14

Performance

On a consolidated basis, your Company's revenue stood at ₹ 56,983.09 million during the current financial year, up 9% compared to ₹ 52,214.55 million of the previous financial year. The net income for the current financial year was ₹ 18,061.41 million, down by 4% compared to ₹ 18,888.26 million of the previous financial year. On an unconsolidated basis, your Company's revenue stood at ₹ 42,555.81 million during the current financial year, increase of 9% compared to ₹ 38,961.33 million of the previous financial year. The net income for the current financial year was ₹ 17,725.08 million, down by 2% compared to ₹ 18,112.09 million of the previous financial year.

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 ₹ 225 per equity share of ₹ 5 each on April 26, 2023, for the financial year ended March 31, 2023. The Board of Directors has not recommended any additional final dividend for the financial year 2022-23.

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 2022-23, the Company allotted 150,714 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, 2023 was ₹ 431,985,895 divided into 86,397,179 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, 2023 is available on the Company's website at <https://investor.ofss.oracle.com>.

Directors and key managerial personnel

Mr. Harinderjit Singh and Mr. Chaitanya Kamat, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Brief profile 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 ("Notice") forming part of this Annual Report. The Directors seeking re-appointment are not disqualified / debarred from holding the office of Director in terms of Section 164 of the Act, or by any order of SEBI, MCA, RBI or any other such authority. The Board recommends to the Members the resolutions for re-appointment of Mr. Harinderjit Singh and Mr. Chaitanya Kamat 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 Ethics & Business Conduct.

The Members of the Company, at the Thirtieth Annual General Meeting held on August 8, 2019, had appointed Ms. Jane Murphy as an Independent Director of the Company to hold office for a term up to December 31, 2023. In accordance with the provisions of Sections 149, 150, 152 and 197 of the Act and applicable provisions of the Listing Regulations, and based on the performance evaluation and recommendation of the Nomination and Remuneration Committee of the Company, it is proposed to re-appoint Ms. Jane Murphy as an Independent Director for a further term of five years from January 1, 2024 to December 31, 2028. A special resolution to this effect forms part of the Notice. The Board recommends to the Members this resolution.

During the financial year 2022-23, there were no changes to the Key Managerial Personnel.

Number of meetings of the Board

Five meetings of the Board were held during the financial year 2022-23. For details of the 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's ethical business values and sets forth key rules and employee responsibilities. The Code also covers the vigil mechanism and whistle blower policy.	https://www.oracle.com/assets/cebc-176732.pdf
Code of practices and procedures for fair disclosure of UPSI	This code defines the principles for fair disclosure of Unpublished Price Sensitive Information ("UPSI").	https://www.oracle.com/a/ocom/docs/industries/financial-services/code-of-practices-and-procedures-for-fair-disclosure-upsi.pdf
Corporate social responsibility policy	This policy governs Corporate Social Responsibility ("CSR") program of the Company.	https://www.oracle.com/a/ocom/docs/industries/financial-services/ofss-social-responsibility.pdf
Directors' appointment policy	This policy governs the manner of appointment of Directors of the Company.	https://www.oracle.com/a/ocom/docs/industries/financial-services/directors-appointment-policy.pdf
Dividend distribution policy	This policy details the factors to be considered by the Board while deciding or recommending any dividend.	https://www.oracle.com/a/ocom/docs/industries/financial-services/ofss-dividend-distribution-policy.pdf

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.	https://www.oracle.com/a/ocom/docs/industries/financial-services/material-events-information-policy.pdf
Policy for determining material subsidiaries	This policy defines the criterion for deciding material subsidiaries and describes related actions to be taken by the Company with respect to significant transactions with them.	https://www.oracle.com/a/ocom/docs/industries/financial-services/policy-determining-material.pdf
Record archival policy	This policy provides the framework for archival of the communications with the stock exchanges.	https://www.oracle.com/a/ocom/docs/industries/financial-services/record-archival-policy.pdf
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.	https://www.oracle.com/a/ocom/docs/industries/financial-services/ofss-party-transactions-policy.pdf
Remuneration policy	This policy establishes principles governing remuneration of the directors, key managerial personnel and senior management of the Company.	https://www.oracle.com/a/ocom/docs/industries/financial-services/ofss-remuneration-policy.pdf

Related party transactions

All related party transactions entered into by the Company during the financial year 2022-23 were at an arm's length basis and in the ordinary course of business. As required under the Act, form AOC-2 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 ensure its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the Company are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management plan have 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 Section 178 of the Act and Regulation 17(10) of the Listing Regulations, the Chairperson of the Nomination and Remuneration Committee conducted the evaluation of the performance of the Board and its Committees by seeking inputs from all the Directors based on various criteria such as composition, effectiveness of processes / meetings, information sharing, functioning, etc. The Board evaluation report for financial year 2022-23 was adopted at the Board Meeting held on April 26, 2023.

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 company 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.

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 <https://investor.ofss.oracle.com>.

Research and development

Your Company continuously makes significant investments in research and development (R&D) to offer Information Technology solutions that the global financial services industry needs today and will need tomorrow. Your Company's dedicated in-house R&D centers have produced a number of IT 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 2022-23, 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, has also 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 a Director of the Company by the SEBI, 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 the Secretarial Auditor of the Company for the financial year 2022-23. The Secretarial Audit report is annexed as Annexure 2 to this report. The Secretarial Audit report does not contain any qualifications, reservations, adverse remarks or disclaimers.

Business Responsibility and Sustainability Report

Business Responsibility and Sustainability Report pursuant to Regulation 34 of the Listing Regulations for the financial year 2022-23 that forms part of this Annual Report has been hosted on the website of the Company at <https://investor.ofss.oracle.com>.

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 extended 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 scheme approved by the Members 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 its Initial Public Offer ("IPO") in 2002 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, 2023, there are no options outstanding under ESOP Scheme 2002 and ESOP Scheme 2010.

Pursuant to ESOP Schemes approved by the Members of the Company, the Board of Directors have further approved the 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 form part of this Annual Report.

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 with the Company or its subsidiaries. Options / OSUs have an exercise period of 10 years from the date of grant. The employee / Director pays the exercise price and applicable taxes upon exercise of vested 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 <https://investor.ofss.oracle.com>.

The details of the options and/or OFSS Stock Units ("OSUs") granted under the Scheme 2002, Scheme 2010, Scheme 2011 and OFSS Stock Plan 2014 to eligible employees / Directors of the Company and subsidiaries from time to time till March 31, 2023 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	1,78,245	1,465,030	9,399,695
Lapsed and forfeited	(620,725)	(304,362)	(606,276)	(65,694)	(132,159)	(1,729,216)
Exercised	(4,547,195)	(333,638)	(1,251,851)	(15,886)	(683,515)	(6,832,085)
Total number of options in force as on March 31, 2023	–	–	92,373	96,665	649,356	838,394

The details of OSUs granted to Directors and Senior Managerial Personnel under OFSS Stock Plan 2014 during the financial year ended March 31, 2023 are as follows:

Name	Designation	Number of OSUs*
Mr. Chaitanya Kamat	Managing Director & Chief Executive Officer	38367
Mr. Makarand Padalkar	Whole-time Director & Chief Financial Officer	19151
Mr. Arvind Gulhati	Vice President - Business Planning and Ops	6506
Mr. Avadhut Ketkar	Chief Accounting Officer	4940
Mr. Goutam Chatterjee	Vice President - Consulting Quality & Testing	490
Mr. Karthick Prasad	Vice President, Product Development	2972
Ms. Laura Balachandran	Vice President - Business Planning and Ops	396
Mr. Mahesh Rao	Regional Vice President - Consulting	2197
Mr. Onkarnath Banerjee	Company Secretary and Compliance Officer	2470
Mr. Rajaram Vadapandeshwara	Vice President - Software Development	988
Mr. Sanjay Bajaj	Vice President - OFSAA Development Operations	906
Mr. Sanjay Ghosh	Regional Vice President - Consulting	824
Mr. Surendra Shukla	Vice President - Product Support	2635
Mr. Tushar Chitra	Vice President - Product Strategy & Marketing	1647
Mr. Unmesh Pai	Vice President, Software Development	1647
Mr. Vikram Gupta	Group Vice President - Banking Development	20419
Mr. Vinayak Hampihallikar	Vice President - Consulting	5789
Mr. Vivek Jalan	Vice President Real Estate and Facilities	553

*Grant price of each OSU is ₹ 5

- Any other employee, who receives grant in any one year amounting to 5% or more of options / OSUs granted during the year – None
- 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 – None
- 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 – ₹ 204.37

The compensation cost arising on account of grant of options and OSUs is calculated using the fair value method.

The reported profit for financial year 2022-23 is after considering the cost of employee stock compensation of ₹ 584.81 million, using fair value method on options / OSUs.

The weighted average share price for the year over which options / OSUs were exercised was ₹ 3,181. Money realized on allotment of 150,714 fresh equity shares as a result of exercise of options / OSUs during the financial year 2022-23 was ₹ 793.42 million. The Company has recovered from the employees / directors the perquisite tax applicable on exercise of options / OSUs. The weighted average fair value of OSUs granted during the year was ₹ 3,053 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

Employees are critical assets of the organization and their success and wellbeing is key to the Company's performance. Your Company endeavors to constantly hire and retain the best talent and be among the preferred employers in the industry. The Company constantly invests in building capabilities of its employees in the areas of technology, industry domain and soft skills; and emphasizes on building an inclusive and collaborative work culture along with systems that promote and enable high performance offering an enriching career to the employees.

Employee safety, health and open culture is of paramount importance to your Company and is committed to providing a safe and respectful work environment that is free from harassment or discrimination irrespective of background of the employees. Sexual or other harassments or discrimination against applicants or employees is strictly forbidden. The Company has Prevention of Sexual Harassment 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 communications. The Company has setup Internal Complaints Committees at every location where it operates in India as per the regulations.

As of March 31, 2023, your Company had 8,593 employees (March 31, 2022 – 7,884) including employees of the subsidiaries.

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 of the CSR Committee are 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 CSR activities for the financial year ended March 31, 2023 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, 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 the 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, 2023, the Directors hereby confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the directors have selected such accounting policies and applied them consistently and made judgements 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 have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis;
- e. the directors have laid down internal financial controls and that such internal financial controls are adequate and were operating effectively; and
- f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Auditors

The Members of the Company have appointed M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, (ICAI Firm Registration No. 101049W), as the Statutory Auditors of the Company till the conclusion of the 38th Annual General Meeting to be held in the year 2027.

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 and 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 infrastructure management equipment which optimize energy consumption. The Company continues to support Oracle's global sustainability goals of reducing waste to landfill and conserving energy.

Technology absorption

The Company regularly strives to utilize newer technologies with a view to conserve energy and create an environmentally friendly ecosystem. 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: The Company operates the infrastructure on a next generation cloud platform. All corporate applications are hosted on the Oracle next generation cloud. This move significantly reduces infrastructure costs as well as space and power utilization across the globe. Leveraging the cloud platform, the Company has consolidated datacenters and manages increasing demand through flexible infrastructure utilization.

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 and increasing efficiencies from a support perspective by making self-service operations easier and effective. Conference room facilities have been enhanced and standardized across the organization to ensure smooth and seamless operations from any of the Company's location.

All these initiatives provide a secure, efficient and environment friendly operating environment to the employees.

Foreign exchange earnings and outgo:

(Amounts in ₹ million)

Foreign exchange earnings	37,771.57
Foreign exchange outgo (including capital goods and other expenditure)	2,317.74

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 broaden and deepen various potential markets globally. Experienced sales and marketing specialists focus on building strong international business presence to develop new export markets for your Company.

Prospects

The banking and financial services industry continued to face disruptions due to geopolitical and economic shockwaves. New age and nimble fintechs are nibbling away segments of their businesses, especially in the growth areas. These disruptions have accelerated the need for the financial institutions to transform themselves to meet the changing customer expectations. To address these challenges, banks and FIs are accelerating digital revolution, coupled with harnessing data to deliver actionable insights, and drive progressive modernization to offer an enhanced user experience.

Your Company's innovation-led approach enables digital transformation across critical business areas. Your Company caters to the customers ranging from small and medium banks operating in small regions to large banks and financial institutions operating across the globe. The Company's solutions deliver flexibility of deployment and interoperability to cater to the needs of all categories of clients. Its deep expertise in a wide spectrum of solutions in banking ensures that the Company can meet the next level of expectations. Within these disciplines, your Company continues to provide products and services for retail banking, corporate banking, universal banking, payments, life insurance, annuities, health insurance, and asset management.

The best-in-class solutions are built on top of a common core of technologies and enterprise applications to offer financial institutions a pre-integrated full stack that delivers a comprehensive set of solutions that can save cost, drive efficiency, and scale. As the markets are slowly evolving into software-as-a-service model, your Company has adapted its offerings for SaaS / cloud but can also be offered on-premise depending upon the customers' choice. Oracle's integrated cloud platform serves as the core for innovation and applications that enable digital banking, integrated finance, accounting and performance, financial crime compliance management, revenue management, billing, and human capital management – all to help organizations effectively adapt, grow, and stay relevant in the industry.

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
Non-Executive, Independent Directors	
Mr. S Venkatachalam	2
Mr. Richard Jackson	2
Mr. Sridhar Srinivasan	2
Ms. Jane Murphy	2
Executive Directors	
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 2023 as compared to FY 2022
Non-Executive, Independent Directors	
Mr. S Venkatachalam	Nil
Mr. Richard Jackson	Nil
Mr. Sridhar Srinivasan	Nil
Ms. Jane Murphy	Nil
Managing Director and Chief Executive Officer[#]	
Mr. Chaitanya Kamat	9
Whole-time Director and Chief Financial Officer[#]	
Mr. Makarand Padalkar	6
Company Secretary and Compliance Officer[#]	
Mr. Onkarnath Banerjee	9

[#]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 2023, as compared to fiscal 2022:

10%

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

7,680 as on March 31, 2023.

- 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 2022-23, the average remuneration of employees other than the key managerial personnel increased by 16% over the previous year. During the same period, average remuneration of the key managerial personnel increased by 9%.

- 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, 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 14, 2023

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, 2023, which were not at arm's length basis.

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

There were no material contracts or arrangements or transactions entered into during the year March 31, 2023.

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

Mumbai
June 14, 2023

S Venkatachalam
Chairperson
DIN: 00257819

Secretarial audit report

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[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 31st March, 2023 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 31st March, 2023 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: F001403E000488923

Date: June 14, 2023
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 31ST MARCH, 2023

[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.

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

PR: 1683/2022
UDIN: F001403E000488923

Date: June 14, 2023
Place: Mumbai

Annual Report on Corporate Social Responsibility Activities

Financial Year ended March 31, 2023

[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 2022-23, the Company directed its CSR efforts to support underserved populations through education and community projects, including digital literacy and remedial classes, life skills and vocational training, employment assistance, healthcare services, and water, sanitation, and hygiene (WASH) initiatives.

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	1	1
2.	Mr. S Venkatachalam	Member, Non-Executive, Independent Director	1	1
3.	Mr. Chaitanya Kamat	Member, Executive Director	1	1

3. Provide the web-link(s) 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/financial-services/ofss/governance>

CSR Policy - <https://www.oracle.com/a/ocom/docs/industries/financial-services/ofss-social-responsibility.pdf>

CSR Projects - <https://www.oracle.com/a/ocom/docs/industries/financial-services/list-of-approved-csr-projects-fy2022-23.pdf>

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not applicable. The Company completed the CSR projects for the financial year ending March 31, 2022 in March 2022. In compliance with the regulations, the Company initiated the impact assessment 12 months after project completion and is in the process of completing Impact Assessment for the projects completed as of March 31, 2022.

- | | | | |
|----|-----|--|---------------------|
| 5. | (a) | Average net profit of the company as per sub-section (5) of section 135: | ₹ 22,794.38 million |
| | (b) | Two percent of average net profit of the company as per sub-section (5) of section 135: | ₹ 455.89 million |
| | (c) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years: | Nil |
| | (d) | Amount required to be set off for the financial year, if any: | ₹ 9.82 million |
| | (e) | Total CSR obligation for the financial year [(b)+(c)-(d)]: | ₹ 446.07 million |
| 6. | (a) | Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): | ₹ 471.87 million |
| | (b) | Amount spent in Administrative Overheads: | Nil |
| | (c) | Amount spent on Impact Assessment, if applicable: | Nil |
| | (d) | Total amount spent for the Financial Year [(a)+(b)+(c)]: | ₹ 471.87 million |

(e) 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 sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer
471.87	Nil	NA	NA	NA	NA

(f) 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 sub-section (5) of section 135	446.07
(ii)	Total amount spent for the Financial Year	471.87
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	25.80
(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)]	25.80

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹ million)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹ million)	Amount spent in the reporting Financial Year (in ₹ million)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹ million)	Deficiency, if any
					Amount (in ₹ million)	Date of Transfer		
-	NA	Nil	Nil	Nil	NA	NA	Nil	Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility Amount spent in the Financial Year: **No**.

If yes, enter the number of Capital assets created/acquired: **None**.

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of 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 14, 2023

Corporate governance report

The report on Corporate Governance of Oracle Financial Services Software Limited ("Company") for the financial year 2022-23 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 ("Board") and the number of directorships and board committee chairpersonships / memberships held by the Directors as on March 31, 2023, their attendance at the Board Meetings during the year then ended and at the last Annual General Meeting ("AGM") are given below:

Name of the Director	Board Meetings attended during the year	Attendance at the last AGM held on August 3, 2022	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 Chairperson (DIN: 00257819)	5/5	Present	1	–	–
Mr. Richard Jackson (DIN: 06447687)	5/5	Present	8	2	–
Mr. Sridhar Srinivasan (DIN: 07240718)	5/5	Present	3	–	3
Ms. Jane Murphy (DIN: 08336710)	5/5	Present	7	1	–
Non-Executive, Non-Independent Directors					
Mr. Harinderjit Singh (DIN: 06628566)	5/5	Present	1	–	–
Ms. Kimberly Woolley (DIN: 07741017)	5/5	Present	12	–	1
Mr. Vincent Secondo Grelli (DIN: 08262388)	5/5	Present	3	–	1
Mr. Yong Meng Kau (DIN: 08234739)	4/5	Present	12	–	–
Executive Directors					
Mr. Chaitanya Kamat Managing Director & Chief Executive Officer (DIN: 00969094)	5/5	Present	–	–	–
Mr. Makarand Padalkar Whole-time Director & Chief Financial Officer (DIN: 02115514)	5/5	Present	1	–	–

Video Conferencing / Other Audio Visual Means 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 ("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 the 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, 2023, 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 judgement 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.		
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.		

Director	Skills and Competencies		
	Strategy & Leadership	Industry Knowledge	Governance, Compliance & Finance
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 businesses and technology transformations at banks in EMEA and APAC. Independent board member at several companies including insurance 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 2022-23

During the financial year 2022-23, five Board Meetings were held on May 4, 2022, June 15, 2022, July 20, 2022, October 19, 2022 and January 18, 2023.

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 January 18, 2023 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, 2023. 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.

An extract of the terms of reference of the Audit Committee is given below:

- Oversight of the Company's financial reporting process and disclosure of its financial information;
- 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;
- Reviewing with the management performance of statutory and internal auditors;
- Reviewing with the management quarterly and annual financial statements and auditors' report thereon before submission to the Board for approval;
- 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 2022-23, five meetings of the Audit Committee were held on May 4, 2022, June 15, 2022, July 20, 2022, October 19, 2022 and January 18, 2023.

The details of the composition of the Audit Committee as on March 31, 2023 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
Mr. Yong Meng Kau (w.e.f. May 5, 2022)	Member, Non-Executive, Non-Independent Director	4/4

The Company Secretary acts as the Secretary to the Audit Committee. 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 3, 2022 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) Formulating the criteria for determining qualifications, positive attributes and independence of directors;
- b) Recommending to the Board policies relating to the remuneration of the directors, key managerial personnel, senior management and other employees of the Company;
- c) Reviewing the criteria and conducting the evaluation of performance of Directors and the Board together with Board Committees;
- d) Administering and dealing 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) Identifying the persons qualified to become directors and recommending to the Board their appointment / re-appointment.

Composition, meetings and attendance of the committee

During the financial year 2022-23, one meeting of the Nomination and Remuneration Committee was held on February 27, 2023. Additionally, business was also dealt with by passing circular resolutions.

The details of the composition of the Committee as on March 31, 2023 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 Non-Executive, Non-Independent Directors does not draw any remuneration.

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 2022-23

(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#	38367	50.61	1.31	–	51.92
Mr. Makarand Padalkar#	19151	13.76	0.68	–	14.44
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, 2023, the Nomination and Remuneration Committee granted 281,387 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
May 9, 2022	100
August 17, 2022	19011
September 18, 2022	259298
October 10, 2022	1400
October 16, 2022	714
November 7, 2022	400
December 17, 2022	464

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, 2022	Options / OSUs exercised & shares allotted during the year	Options / OSUs outstanding as at March 31, 2023	Exercise price (₹)	Last date for exercise (within 10 years from the date of grant)
Mr. Chaitanya Kamat	6250	6250	–	5.00	June 27, 2027
	11250	5625	5625	5.00	June 28, 2028
	18750	6250	12500	5.00	June 26, 2029
	11250	3750	7500	5.00	September 1, 2029
	30000	7500	22500	5.00	July 23, 2030
	25000	–	25000	5.00	July 31, 2031
	–	–	38367	5.00	September 17, 2032
Mr. Makarand Padalkar	2500	2500	–	5.00	June 27, 2027
	4375	2187	2188	5.00	June 28, 2028
	8438	2813	5625	5.00	June 26, 2029
	15000	3750	11250	5.00	July 23, 2030
	14000	–	14000	5.00	July 31, 2031
	–	–	19151	5.00	September 17, 2032

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:

- Considering and resolving 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.;
- Reviewing measures taken for effective exercise of voting rights by the shareholders;
- Reviewing adherence to the service standards adopted in respect of various services rendered by the Company's Registrar and Share Transfer Agents;
- Reviewing 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 2022-23, one meeting of the Committee was held on January 18, 2023.

The details of the composition of the Committee as on March 31, 2023 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 3, 2022 to address the shareholders' queries.

Details of shareholders' complaints received, resolved and outstanding during the financial year 2022-23 are given below:

Particulars	No. of Complaints
Complaints outstanding on April 1, 2022	Nil
Complaints received during the financial year ended March 31, 2023	98
Complaints resolved during the financial year ended March 31, 2023	98
Complaints outstanding on March 31, 2023	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 2022-23, there were no meetings held.

The composition of the Committee as on March 31, 2023 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 2022-23, twelve meetings of the Committee were held on April 20, 2022, May 11, 2022, June 15, 2022, July 21, 2022, August 18, 2022, September 20, 2022, October 20, 2022, November 23, 2022, December 21, 2022, January 18, 2023, February 22, 2023 and March 21, 2023.

The details of the composition of the Committee as on March 31, 2023 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	11/12
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. Formulating detailed risk management policy;
2. Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. Keeping 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 2022-23, two meetings of the Committee were held on August 29, 2022 and February 21, 2023. Additionally, business was also dealt with by passing circular resolutions.

The composition of Committee as on March 31, 2023 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 2022-23, one meeting of the CSR Committee was held on May 10, 2022. Additionally, business was also dealt with by passing circular resolutions.

The composition of Committee as on March 31, 2023 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. Harinderjit Singh	Chairperson, Non-Executive, Non-Independent Director	1/1
Mr. S Venkatachalam	Member, Non-Executive, Independent Director	1/1
Mr. Chaitanya Kamat	Member, Executive Director	1/1

Business responsibility committee

The Company has a Business Responsibility Committee to oversee matters concerning the implementation of Business Responsibility and Sustainability 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 - Human Resource, Legal Director & Ethics and Compliance Officer, Vice President - Business Planning & Operations and Company Secretary & Compliance Officer.

During the financial year 2022-23, a meeting of the Committee was held on June 6, 2022. Additionally, business was also dealt with by passing circular resolution.

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
2021-22	August 3, 2022 5.00 p.m.	Video Conferencing / Other Audio Visual Means	Adoption of a new set of Articles of Association in place of the existing Articles of Association of the Company.
2020-21	August 4, 2021 5.00 p.m.	Video Conferencing / Other Audio Visual Means	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 5.00 p.m.	Video Conferencing / Other Audio Visual Means	–

- 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, 2023.
- 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. There were no separate presentations made to institutional investors or to the analysts.

The Company's quarterly financial results, press releases, annual reports and other relevant corporate documents are also placed on the Company's website at <https://investor.ofss.oracle.com> 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 <https://investor.ofss.oracle.com>.

The Company emails the soft copies of the Annual Report to all those members whose email addresses are available with the Registrar and Transfer Agent.

The investor complaints, as and when received, are being processed through the centralized web based SEBI Complaints Redress System (SCORES).

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	Thursday, July 27, 2023 at 5.00 p.m. (IST) through Video Conferencing / Other Audio Visual Means
Financial Year	April 1 to March 31
Date of Book Closure	Friday, July 21, 2023 to Thursday, July 27, 2023 (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) Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	532466
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051	OFSS

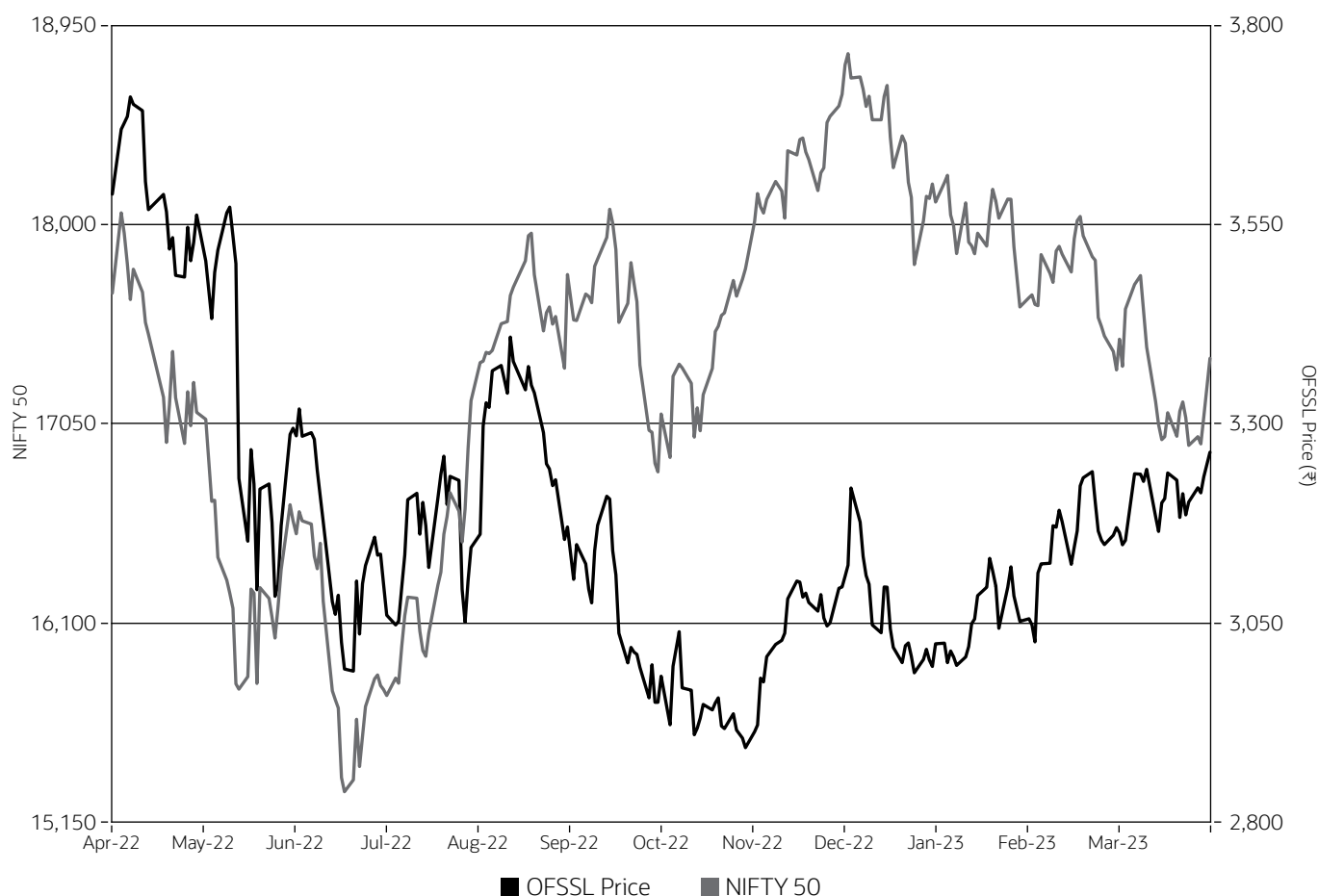
The annual listing fees for the financial year 2022-23 have been paid to both the Stock Exchanges.

Market price data

Monthly high, low and volume of the shares of the Company traded on the Stock Exchanges from April 1, 2022 to March 31, 2023 are given below:

Month and Year	BSE			NSE		
	High (₹)	Low (₹)	Volume of Shares	High (₹)	Low (₹)	Volume of Shares
April 2022	3749.65	3413.00	52368	3750.00	3411.00	1256589
May 2022	3650.00	3018.00	97738	3649.00	3017.60	2133676
June 2022	3391.10	2950.65	62369	3394.40	2950.00	1472821
July 2022	3275.00	3022.55	63942	3277.75	3021.55	1601758
August 2022	3423.60	3116.15	87331	3424.95	3136.70	2062927
September 2022	3238.00	2922.00	194144	3238.70	2921.15	1866948
October 2022	3052.65	2883.80	205409	3055.00	2883.25	1564274
November 2022	3138.80	2910.00	84804	3139.00	2909.50	1494891
December 2022	3294.90	2959.65	85968	3295.00	2977.25	1867832
January 2023	3194.05	2985.00	58276	3194.00	2984.25	1458560
February 2023	3282.90	2987.40	55952	3281.05	3012.25	1378877
March 2023	3323.00	3123.10	58342	3323.80	3124.00	1276614

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 Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032
Toll Free no.	1800 309 4001
Email	einward.ris@kfintech.com
Website	https://ris.kfintech.com

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. Further, with effect from 24 January, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/endorsement/sub-division/splitting/consolidation of securities, transmission/ transposition of securities. Vide its Circular dated 25 January 2022, SEBI has clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request.

Distribution of shareholding as on March 31, 2023

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	116389	98.14	4323190	14267230	3.30
2501 to 5000	825	0.70	1058948	3098365	0.71
5001 to 10000	481	0.41	1342413	3480740	0.81
10001 to 20000	330	0.28	1531297	4786360	1.11
20001 to 30000	137	0.12	1155109	3370730	0.78
30001 to 40000	94	0.08	1158373	3358565	0.78
40001 to 50000	60	0.05	626363	2729810	0.63
50001 to 100000	114	0.10	1868363	8297625	1.92
100001 & Above	159	0.13	73333123	388596470	89.96
Total	118589	100.00	86397179	431985895	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, 2023, 99.79% of the equity shares of the Company were held in electronic form and 99.97% 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: <https://investor.ofss.oracle.com>
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, 2023, there were no materially significant related party transactions that may have potential conflict with the interest 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/a/ocom/docs/industries/financial-services/policy-determining-material.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 Director of the Company by the SEBI, Ministry of Corporate Affairs (MCA) or any such statutory authority.
- i) The details of Statutory Auditors' fees for the financial year 2022-23, on a consolidated basis, are given below:

M/s. Mukund M. Chitale & Co., Chartered Accountants (Firm Registration no. 106655W), were the Statutory Auditors of the Company till August 3, 2022. The details of total fees (including GST) paid to them for the financial year 2022-23, on a consolidated basis, are given below:

Particulars	Amounts (₹ in million)
Statutory Audit Fees*	3.39
Others	0.00
Total	3.39

*Includes audit and audit related services.

M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration no. 101049W / E300004), have been appointed as the Statutory Auditors of the Company from August 3, 2022. The details of total fees (including GST) paid to them for the financial year 2022-23, on a consolidated basis, are given below:

Particulars	Amounts (₹ in million)
Statutory Audit Fees*	22.59
Others	36.58
Total	59.17

*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 2022-23	1
Number of complaints disposed of during the financial year 2022-23	1
Number of complaints pending as at the end of the financial year 2022-23	Nil

- 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, 2023 on the Company's website at <https://investor.ofss.oracle.com> and on the website of the Ministry of Corporate Affairs at 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 2022-23, no loans and advances have been granted to firms / companies in which Directors of the Company are interested.
- o) The details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries are:

Sr. No.	Name of the Subsidiary	Date & Place of Incorporation	Name of Auditors	Date of Appointment of Auditors
1	Oracle Financial Services Software B.V.	May 19, 2000 The Netherlands	Ernst & Young Accountants LLP	April 3, 2023
2	Oracle Financial Services Software Pte. Ltd.	November 16, 2001 Singapore	Ernst & Young LLP	July 12, 2022
3	Oracle Financial Services Software, Inc.	December 4, 2001 Delaware, USA	Not Applicable. These subsidiaries are not required to get their financial statements audited under the law of the country of its incorporation.	
4	Oracle Financial Services Software America, Inc.	December 15, 2003 Delaware, USA		

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 2022-23.
- c) The Internal Auditor of the Company reports to the Audit Committee.

CEO & CFO Certificate

April 26, 2023
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, 2023 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, 2023 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, 2023.
 2. Significant changes in accounting policies during the year ended March 31, 2023; 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, 2023.

For Oracle Financial Services Software Limited

Chaitanya Kamat
Managing Director & CEO
DIN: 00969094
Mumbai, April 26, 2023

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 **31st March 2023**, 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.

CS Prashant Diwan

Practicing Company Secretary

FCS No.: 1403 / CP No.: 1979

PR: 1683/2022

UDIN: F001403E000488934

Date: June 14, 2023

Place: Mumbai

Management's discussion and analysis

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

Technology trends in the financial services industry and outlook

The banking and financial services industry has been in a continuous state of flux with disruptive challenges which also generate new opportunities. Customer expectations are evolving by the day and hyper-personalization based on real-time insights and data analytics is emerging as the new consumer demand. At the same time, the banks are expected to maintain their fiduciary responsibilities by providing the needed trust and stability that their customers expect after experiences with some misadventures.

As more and more banks start looking for SaaS and cloud-based deployments, the established software solutions providers are adapting to this evolving demand either by offering componentized architecture and flexible deployment options, or by partnering with the fintech players through a marketplace model enabled by APIs. The industry is looking to unify their data models 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 want to leverage advanced analytics to stay ahead of financial criminals and increase compliance.

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

New technologies such as blockchain, artificial intelligence and machine learning are now being increasingly adopted. We are committed to empowering financial institutions to become more responsive, agile, collaborative, and insightful in what they do by leveraging the outcomes of the latest technologies. 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. We help solve the critical problems in the financial services industry by delivering embedded financial experiences for all banking services, revitalizing global trade and supply chains, modernizing finance and risk management. Our solutions are architected to enable retail as well as corporate banks establish new business models, operate flexibly, respond proactively to market conditions, create new business opportunities and drive growth.

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

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

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

Retail banking has witnessed significant disruptions over the past few years, led by evolving customer demands, a dynamic global business scenario, and technology disruptions. The customer, exposed to an increasingly personalized experience across the service industries, is now expecting similar empowerment from banks and financial institutions. The retail banks are also facing competition from a slew of non-traditional agile players who operate in niche areas. To keep up with these changes, banks need software solutions that can not only deliver a stable banking platform but also leverage disruptive technologies such as Artificial intelligence (AI) and machine learning (ML) to analyze customer data and provide personalized services. AI and ML can also be used to detect and prevent fraud, improve customer service, and automate routine tasks. Banks are exploring the use of blockchain to improve their operations, including reducing transaction times, increasing security, and reducing costs.

More and more banks today are looking for ways to deliver not just banking but also other innovative financial products as well as e-commerce services integrated with their banking applications.

In summary, the retail banking industry is undergoing significant changes, and software solutions are playing a critical role in driving this transformation. Banks that embrace these trends and invest in the right software solutions will be better positioned to meet the changing needs of their customers and stay competitive in the market.

Our retail banking solutions enable banks to innovate and respond with speed and agility to their demanding customers. Over the years, we have built loyalty and trust by delivering customer-centric digital banking and operational intelligence across the customers' middle and back offices. Our retail banking solutions offer efficient mobile banking, faster transaction processing,

and personalized account insights to build stronger customer relationships and faster business outcomes. By deploying an agile and adaptive microservices-based architecture, with built-in innovation, we offer flexibility in the choice of cloud or on-premises deployment based on customer preference.

The corporate banking software market has been growing rapidly in recent years, driven by the need for banks to provide better services to their corporate clients and the increasing adoption of digital technologies. Similar to retail customers, the corporate customers also need support of their bank in keeping in step with their own business transformation. The banks also need to cater to new age corporations with a strong digital focus. To cater to these needs, banks are leveraging disruptive technologies such as artificial intelligence, machine learning, and data analytics to automate processes, improve efficiency, and provide better insights into customer behavior. Using open banking, banks are partnering with fintech startups and other third-party providers to offer their corporate clients a range of solutions that can help them manage their finances more efficiently.

Banks are increasingly looking at cloud-based solutions to reduce costs, faster time to market and gain the flexibility to quickly scale their operations based on demand.

Our corporate banking solutions can help banks adopt to these rapid developments in the industry. Our comprehensive offerings across trade and supply chain finance, corporate credit, and treasury management can help banks better manage their global operations effectively. As one of the leading banking IT solutions providers, we are 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 payment solutions as well as our digital and open banking capabilities span corporate and retail banking. Our digital banking capabilities ensure that the bank's corporate as well as retail customers have access to the latest technology across all contemporary digital channels, be it mobile, desktop, social media, or video banking. Oracle's digital banking platform, built on a cloud-native infrastructure, offers high availability and exceptional security ensuring that banks meet the dynamic needs of customers with continuous feature enhancements. Oracle caters to the growing need for a mature packaged banking API solution that can help banks accelerate their path to transforming into an open API platform delivering immersive digital banking experiences.

As the industry evolves at a rapid pace, regulations are also evolving and standardizing across the borders. New regulations dealing with the industry complexity are emerging. Your Company's experience in delivering solutions to banks and financial institutions across the world has helped incorporate the regulatory requirements into our offerings.

Oracle Financial Services Banking product portfolio

Our product portfolio has significantly expanded over the years as more and more components are brought to market as standalone offerings.

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 is 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 provides lifecycle processing for hedge funds, mutual funds, and unit-linked insurance products across lines of business, enabling fund management companies to address business challenges effectively.

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 Branch helps reinvent the bank branch from a point of service to a point of sale and advice. This modern solution enables intuitive, intelligent, and automated branch operations and deep insights that empower bankers to shift from transaction-centric interactions to personalized, sales and advice-driven customer engagement.

Oracle Banking Origination helps reimagine originations by driving a personalized, consistent, and frictionless experience with the customer at the center. A modern SaaS solution, its intuitive workflows, streamlined processes, and automated decisioning and pricing help bankers provide tailored onboarding and originations for customers, accounts, deposits, and loans with speed and transparency, delivering instant gratification for customers.

Oracle Financial Services Lending and Leasing provides end-to-end capabilities from origination into servicing and through collections. Built on Oracle's highly elastic, simple, and secure cloud platform, it enables lending institutions to address complex and dynamic regulatory and compliance requirements and quick and cost-effective roll out of core business services. It can also be delivered as an on-premises deployment.

Oracle Banking Accounts is built on a highly scalable, cloud native architecture to provide a highly concurrent DDA system platform that mitigates risk and enhances control. It can be integrated within the existing process flows and peripheral systems, allowing banks to reengineer their DDA systems and offer innovative products faster without disrupting their operations.

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, standalone liquidity management solution based on contemporary technology with the ability to support comprehensive liquidity management techniques. The solution enables additional avenues for higher-yield investments and techniques such as pooling, sweeping, and interest optimization.

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 Corporate Lending Process Management is a solution built on Oracle Cloud Infrastructure (OCI) and microservices architecture that helps banks build rich experiences by providing automated workflows and intelligent processes that support digital-led, data-driven operations and deliver the flexibility needed to manage the complete corporate loan lifecycle for a variety of lending types.

Oracle Banking Credit Facilities Process Management is a comprehensive credit management solution built on Oracle Cloud Infrastructure (OCI) and microservices architecture, which enables banks to accelerate credit origination and servicing, prequalify credit lines, track exposures to customers in real time, and mitigate business risks.

Oracle Banking Enterprise Limits and Collateral Management is an enterprise application that enables banks to manage their credit exposure by centralizing the limits definition process and collateral management. The solution offers real-time exposure tracking, credit facility creation and renewal, collateral pooling, and collateral revaluation and supports multicurrency, multi-entity, and multi-instance operations. It can also be delivered as an on-premises deployment.

Oracle Banking Supply Chain Finance is a comprehensive, digitized, end-to-end, front-to-back solution built on Oracle Cloud Infrastructure (OCI) and microservices architecture. Oracle Banking Supply Chain Finance Cloud Service is a comprehensive, digitized, front-to-back solution that supports the full lifecycle of supply chain finance and factoring across receivables and payables, offering supplier-centric 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. It helps corporate banking clients gain capital clarity. This state-of-the-art cloud service empowers banks to offer future-proof virtual account management solutions, enabling corporate customers to effectively manage complex global account structures and control working capital.

Oracle Banking Digital Experience delivers captivating digital banking customer experiences using a SaaS-based, cloud native digital banking platform designed for scale and reliability. Oracle Banking Digital Experience Cloud Service is a digital banking solution that provides ready-to-go retail, corporate, and Islamic banking experiences while integrating with a bank's existing core banking system.

Oracle Banking APIs delivers a SaaS-based, packaged API solution to jump-start API banking with more than 1,800 ready-to-deploy business and foundational banking APIs. The cloud native solution enables banks to comply with open banking regulations and accelerate innovation in a new digital ecosystem.

Oracle Banking Payments is a digital payment solution that helps process payments in real time, anywhere, and at scale. The solution is built natively on the ISO 20022 framework and is available by subscription. To stay ahead of the game and optimize transaction efficiency, banks need a one-stop payment processing solution that processes multiple payment types, is constantly updated to reflect scheme rulebooks and guidelines, and supports SWIFT gpi for low-value cross-border payments.

Modern Risk and Finance and Financial Crime and Compliance Management

Our Modern Risk and Finance and Financial Crime and Compliance Management solutions are led by **Oracle Financial Services Analytical Applications (OFSA)** 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 and libraries that support building OFSAA analytical applications and power them runtime across Risk, Finance, Treasury and Financial Crime and 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 leveraging AI and Machine Learning platforms, such as Graph and incorporates principles, responsible AI for ethical use.

Oracle FCCM's key offerings span across the entire financial crime and compliance management value chain including streamlined Know Your Customer (KYC) 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.

One of the key products in FCCM suite is the **Oracle Financial Services Financial Compliance Studio** product which 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.

With FCCM's offering being available as Cloud based services, customers have the flexibility to choose between on-premises deployment or cloud-based hosting. We have added new products in FCCM like **Oracle Financial Services Anti Money Laundering Premium Edition/Oracle AML Premium** which is a cutting-edge application that utilizes the latest in AI/ML, and Graph technology to monitor and detect money laundering. The application uses AI algorithms to analyze large amounts of financial data to automatically identify patterns and anomalies that may indicate money laundering activity or associated risks. Similarly, **Oracle Financial Services Compliance Agent Cloud Service** has been added to the FCCM suite which is an AI-powered SaaS platform addressing challenges in evaluating and enhancing transaction monitoring systems. The virtual money launderer (Compliance Agent) **operates in a simulated** environment, replicating a financial institution's products, customer segments, and controls. It identifies optimization opportunities and recommends thresholds based on empirical evidence from the virtual money launderer's behavior. With custom experiments, banks can assess multiple alternatives, such as threshold sets or scenarios, leading to improved decision-making.

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 and liquidity risk. 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 adoption 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, IFRS 9 based Hedge Accounting standards on Micro hedging, Fair valuations using inbuilt methods, IFRS 13 Fair Value Level Allocation, and Disclosure requirements of IFRS 7.

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 and internal reporting 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, planning, 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 the on-premise Enterprise, Retail and Institutional Performance Analytics and Retail Customer Analytics products which are primarily front office applications aimed at promoting top-line growth through data driven insights into customer behavior. The solutions help improve top-line growth with improved profitability by managing profitable customer journeys and their lifecycle with the bank. The Performance Analytics solutions are also available on cloud architecture as Profitability Analytics Cloud Service under the umbrella of Profitability and Balance Sheet Management Cloud suite of services.

Services

Oracle Finergy, our consulting services business, earlier known as Oracle PrimeSourcing, enables financial services enterprises to drive simplicity using technology, helping them engage with their customers in a personalized and frictionless manner. Oracle Finergy uses a domain-driven design approach to deliver technology solutions across the 'Change the Bank' & 'Run The Bank' spectrum for firms in the Banking, Capital Markets and Insurance industries. This includes transforming on-premises business applications, enabling resiliency through compute & data workload migrations to the cloud, driving cloud native digital innovation, enabling automation-led Application Support, and driving deeper insights from data for decision support or intelligent automation.

Oracle Financial Services BPO Services provide cost effective and high quality BPO services ranging from complex back-office work to contact centre 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.

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 ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("Act") read with relevant Rules of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

The consolidated financial statements as at March 31, 2023 include Oracle Financial Services Software Limited ("Company"), its subsidiaries and Controlled Trust (together referred to as "OFSS group" as described in note 1 to the consolidated financial statements).

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 financial year ends on March 31 of each year.

Performance summary

	(Amounts in ₹ million)		
Year ended March 31, 2023	Products	Services	Total
Revenue from operations	51,309.00	5,674.09	56,983.09
Operating expenses	(26,838.05)	(4,370.08)	(31,208.13)
Unallocable expenses	–	–	(1,994.35)
Income from operations	24,470.95	1,304.01	23,780.61
Operating margin	48%	23%	42%
Profit for the year			18,061.41
Profit margin			32%
Year ended March 31, 2022			
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%

Our total revenues in the financial year ended March 31, 2023 were ₹ 56,983.09 million, an increase of 9% over our total revenues of ₹ 52,214.55 million in the financial year ended March 31, 2022. The increase in revenues was primarily attributable to increase in the revenues from our products business.

Income from operations in the financial year ended March 31, 2023 was ₹ 23,780.61 million representing a decrease of 1% from ₹ 23,939.35 million in the financial year ended March 31, 2022. The profit for the year in the financial year ended March 31, 2023 was ₹ 18,061.41 million, as against ₹ 18,888.26 million in the financial year ended March 31, 2022.

Revenues from operations

Products revenues

Our products revenues represented 90% of our total revenues in both the financial years ended March 31, 2023 and March 31, 2022. Our products revenues were ₹ 51,309.00 million in the financial year ended March 31, 2023, an increase of 9% from ₹ 46,916.03 million during the financial year ended March 31, 2022.

The percentages of our products revenues from different streams were as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
License fees	15%	14%
Consulting fees	52%	52%
Maintenance fees	33%	34%
Total	100%	100%

Services revenues

Our services revenues represented 10% of our total revenues in both the financial years ended March 31, 2023 and March 31, 2022. Our services revenues were ₹ 5,674.09 million in the financial year ended March 31, 2023, an increase of 7% from ₹ 5,298.52 million in the financial year ended March 31, 2022.

The percentage of total services revenues from time and material contracts was 48% in financial year 2023 and 64% in financial year 2022, 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. Our finance and other income in the financial year ended March 31, 2023 was ₹ 1,918.43 million, as compared to ₹ 1,343.42 million in the financial year ended March 31, 2022.

Expenses

Operating expenses

Our operating expenses consist of costs attributable to compensation of employees, project related travel expenses, professional fees paid to vendors, 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 towards Corporate Social Responsibility and overhead expenses associated with support functions such as human resources, finance, facilities and infrastructure, along with depreciation and amortization. We recognize these expenses as incurred.

Research costs are also 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 costs 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 compensation related expenditure increased by 15% to ₹ 27,741.72 million in the financial year ended March 31, 2023 from ₹ 24,058.62 million in the financial year ended March 31, 2022. Employee costs relate to salaries and bonuses paid to employees, retiral benefits, stock compensation charge along with staff welfare activities for employees. Increase in employee costs was primarily on account of compensation increase during the current financial year.

Travel related expenses

Our travel related expenditure increased by 164% to ₹ 923.58 million in the financial year ended March 31, 2023 from ₹ 349.99 million in the financial year ended March 31, 2022. Travel costs relate to airfare, accommodation and other related expenses incurred on travel of our employees on projects, sales and marketing, etc. Increase in travel related expenses was primarily on account of increased travel after relaxation of COVID related restrictions.

Professional fees

Our professional fees related expenditure increased by 31% to ₹ 2,089.39 million in the financial year ended March 31, 2023 from ₹ 1,595.75 million in the financial year ended March 31, 2022. Increase in professional fees was primarily on account of increase in hiring of external consultants to meet the peak period requirements.

Finance cost

Our finance cost increased by 4% to ₹ 126.55 million in the financial year ended March 31, 2023 from ₹ 122.01 million in the financial year ended March 31, 2022. Finance cost relates to interest on lease liability and income tax.

Other expenses

Our other expenditure increased by 24% to ₹ 1,514.62 million in the financial year ended March 31, 2023 from ₹ 1,220.84 million in the financial year ended March 31, 2022. Other expenses primarily consist of Corporate Social Responsibility (CSR) expenditure, bad debts, Impairment loss on contract assets, facilities/infrastructure costs, application software fees, communication expenses, auditors' remuneration and other miscellaneous expenses. Increase in other expenses was primarily on account of increase in facilities costs due to gradual opening of our offices after relaxation of COVID related restrictions, increase in CSR spend due to increase in average profits for the last 3 years, and increase in impairment loss recognized on contract assets and bad debts.

Depreciation and amortization

Our depreciation and amortization charge was ₹ 806.62 million and ₹ 927.99 million for the year ended March 31, 2023 and March 31, 2022 respectively. Depreciation and amortization charge comprises of depreciation on Property, plant and equipment and on Right-of-use assets.

Operating margin

Operating profit for the year ended March 31, 2023 was ₹ 23,780.61 million as against ₹ 23,939.35 million during the year ended March 31, 2022.

Income taxes

Our provision for income taxes in the financial year ended March 31, 2023 was ₹ 7,637.63 million as against ₹ 6,394.51 million in the financial year ended March 31, 2022. Our effective tax rate was 30% and 25% in the financial year 2023 and 2022, respectively. Income taxes also include foreign taxes representing income taxes payable overseas in various countries.

Profit for the year

As a result of the foregoing factors, net profit decreased by 4% to ₹ 18,061.41 million in the financial year 2023 from ₹ 18,888.26 million in the financial year 2022.

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 Act read with relevant rules of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

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 financial year ends on March 31 of each year.

Performance summary

	(Amounts in ₹ million)		
Year ended March 31, 2023	Products	Services	Total
Revenue from operations	38,840.10	3,715.71	42,555.81
Operating expenses	(18,018.64)	(2,088.06)	(20,106.70)
Unallocable expenses			(1543.50)
Income from operations	20,821.46	1,627.65	20,905.61
Operating margin	54%	44%	49%
Profit for the year			17,725.08
Profit margin			42%

(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%

Our total revenues in the financial year ended March 31, 2023 were ₹ 42,555.81 million, an increase of 9% over our total revenues of ₹ 38,961.33 million in financial year ended March 31, 2022. The increase in revenues was contributed by the growth in our products and services business segments.

Income from operations in the financial year ended March 31, 2023 was ₹ 20,905.61 million representing a decrease of 1% from ₹ 21,201.39 million in the financial year ended March 31, 2022. The profit for the year in the financial year ended March 31, 2023 was ₹ 17,725.08 million, as against ₹ 18,112.09 million in the financial year ended March 31, 2022.

Revenues from operations

Products revenues

Our products revenues represented 91% of our total revenues in both the financial years ended March 31, 2023 and March 31, 2022. During the financial year ended on March 31, 2023, our products revenues were ₹ 38,840.10 million, an increase of 9% from ₹ 35,533.77 million in the financial year ended March 31, 2022.

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

	Year ended March 31, 2023	Year ended March 31, 2022
License fees	15%	15%
Consulting fees	49%	48%
Maintenance fees	36%	37%
Total	100%	100%

Services revenues

Our services revenues represented 9% of our total revenues for both the financial years ended March 31, 2023 and March 31, 2022. Our services revenues were ₹ 3,715.71 million in the financial year ended March 31, 2023, an increase of 8% from ₹ 3,427.56 million in the financial year ended March 31, 2022.

The percentage of total services revenues from time and material contracts was 41% in the financial year ended March 31, 2023 and 59% in the financial year ended March 31, 2022, 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 Dividend from subsidiary companies, interest on bank deposits and foreign exchange gain / loss and was ₹ 2,526.37 million in the financial year ended March 31, 2023, as compared to ₹ 2,560.12 million in the financial year ended March 31, 2022. Dividend of ₹ 932.14 million was received from our wholly owned subsidiary companies during the financial year ended March 31, 2023 (₹ 1,500.66 in the financial year ended March 31, 2022) which is included in the other income.

Expenses

Operating expenses

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

Research costs are also 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 costs 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 compensation costs increased by 22% to ₹ 17,719.22 million in the financial year ended March 31, 2023 from ₹ 14,545.54 million in the financial year ended March 31, 2022. Employee costs relate to salaries and bonuses paid to employees, retiral benefits, stock compensation charge along with staff welfare activities for employees. Increase in employee costs was primarily on account of compensation increase during the current financial year.

Travel related expenses

Our travel related expenditure increased by 260% to ₹ 396.07 million in the financial year ended March 31, 2023 from ₹ 110.05 million in the financial year ended March 31, 2022. Travel costs relate to airfare, accommodation, and other related expenses incurred on travel of our employees on projects, sales and marketing, etc. Increase in travel related expenses was primarily on account of increased travel after relaxation of COVID related restrictions.

Professional fees

Our professional fees related expenditure increased by 18% to ₹ 1,590.12 million in the financial year ended March 31, 2023 from ₹ 1,345.12 million in the financial year ended March 31, 2022. Increase in professional fees was primarily on account of increase in hiring of external consultants to meet the peak period requirements.

Finance Cost

Our finance cost pertains to interest on lease liability which decreased by 0.6% to ₹ 32.12 million in the financial year ended March 31, 2023 from ₹ 32.30 million in the financial year ended March 31, 2022.

Other expenses

Our other expenditure increased by 27% to ₹ 1,328.82 million in the financial year ended March 31, 2023 from ₹ 1,047.12 million in the financial year ended March 31, 2022. Other expenses primarily consist of Corporate Social Responsibility expenditure (CSR), bad debts and Impairment loss on contract assets, facilities/infrastructure costs, application software fees, communication expenses, auditors' remuneration and other miscellaneous expenses. Increase in other expenses was primarily on account of increase in facilities costs due to gradual opening of our offices after relaxation of COVID related restrictions, increase in CSR spend due to increase in average profits for the last 3 years and increase in impairment loss recognized on contract assets and bad debts.

Depreciation and amortization

Our depreciation and amortization charge was ₹ 583.85 million and ₹ 679.81 million for the year ended March 31, 2023 and March 31, 2022 respectively. Depreciation and amortization charge comprises of depreciation on Property, plant and equipment and on Right-of-use assets.

Operating margin

Operating profit for the year ended March 31, 2023 was ₹ 20,905.61 million as against ₹ 21,201.39 million during the year ended March 31, 2022. Our operating profit margin was 49% and 54% for financial years 2023 and 2022 respectively.

Income taxes

Our provision for income taxes in the financial year ended March 31, 2023 was ₹ 5,706.90 million as against ₹ 5,649.42 million in the financial year ended March 31, 2022. Our effective tax rate was 24% for both the financial years ended March 31, 2023 and March 31, 2022. 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, 2023 was ₹ 17,725.08 million as against ₹ 18,112.09 million during the year ended March 31, 2022.

Other metrics

Key financial ratios

The following table summarizes the key financial ratios for the years ended March 31, 2023 and March 31, 2022.

	Consolidated 2023	2022	Unconsolidated 2023	2022
Financial Performance				
Net profit ratio	32%	36%	42%	46%
Financial Position				
Current ratio	6.6 times	6.7 times	10.1 times	9.8 times
Net capital turnover ratio	0.9 times	0.9 times	1.1 times	1.0 times
Trade receivables turnover ratio	5.7 times	6.0 times	7.2 times	7.7 times
Trade payables turnover ratio	10.8 times ¹	8.2 times	10.3 times ¹	7.5 times
Debt service coverage ratio	60.2 times	60.3 times	108.9 times ²	152.4 times
Debt equity ratio (Lease liabilities on total equity)	0.01 times	0.01 times	0.01 times	0.01 times
Return on equity	25%	27%	30%	32%
Return on capital employed	33%	35%	39%	41%
Return on investment	N.A.	N.A.	12% ³	19%
Days Sales Outstanding	62 days	59 days	52 days	50 days

¹ Trade payables turnover ratio has improved on account of prompt payments towards services availed / goods received.

² Debt service coverage ratio has reduced on account of lease payments.

³ During the year ended March 31, 2023 and March 31, 2022 the Company has received dividend from its wholly owned subsidiary companies.

Trade receivables

As per the Consolidated financials, trade receivables as of financial March 31, 2023 and 2022 were ₹ 10,833.73 million and ₹ 9,262.74 million respectively. As per the unconsolidated financials trade receivables as of financial March 31, 2023, and 2022 were ₹ 6,309.19 million and ₹ 5,568.23 million respectively.

We periodically review the 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 businesses by region:

	Year ended March 31, 2023			Year ended March 31, 2022		
	Products Revenues	Services Revenues	Total Revenues	Products Revenues	Services Revenues	Total Revenues
Consolidated						
Americas (NAMER)	33%	68%	37%	31%	71%	35%
Europe, Middle East, Africa (EMEA)	34%	20%	33%	34%	17%	33%
Asia Pacific (JAPAC)	33%	12%	30%	35%	12%	32%
Total	100%	100%	100%	100%	100%	100%
Unconsolidated						
Americas (NAMER)	28%	64%	31%	26%	69%	30%
Europe, Middle East, Africa (EMEA)	39%	24%	37%	39%	19%	37%
Asia Pacific (JAPAC)	33%	12%	32%	35%	12%	33%
Total	100%	100%	100%	100%	100%	100%

Customer concentration

The percentages of total revenues during financial years 2023 and 2022 that we derived from our largest customer, largest five customers and largest ten customers on consolidated and unconsolidated basis are provided in the table below. The Company contracts end customers in several countries through the local subsidiary of Oracle Corporation and entities under common control are considered as a single customer for the purpose of reporting customer concentration.

	Products Revenues		Services Revenues		Total Revenues	
	2023	2022	2023	2022	2023	2022
Consolidated						
Largest customer	52%	56%	32%	32%	48%	51%
Top 5 customers	68%	68%	73%	70%	66%	65%
Top 10 customers	73%	73%	92%	91%	71%	70%
Unconsolidated						
Largest customer	85%	87%	98%	98%	86%	88%
Top 5 customers	93%	94%	100%	100%	94%	94%
Top 10 customers	96%	96%	100%	100%	96%	96%

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. These systems and processes cover all the financial and operating functions and 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 to become the world's most innovative and customer-centric business, 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 by:

- Providing embedded financial experiences to deliver personalized products and frictionless customer experiences at the point of need
- Revitalizing global trade and supply chains to address the global trade finance gap with intelligent and connected processes
- Modernizing finance and risk by optimizing the cost of statutory and regulatory compliances through effective use of data and automation
- Helping financial institutions fight financial crime and money laundering using advanced analytics

Liquidity and capital resources

Our capital requirement relates primarily to financing the growth of our business. We have historically sourced majority of our working capital, capital expenditure and other requirements through our operating cash flow. During the financial year 2023 and 2022, we generated cash from operations of ₹ 17,584.15 million and ₹ 18,561.53 million respectively as per the consolidated financials and ₹ 15,057.43 million and ₹ 15,981.10 million respectively as per the 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, 2023, the Company had 7,680 employees (March 31, 2022 - 6,805) and the OFSS Group had 8,593 employees (March 31, 2022 - 7,884).

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 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 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 continue to support various initiatives for Employee Wellbeing, such as expanded insurance coverage for employees and their families, access to various medical resources, well-being and counselling initiatives, etc.

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. Our active talent review program 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 top Universities and educators.

Our Oracle University helps employees enhance their skills through an individual learning plan with trainings in both technology / functional domains and soft skills. At mid / senior levels, the leadership and behavioral training is an important element 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 individual employees, teams as well as groups. Our Pacesetter Awards program recognizes individual excellence in business, 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
Human Resources People are the most important asset of the Company. Industry dynamics and demand for experienced employees increases attrition and creates shortage of critical skills impacting delivery commitments. High attrition also increases retention and replacement costs.	The Company effectively manages the risk while adopting responsive compensation/reward mechanism to retain and develop the talent. The Company endeavors to give employees a healthy, professionally enriching work environment. The Company has invested in variety of tools to engage employees remotely and established a reliable logistical and support operation to facilitate work from home, including a seamless day-one experience for employees working remotely. All of these measures together with an accelerated hiring process and softening up of market demand has helped improve retention of key talent.
Change in Buyer Behavior 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 granular purchase. Customer engagement is also shifting from traditional in-person engagement to virtual multi-point engagement. Such disruptive changes impact the industry dynamics, could provide room for emergence of new competition.	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&D, transformation of customer sales and engagement processes.
Competition The Company faces competition from traditional as well as new vendors across the globe. In the current economic scenario of rapidly changing buyer preferences, appropriate and timely investments (inclusive of inorganic acquisitions in niche areas) are important to remain competitive. Acquisitions that offer a right fit may be expensive and not value accretive.	The Company has a comprehensive suite of IT product offerings encompassing retail & corporate banking, and a strong portfolio of enterprise risk and compliance solutions based on business analytics. The Company invests in upgrading its suites of products on a continual basis to address changing and growing functional and technological needs of the market.

Risks

Mitigation Plan

The Company's solutions can be 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 cloud ready solution to its customers. The Company is strongly positioned to offer competitive offerings catering to the digital enablement of its customer's businesses.

The Company endeavors to stay abreast of the competition through investments backed by active market studies and intelligence.

Legal & Tax Claims

Legal risk is the risk of loss to the Company primarily caused by a claim being made, or some other event occurring, which results in a liability for the Company or failing to take appropriate measures to protect assets owned by the Company. Based on the geographical presence across the continents, and the nature of its business, the Company is exposed to complex laws in various jurisdictions. Litigation claims can arise from commercial disputes, disputes on intellectual property, tax claims, employment matters, etc. Also, world-over governments are increasingly becoming aggressive in demanding a higher share of income to be subjected to tax in their country, while multilateral forums are trying to evolve a Global Minimum Tax framework to streamline this area.

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, in ensuring compliances in various jurisdictions. The Company has a conservative and strong tax compliance program globally and pays appropriate taxes and files accurate tax returns regularly. The Company provides required information in tax assessments and takes all possible measures against aggressive tax demands by the authorities.

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 an Errors and Omissions (E&O) insurance cover.

Cyber Risk

Cyber security risk means any risk of loss, disruption or damage to the Company from threats or vulnerabilities in networks, computers, programs and data, flowing from or enabled by connection to digital infrastructure or information systems.

Data is critical and potentially vulnerable asset of the Company. With digitization of most of the Company's processes and internal records, and movement to cloud, remote working, increased focus on cyber security is needed.

Any incidence involving compromise of the data can result in financial, reputational, and legal risks for the Company.

Our IT Systems continue to evolve, and the Company is often an early adopter of new technologies. These generally 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.

The Company continually invests in the latest tools and processes to stay ahead of the emerging threats and secure the data and operations of the Company against any threats.

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.

The Company relies on a combination of copyright registrations and their renewals, license agreements, confidentiality agreements with employees, non-disclosure 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.

Risks	Mitigation Plan
<p>Regulatory Compliance</p> <p>The Company is a listed entity in India and has business presence across various countries. It deposes employees on-site for various project requirements.</p> <p>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.</p>	<p>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.</p> <p>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.</p>
<p>Customer Contract delivery</p> <p>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.</p>	<p>Contractual risk management is a means of identifying the risks involved in meeting the contractual obligations and ensuring that the Company is adequately protected from legal, financial and reputation risks.</p> <p>The Company enforces standard contract to protect the revenue recognition and legal risks, and any deviations are fully assessed require an assessment of risks before the contract is signed. The Company also regularly monitors the health of the project to early detect any deviations and engages into an early dialogue with the customers.</p> <p>The Company maintains professional liability (E&O) insurance policy to hedge against any claims made by the clients for compensation against contract delivery deficiencies.</p>
<p>Foreign Exchange Rate Volatility</p> <p>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.</p>	<p>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).</p>
<p>Geographical Spread</p> <p>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.</p> <p>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.</p>	<p>The Company's geographic spread offers it a natural hedge against economic slowdown affecting a region.</p> <p>The Company, through its local offices along with expert support of global advisors, aims to ensure compliance with the laws of the land.</p>
<p>Uncertainties due to COVID-19</p> <p>COVID-19 impact in the last three years has been highly disruptive due to sudden impositions of lockdowns, travel restrictions, strict Government regulations on operations of the offices, etc. These, coupled with Health and safety of employees and their families have been a major priority for the Company.</p> <p>While vaccination of majority of the population and easing restrictions allude to normalcy of business operations, further waves of variants of the virus could impact the economies and growth plans of the Company.</p>	<p>Modifications to employee travel and work locations, including hybrid model policy that allows employee to work from home, work from anywhere, enabled by robust IT and data security infrastructure and business continuity processes help the Company to effectively respond to such restrictions and deliver customer commitments. The Company has gradually opened offices across locations.</p> <p>The Company continually monitors the situation and calibrates its responses in the best interest of its customers and health and safety of its employees. The experience over the last three years fully demonstrates the strength of the Company's processes to manage the risks due to pandemic.</p>

Risks	Mitigation Plan
<p data-bbox="97 129 483 159">Economic and Political Environment</p> <p data-bbox="97 163 785 342">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 & taxation, mobility constraints, exposure to activism, etc. These can impact business growth and are considered as risks for the Company.</p> <p data-bbox="97 360 785 423">The Company also faces increasing challenges in staff deployment across countries due to mobility restrictions in various countries.</p> <p data-bbox="97 441 785 528">The Company's global operations are also impacted by man-made and natural calamities (e.g., war, epidemics & pandemics, earthquakes, floods, etc).</p>	<p data-bbox="810 163 1439 371">The Company's global operations are also impacted by manmade and natural calamities (e.g., war, epidemics & pandemics, earthquakes, floods, etc.). 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="810 389 1439 508">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="810 526 1439 784">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 & 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, 2023 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 Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Oracle Financial Services Software Limited (hereinafter referred to as "the Holding Company"), its subsidiaries and controlled trust (the Holding Company, its subsidiaries and controlled trust together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and controlled trust, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated 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 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 audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the Consolidated Financial Statements' section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition	
<p>The Group's revenue streams consist of license fees, maintenance fees and consulting fees - fixed price and time & material contracts.</p> <p>Revenue from contracts with customers is recognized by the Group in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers ("Ind AS 115") (as described in note 2.3(e) of the financial statements).</p> <p>The application of Ind AS 115 and the OFSS Group Accounting Policy 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 specially 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>Our audit procedures included and were not limited to the following:</p> <p>a) We 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) We 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. We tested relevant internal controls, including information technology (IT) controls, over revenue process including the following:</p> <p>i. Read and identified the distinct performance obligations in these contracts and compared these performance obligations with those identified and recorded by the Group.</p>

Key audit matters	How our audit addressed the key audit matter
<p>Accordingly, we identified revenue recognition as a key audit matter.</p> <p>Refer note 2.3(e), 17, 25, and 26(ix) of the consolidated Ind AS financial statements.</p>	<ul style="list-style-type: none"> 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. 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 and the OFSS Group Accounting Policies. c) We also performed substantive procedures on a sample of revenue contracts entered into by Group, selected on a test check basis as deemed appropriate. d) We 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.
Evaluation of income tax provision	
<p>The Group has operations in multiple tax jurisdictions and are therefore subject to different tax regimes and rules and regulations. Management is required to ensure compliance with tax laws applicable in each jurisdiction every year and appropriately determine the tax expense and deferred tax balances. Further, management is also required to evaluate the transfer pricing mechanism as per applicable tax laws in different jurisdictions every year and its consequential impact on adequacy of provision for income tax and deferred tax of the Group.</p> <p>Additionally, the Group has uncertain income tax positions which includes matters under dispute involving significant judgement to determine the possible outcome of these disputes. The Group has during the year ended March 31, 2023, 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>Accordingly, we identified income tax provision as a key audit matter.</p> <p>Refer note 2.3(f), 16, 26(vi) and 40 of the consolidated Ind AS financial statements.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> a) We 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. b) We 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. We read assessment orders from tax authorities, tax returns wherever appropriate to assess impact on provision for income tax, if any. c) For uncertain tax positions, we obtained details of income tax assessments, appeal orders and income tax demands from management. <p>We 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> <ul style="list-style-type: none"> d) For key tax jurisdictions, we engaged our tax specialists to assess: <ul style="list-style-type: none"> i. the current income tax and deferred tax computation provided by the management. ii. the transfer pricing mechanism including the basis of recording provisions for uncertain income tax treatment and interest thereon, as per applicable tax laws. e) We obtained and assessed effective tax rate reconciliation to evaluate the Group's total income tax expense for the year.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

When we read the Annual Report, 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 applicable laws and regulations.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of 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 judgements 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated 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.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 SAs 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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.
- Obtain an understanding of internal control 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 Holding Company and its subsidiary companies which are incorporated in India, has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors 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 financial statements of which we are the independent auditors 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 the consolidated financial statements for the financial year ended March 31, 2023 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.

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of 2 subsidiaries and 1 controlled trust, whose financial statements include total assets of ₹ 1,078.48 million as at March 31, 2023, and total revenues ₹ Nil and net cash outflow of ₹ 50.23 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and controlled trust, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and controlled trust, is based solely on the reports of such other auditors.
- (b) The consolidated financial statements of the Company for the year ended March 31, 2022, included in these consolidated financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 4, 2022.

Our opinion above on the consolidated 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 auditors.

Report on Other Legal and Regulatory Requirements

1. 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, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate 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 purposes of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2023 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 with reference to consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company and its subsidiaries, incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 40 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India during the year ended March 31, 2023.
 - iv.
 - a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, that, to the best of its knowledge and belief, 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 Holding Company or any of such subsidiaries 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 respective Holding 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 Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries 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 the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
 - v. The interim dividend declared and paid by the Holding Company and subsidiary company incorporated in India during the year is in accordance with section 123 of the Act.
 - vi. Interim dividend declared by Holding Company for financial year 2022-23 on April 26, 2023 is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
 - vii. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company and its subsidiaries companies incorporated in India, hence reporting under this clause is not applicable.

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Govind Ahuja

Partner

Membership Number: 048966

UDIN: 23048966BGYDPK3065

Place: Mumbai

Date: April 26, 2023

Annexure 1 referred to in clause 1 of paragraph on the Report on ‘Other Legal and Regulatory Requirements’ of our report of even date on the Consolidated Financial Statements

Re: Oracle Financial Services Software Limited (the “Holding Company”)

In terms of 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:

There are no qualifications or adverse remarks in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Govind Ahuja

Partner

Membership Number: 048966

UDIN: 23048966BGYPK3065

Place: Mumbai

Date: April 26, 2023

Annexure 2 to the Independent Auditor's Report of even date on the consolidated financial statements of Oracle Financial Services Software Limited

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

In conjunction with our audit of the consolidated financial statements of Oracle Financial Services Software Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, 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 (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 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements 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") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 judgement, including the assessment of the risks of material misstatement of the 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 auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these 2 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Govind Ahuja

Partner

Membership Number: 048966

UDIN: 23048966BGYPK3065

Place of Signature: Mumbai

Date: April 26, 2023

Consolidated balance sheet as at March 31, 2023

(Amounts in ₹ million)

	Notes	March 31, 2023	March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,658.85	1,713.68
Capital work-in-progress	3	5.69	38.16
Right-of-use assets	4	620.64	811.81
Investment property	5	102.00	102.00
Goodwill	6	6,086.63	6,086.63
Financial assets	7	633.98	628.83
Deferred tax assets (net)	16	1,567.74	1,422.99
Income tax assets (net)		9,071.65	8,798.10
Other non-current assets	10	1,319.43	1,322.39
		21,066.61	20,924.59
Current assets			
Financial assets			
Trade receivables	8	10,833.73	9,262.74
Cash and cash equivalents	9 (a)	20,400.79	16,799.73
Other bank balances	9 (b)	34,296.57	34,425.19
Other current financial assets	7	3,078.82	2,317.94
Income tax assets (net)		538.86	1,037.47
Other current assets	10	2,540.02	2,579.66
		71,688.79	66,422.73
TOTAL		92,755.40	87,347.32
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	431.99	431.23
Other equity	12	74,157.08	70,565.71
Total equity		74,589.07	70,996.94
Non-current liabilities			
Financial liabilities			
Lease liability	28	386.62	547.43
Other financial liabilities	13	18.48	49.51
Other non-current liabilities	14	81.68	169.03
Provisions	15	1,626.18	1,517.17
Deferred tax liability (net)	16	2,163.10	1,779.68
Income tax liabilities (net)		2,948.95	2,398.50
		7,225.01	6,461.32
Current liabilities			
Financial liabilities			
Lease liability	28	307.40	286.42
Trade payables			
Payable to micro and small enterprises	13	26.72	11.33
Payable to others	13	354.42	385.32
Other current financial liabilities	13	2,234.10	2,205.28
Other current liabilities	14	6,244.85	5,199.08
Provisions	15	1,655.17	1,588.18
Income tax liabilities (net)		118.66	213.45
		10,941.32	9,889.06
TOTAL		92,755.40	87,347.32
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 S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

per Govind Ahuja
Partner
Membership No. 048966

Mumbai, India
April 26, 2023

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
April 26, 2023

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, 2023

(Amounts in ₹ million, except share data)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	17	56,983.09	52,214.55
Finance income	18	1,672.84	901.85
Other income, net	19	245.59	441.57
Total income		58,901.52	53,557.97
Expenses			
Employee benefit expenses	20	27,741.72	24,058.62
Travel related expenses		923.58	349.99
Professional fees		2,089.39	1,595.75
Finance cost	21	126.55	122.01
Other operating expenses	22	1,514.62	1,220.84
Depreciation and amortization	3 & 4	806.62	927.99
Total expenses		33,202.48	28,275.20
Profit before tax		25,699.04	25,282.77
Tax expenses	16		
Current tax		7,386.77	7,032.73
Deferred tax		250.86	(638.22)
Total tax expenses		7,637.63	6,394.51
Profit for the year		18,061.41	18,888.26
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Actuarial gain (loss) on gratuity fund		23.06	(129.19)
Deferred tax	16	(5.85)	32.56
<i>Items that will be reclassified subsequently to profit and loss</i>			
Exchange differences on translation of foreign operations		1,086.99	60.94
Total other comprehensive income for the year, net of tax		1,104.20	(35.69)
Total comprehensive income for the year		19,165.61	18,852.57
Profit attributable to:			
Equity holders of the Company		18,061.41	18,888.26
Non-controlling interests		–	–
		18,061.41	18,888.26
Total comprehensive income attributable to:			
Equity holders of the Company		19,165.61	18,852.57
Non-controlling interests		–	–
		19,165.61	18,852.57
Earnings per equity share of par value of ₹ 5 each (March 31, 2022 - ₹ 5) (in ₹)	24		
Basic		209.14	219.19
Diluted		208.25	218.04
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 S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No. 101049W/E300004

per Govind Ahuja

Partner

Membership No. 048966

Mumbai, India

April 26, 2023

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

S Venkatachalam

Chairperson

DIN: 00257819

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

Mumbai, India

April 26, 2023

Consolidated statement of changes in equity for the year ended March 31, 2023

(a) Year ended March 31, 2023

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity										Total equity attributable to equity shareholders 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	Retained earnings	Other comprehensive income	Foreign currency translation reserve		
Balance as of April 1, 2022	86,246,465	431.23	-	16,813.94	10,145.19	1,561.36	523.21	607.71	38,675.78	2,238.52	-	70,996.94	
<i>Changes in equity for the year ended March 31, 2023</i>													
Application money received for exercised options	-	-	79.36	-	-	-	-	-	-	-	-	79.36	
Shares issued for exercised options	150,714	0.76	(79.35)	78.59	-	-	-	-	-	-	-	-	
Stock compensation charge	-	-	-	-	-	557.02	195.49	-	-	-	-	752.51	
Forfeiture of options	-	-	-	-	-	(113.72)	-	-	113.72	-	-	-	
Stock compensation related to options exercised	-	-	-	472.08	-	(472.08)	-	-	-	-	-	-	
Profit for the year	-	-	-	-	-	-	-	-	18,061.41	-	-	18,061.41	
Interim equity dividend	-	-	-	-	-	-	-	-	(16,405.35)	-	-	(16,405.35)	
Actuarial gain (loss) on gratuity fund including deferred tax thereon	-	-	-	-	-	-	-	-	-	-	17.21	17.21	
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	1,086.99	-	1,086.99	
Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	-	-	17.21	-	(17.21)	-	
Balance as of March 31, 2023	86,397,179	431.99	0.01	17,364.61	10,145.19	1,532.58	718.70	607.71	40,462.77	3,325.51	-	74,589.07	

(b) Year ended March 31, 2022

(Amounts in ₹ million, except share data)

Particulars	Equity share capital No. of shares	Share capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Other equity Contribution from Ultimate Holding Company	Gain on Treasury shares	Retained earnings	Other comprehensive income Foreign currency translation reserve	Remeasurement of defined benefit obligation	Total equity attributable to equity shareholders of the Company
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
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 S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No. 101049W/E3000004

per Govind Ahuja

Partner

Membership No. 048966

S Venkatachalam

Chairperson

DIN: 00257819

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

Mumbai, India

April 26, 2023

Mumbai, India

April 26, 2023

Notes annexed to and forming part of consolidated financial statements for the year ended March 31, 2023

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 72.98% (March 31, 2022 - 73.11%) ownership interest in the Company as at March 31, 2023.

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, 2023 were approved by the Company's Board of Directors and authorized for issue on April 26, 2023.

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

Companies	Country of Incorporation	Holding %	Relationship
Direct holding			
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
Subsidiaries of Oracle Financial Services Software America, Inc.			
Oracle Financial Services Software, Inc.	United States of America	100%	Subsidiary
Mantas Inc.	United States of America	100%	Subsidiary
Subsidiary of Mantas Inc.			
Sotas Inc.	United States of America	100%	Subsidiary
Subsidiary of Oracle Financial Services Software B.V.			
Oracle Financial Services Software SA	Greece	100%	Subsidiary
Subsidiary of Oracle Financial Services Software Pte. Ltd.			
Oracle Financial Services Consulting Pte. Ltd.	Singapore	100%	Subsidiary
Subsidiaries of ISP Internet Mauritius Company			
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, 2023, 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

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, 2023.

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. An item of property, plant and equipment is derecognized at its carrying value on disposal; and any gain or loss arising from such derecognition is included in the statement of profit or loss when the item is derecognized.

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 recognised 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 recognised 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 recognised 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 recognised 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 recognised only to the extent that the expenses incurred are eligible to be recovered.

Revenue from contracts on time and material basis is recognised 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 recognised 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 off 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 assets 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 assets. 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 comprises of cash at bank and short term investments with an original maturity of three months or less that are subject to insignificant risk of change in value. Cash and cash equivalent consist of balances with bank which are unrestricted for withdrawal and usage.

2.4 Recent accounting pronouncements

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

The amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The OFSS group has evaluated the amendment and the impact of the amendment is insignificant in the OFSS group's financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The OFSS group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 - Income Taxes

The amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The OFSS group has evaluated the amendment and there is no impact on its consolidated financial statement.

Note 3: Property, plant and equipment

(a) Year ended March 31, 2023

(Amounts in ₹ million)

Particulars	Gross carrying value				Depreciation				Net carrying value As at March 31, 2023		
	As at April 01, 2022	Additions	Sale / deletions	Translation gain (loss)	As at March 31, 2023	As at April 01, 2022	Additions	Sale / deletions		Translation (gain) loss	As at March 31, 2023
Freehold Land	436.31	-	-	-	436.31	-	-	-	-	-	436.31
Improvement to leasehold premises	357.17	-	42.01	(0.33)	314.83	350.36	6.46	42.01	(0.33)	314.48	0.35
Buildings	2,089.95	-	-	-	2,089.95	1,376.14	103.95	-	-	1,480.09	609.86
Computer equipments	3,216.17	358.96	118.32	7.78	3,464.59	2,841.72	289.03	117.56	6.46	3,019.65	444.94
Office equipments	264.94	8.31	16.38	0.35	257.22	254.02	8.25	14.35	(0.05)	247.87	9.35
Electricals and other installations	925.63	27.50	3.25	-	949.88	913.32	5.55	3.25	-	915.62	34.26
Furniture and fixtures	1,055.90	14.81	25.99	0.33	1,045.05	896.83	49.12	25.00	0.32	921.27	123.78
Total	8,346.07	409.58	205.95	8.13	8,557.83	6,632.39	462.36	202.17	6.40	6,898.98	1,658.85
									Capital work-in-progress		5.69
											1,664.54

(b) Year ended March 31, 2022

(Amounts in ₹ million)

Particulars	Gross carrying value				Depreciation				Net carrying value As at March 31, 2022		
	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
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
									Capital work-in-progress		38.16
											1,751.84

(c) Capital work-in-progress ('CWIP') ageing schedule		(Amounts in ₹ million)				
Particulars		As at March 31, 2023			As at March 31, 2022	
		Amount in CWIP for a period of			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		5.69	-	-	-	5.69
Total		5.69	-	-	-	5.69

There are no projects as of March 31, 2023 and March 31, 2022, whose completion is overdue or has exceeded its cost compared to its original plan.

Note 4: Right-of-use assets

(a) Year ended March 31, 2023		(Amounts in ₹ million)				
Particulars		Gross carrying value			Depreciation	
		As at April 01, 2022	Additions	Sale / deletions	As at April 01, 2022	As at March 31, 2023
Right-of-use assets		1,368.76	203.96	276.39	44.10	1,340.43
Total		1,368.76	203.96	276.39	44.10	1,340.43

(b) Year ended March 31, 2022		(Amounts in ₹ million)				
Particulars		Gross carrying value			Depreciation	
		As at April 01, 2021	Additions	Sale / deletions	As at April 01, 2021	As at March 31, 2022
Right-of-use assets		1,294.62	488.46	419.79	5.47	1,368.76
Total		1,294.62	488.46	419.79	5.47	1,368.76

Note 5: Investment property

(a) Year ended March 31, 2023

(Amounts in ₹ million)

Particulars	Gross carrying value					Depreciation			Net carrying value	
	As at April 01, 2022	Additions	Sale / deletions	Translation gain (loss)	As at March 31, 2023	As at April 01, 2022	Additions	Sale / deletions	Translation (gain) loss	As at March 31, 2023
Freehold land	102.00	-	-	-	102.00	-	-	-	-	102.00
Total	102.00	-	-	-	102.00	-	-	-	-	102.00

(b) Year ended March 31, 2022

(Amounts in ₹ million)

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
Freehold land	102.00	-	-	-	102.00	-	-	-	-	102.00
Total	102.00	-	-	-	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, 2023 is based on valuations performed by a registered IBBI valuer firm ANVI Technical Advisors India Pvt Ltd which is associated with Colliers International India Property Services Private Limited. Investment property valuation as at March 31, 2022 is based on valuations performed by RNC VALUECON LLP, accredited independent valuers. The fair value of the above investment property as at March 31, 2023 and March 31, 2022 is ₹ 247.00 million and ₹ 237.60 million respectively.

The direct operating expenses incurred in relation to investment property are ₹ 3.32 million and ₹ 2.89 million for the financial year ended March 31, 2023 and March 31, 2022 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 39 on fair value measurement.

	(Amounts in ₹ million)	
Reconciliation of fair value:	March 31, 2023	March 31, 2022
Fair value of investment property at beginning of the year	237.60	205.50
Adjustment towards fair values for the year	9.40	32.10
Fair value of investment property at end of the year	247.00	237.60

(Amounts in ₹, except percentages)		
Description of valuation techniques used and key inputs to valuation on investment properties:	March 31, 2023	March 31, 2022
Details		
Valuation technique	Discounted Cash Flow (DCF) Method	Market approach (Sale Comparison Method)
Significant unobservable inputs	Quoted rental per sq. ft. per month ₹ 65 to ₹ 70	Estimated market rate per sq. mt. of freehold land ₹ 23,077 to ₹ 31,250
Description of valuation technique	Negotiation, discount, location and physical adjustments -15% to 0%	Negotiation, discount, location and physical adjustments -10% to 0%
	Final adjusted rental per sq. ft. per month ₹ 49 to ₹ 52	Final adjusted price per sq. mt. ₹ 14,873 to ₹ 16,515
	<p>Financial modelling technique is used, based on explicit assumptions regarding the prospective income arising out of the development to be carried out on the property. The entire development cash flows are drawn up and assumptions are made about the market performance over the entire project frame. Other contributors such as demand / supply dynamics, construction costs, quality and infrastructure requirements, time frame of project and profits / returns is compiled to create a financial model that captures all market drivers and value impacting parameters.</p> <p>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.</p>	

Note 6: Goodwill

Year ended March 31, 2023

(Amounts in ₹ million)

Particulars	Gross carrying value				Amortization and impairment losses				Net carrying value As at March 31, 2023	
	As at April 01, 2022	Additions	Sale / deletions	Translation gain (loss)	As at March 31, 2023	As at April 01, 2022	Additions	Sale / deletions		Translation (gain) loss
Goodwill on consolidation [Refer note 31]	6,086.63	-	-	-	6,086.63	-	-	-	-	6,086.63
Total	6,086.63	-	-	-	6,086.63	-	-	-	-	6,086.63

Year ended March 31, 2022

(Amounts in ₹ million)

Particulars	Gross carrying value				Amortization and impairment losses				Net carrying value As at March 31, 2022	
	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
Goodwill on consolidation [Refer note 31]	6,086.63	-	-	-	6,086.63	-	-	-	-	6,086.63
Total	6,086.63	-	-	-	6,086.63	-	-	-	-	6,086.63

Note 7: Financial assets

	(Amounts in ₹ million)	
	March 31, 2023	March 31, 2022
Non-current		
Other financial assets at fair value through profit or loss		
Investment in Sarvatra Technologies Private Limited (Unquoted)*		
242,240 (March 31, 2022 - 242,240) equity shares of ₹ 10 each, fully paid-up	–	–
	–	–
Other financial assets measured at amortized cost		
Deposits for premises and others	633.98	628.83
	633.98	628.83
	633.98	628.83
Current		
Other financial assets measured at amortized cost		
Unbilled receivable	2,778.64	2,017.10
Deposits for premises and others	76.00	41.28
Other receivables and advances	224.18	259.56
	3,078.82	2,317.94

* 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, 2023	March 31, 2022
Trade receivables [Refer note 8]	10,833.73	9,262.74
Cash and bank balances [Refer note 9]	54,697.36	51,224.92
Deposits for premises and others	709.98	670.11
Unbilled receivable	2,778.64	2,017.10
Other receivables and advances	224.18	259.56
	69,243.89	63,434.43

Note 8: Trade receivables

	(Amounts in ₹ million)	
	March 31, 2023	March 31, 2022
Secured, considered good	–	–
Unsecured, considered good	11,070.31	9,371.33
Credit impaired	139.36	93.90
	11,209.67	9,465.23
Impairment allowance		
Unsecured, considered good	(236.58)	(108.59)
Credit impaired	(139.36)	(93.90)
	(375.94)	(202.49)
	10,833.73	9,262.74

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, 2023	Outstanding for following periods from due date of payment [#]						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	3,144.99	7,292.16	587.00	37.42	1.81	6.93	11,070.31
Credit impaired	–	–	–	–	–	–	–
Disputed trade receivables							
Considered good	–	–	–	–	–	–	–
Credit impaired	–	22.64	20.41	76.31	4.33	15.67	139.36
	3,144.99	7,314.80	607.41	113.73	6.14	22.60	11,209.67
Less: Impairment allowance							(375.94)
							10,833.73
Add: Unbilled receivables							2,778.64
							13,612.37

(Amounts in ₹ million)

As at March 31, 2022	Outstanding for following periods from due date of payment [#]						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

[#]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, 2023	March 31, 2022
(a) Cash and cash equivalents		
Balances with banks:		
In current accounts*	20,134.65	16,456.06
In deposit accounts with original maturity of less than 3 months	228.09	295.04
In unclaimed dividend accounts**	38.05	48.63
	20,400.79	16,799.73
(b) Other bank balances		
Balances with banks:		
In deposit accounts with original maturity of more than 3 months but less than 12 months***	34,296.57	34,423.65
In margin money deposit accounts	–	1.54
	34,296.57	34,425.19
	54,697.36	51,224.92

*Current account includes ₹ 4.00 million (March 31, 2022 - ₹ 1.14 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.

***Deposit accounts with original maturity of more than 3 months but less than 12 months includes ₹ 993.36 million (March 31, 2022 - ₹ 1,047.82 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 are 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, 2023	March 31, 2022
Non-current		
GST, VAT, service tax and other indirect taxes	297.35	302.10
Tax deducted at source paid under protest	921.80	922.39
Prepaid expenses	0.55	5.14
Deferred contract cost	99.73	92.76
	1,319.43	1,322.39
Current		
Unbilled revenue	2,136.13	2,004.68
GST, VAT, service tax and other indirect taxes	134.32	374.56
Prepaid expenses	197.39	142.24
Deferred contract cost	72.18	58.18
	2,540.02	2,579.66

Note 11: Equity share capital

	(Amounts in ₹ million)	
	March 31, 2023	March 31, 2022
Authorized:		
100,000,000 (March 31, 2022 - 100,000,000) equity shares of ₹ 5 each	500.00	500.00
Issued, subscribed and fully paid-up:		
86,397,179 (March 31, 2022 - 86,246,465) equity shares of ₹ 5 each	431.99	431.23

- (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, 2023	March 31, 2022
Oracle Global (Mauritius) Limited, holding company		
Number of equity shares	63,051,197	63,051,197
% of equity shares	72.98%	73.11%

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, 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
Issued during the year ended March 31, 2023 under the employee stock option plan (ESOP)	150,714	0.75
Outstanding as at March 31, 2023	86,397,179	431.99

- (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, 2023	March 31, 2022
Share application money pending allotment [#]	0.01	0.00
Securities premium	17,364.61	16,813.94
General reserve	10,145.19	10,145.19
Employee stock options outstanding	1,532.58	1,561.36
Contribution from Ultimate Holding Company	718.70	523.21
Gain on Treasury shares	607.71	607.71
Retained earnings	40,462.77	38,675.78
Other comprehensive income	3,325.51	2,238.52
	74,157.08	70,565.71

[#]Represents amount less than ₹ 0.01 million as at March 31, 2022.

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, 2023 represents the money received from employees of the Company towards exercise of 1,518 (March 31, 2022 - 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.

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.

The Board of Directors have declared an interim dividend on April 26, 2023 of ₹ 225 per equity share for the year ended March 31, 2023. This would result in an estimated cash outflow of ₹ 19,443.34 million.

The Board of Directors had declared an interim dividend on May 4, 2022 of ₹ 190 per equity share for the year ended March 31, 2022. This had resulted in cash outflow of ₹ 16,405.35 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, 2023	March 31, 2022
(a) Trade payable measured at amortized cost		
Current		
- Payable to micro and small enterprises*	26.72	11.33
- Payable to others	354.42	385.32
	381.14	396.65
(b) Other financial liabilities		
Non-current		
Financial liabilities measured at amortized cost		
Accrued compensation to employees	18.48	49.51
	18.48	49.51
Current		
Derivative instruments at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contract, net**	1.63	24.62
	1.63	24.62
Other financial liabilities measured at amortized cost		
Accrued compensation to employees	1,057.64	1,053.92
Accrued Expenses	995.89	861.04
Capital creditors	47.71	51.86
Advance from customers	93.18	165.21
Unpaid dividends***	38.05	48.63
	2,232.47	2,180.66
	2,234.10	2,205.28

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

** (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) The Company had held back, based on court order received, an amount of ₹ 3.10 million as at March 31, 2022. The same has been credited to the Investor Education and Protection Fund and, as at March 31, 2023 there is no amount due and outstanding to be credited to the Fund.

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

(Amounts in ₹ million)

	March 31, 2023	March 31, 2022
- Principal amount remaining unpaid to any supplier as at the end of the year	26.72	11.33
- 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	-	-
	26.72	11.33

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, 2023	Outstanding for following periods from due date of payment [#]					Total
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed						
- To micro and small enterprises	21.18	5.43	0.11	–	–	26.72
- To others	54.31	243.02	21.64	29.77	5.68	354.42
	75.49	248.45	21.75	29.77	5.68	381.14
Disputed						
- To micro and small enterprises	–	–	–	–	–	–
- To others	–	–	–	–	–	–
	–	–	–	–	–	–
	75.49	248.45	21.75	29.77	5.68	381.14

(Amounts in ₹ million)

As at March 31, 2022	Outstanding for following periods from due date of payment [#]					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

[#]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, 2023	March 31, 2022
Non-current		
Deferred Revenue	81.68	169.03
	81.68	169.03
Current		
Deferred Revenue	5,297.19	4,348.22
Withholding and other taxes	392.06	334.30
Other statutory dues	555.60	516.56
	6,244.85	5,199.08

Note 15: Provisions

(Amounts in ₹ million)

	March 31, 2023	March 31, 2022
Non-current		
For gratuity [Refer note 30]	1,626.18	1,517.17
	1,626.18	1,517.17
Current		
For gratuity [Refer note 30]	143.91	151.73
For compensated absence	1,511.26	1,436.45
	1,655.17	1,588.18

Note 16: Income taxes

(a) The major components of income tax expense for the year ended March 31, 2023 and March 31, 2022 are:

(Amounts in ₹ million)

	Year ended March 31, 2023	Year ended March 31, 2022
(i) Profit or loss section		
Current taxes	7,386.77	7,032.73
Deferred taxes	250.86	(638.22)
Income tax expense reported in the statement of profit and loss	7,637.63	6,394.51
(ii) Other Comprehensive Income (OCI) section		
Deferred tax on actuarial gain (loss) on gratuity fund	5.85	(32.56)
Income tax expense charge reported in Other Comprehensive Income	5.85	(32.56)

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 had reassessed its estimate of the quantum of taxes on undistributed profits of all the subsidiaries and based on its reassessment had 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 of ₹ 638.22 million for the year ended March 31, 2022 of OFSS group as mentioned hereinabove.

(b) Reconciliation of tax expense and accounting profit for the year ended March 31, 2023 and March 31, 2022:

(Amounts in ₹ million)

	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	25,699.04	25,282.77
Enacted tax rates in India	25.17%	25.17%
Computed expected tax expenses	6,467.94	6,363.17
Tax effect		
of earlier years	(4.31)	(401.96)
on income at different rates	(105.66)	(91.76)
on undistributed profits	383.41	(552.85)
on non-deductible expenses for tax purpose	179.92	(92.53)
Overseas taxes	561.59	512.86
Others	154.74	657.58
Income tax expense reported in consolidated statement of profit and loss	7,637.63	6,394.51

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

(Amounts in ₹ million)

	March 31, 2023	March 31, 2022
Deferred tax asset		
Difference between book and tax depreciation	171.52	169.76
Provision for compensated absence	368.10	311.21
Provision for gratuity	447.26	388.04
Impairment loss on financial assets	157.64	57.49
Net operating loss	76.82	131.70
Other timing differences	346.40	364.79
	1,567.74	1,422.99
Deferred tax liability		
Tax on undistributed profits	(2,163.10)	(1,779.68)
	(2,163.10)	(1,779.68)
Net deferred tax (liability)	(595.36)	(356.69)

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 ₹ 1,473.97 million (March 31, 2022 - ₹ 1,473.30 million).

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

	(Amounts in ₹ million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Balance, beginning of the year	(356.69)	(1,022.65)
Tax income (expense) during the year recognized in profit or loss	(250.86)	638.22
Tax income during the year recognized in OCI	(5.85)	32.56
Translation differences	18.04	(4.82)
Balance, end of the year	(595.36)	(356.69)

Note 17: Revenue from operations

	(Amounts in ₹ million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Product licenses and related activities	51,309.00	46,916.03
IT solutions and consulting services	5,674.09	5,298.52
	56,983.09	52,214.55

Note 18: Finance income

	(Amounts in ₹ million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest on financial assets measured at amortized cost:		
Balance with banks in current and deposit accounts	1,622.54	851.03
Deposits for premises and others	49.18	49.94
Investment in sublease	–	0.03
Others	1.12	0.85
	1,672.84	901.85

Note 19: Other income, net

	(Amounts in ₹ million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Fair value (loss) on derivatives not designated as hedges	(154.75)	(62.44)
Foreign exchange gain, net	334.85	279.97
(Loss) profit on sale of fixed assets, net	(2.26)	(0.34)
Miscellaneous income	67.75	224.38
	245.59	441.57

Note 20: Employee benefit expenses

	(Amounts in ₹ million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and bonus	24,615.16	21,383.07
Contribution to provident and other funds	1,402.15	1,230.38
Stock compensation expense	752.51	622.30
Staff welfare expenses	971.90	822.87
	27,741.72	24,058.62

Note 21: Finance cost

	(Amounts in ₹ million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest on lease liability	45.28	48.30
Interest on income tax	81.27	73.71
	126.55	122.01

Note 22: Other operating expenses

(Amounts in ₹ million)

	Year ended March 31, 2023	Year ended March 31, 2022
Application software	11.81	14.05
Communication expenses	93.61	90.61
Rent	94.16	88.81
Power	144.70	116.99
Insurance	22.82	25.23
Repairs and maintenance:		
Buildings and leasehold premises	31.06	30.26
Computer equipments	24.20	12.30
Others	81.92	61.87
Rates and taxes	76.00	56.40
Impairment loss recognized on contract assets	163.85	99.80
Impairment loss on other financial assets	8.00	3.69
Bad debts	79.87	36.13
Corporate Social Responsibility expenditure	457.64	430.58
Miscellaneous expenses	224.98	154.12
	1,514.62	1,220.84

Note 23: Financial ratios

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance
(a) Current ratio (in times)	Total current assets	Total current liabilities	6.55	6.72	-2.5%
(b) Return on equity ratio (in %)	Profit for the year	Average total equity	24.8%	27.1%	-8.4%
(c) Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	5.67	6.04	-6.1%
(d) Trade payables turnover ratio (in times)	Purchases of services and other expenses	Average trade payables	10.83	8.22	31.7%*
(e) Net capital turnover ratio (in times)	Revenue from operations	Total current assets less total current liabilities	0.94	0.92	1.6%
(f) Net profit ratio (in %)	Profit for the year	Revenue from operations	31.7%	36.2%	-12.4%
(g) Return on capital employed (in %)	Profit before tax and finance cost	Networth + lease liabilities + deferred tax liabilities	33.3%	34.5%	-3.4%
(h) Debt equity ratio (in times)	Total debts (lease liabilities)	Total equity	0.01	0.01	-
(i) Debt service coverage ratio (in times)	Profit for the year + non-cash operating expenses + interest on lease liability + Other non-cash adjustments	Lease payments (repayment of lease liability + interest on lease liability)	60.22	60.30	-0.1%

*Trade payables turnover ratio has improved on account of prompt payment towards services availed / goods received.

Note 24: Reconciliation of basic and diluted equity shares used in computing earnings per share

(Number of equity shares)

	Year ended March 31, 2023	Year ended March 31, 2022
Weighted average shares outstanding for basic earnings per share	86,360,061	86,171,977
Add: Effect of dilutive stock options	370,687	457,148
Weighted average shares outstanding for diluted earnings per share	86,730,748	86,629,125
Profit attributable to equity shareholders (in ₹ million)	18,061.41	18,888.26
Earnings per equity share of par value of ₹ 5 each (March 31, 2022 - ₹ 5) (in ₹)		
Basic	209.14	219.19
Diluted	208.25	218.04

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, 2023		(Amounts in ₹ million)	
Particulars	Products	Services	Total
Revenue by Geography			
India	4,785.79	25.78	4,811.57
Outside India			
Americas			
United States of America	12,544.76	3,870.39	16,415.15
Rest of America	4,407.66	–	4,407.66
Europe	7,507.01	867.28	8,374.29
Asia Pacific	12,068.18	657.18	12,725.36
Middle East and Africa	9,995.60	253.46	10,249.06
	51,309.00	5,674.09	56,983.09
Revenue by Streams and type of Contract			
License Fees	7,494.03	–	7,494.03
Maintenance Fees	16,924.09	–	16,924.09
Consulting fees			
Fixed Price	16,920.20	2,923.20	19,843.40
Time & Material Basis	9,970.68	2,750.89	12,721.57
	51,309.00	5,674.09	56,983.09

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

- (b) During the year ended March 31, 2023, the OFSS group recognized revenue of ₹ 3,995.27 million from opening deferred revenue as of April 1, 2022. 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.
- (c) During the year ended March 31, 2023, the OFSS group has not recognized any revenue from performance obligations satisfied prior to April 1, 2022. During the year ended March 31, 2022, the OFSS group has not recognized any revenue from performance obligations satisfied prior to April 1, 2021.
- (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 ₹ 2,136.13 million as at March 31, 2023 (March 31, 2022 - ₹ 2,004.68 million) has been classified as other current asset.

(e) Reconciliation of revenue recognized with contract price

(Amounts in ₹ million)

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue as per contracted price	57,031.53	52,252.91
Reduction towards discounts	(48.44)	(38.36)
Revenue from operations	56,983.09	52,214.55

(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 revaluations 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, 2023, after considering the practical expedient mentioned above is ₹ 18,948.38 million (March 31, 2022 - ₹ 16,910.81 million), out of which 58% (March 31, 2022 - 60%) 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 ₹ 75.14 million for the year ended March 31, 2023 (March 31, 2022 - ₹ 62.22 million) and has closing balance of deferred contract cost asset of ₹ 171.91 million as at March 31, 2023 (March 31, 2022 - ₹ 150.94 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 judgement. 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) 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 years. 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.

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 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.

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 29(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 2.3 (f), Note 16 and Note 40.

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.

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 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.

viii) 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 stand-alone 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

(Amounts in ₹ million)

Particulars	March 31, 2023	March 31, 2022
Capital Commitments towards Property, Plant and Equipment		
Contracts remaining to be executed on capital account not provided for (net of advances)	66.97	105.16

Note 28: Leases

Where OFSS group is lessee

Finance lease

The changes in the carrying values of right-of-use assets for the year ended March 31, 2023 and March 31, 2022 are given in note 4.

Set out below are the carrying amounts of lease liabilities and the movement during the year ended March 31, 2023 and March 31, 2022:

(Amounts in ₹ million)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	833.85	697.61
Modifications / additions	100.81	424.93
(Gain) on lease modification	(2.51)	(9.57)
Interest on lease liability	45.28	48.30
Repayments	(318.44)	(331.72)
Exchange impact	35.03	4.30
At the end of the year	694.02	833.85
Current	307.40	286.42
Non-current	386.62	547.43
Total	694.02	833.85

The maturity analysis of undiscounted lease liabilities as at March 31, 2023 and March 31, 2022 are as follows:

(Amounts in ₹ million)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	336.33	328.49
1 to 5 years	403.93	572.52
More than 5 years	–	0.47
Total	740.26	901.48

The following amounts are recognized in the statement of profit and loss for the year ended March 31, 2023 and March 31, 2022:

(Amounts in ₹ million)

Particulars	March 31, 2023	March 31, 2022
Depreciation expenses on right-of-use assets	344.27	379.55
Interest expense on lease liability	45.28	48.30
Expense relating to short-term leases and other service charges (included in other operating expenses as rent)	94.16	88.81
Total	483.71	516.66
Interest income from subleasing right-of-use assets	–	(0.03)
(Gain) on lease modification	(2.51)	(27.01)
Total	481.20	489.62

The OFSS group had total cash outflows for leases of ₹ 273.16 million (excluding interest) for the year ended March 31, 2023 (March 31, 2022 - ₹ 283.42 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, 2023. 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 assets as at March 31, 2023 and March 31, 2022.

The minimum rental payments to be made in future in respect of short term leases to which the OFSS group has chosen to apply the practical expedient as per the standard as of March 31, 2023 and March 31, 2022 is as follows:

Particulars	(Amounts in ₹ million)	
	March 31, 2023	March 31, 2022
Less than 1 year	4.32	1.13
1 to 5 years	–	–
More than 5 years	–	–
Total	4.32	1.13

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 ₹ 61.14 million (March 31, 2022 - ₹ 22.24 million) towards welfare of employees of the Company.

As at March 31, 2023, the Trust is not holding any equity shares (March 31, 2022 - Nil equity shares) of the Company.

(b) Employee Stock Option Plan (ESOP)

The Members of the Company at their Annual General Meeting held on August 14, 2001 had 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 extended 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 in future.

Employees Stock Option Plan 2011 Scheme (Scheme 2011)

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 Scheme 2011. Accordingly, the Company has granted 1,950,500 options under the Scheme 2011. As per the 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.

A summary of the activity in the Company's ESOP (Scheme 2011) is as follows:

	Year ended March 31, 2023		Year ended March 31, 2022	
	Shares arising from options	Weighted average exercise price (₹)	Shares arising from options	Weighted average exercise price (₹)
Outstanding at beginning of year	214,108	3,102	324,116	2,943
Granted	–	–	–	–
Exercised	(24,965)	3,100	(86,082)	2,725
Forfeited/Lapsed	(96,770)	3,126	(23,926)	2,305
Outstanding at end of the year	92,373	3,077	214,108	3,102
Vested options	92,373		214,108	
Unvested options	–		–	
Options vested during the year	–		–	

Oracle Financial Services Software Limited Stock Plan 2014 (OFSS Stock Plan 2014)

Nomination and Remuneration Committee in their meeting held on August 7, 2014, approved OFSS Stock Plan 2014. Accordingly, the Company has granted 178,245 Stock Options and 1,465,030 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. 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.

A summary of the activity in the Company's ESOP (OFSS Stock Plan 2014) is as follows:

	Year ended March 31, 2023		Year ended March 31, 2022	
	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	619,586	647	588,829	758
Granted	281,387	5	156,215	5
Exercised	(125,749)	16	(98,150)	236
Forfeited	(29,203)	1,911	(27,308)	832
Outstanding at end of the year	746,021	462	619,586	647
Vested options and OSUs	251,994		256,677	
Unvested options and OSUs	494,027		362,909	
Options vested during the year	137,215		133,947	

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.

During the year ended March 31, 2023, the Company has granted 281,387 OSUs at an exercise price of ₹ 5 (March 31, 2022 - 156,215 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 ₹ 3,181 (March 31, 2022 - ₹ 4,111).

The details of total options / OSUs unvested and total options / OSUs vested and exercisable for both Scheme 2011 and OFSS Stock Plan 2014 as on March 31, 2023 are as follows:

	Exercise prices (₹)	Number of Options	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Options / OSUs unvested	5	494,027	5	8.7
Options / OSUs vested and exercisable	5	155,329	5	6.0
	3,077	92,373	3,077	0.5
	3,241	28,765	3,241	2.0
	3,393	36,700	3,393	3.2
	3,579	5,275	3,579	4.2
	3,987	17,300	3,987	2.6
	4,158	8,625	4,158	5.2
		838,394	750	6.6

The details of total options / OSUs unvested and total options / OSUs vested and exercisable for both Scheme 2011 and OFSS Stock Plan 2014 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

Options / OSUs granted during the financial year ended March 31, 2023:

The weighted average fair value of options / OSUs granted during the year was ₹ 3,053 (March 31, 2022 - ₹ 4,309).

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, 2023 OFSS Stock Plan 2014 (OSU)						
	May, 2022	August, 2022	September, 2022	October, 2022	November, 2022	December, 2022	
Weighted average share price (in ₹)	3,517	3,342	3,037	2,965	2,947	3,023	3,000
Exercise Price (in ₹)	5	5	5	5	5	5	5
Expected Volatility	32%	31%	31%	30%	30%	30%	29%
Weighted average life (in years)	2.92	2.92	3.26	2.92	2.92	2.92	2.92
Expected dividend rate	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Average risk-free interest rate %	6.50%	6.55%	6.96%	7.11%	7.00%	7.06%	6.88%

	Year Ended March 31, 2022 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%	

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, 2023 and March 31, 2022, the OFSS group contributed following amounts to defined contributions plans:

Particulars	(Amounts in ₹ million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Provident fund	703.87	529.42
Superannuation fund	135.07	122.71
	838.94	652.13

Defined benefit plan – gratuity

The amounts recognized in the statement of profit and loss are as follows:

Particulars	(Amounts in ₹ million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	212.92	180.91
Past service cost	(49.05)	25.64
Interest cost, net	103.07	85.50
Total included in employee benefit expenses	266.94	292.05

Remeasurements recognized in other comprehensive income (OCI) are as follows:

Particulars	(Amounts in ₹ million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Due to change in demographic assumptions	28.40	18.24
Due to change in financial assumptions	(101.62)	(34.82)
Due to change in experience adjustments	49.71	145.47
Return on plan assets (excl. Interest income)	0.45	0.30
Total re-measurements in OCI	(23.06)	129.19

The amounts recognized in the balance sheet are as follows:

Particulars	(Amounts in ₹ million)	
	As at March 31, 2023	As at March 31, 2022
Present value of unfunded obligations	1,777.57	1,683.10
Fair value of plan assets	(7.47)	(14.20)
Net liability	1,770.10	1,668.90

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 March 31, 2023	Year ended March 31, 2022
Defined benefit obligation at beginning of the year	1,683.10	1,453.99
Current service cost	212.92	180.91
Past service cost	(49.05)	25.64
Interest cost	104.06	86.03
Effect of exchange rate changes	24.66	6.05
Benefits paid	(174.61)	(198.41)
Re-measurement		
Due to change in demographic assumptions	28.40	18.24
Due to change in financials assumptions	(101.62)	(34.82)
Due to change in experience adjustments	49.71	145.47
Defined benefit obligation at end of the year	1,777.57	1,683.10

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 March 31, 2023	Year ended March 31, 2022
Fair value of plan assets at beginning of the year	14.20	7.77
Interest income	0.99	0.53
(Return) on plan assets (excl. Interest income)	(0.45)	(0.30)
Contributions by employer	100.00	149.96
Benefits paid	(107.27)	(143.76)
Fair value of plan assets at end of the year	7.47	14.20

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, 2023	March 31, 2022
Discount rate	5.25% - 7.50%	3.68% - 7.00%
Expected returns on plan assets	7.50%	7.00%
Salary escalation rate	2.00% - 8.00%	2.00% - 8.00%
Weighted average duration	6 years - 10 years	6 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 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 OFSS group's contribution to the fund for the year ending March 31, 2024 is expected to be ₹ 110.22 million (March 31, 2023 - ₹ 139.98 million).

A quantitative sensitivity analysis for significant assumptions on defined benefit obligation as at March 31, 2023 is as shown below:

(Amounts in ₹ million)			
Particulars	Sensitivity level	Year ended March 31, 2023	Year ended March 31, 2022
Financial assumptions			
Discount rate	- 0.5%	1,857.38	1,750.59
	+ 0.5%	1,703.30	1,619.96
Salary escalation rate	- 0.5%	1,723.20	1,627.47
	+ 0.5%	1,832.76	1,740.98
Demographic assumptions			
Withdrawal rate	- 1%	1,771.11	1,689.09
	+ 1%	1,782.86	1,677.49

Note 31: Impairment testing of goodwill

Goodwill having indefinite lives and acquired through business combinations 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, 2023	March 31, 2022
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, 2023 and March 31, 2022 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, 2023 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, 2022 - 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 18.40% (March 31, 2022 - 17.27%).

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 ₹ 1,332.90 million (March 31, 2022 - ₹ 1,883.77 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, 2023	March 31, 2022
USD	1,075.63	2,585.24
SGD	(434.40)	(933.69)
GBP	(114.29)	225.83
EUR	(334.18)	300.18
AUD	(150.66)	(66.09)

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, 2023		March 31, 2022	
	+1%	-1%	+1%	-1%
USD	64.73	(64.73)	61.49	(61.49)
SGD	(2.18)	2.18	(6.42)	6.42
GBP	1.39	(1.39)	2.60	(2.60)
EUR	(3.76)	3.76	(4.33)	4.33
AUD	2.50	(2.50)	2.60	(2.60)

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:

(Amounts in ₹ million)			
Particulars	Less than One year	More than One year	Total
As at March 31, 2023			
Lease liability	307.40	386.62	694.02
Trade payable	381.14	–	381.14
Accrued compensation to employees	1057.64	18.48	1076.12
Accrued Expenses	995.89	–	995.89
Capital creditors	47.71	–	47.71
Advance from customers	93.18	–	93.18
Unpaid dividends	38.05	–	38.05
Foreign exchange forward contract, net	1.63	–	1.63
	2,922.64	405.10	3,327.74

(Amounts in ₹ million)			
Particulars	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

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, including receivables from related parties) 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 8.

(ii) 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, 2023 the Company has following outstanding derivative instrument:

Particulars	(Amounts in million)			
	March 31, 2023		March 31, 2022	
Forward contracts – Sell in USD	USD	70.80	USD	61.70
Forward contracts – Sell in AUD	AUD	7.60	AUD	7.20
Forward contracts – Sell in Euro	EUR	13.10	EUR	5.40
Forward contracts – Sell in JPY	JPY	409.00	JPY	780.00
Forward contracts – Sell in GBP	GBP	2.40	GBP	2.40

Note 35: Code on Social Security

The Code on Social Security, 2020 ("Code") relating to employee benefits during the employment and post-employment benefits has been published in the Gazette of India on September 29, 2020. The Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. The effective date from which these changes are applicable is yet to be notified. The Company will assess and record the impact, if any, when the rules are notified, and the code becomes effective.

Note 36: Corporate Social Responsibility expenditure

As per the requirements of Section 135 of the Companies Act, 2013 the OFSS group was required to spend an amount of ₹ 457.64 million (March 31, 2022 - ₹ 430.58 million) on Corporate Social Responsibility expenditure based on the average net profits of the three immediately preceding financial years. The Company has adjusted excess amount paid in the previous financial year of ₹ 9.82 million (March 31, 2022 Nil). Net amount to be spend against CSR expenditure amounts to ₹ 447.82 million. The OFSS group has spent an amount of ₹ 473.62 million (March 31, 2022 - ₹ 440.40 million) against CSR expenditure; of which ₹ 25.80 million (March 31, 2022 - ₹ 9.82 million) has been carried forward for set off against CSR spends in the next financial year.

Note 37: Summary of Net Assets and Share in Profit or loss of the Group

March 31, 2023							(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	60,054.18	81.0%	17,725.08	98%	39.78	4%	17,764.86	93%	
Subsidiaries									
Indian									
Oracle (OFSS) Processing Services Limited	139.06	0%	52.06	0%	0.65	0%	52.71	0%	
Oracle (OFSS) BPO Services Limited	280.72	0%	8.39	0%	1.09	0%	9.48	0%	
Oracle (OFSS) ASP Private Limited	43.63	0%	0.79	0%	–	0%	0.79	0%	
Mantas India Private Limited	22.93	0%	0.74	0%	–	0%	0.74	0%	
Foreign									
Oracle Financial Services Software B.V.	1,649.42	2%	5.95	0%	151.37	14%	157.32	1%	
Oracle Financial Services Software SA	129.54	0%	(27.91)	0%	16.53	1%	(11.38)	0%	
Oracle Financial Services Software Pte. Ltd.	310.15	0%	(28.15)	0%	(153.76)	(14%)	(181.91)	(1%)	
Oracle Financial Services Consulting Pte. Ltd.	(258.10)	0%	(0.25)	0%	0.70	0%	0.45	0%	
Oracle Financial Services Software America, Inc.	11,353.75	15%	18.41	0%	885.16	80%	903.57	5%	
Oracle Financial Services Software, Inc.	14,107.03	19%	1,437.71	8%	1,037.40	94%	2,475.11	13%	
Mantas Inc.	229.92	0%	18.19	0%	18.34	2%	36.53	0%	
Sotas Inc.	–	0%	0.37	0%	1.79	0%	2.16	0%	
ISP Internet Mauritius Company	426.98	1%	29.11	0%	–	0%	29.11	0%	
Oracle (OFSS) BPO Services Inc.	(729.43)	(1%)	(6.93)	0%	(55.80)	(5%)	(62.73)	0%	
Oracle Financial Services Software Chile Limitada	730.67	1%	23.32	0%	56.80	5%	80.12	0%	
Oracle Financial Services Software (Shanghai) Limited	202.17	0%	3.48	0%	0.44	0%	3.92	0%	
Controlled Trust									
Indian									
i-flex Employee Stock Option Trust	1,011.92	1%	(35.25)	(0%)	–	0%	(35.25)	0%	
	89,704.54	119%	19,225.11	106%	2,000.49	181%	21,225.60	111%	
Adjustments arising out of consolidation	(15,115.47)	(19%)	(1,163.70)	(6%)	(896.29)	(81%)	(2,059.99)	(11%)	
Total	74,589.07	100%	18,061.41	100%	1,104.20	100%	19,165.61	100%	

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%
	85,131.80	121%	19,830.84	106%	256.91	-719%	20,087.75	107%
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%

Note 38: Net equity dividend remitted in foreign exchange

	Year ended March 31, 2023	Year ended March 31, 2022
Year of remittance (ending on)	March 31, 2023	March 31, 2022
Period to which it relates	March 31, 2022	March 31, 2021
Number of non resident shareholders	2	2
Number of equity shares on which dividend was due	63,051,822	63,053,072
Amount remitted (in USD million)	146.69	164.53
Amount remitted (in AUD million) [#]	0.00	0.01
Amount remitted (in ₹ million) (net of TDS ₹ 599.01 million; March 31, 2022 - ₹ 630.59 million)	11,380.84	11,980.02

[#]Represents amount less than AUD 0.01 million.

Note 39: 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, 2023:

(Amounts in ₹ million)					
	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, 2023	247.00	–	247.00	–
Liabilities measured at fair value:					
Foreign exchange forward contract, net [Refer note 13]	March 31, 2023	1.63	–	1.63	–

Fair value measurement hierarchy for assets and liabilities as at March 31, 2022:

(Amounts in ₹ million)					
	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	–

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, 2023 and March 31, 2022.

Note 40: Tax litigations

As at March 31, 2023, the OFSS group has certain litigations with respect to tax matters for various assessment years amounting to ₹ 24,434.24 million (March 31, 2022 - ₹ 21,059.00 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 ₹ 16,678.50 million (March 31, 2022 - ₹ 13,850.59 million) as at March 31, 2023. Further for certain litigations the OFSS group has aggregate provisions of ₹ 874.15 million (March 31, 2022 - ₹ 1,209.04 million) as at March 31, 2023.

Note 41: 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. Oracle Austria GmbH Oracle Argentina S.R.L. Oracle Belgium B.V.B.A/SPRL. Oracle Bilgisayar Sistemleri Limited Sirketi Oracle Canada ULC Oracle Caribbean, Inc. Oracle (China) Software Systems Company Limited Oracle Colombia Limitada Oracle Consulting Kazakhstan LLP Oracle Corporation (Thailand) Company Limited Oracle Corporation Australia Pty. Limited Oracle Corporation Japan Oracle Corporation Malaysia Sdn. Bhd. Oracle Corporation Singapore Pte. Ltd. Oracle Corporation (South Africa)(Pty) Limited Oracle Corporation UK Limited Oracle Czech s.r.o. Oracle Danmark ApS Oracle de Centroamerica, S.A. Oracle de Mexico, S.A. de C.V. Oracle Deutschland B.V & Co. KG Oracle Do Brasil Sistemas Limitada Oracle East Central Europe Limited Oracle East Central Europe Services B.V. Oracle Egypt Limited Oracle EMEA Limited Oracle France, S.A.S. Oracle Global Services Limited Oracle Global Services Canada ULC Oracle Global Services France SARL Oracle Global Services Singapore Pte. Ltd. Oracle Global Services Netherlands BV Oracle Hardware JSC Oracle Hrvatska d.o.o. Oracle Hellas, S.A. Oracle Information Technology Services (Shenzhen) Co. Ltd Oracle Iberica, S.R.L. Oracle Hungary Kft. Oracle Italia S.r.l. Oracle India Private Limited Oracle Korea Ltd. Oracle Luxembourg S.a.r.l. Oracle Nederland B.V.

Relationship	Names of related parties
	Oracle New Zealand
	Oracle Norge AS
	Oracle (Philippines) Corporation
	Oracle Polska, Sp.z.o.o.
	Oracle Portugal - Sistemas de Informacao Lda.
	Oracle Research and Development Centre, Beijing, Ltd.
	Oracle Romania SRL
	Oracle Serbia and Montenegro d.o.o
	Oracle Slovensko spol. s.r.o.
	Oracle Software (Schweiz) GmbH
	Oracle Solution Services (India) Private Ltd.
	Oracle Srbija & Crna Gora d.o.o.
	Oracle Svenska AB
	Oracle Systems Hong Kong Limited
	Oracle Systems Limited
	Oracle Systems Pakistan (Private) Limited
	Oracle Taiwan LLC
	Oracle Technology Systems (Kenya) Limited
	Oracle Vietnam Pte. Ltd.
	Oracle Portugal - Sistemas de Informacao Lda
	Oracle (QFC) Systems LLC
	NetSuite Ireland Limited
	PT Oracle Indonesia
	Sistemas Oracle de Chile Limitada
	Sistemas Oracle del Peru S.R.L.
(iii) Key Managerial Personnel ('KMP')	Chaitanya Kamat - Managing Director and Chief Executive Officer Makarand Padalkar - Whole-time Director and Chief Financial Officer Onkarnath Banerjee - Company Secretary & Compliance Officer
(iv) Independent Directors	S Venkatachalam Sridhar Srinivasan Richard Jackson Jane Murphy

Transactions and balances outstanding with these parties are described below:

(Amounts in ₹ million)

Particulars	Transaction		Amount receivable (payable)	
	Year ended March 31, 2023	Year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
Revenue				
Fellow Subsidiaries				
Oracle America, Inc.	6,233.54	5,222.97	1,117.31	743.76
Oracle Austria GmbH	27.24	15.84	3.05	7.73
Oracle Argentina S.R.L.	1.30	0.40	–	–
Oracle Belgium B.V.B.A/SPRL.	45.64	16.50	10.43	2.89
Oracle Bilgisayar Sistemleri Limited Sirketi	3.68	10.48	1.00	0.38
Oracle Canada ULC	1,770.93	1,725.91	129.97	203.92
Oracle Caribbean, Inc.	284.05	169.07	32.23	9.73
Oracle (China) Software Systems Company Limited	60.10	68.20	28.30	19.61
Oracle Colombia Limitada	193.19	160.67	30.40	27.06
Oracle Consulting Kazakhstan LLP	1.41	1.44	–	0.24
Oracle Corporation Japan	2,837.07	2,781.89	269.77	502.06
Oracle Corporation (South Africa)(Pty) Limited	599.83	869.37	97.01	134.00
Oracle Corporation (Thailand) Company Limited	380.64	402.27	102.35	61.19
Oracle Corporation Australia Pty. Limited	3,141.71	3,541.11	467.41	573.87

(Amounts in ₹ million)

Particulars	Transaction		Amount receivable (payable)	
	Year ended March 31, 2023	Year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
Oracle Corporation Malaysia Sdn. Bhd.	456.14	612.73	111.30	122.25
Oracle Corporation Singapore Pte. Ltd.	935.40	724.90	173.69	138.40
Oracle Corporation UK Limited	966.80	796.31	138.00	238.81
Oracle Czech s.r.o.	281.47	132.07	124.00	20.95
Oracle de Centroamerica, S.A.	102.61	127.22	13.80	15.87
Oracle de Mexico, S.A. de C.V.	24.99	28.27	3.78	4.18
Oracle Deutschland B.V & Co. KG	37.45	25.96	6.60	9.14
Oracle Do Brasil Sistemas Limitada	128.55	168.24	27.19	99.83
Oracle East Central Europe Limited	344.33	324.97	46.70	57.97
Oracle East Central Europe Services B.V.	–	0.15	–	0.10
Oracle EMEA Limited	6.11	28.68	1.61	–
Oracle Egypt Limited	715.06	786.17	425.35	100.91
Oracle France, S.A.S.	93.62	82.51	19.53	12.33
Oracle Hardware JSC	–	209.13	–	5.91
Oracle Hellas, S.A.	198.61	187.44	44.13	34.52
Oracle Hrvatska d.o.o.	0.96	6.86	0.06	0.12
Oracle Hungary Kft.	48.13	59.55	5.97	6.30
Oracle Iberica, S.R.L.	258.05	169.10	18.99	21.33
Oracle India Private Limited	512.40	561.08	159.49	384.17
Oracle Italia S.r.l.	307.86	213.93	56.39	34.24
Oracle Korea Ltd.	25.65	31.52	3.62	8.23
Oracle Luxembourg S.a.r.l.	25.17	32.06	4.66	3.80
Oracle (QFC) Systems LLC	31.29	–	9.93	–
Oracle Nederland B.V.	194.37	277.87	32.72	55.60
Oracle New Zealand	203.92	409.73	39.63	34.41
Oracle Norge AS	25.53	23.97	2.89	2.16
Oracle (Philippines) Corporation	123.94	311.64	13.91	219.33
Oracle Polska, Sp.z.o.o.	46.94	2.52	0.67	0.37
Oracle Portugal - Sistemas de Informacao Lda.	49.52	148.97	12.18	34.58
Oracle Slovensko spol. s.r.o.	82.78	79.66	6.75	7.75
Oracle Serbia and Montenegro d.o.o	70.22	66.66	122.56	302.25
Oracle Srbija & Crna Gora d.o.o.	343.04	258.23	–	–
Oracle Systems Hong Kong Limited	423.42	492.30	42.54	51.54
Oracle Systems Limited	1,918.34	1,853.08	609.98	512.17
Oracle Systems Pakistan (Private) Limited	489.64	400.07	345.82	127.78
Oracle Svenska AB	47.67	113.69	13.30	19.97
Oracle Software (Schweiz) GmbH	19.71	29.89	3.13	17.51
Oracle Taiwan LLC	531.81	496.60	223.50	68.03
Oracle Technology Systems (Kenya) Limited	243.48	83.66	118.18	16.73
Oracle Vietnam Pte. Ltd.	362.55	279.78	155.55	58.88
PT Oracle Indonesia	180.39	179.69	37.11	34.36
Oracle Romania SRL	457.00	482.18	73.78	52.62
Sistemas Oracle de Chile Limitada	322.25	298.89	72.44	27.11
Sistemas Oracle del Peru S.R.L.	46.85	30.50	3.59	4.69
Impairment allowance				
Fellow Subsidiaries				
Oracle America, Inc.	2.22	0.09	(2.60)	(0.38)
Oracle (Philippines) Corporation	(0.36)	0.43	(0.12)	(0.48)
Oracle Austria GmbH	0.23	0.10	(1.08)	(0.85)

(Amounts in ₹ million)

Particulars	Transaction		Amount receivable (payable)	
	Year ended March 31, 2023	Year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
Oracle Belgium B.V.B.A./SPRL.	0.22	–	(0.22)	–
Oracle (China) Software Systems Company Limited	0.07	0.02	(0.09)	(0.02)
Oracle Canada ULC	1.16	(0.01)	(1.22)	(0.06)
Oracle Caribbean, Inc.	0.05	(0.03)	(0.06)	(0.01)
Oracle Colombia Limitada	1.92	(0.04)	(1.93)	(0.01)
Oracle Corporation (South Africa)(Pty) Limited	(1.25)	(1.19)	(0.76)	(2.01)
Oracle Corporation (Thailand) Company Limited	0.84	0.02	(0.88)	(0.04)
Oracle Corporation Australia Pty. Limited	2.06	0.05	(2.29)	(0.23)
Oracle Corporation Japan	2.44	0.11	(2.66)	(0.22)
Oracle Corporation Malaysia Sdn. Bhd.	0.99	0.05	(1.04)	(0.05)
Oracle Corporation Singapore Pte. Ltd.	1.34	0.04	(1.40)	(0.06)
Oracle Corporation UK Limited	0.99	0.10	(1.09)	(0.10)
Oracle Czech s.r.o.	0.78	–	(0.79)	(0.01)
Oracle de Centroamerica, S.A.	0.03	–	(0.03)	–
Oracle de Mexico, S.A. de C.V.	0.01	–	(0.01)	–
Oracle Deutschland B.V. & Co. KG	0.15	–	(0.15)	–
Oracle Do Brasil Sistemas Limitada	(0.15)	0.18	(0.03)	(0.18)
Oracle East Central Europe Limited	2.67	(0.22)	(2.72)	(0.05)
Oracle East Central Europe Services B.V.	(0.05)	–	–	(0.05)
Oracle Egypt Limited	135.73	0.25	(136.76)	(1.03)
Oracle France, S.A.S.	(2.23)	0.27	(0.42)	(2.65)
Oracle Hardware JSC	(5.91)	5.91	–	(5.91)
Oracle Hellas, S.A.	1.91	0.02	(2.03)	(0.12)
Oracle Hrvatska d.o.o.	–	(0.01)	–	–
Oracle Hungary Kft.	0.10	(0.01)	(0.10)	–
Oracle Iberica, S.R.L.	1.95	0.01	(1.96)	(0.01)
Oracle India Private Limited	(1.52)	2.21	(0.69)	(2.21)
Oracle Italia S.r.l.	0.28	(0.01)	(0.29)	(0.01)
Oracle Korea Ltd.	0.03	–	(0.03)	–
Oracle Luxembourg S.a.r.l.	0.03	(0.01)	(0.03)	–
Oracle Nederland B.V.	(0.59)	0.83	(0.24)	(0.83)
Oracle New Zealand	0.22	–	(0.23)	(0.01)
Oracle (QFC) Systems LLC	0.12	–	(0.12)	–
Oracle Portugal - Sistemas de Informacao Lda.	0.02	0.01	(0.04)	(0.02)
Oracle Romania SRL	0.52	(0.14)	(0.54)	(0.02)
Oracle Polska, Sp.z.o.o.	0.59	–	(0.59)	–
Oracle Norge AS	0.06	–	(0.06)	–
Oracle Serbia and Montenegro d.o.o	(22.17)	19.42	(1.35)	(23.52)
Oracle Slovensko spol. s.r.o.	0.53	(0.01)	(0.53)	–
Oracle Software (Schweiz) GmbH	0.02	0.01	(0.03)	(0.01)
Oracle Svenska AB	(0.23)	0.29	(0.06)	(0.29)
Oracle Systems Hong Kong Limited	0.46	0.01	(0.48)	(0.02)
Oracle Systems Limited	(1.44)	2.24	(3.60)	(5.04)
Oracle Systems Pakistan (Private) Limited	42.39	(0.72)	(42.41)	(0.02)
Oracle Taiwan LLC	2.20	0.02	(2.23)	(0.03)
Oracle Technology Systems (Kenya) Limited	0.05	–	(0.05)	–
Oracle Vietnam Pte. Ltd.	0.78	0.02	(0.81)	(0.03)
PT Oracle Indonesia	0.26	(0.05)	(0.27)	(0.01)
Sistemas Oracle de Chile Limitada	0.09	0.01	(0.10)	(0.01)

(Amounts in ₹ million)

Particulars	Transaction		Amount receivable (payable)	
	Year ended March 31, 2023	Year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
Bad debts				
Fellow Subsidiaries				
Oracle Hardware JSC	7.82	–	–	–
Advance received from Customers				
Fellow Subsidiaries				
Oracle America, Inc.	0.06	(5.25)	(0.85)	(0.79)
Oracle Belgium B.V.B.A/SPRL.	–	(0.92)	–	–
Oracle Corporation Malaysia Sdn. Bhd.	–	(2.74)	–	–
Oracle East Central Europe Services B.V.	–	(44.35)	–	–
Oracle Hungary Kft.	–	(0.17)	–	–
Oracle Software (Schweiz) GmbH	–	(0.02)	–	–
Oracle Systems Limited	(36.83)	20.81	–	(36.83)
Deferred Revenue				
Fellow Subsidiaries				
Oracle America, Inc.	–	–	(107.97)	(272.06)
Oracle Caribbean, Inc.	–	–	(3.66)	–
Oracle Colombia Limitada	–	–	(20.74)	–
Oracle France, S.A.S.	–	–	(0.27)	(11.20)
Oracle Nederland B.V.	–	–	–	(0.71)
Oracle (Philippines) Corporation	–	–	(3.32)	–
Oracle Portugal - Sistemas de Informacao Lda.	–	–	(1.56)	(0.31)
Oracle Systems Pakistan (Private) Limited	–	–	–	(0.45)
Oracle Technology Systems (Kenya) Limited	–	–	(8.41)	(18.05)
Oracle Software (Schweiz) GmbH	–	–	(0.37)	(0.52)
Oracle Slovensko spol. s.r.o.	–	–	(7.83)	(0.67)
Oracle Vietnam Pte. Ltd.	–	–	(11.16)	(1.94)
Oracle Corporation Japan	–	–	(23.30)	–
Oracle Corporation Malaysia Sdn. Bhd.	–	–	(18.62)	–
Oracle Deutschland B.V & Co. KG	–	–	(0.36)	–
Oracle East Central Europe Limited	–	–	(9.71)	–
Oracle Hungary Kft.	–	–	(12.37)	–
Oracle Korea Ltd.	–	–	(6.24)	–
Oracle New Zealand	–	–	(6.91)	–
Oracle Systems Hong Kong Limited	–	–	(5.94)	–
Oracle Taiwan LLC	–	–	(5.44)	–
Oracle EMEA Limited	–	–	(3.34)	–
Oracle (QFC) Systems LLC	–	–	(11.77)	–
Sistemas Oracle de Chile Limitada	–	–	(0.31)	–
Unbilled revenue				
Fellow Subsidiaries				
Oracle America, Inc.	–	–	472.46	424.31
Oracle Austria GmbH	–	–	1.53	3.09
Oracle Argentina S.R.L.	–	–	1.88	0.54
Oracle Belgium B.V.B.A/SPRL.	–	–	3.39	1.51
Oracle Bilgisayar Sistemleri Limited Sirketi	–	–	1.61	7.92
Oracle (China) Software Systems Company Limited	–	–	1.63	1.62

(Amounts in ₹ million)

Particulars	Transaction		Amount receivable (payable)	
	Year ended March 31, 2023	Year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
Oracle Canada ULC	–	–	162.44	82.65
Oracle Caribbean, Inc.	–	–	99.85	26.82
Oracle Colombia Limitada	–	–	15.62	6.31
Oracle Consulting Kazakhstan LLP	–	–	1.06	0.12
Oracle Corporation (South Africa)(Pty) Limited	–	–	59.96	33.55
Oracle Corporation (Thailand) Company Limited	–	–	22.16	20.97
Oracle Corporation Australia Pty. Limited	–	–	160.25	201.65
Oracle Corporation Japan	–	–	169.07	166.81
Oracle Corporation Malaysia Sdn. Bhd.	–	–	44.52	32.50
Oracle Corporation Singapore Pte. Ltd.	–	–	129.39	26.42
Oracle Corporation UK Limited	–	–	51.77	32.63
Oracle Czech s.r.o.	–	–	18.28	8.71
Oracle de Centroamerica, S.A.	–	–	16.97	6.36
Oracle Deutschland B.V & Co. KG	–	–	4.68	2.55
Oracle East Central Europe Limited	–	–	18.96	15.88
Oracle de Mexico, S.A. de C.V.	–	–	2.42	2.25
Oracle do Brasil Sistemas Limitada	–	–	30.73	21.04
Oracle France, S.A.S.	–	–	7.43	7.39
Oracle Egypt Limited	–	–	180.82	58.89
Oracle Hellas, S.A.	–	–	17.85	24.68
Oracle Hrvatska d.o.o.	–	–	0.38	0.02
Oracle Hungary Kft.	–	–	4.18	0.24
Oracle Iberica, S.R.L.	–	–	12.98	9.06
Oracle India Private Limited	–	–	97.59	69.55
Oracle Italia S.r.l.	–	–	40.39	15.94
Oracle Korea Ltd.	–	–	–	1.68
Oracle Luxembourg S.a.r.l.	–	–	2.40	0.22
Oracle Nederland B.V.	–	–	18.91	10.68
Oracle New Zealand	–	–	9.67	32.54
Oracle Norge AS	–	–	0.01	1.50
Oracle (Philippines) Corporation	–	–	64.64	11.19
Oracle Portugal - Sistemas de Informacao Lda.	–	–	5.45	1.31
Oracle Serbia and Montenegro d.o.o	–	–	6.08	0.64
Oracle Srbija & Crna Gora d.o.o.	–	–	41.93	22.79
Oracle Romania SRL	–	–	50.23	31.14
Oracle Slovensko spol. s.r.o.	–	–	9.63	1.99
Oracle Software (Schweiz) GmbH	–	–	–	0.15
Oracle Svenska AB	–	–	6.96	7.14
Oracle Systems Hong Kong Limited	–	–	18.45	66.95
Oracle Systems Limited	–	–	258.94	95.07
Oracle Systems Pakistan (Private) Limited	–	–	94.22	22.25
Oracle Taiwan LLC	–	–	52.46	16.94
Oracle Technology Systems (Kenya) Limited	–	–	7.69	2.39
Oracle Vietnam Pte. Ltd.	–	–	45.79	6.15
Oracle Polska, Sp.z.o.o.	–	–	3.03	0.23
Oracle EMEA Limited	–	–	6.05	28.91
PT Oracle Indonesia	–	–	11.65	10.84
Sistemas Oracle de Chile Limitada	–	–	32.22	70.16
Sistemas Oracle del Peru S.R.L.	–	–	20.64	4.22

(Amounts in ₹ million)

Particulars	Transaction		Amount receivable (payable)	
	Year ended March 31, 2023	Year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
Rent expenses (including lease payments)				
Fellow Subsidiaries				
Oracle India Private Limited	0.68	1.06	(0.37)	(0.89)
Oracle (China) Software Systems Company Limited	1.38	1.02	(0.29)	(0.09)
Oracle Corporation Australia Pty. Limited	1.82	1.87	–	(0.17)
Oracle Solution Services (India) Private Ltd.	1.56	–	(0.52)	–
Oracle EMEA Limited	0.42	–	(0.54)	–
Oracle Hellas, S.A.	18.15	12.36	(4.90)	(1.52)
Oracle America, Inc.	16.41	7.06	(2.79)	(0.08)
Oracle Nederland B.V.	0.20	2.38	(0.35)	(0.13)
Oracle France, S.A.S.	–	0.47	(0.74)	(0.70)
Oracle Corporation Japan	3.68	4.34	(1.21)	–
Sistemas Oracle de Chile Limitada	2.54	2.59	(0.51)	(0.47)
Oracle Global Services Limited	9.61	–	(9.76)	–
Oracle Global Services France SARL	0.62	0.16	(0.66)	(0.16)
Oracle Global Services Singapore Pte. Ltd.	19.58	19.80	(1.85)	(21.36)
Oracle Systems Limited	37.76	34.46	–	–
Professional fee expenses				
Fellow Subsidiaries				
Oracle America, Inc.	231.61	152.09	(157.05)	(40.49)
Oracle Corporation Australia Pty. Limited	1.43	3.43	(0.87)	(2.95)
Oracle Corporation Japan	4.74	15.94	(0.58)	(9.79)
Oracle Corporation Singapore Pte. Ltd.	31.47	37.66	(9.33)	(22.74)
Oracle Corporation UK Limited	1.16	1.47	(0.30)	(1.63)
Oracle Deutschland B.V & Co. KG	0.13	0.24	(0.03)	(0.17)
Oracle France, S.A.S.	0.10	0.11	(0.02)	(0.10)
Oracle Global Services Limited	1.31	1.42	(0.14)	(1.82)
Oracle Global Services Canada ULC	21.50	6.70	(1.35)	0.65
Oracle Information Technology Services (Shenzhen) Co. Ltd	38.06	33.51	(6.00)	(4.97)
Oracle India Private Limited	448.22	296.60	(158.40)	(109.75)
Oracle Iberica, S.R.L.	2.24	0.16	0.07	(1.63)
Oracle Systems Limited	11.76	6.97	(1.33)	(5.06)
Oracle Hellas, S.A.	–	–	–	(2.71)
Oracle de Mexico, S.A. de C.V.	–	0.07	26.13	24.10
Oracle Research and Development Centre, Beijing, Ltd.	–	1.10	–	(0.78)
Oracle Canada ULC	0.74	–	–	(5.66)
Oracle Do Brasil Sistemas Limitada	–	–	(0.33)	(0.48)
Oracle Corporation (Thailand) Company Limited	9.52	5.95	(2.46)	(3.73)
Oracle Nederland B.V.	0.42	0.74	(0.12)	(0.55)
Oracle Solution Services (India) Private Ltd.	24.40	0.16	(6.82)	–
Oracle Taiwan LLC	–	–	–	0.14
Oracle EMEA Limited	13.81	10.23	(6.12)	(6.42)
Oracle Portugal - Sistemas de Informacao Lda.	21.04	13.22	0.51	(19.46)
Oracle Romania SRL	–	0.41	(0.04)	(0.04)
Oracle Vietnam Pte. Ltd.	0.80	5.06	(7.62)	(6.47)
Sistemas Oracle de Chile Limitada	0.30	0.19	0.01	(0.43)

Particulars	Transaction		Amount receivable (payable)	
	Year ended March 31, 2023	Year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
Oracle (Philippines) Corporation	6.68	1.84	(1.13)	(1.43)
Oracle Colombia Limitada	29.57	11.98	(14.91)	(12.44)
Oracle Korea Ltd.	3.89	5.31	–	(5.36)
Oracle Systems Pakistan (Private) Limited	3.76	0.78	(3.23)	(0.78)
Oracle (China) Software Systems Company Limited	5.02	–	(4.96)	–
Oracle Egypt Limited	0.57	–	(0.57)	–
PT Oracle Indonesia	–	–	–	0.86
Reimbursement (recovery) of expenses				
Fellow Subsidiaries				
Professional fees				
Oracle Technology Systems (Kenya) Limited	–	0.05	–	–
Oracle America, Inc.	101.19	33.38	(95.41)	(80.87)
Oracle Corporation (South Africa)(Pty) Limited	1.84	10.96	(4.32)	(4.11)
Oracle East Central Europe Services B.V.	0.04	0.01	(0.52)	(0.48)
Oracle Italia S.r.l.	–	1.89	–	–
Oracle Serbia and Montenegro d.o.o	–	0.12	0.02	(0.14)
Oracle Canada ULC	–	–	–	(1.43)
Oracle Corporation (Thailand) Company Limited	0.04	–	(0.60)	(0.55)
Oracle Do Brasil Sistemas Limitada	–	–	–	(0.90)
Oracle East Central Europe Limited	–	–	0.01	0.01
Oracle Polska, Sp.z.o.o.	–	–	–	(0.02)
Oracle Hellas, S.A.	–	–	(0.02)	–
Oracle Vietnam Pte. Ltd.	–	0.20	–	–
Other expenses				
Oracle (Philippines) Corporation	0.06	(0.10)	(1.55)	(1.55)
Oracle America, Inc.	–	(0.33)	–	–
Oracle Canada ULC	0.02	2.79	(33.50)	(29.66)
Oracle Colombia Limitada	–	0.02	–	(0.30)
Oracle Corporation (South Africa)(Pty) Limited	7.02	9.57	(2.30)	(4.47)
Oracle Corporation (Thailand) Company Limited	2.06	(9.13)	(0.47)	(0.40)
Oracle Corporation Australia Pty. Limited	–	(0.58)	–	–
Oracle Corporation Malaysia Sdn. Bhd.	3.88	(1.55)	(0.12)	(1.68)
Oracle Do Brasil Sistemas Limitada	0.01	0.39	(0.91)	(0.90)
Oracle East Central Europe Limited	0.05	3.73	(0.89)	(4.71)
Oracle East Central Europe Services B.V.	(4.17)	(0.85)	(0.41)	(4.58)
Oracle Egypt Limited	0.39	–	(0.39)	–
Oracle Hungary Kft.	–	0.04	–	(1.18)
Oracle Italia S.r.l.	(2.50)	(3.48)	–	(2.51)
Oracle Korea Ltd.	–	(0.01)	(0.32)	(0.31)
Oracle New Zealand	(0.02)	0.99	(0.93)	(1.98)
Oracle Polska, Sp.z.o.o.	(0.14)	(0.04)	(0.02)	(5.85)
Oracle Portugal - Sistemas de Informacao Lda.	–	0.04	–	–
Oracle Serbia and Montenegro d.o.o	–	(2.76)	–	(1.02)
Oracle Srbija & Crna Gora d.o.o.	2.02	8.33	(0.86)	(0.74)
Oracle Taiwan LLC	1.64	3.64	–	(3.59)
Oracle Vietnam Pte. Ltd.	0.06	(2.56)	–	0.06
PT Oracle Indonesia	1.08	17.78	(0.40)	(1.93)
Oracle Slovensko spol. s.r.o.	–	(0.45)	–	–

(Amounts in ₹ million)

Particulars	Transaction		Amount receivable (payable)	
	Year ended March 31, 2023	Year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
Oracle India Private Limited	(2.45)	–	(0.32)	–
Oracle Solution Services (India) Private Ltd.	(0.93)	–	–	–
Oracle Technology Systems (Kenya) Limited	3.47	–	–	–
Sistemas Oracle de Chile Limitada	0.04	0.17	(0.82)	(0.86)
Procurement of fixed assets				
Fellow Subsidiaries				
Oracle Systems Limited	1.00	–	–	–
Oracle India Private Limited	69.94	(0.02)	–	0.02
Staff Welfare Expenses				
Fellow Subsidiaries				
Oracle America, Inc.	–	1.16	0.85	(0.69)
Oracle Corporation Australia Pty. Limited	(0.01)	0.14	–	(0.41)
Oracle Corporation Japan	–	0.51	–	–
Oracle Corporation Singapore Pte. Ltd.	–	0.10	–	(0.01)
Oracle Corporation UK Limited	–	0.37	0.41	(0.15)
Oracle EMEA Limited	–	0.09	–	–
Oracle Nederland B.V.	–	0.07	0.20	0.19
Oracle France, S.A.S.	–	0.10	–	–
Sistemas Oracle de Chile Limitada	–	–	–	0.54
Oracle India Private Limited	0.07	–	(0.07)	(0.01)
Oracle Colombia Limitada	–	–	0.01	–
Other expenses				
Fellow Subsidiaries				
Oracle Corporation Singapore Pte. Ltd.	–	–	(0.05)	(0.04)
Oracle India Private Limited	15.16	12.16	(2.32)	(8.88)
Oracle Systems Limited	0.03	0.07	–	–
NetSuite Ireland Limited	–	–	–	(0.27)
Oracle Solution Services (India) Private Ltd.	1.92	–	(0.16)	–
Sistemas Oracle de Chile Limitada	0.29	–	(0.29)	–
Miscellaneous income (including sublease receipts)				
Fellow Subsidiaries				
Oracle Corporation UK Limited	–	16.77	–	2.99
Oracle Solution Services (India) Private Ltd.	6.40	14.86	–	–
Oracle Systems Limited	(0.05)	–	–	–
Oracle EMEA Limited	–	0.22	0.19	0.20
Oracle Nederland B.V.	–	6.23	–	–
Oracle Do Brasil Sistemas Limitada	–	6.13	–	–
Oracle India Private Limited	24.48	52.37	2.41	1.16
Security Deposit				
Fellow Subsidiaries				
Oracle France, S.A.S.	–	–	0.16	0.15

(Amounts in ₹ million)

Particulars	Transaction		Amount receivable (payable)	
	Year ended March 31, 2023	Year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
Other advances				
Ultimate Holding Company				
Oracle Corporation	–	–	0.92	32.99
Fellow Subsidiaries				
Oracle America, Inc.	–	–	6.24	64.62
Oracle (China) Software Systems Company Limited	–	–	–	0.57
Oracle Global Services Netherlands BV	–	–	0.25	–
Oracle India Private Limited	–	–	1.70	1.67
Oracle Global Services Limited	–	–	0.28	–
Oracle Corporation UK Limited	–	–	0.55	–
Oracle EMEA Limited	–	–	0.06	0.06
Sistemas Oracle de Chile Limitada	–	–	0.57	–
Oracle France, S.A.S.	–	–	0.02	1.04
Other payables				
Fellow Subsidiaries				
Oracle Technology Systems (Kenya) Limited	–	–	(0.08)	–
Oracle East Central Europe Limited	–	–	(0.01)	(0.01)
Oracle Polska, Sp.z.o.o.	–	–	(4.83)	(4.65)
NetSuite Ireland Limited	–	–	(0.28)	–
Stock compensation expense				
Ultimate Holding Company				
Oracle Corporation	194.08	136.90	–	0.65
Oracle Employee Stock Purchase Plan				
Ultimate Holding Company				
Oracle Corporation	1.41	0.89	(11.58)	(14.93)
Payment of equity dividend				
Holding Company				
Oracle Global (Mauritius) Limited	11,979.73	12,610.24	–	–
Key Managerial personnel	34.03	31.70	–	–
Independent Directors	1.14	1.20	–	–
Key Managerial personnel [Refer note (i) below]				
Short-term employment benefits	74.15	67.73	–	–
Post-employment retiral benefits	(1.74)	0.78	–	–
Share based payments	153.86	151.46	–	–
Commission				
Independent Directors	15.70	15.70	(0.74)	–
Reimbursement of expenses				
Directors	1.02	0.03	(0.47)	–

Note (i): Remuneration includes salary, bonus and perquisites. During the year, 59,988 OSUs under OFSS Stock Plan 2014 (March 31, 2022 - 41,500 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 42: Segment information

Business segments are defined as a distinguishable component of an enterprise that is engaged in providing a group of related products or services and that is subject to differing risks and returns and about which separate financial information is available. This information is reviewed and evaluated regularly by the management in deciding how to allocate resources and in assessing the performance.

The OFSS group is organized by business segment and geographically. For management purposes the OFSS group is primarily organized on a worldwide basis into two business segments:

- a) Product licenses and related activities ('Products') and
- b) IT solutions and consulting services ('Services')

The business segments are the basis on which the OFSS group reports its primary operational information to management.

Product licenses and related activities segment deals with various banking software products. The related activities include enhancements, implementation and maintenance activities.

IT solutions and consulting services segment offers services spanning the entire lifecycle of applications used by financial service institutions. The division's portfolio includes Consulting, Application, Support and Technology Services that help institutions improve efficiency, optimize costs, meet risk and compliance mandates and implement IT solutions finely attuned to their business needs.

Segment revenue and expense:

Revenue is generated through licensing of software products, maintenance fees as well as by providing software solutions to the customers including consulting services. The income and expenses which are not directly attributable to a business segment are shown as unallocable income and expenses.

Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of trade receivables, net of allowances, unbilled 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 both the segments is allocated to each of the segment on a reasonable basis. Assets and liabilities that cannot be allocated between the segments are shown as part of unallocable assets and liabilities.

Year ended March 31, 2023		(Amounts in ₹ million)		
Particulars	Products	Services	Total	
Revenue	51,309.00	5,674.09	56,983.09	
Segment result	24,470.95	1,304.01	25,774.96	
Unallocable expenses			(1,994.35)	
Finance income			1,672.84	
Other income, net			245.59	
Profit before tax			25,699.04	
Tax expenses			(7,637.63)	
Net profit			18,061.41	

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	

Revenue of ₹ 27,264.35 million (March 31, 2022 - ₹ 26,614.53 million) is derived from a single customer group in 'Products' and 'Services' segment.

Other information

Year ended March 31, 2023

(Amounts in ₹ million)

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

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

Geographical segments

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

Regions	Year ended March 31, 2023		Year ended March 31, 2022	
	Amounts in ₹ million	%	Amounts in ₹ million	%
India	4,811.57	8.4%	3,777.87	7.2%
Outside India				
Americas				
United States of America	16,415.15	28.8%	14,164.11	27.1%
Rest of America	4,407.66	7.8%	4,049.47	7.8%
Europe	8,374.29	14.7%	8,727.72	16.7%
Asia Pacific	12,725.36	22.3%	13,175.22	25.3%
Middle East and Africa	10,249.06	18.0%	8,320.16	15.9%
	56,983.09	100.0%	52,214.55	100.0%

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

Regions	As at March 31, 2023		As at March 31, 2022	
	Amounts in ₹ million	%	Amounts in ₹ million	%
India	11,839.76	62.7%	11,744.21	62.2%
Outside India				
Americas				
United States of America	5,144.80	27.3%	5,203.58	27.6%
Rest of America	21.14	0.1%	42.17	0.2%
Europe	1,277.51	6.8%	1,256.20	6.7%
Asia Pacific	447.93	2.4%	473.64	2.5%
Middle East and Africa	133.75	0.7%	152.97	0.8%
	18,864.89	100.0%	18,872.77	100.0%

Non current assets for this purpose consist of property, plant and equipment, capital work-in-progress, right-of-use assets, investment property, intangible assets, non-current income tax asset and other non-current assets.

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

per Govind Ahuja
Partner
Membership No. 048966

Mumbai, India
April 26, 2023

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

S Venkatachalam
Chairperson
DIN: 00257819

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

Mumbai, India
April 26, 2023

Consolidated statement of cash flow for the year ended March 31, 2023

(Amounts in ₹ million)

	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities		
Profit before tax	25,699.04	25,282.77
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities:		
Depreciation and amortization	806.62	927.99
Loss on sale of fixed assets, net	2.26	0.34
Impairment loss recognized on contract assets	163.85	99.80
Impairment loss recognized on other financial assets	8.00	3.69
Bad debts	79.87	36.13
Finance income	(1,672.84)	(901.85)
Employee stock compensation expense	752.51	622.30
(Gain) on lease modification	(2.51)	(27.01)
Effect of exchange rate changes in cash and cash equivalent	(1,300.32)	(297.81)
Effect of exchange rate changes in assets and liabilities	898.34	31.37
Finance cost	126.55	122.01
Operating Profit before Working Capital changes	25,561.37	25,899.73
Movements in working capital		
Decrease (increase) in other non-current assets	9.05	(84.08)
(Increase) in trade receivables	(1,341.37)	(1,330.47)
(Increase) decrease in other current financial assets	(590.71)	393.30
Decrease (increase) in other current assets	133.73	(889.17)
(Decrease) increase in non-current financial liabilities	(31.84)	2.67
(Decrease) increase in other non-current liabilities	(88.86)	161.89
Increase in non-current provisions	132.07	93.32
(Decrease) in trade payables	(11.10)	(88.28)
(Decrease) increase in other current financial liabilities	(47.19)	7.57
Increase in current liabilities	754.57	1,263.42
Increase in current provisions	30.91	133.88
Cash from operating activities	24,510.63	25,563.78
Payment of domestic and foreign taxes	(6,926.48)	(7,002.25)
Net cash provided by operating activities	17,584.15	18,561.53
Cash flows from investing activities		
Purchase of property, plant and equipment	(381.26)	(375.66)
Proceeds from sale of property, plant and equipment	1.52	0.12
Refund of deposits for premises and others	1.51	69.69
Bank fixed deposits having maturity of more than three months matured	34,731.17	35,525.22
Bank fixed deposits having maturity of more than three months booked	(34,538.74)	(37,806.72)
Interest received	1,557.19	900.40
Income from investment in sublease	–	13.75
Net cash provided by/(used in) investing activities	1,371.39	(1,673.20)

Consolidated statement of cash flow for the year ended March 31, 2023 (continued)

	(Amounts in ₹ million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from financing activities		
Proceeds from issue of shares under employee stock option plan	79.36	257.72
Equity dividend paid	(16,415.93)	(17,260.69)
Repayment of lease liability	(272.95)	(283.42)
Interest paid on lease liability	(45.28)	(48.30)
Net cash (used in) financing activities	(16,654.80)	(17,334.69)
Net increase/(decrease) in cash and cash equivalents	2,300.74	(446.36)
Cash and cash equivalents at beginning of the year	16,799.73	16,948.28
Effect of exchange rate changes in cash and cash equivalents	1,300.32	297.81
Cash and cash equivalents at end of the year	20,400.79	16,799.73
Component of cash and cash equivalents		
Balances with banks:		
In current accounts*	20,134.65	16,456.06
In deposit accounts with original maturity of less than 3 months	228.09	295.04
In unclaimed dividend account**	38.05	48.63
Total cash and cash equivalents [Refer note 9 (a)]	20,400.79	16,799.73
*Current account includes ₹ 4.00 million (March 31, 2022 - ₹ 1.14 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 S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No. 101049W/E300004

per Govind Ahuja

Partner

Membership No. 048966

Mumbai, India

April 26, 2023

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

April 26, 2023

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
Subsidiaries															
1	Oracle Financial Services Software BV.	31-Mar-23	EUR	89.54	776.31	873.11	6,057.93	4,911.95	503.44	15,879.77	440.17	434.22	5.95	-	100%
2	Oracle Financial Services Software SA	31-Mar-23	EUR	89.54	274.32	(144.79)	603.88	474.35	-	714.79	(7.30)	20.62	(27.92)	-	100%
3	Oracle Financial Services Software Pte. Ltd.	31-Mar-23	USD	82.13	6.63	303.52	3,419.71	3,109.56	-	8,187.41	104.17	132.32	(28.15)	-	100%
4	Oracle Financial Services Consulting Pte. Ltd.	31-Mar-23	SGD	61.87	-	(258.10)	7.44	265.54	-	-	(0.25)	-	(0.25)	-	100%
5	Oracle Financial Services Software America, Inc.	31-Mar-23	USD	82.13	-	11,353.75	46.96	4.79	11,311.58	-	23.30	4.89	18.41	-	100%
6	Oracle Financial Services Software, Inc.	31-Mar-23	USD	82.13	-	14,107.03	18,823.30	4,716.27	-	14,916.39	2,319.39	881.68	1,437.71	-	100%
7	Mantas Inc.	31-Mar-23	USD	82.13	-	229.92	234.93	5.01	-	-	23.02	4.83	18.19	-	100%
8	Sotas Inc.	31-Mar-23	USD	82.13	-	-	-	-	-	-	0.47	0.10	0.37	-	100%
9	Mantas India Private Limited	31-Mar-23	INR	1.00	15.00	7.93	22.95	0.02	-	-	1.03	0.29	0.74	-	100%
10	ISP Internet Mauritius Company	31-Mar-23	USD	82.13	196.74	230.24	391.26	1.03	36.75	-	29.11	-	29.11	-	100%
11	Oracle (OFSS) BPO Services Inc.	31-Mar-23	USD	82.13	0.01	(729.44)	140.81	870.24	-	144.93	(3.66)	3.27	(6.93)	-	100%
12	Oracle (OFSS) BPO Services Limited	31-Mar-23	INR	1.00	58.19	222.53	385.53	104.81	-	310.11	31.97	23.58	8.39	-	100%
13	Oracle (OFSS) Processing Services Limited	31-Mar-23	INR	1.00	13.00	126.06	204.92	66.03	0.17	156.77	70.64	18.58	52.06	-	100%
14	Oracle (OFSS) ASP Private Limited	31-Mar-23	INR	1.00	51.70	(8.07)	43.72	0.09	-	-	0.79	-	0.79	-	100%
15	Oracle Financial Services Software Chile Limitada	31-Dec-22	CLP	0.10	80.86	649.81	1,120.73	390.06	-	634.23	27.87	4.55	23.32	-	100%
16	Oracle Financial Services Software (Shanghai) Limited	31-Dec-22	CNY	11.97	46.06	156.11	283.57	81.40	-	185.13	5.11	1.63	3.48	-	100%
Controlled Trust															
17	i-flex Employee Stock Option Trust	31-Mar-23	INR	1.00	-	1,011.92	1,015.00	3.08	-	-	(18.51)	16.74	(35.25)	-	-
Total					1,518.82	28,131.53	32,802.64	15,004.23	11,851.94	41,129.53	3,047.32	1,547.30	1,500.02	-	-

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

S Venkatachalam
Chairperson
DIN: 00257819

Mumbai, India
June 14, 2023

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Unconsolidated financials

Financial statements for the year ended March 31, 2023 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 the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Oracle Financial Services Software Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone 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 financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profits including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone 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 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 audit opinion on the standalone financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Revenue recognition	
<p>The Company's revenue streams consist of license fees, maintenance fees and consulting fees - fixed price and time & material contracts.</p> <p>Revenue from contracts with customers is recognized by the Company in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers ("Ind AS 115") (as described in note 2.3(e) of the financial statements).</p> <p>The application of Ind AS 115 and the Accounting Policy of the Company 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>Accordingly, we identified revenue recognition as a key audit matter.</p>	<p>Our audit procedures included and were not limited to the following:</p> <p>a) We evaluated whether the revenue recognition of the Company is in accordance with the accounting policies and principles as per Ind AS 115.</p> <p>b) We 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. We tested relevant internal controls, including information technology (IT) controls, over revenue process including the following:</p> <p>i. Read and identified the distinct performance obligations in these contracts and compared these performance obligations with those identified and recorded by the Company.</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 and the Accounting Policies of the Company.</p>

Key Audit Matter	How our audit addressed the key audit matter
Refer note 2.3(e), 17, 26(ix) and 42 of the standalone Ind AS financial statements.	<p>c) We also performed substantive procedures on a sample of revenue contracts entered into by Company, selected on a test check basis as deemed appropriate.</p> <p>d) We 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>
Evaluation of income tax provision	
<p>Management is required to ensure compliance with tax laws every year and appropriately determine the tax expense and deferred tax balances. Further, management is also required to evaluate the transfer pricing mechanism every year and its consequential impact on adequacy of provision for income tax and deferred tax of the Company.</p> <p>Additionally, the Company has uncertain income tax positions which includes matters under dispute involving significant judgement to determine the possible outcome of these disputes. The Company has during the year ended March 31, 2023, 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>Accordingly, we identified income tax provision as a key audit matter.</p> <p>Refer note 2.2(f), 16, 26(v) and 40 of the standalone Ind AS financial statements.</p>	<p>Our audit procedures included and were not limited to the following:</p> <p>a) We 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.</p> <p>b) We 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. We read assessment orders from tax authorities, tax returns wherever appropriate to assess impact on provision for income tax, if any.</p> <p>c) For uncertain tax positions, we obtained details of income tax assessments, appeal orders and income tax demands from management.</p> <p>We 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) We engaged our tax specialist to assess:</p> <ol style="list-style-type: none"> the current income tax and deferred tax computation provided by the management. the transfer pricing mechanism including the basis of recording provisions for uncertain income tax treatment and interest thereon, as per tax laws. <p>e) We obtained and assessed effective tax rate reconciliation to evaluate the Company's total income tax expense for the year.</p>

Information other than the standalone Ind AS financial statements and Auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

When we read the Annual Report, 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 applicable laws and regulations.

Responsibilities of Management for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 judgements 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 standalone 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 financial statements, management 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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.
- Obtain an understanding of internal control 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Company's ability 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 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.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone 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 the standalone financial statements for the financial year ended March 31, 2023 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.

Other Matter

The financial statements of the Company for the year ended March 31, 2022, included in these standalone financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 4, 2022.

Report on Other Legal and Regulatory Requirements

1. 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.

2. As required by Section 143(3) of the Act, 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 purposes of our audit;
 - (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, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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 its financial position in its standalone financial statements – Refer Note 40 to the standalone 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;
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, 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 or entity, 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, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, 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 such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The interim dividend declared and paid by the Company during the year is in accordance with section 123 of the Act.
Interim dividend declared by the Company for financial year 2022-23 on April 26, 2023 is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
 - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Govind Ahuja

Partner

Membership Number: 048966

UDIN: 23048966BGYDPL6881

Place of Signature: Mumbai

Date: April 26, 2023

Annexure 1 referred to in paragraph 1 under the heading Report on ‘Other Legal and Regulatory Requirements’ of our Report of even date on the Standalone Financial Statements

Re: Oracle Financial Services Software Limited (“the Company”)

- (i) (a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Investment Property and Right of use assets.
B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is 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 to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is 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 neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, sales-tax, service tax, duty of customs, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- b) According to the information and explanation given to us, the dues of goods and services tax, provident fund, income-tax, sales-tax, service tax, duty of custom, value added tax, cess, and other statutory dues have not been deposited 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
Income Tax Act, 1961*	Income Tax	609,461,138	April 2003 to March 2005 & April 2007 to March 2008	Income tax Appellate Tribunal
	Income Tax	13,896,023,586	April 2014 to March 2020	Commissioner of Income Tax - Appeals
	Tax Deducted at Source	2,022,587,619	April 2011 to March 2018	Commissioner of Income Tax - Appeals
Maharashtra Value Added Tax**	Sales Tax (MVAT)	150,432,583	April 2012 to June 2017	Joint Commissioner of Sales Tax

* The demand of Income Tax as reported above is net of demand paid under protest and refunds adjusted against said demand of Rs. 1,560,860,063.

**The demand of Sales Tax as reported above is net of demand paid under protest and refunds adjusted against said demand of Rs. 12,169,781.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on 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 did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) & (C) of the Order are not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) a) The Company has an internal audit system commensurate with the size and nature of its business.
- b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

- c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
 - d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 23 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the 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) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 37 to the financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 37 to the financial statements.

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Govind Ahuja

Partner

Membership Number: 048966

UDIN: 23048966BGYDPL6881

Place of Signature: Mumbai

Date: April 26, 2023

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Oracle Financial Services Software Limited

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

We have audited the internal financial controls with reference to standalone financial statements of Oracle Financial Services Software Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements 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") 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, both issued by ICAI. 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 with reference to these standalone financial statements 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, 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 judgement, including the assessment of the risks of material misstatement of the 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 with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements 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 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 financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Govind Ahuja

Partner

Membership Number: 048966

UDIN: 23048966BGYDPL6881

Place of Signature: Mumbai

Date: April 26, 2023

Balance sheet

as at March 31, 2023

(Amounts in ₹ million)

	Notes	March 31, 2023	March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,623.83	1,664.11
Capital work-in-progress	3	0.23	36.21
Right-of-use assets	4	359.63	503.10
Investment property	5	102.00	102.00
Financial assets			
Investments in subsidiaries	6	7,905.65	7,899.79
Other non-current financial assets	7	633.97	593.14
Deferred tax assets (net)	16(c)	1,041.24	943.95
Income tax assets (net)		8,771.03	8,359.68
Other non-current assets	10	1,252.59	1,263.73
		21,690.17	21,365.71
Current assets			
Financial assets			
Trade receivables	8	6,309.19	5,568.23
Cash and cash equivalents	9(a)	1,408.34	1,189.27
Other bank balances	9(b)	33,132.27	32,874.23
Other current financial assets	7	2,212.46	1,610.96
Other current assets	10	1,632.40	1,803.94
		44,694.66	43,046.63
TOTAL		66,384.83	64,412.34
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	431.99	431.23
Other equity	12	59,622.19	57,593.41
Total equity		60,054.18	58,024.64
Non-current liabilities			
Financial liabilities			
Lease liability	28	231.19	379.77
Other non-current liabilities	14	70.88	148.90
Provisions	15	1,601.39	1,487.33
		1,903.46	2,016.00
Current liabilities			
Financial liabilities			
Lease liability	28	160.77	135.78
Trade payables			
Payable to micro and small enterprises	13(a)	26.65	11.28
Payable to others	13(a)	208.50	147.49
Other current financial liabilities	13(b)	1,234.89	1,160.82
Other current liabilities	14	1,478.11	1,577.46
Provisions	15	1,284.33	1,205.73
Income tax liabilities (net)		33.94	133.14
		4,427.19	4,371.70
TOTAL		66,384.83	64,412.34
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 S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W / E300004

Govind Ahuja
Partner
Membership No. 048966

Mumbai, India
April 26, 2023

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
April 26, 2023

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, 2023

(Amounts in ₹ million, except share data)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	17	42,555.81	38,961.33
Finance income	18	1,335.58	839.39
Other income, net	19	1,190.79	1,720.73
Total income		45,082.18	41,521.45
Expenses			
Employee benefit expenses	20	17,719.22	14,545.54
Travel related expenses		396.07	110.05
Professional fees		1,590.12	1,345.12
Finance cost	21	32.12	32.30
Other operating expenses	22	1,328.82	1,047.12
Depreciation and amortization	3 & 4	583.85	679.81
Total expenses		21,650.20	17,759.94
Profit before tax		23,431.98	23,761.51
Tax expenses	16		
Current tax		5,809.39	5,730.28
Deferred tax		(102.49)	(80.86)
Total tax expenses		5,706.90	5,649.42
Profit for the year		17,725.08	18,112.09
Other comprehensive income (loss)			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Actuarial (loss) on gratuity fund		20.66	(127.06)
Deferred tax	16	(5.20)	31.98
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		24.32	11.13
Total other comprehensive income (loss) for the year, net of tax		39.78	(83.95)
Total comprehensive income for the year		17,764.86	18,028.14
Earnings per equity share of par value of ₹ 5 each (March 31, 2022 - ₹ 5 each) (in ₹)	25		
Basic		205.25	210.19
Diluted		204.37	209.08
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 S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No. 101049W / E300004

Govind Ahuja

Partner

Membership No. 048966

Mumbai, India

April 26, 2023

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

April 26, 2023

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, 2023

(a) Year ended March 31, 2023

(Amounts in ₹ million, except share data)

Particulars	Equity share capital			Other equity				Retained earnings	Other comprehensive income		Total equity attributable to equity shareholders 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		Foreign currency translation reserve	Remeasurement of defined benefit obligation	
Balance as of April 1, 2022	86,246,465	431.23	-	16,813.64	10,145.19	1,561.36	90.62	28,938.80	43.80	-	58,024.64
<i>Changes in equity for the year ended March 31, 2023</i>											
Application money received for exercised options	-	-	79.36	-	-	-	-	-	-	-	79.36
Shares issued for exercised options	150,714	0.76	(79.35)	78.59	-	-	-	-	-	-	-
Stock compensation charge	-	-	-	-	-	557.02	33.65	-	-	-	590.67
Forfeiture of options	-	-	-	-	-	(113.72)	-	113.72	-	-	-
Stock compensation related to options exercised	-	-	-	472.08	-	(472.08)	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	17,725.08	-	-	17,725.08
Interim equity dividend	-	-	-	-	-	-	-	(16,405.35)	-	-	(16,405.35)
Actuarial gain (loss) on gratuity fund including deferred tax thereon	-	-	-	-	-	-	-	-	-	15.46	15.46
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	24.32	-	24.32
Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings	-	-	-	-	-	-	-	15.46	-	(15.46)	-
Balance as of March 31, 2023	86,397,179	431.99	0.01	17,364.31	10,145.19	1,532.58	124.27	30,387.71	68.12	-	60,054.18

(b) Year ended March 31, 2022

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity						Total equity attributable to equity shareholders 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	Retained earnings		Other comprehensive income
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	-
<i>Changes in equity for the year ended March 31, 2022</i>										
Application money received for exercised options	-	-	257.72	-	-	-	-	-	-	-
Shares issued for exercised options	184,232	0.92	(257.72)	256.80	-	-	-	-	-	-
Stock compensation charge	-	-	-	-	-	484.35	17.94	-	-	-
Forfeiture of options	-	-	-	-	-	(26.91)	-	26.91	-	-
Stock compensation related to options exercised	-	-	-	410.42	-	(410.42)	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	18,112.09	-	-
Interim equity dividend	-	-	-	-	-	-	-	(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	-
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	-
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 S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No. 101049W/E3000004

Govind Ahuja

Partner

Membership No. 048966

Mumbai, India**April 26, 2023****S Venkatachalam**

Chairperson

DIN: 00257819

Mumbai, India**April 26, 2023****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 financial statements for the year ended March 31, 2023

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 72.98% (March 31, 2022 – 73.11%) ownership interest in the Company as at March 31, 2023.

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, 2023, were approved by the Company's Board of Directors, and authorized for issue on April 26, 2023.

Note 2: Significant accounting policies

2.1 Basis of preparation

The standalone financial statements include the financial information of the branches located at Dubai, Abu Dhabi and Russia.

These standalone financial statements comprising of balance sheet as at March 31, 2023, 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

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.

An item of property, plant and equipment is derecognized at its carrying value on disposal; and any gain or loss arising from such derecognition is included in the statement of profit or loss when the item is derecognized.

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 assets 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.

(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 off 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 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 fulfillment 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 assets 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 7.19 % 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 comprises of cash at bank and short-term investments with an original maturity of three months or less that are subject to insignificant risk of change in value. Cash and cash equivalent consist of balances with bank which are unrestricted for withdrawal and usage.

2.3 Recent accounting pronouncements

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

The amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Company's financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 - Income Taxes

The amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its consolidated financial statement.

Note 3: Property, plant and equipment

(a) Year ended March 31, 2023

Particulars	Gross carrying value					Depreciation			(Amounts in ₹ million)	
	As at April 01, 2022	Additions	Sale / deletions	Translation gain (loss)	As at March 31, 2023	As at April 01, 2022	Additions	Sale / deletions	Translation (gain) loss	As at March 31, 2023
Freehold land	436.31	-	-	-	436.31	-	-	-	-	436.31
Improvement to leasehold premises	260.30	-	-	-	260.30	259.14	1.16	-	-	260.30
Buildings	2,089.95	-	-	-	2,089.95	1,376.14	103.95	-	-	1,480.09
Computer equipments	2,989.07	334.05	89.90	2.32	3,235.54	2,646.96	259.59	89.60	1.92	2,818.87
Office equipments	238.63	8.23	9.40	0.07	237.53	236.72	6.39	9.29	0.03	233.85
Electricals and other installations	925.51	27.50	3.25	-	949.76	913.22	5.55	3.25	-	915.52
Furniture and fixtures	1,039.55	14.81	20.80	0.35	1,033.91	883.03	48.02	20.54	0.33	910.84
Total	7,979.32	384.59	123.35	2.74	8,243.30	6,315.21	424.66	122.68	2.28	6,619.47
									Capital work-in-progress	0.23
										1,624.06

(b) Year ended March 31, 2022

Particulars	Gross carrying value					Depreciation			(Amounts in ₹ million)	
	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
Freehold land	436.31	-	-	-	436.31	-	-	-	-	436.31
Improvement to leasehold premises	260.30	-	-	-	260.30	257.15	1.99	-	-	259.14
Buildings	2,089.95	-	-	-	2,089.95	1,272.08	104.06	-	-	1,376.14
Computer equipments	2,749.89	286.56	47.83	0.45	2,989.07	2,361.32	332.85	47.67	0.46	2,646.96
Office equipments	238.47	2.42	2.09	(0.17)	238.63	232.84	6.13	2.09	(0.16)	236.72
Electricals and other installations	925.51	-	-	-	925.51	907.94	5.28	-	-	913.22
Furniture and fixtures	1,012.26	31.07	3.90	0.12	1,039.55	834.06	52.77	3.90	0.10	883.03
Total	7,712.69	320.05	53.82	0.40	7,979.32	5,865.39	503.08	53.66	0.40	6,315.21
									Capital work-in-progress	36.21
										1,700.32

(c) Capital work-in-progress (CWIP) ageing schedule		(Amounts in ₹ million)					
Particulars		As at March 31, 2023			As at March 31, 2022		
		Amount in CWIP for a period of			Amount in CWIP for a period of		
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	Total
Projects in progress		0.23	-	-	-	0.23	36.21
Total		0.23	-	-	-	0.23	36.21

There are no projects as of March 31, 2023 and March 31, 2022; whose completion is overdue or has exceeded its cost compared to its original plan.

Note 4: Right-of-use asset

(a) Year ended March 31, 2023		(Amounts in ₹ million)					
Particulars		Gross carrying value			Depreciation		
		As at April 01, 2022	Additions	Sale / deletions	Translation (gain) loss	As at March 31, 2023	Net carrying value As at March 31, 2023
Right-of-use asset		757.42	5.47	4.46	13.42	771.85	359.63
Total		757.42	5.47	4.46	13.42	771.85	359.63

(b) Year ended March 31, 2022		(Amounts in ₹ million)					
Particulars		Gross carrying value			Depreciation		
		As at April 01, 2021	Additions	Sale / deletions	Translation (gain) loss	As at March 31, 2022	Net carrying value As at March 31, 2022
Right-of-use asset		673.91	309.34	229.17	3.34	757.42	503.10
Total		673.91	309.34	229.17	3.34	757.42	503.10

Note 5: Investment property

(a) Year ended March 31, 2023

Particulars	Gross carrying value				Depreciation			Net carrying value	
	As at April 01, 2022	Additions	Sale / deletions	Translation gain (loss)	As at March 31, 2023	As at April 01, 2022	Additions	Sale / deletions	Translation (gain) loss
Freehold land	102.00	-	-	-	102.00	-	-	-	-
Total	102.00	-	-	-	102.00	-	-	-	-

(b) 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
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, 2023 is based on valuations performed by a registered IBBI valuer firm ANVI Technical Advisors India Pvt Ltd which is associated with Colliers International India Property Services Private Limited. Investment property valuation as at March 31, 2022 is based on valuations performed by RNC VALUECON LLP, accredited independent valuers. The fair value of the above investment property as at March 31, 2023 and March 31, 2022 is ₹ 247.00 million and ₹ 237.60 million respectively.

The direct operating expenses incurred in relation to investment property are ₹ 3.32 million and ₹ 2.89 for the financial year ended March 31, 2023 and March 31, 2022 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)	
		March 31, 2023	March 31, 2022
Fair value of investment property at beginning of the year		237.60	205.50
Adjustment towards fair values for the year		9.40	32.10
Fair value of investment property at end of the year		247.00	237.60
Description of valuation techniques used and key inputs to valuation on investment properties:		(Amounts in ₹, except percentages)	
Details	March 31, 2023	March 31, 2022	
Valuation technique	Discounted Cash Flow (DCF) Method	Market approach (Sale Comparison Method)	
Significant unobservable inputs	Quoted rental per sq. ft. per month ₹ 65 to ₹ 70	Estimated market rate per sq. mt. of freehold land ₹ 23,077 to ₹ 31,250	
	Negotiation, discount, location and physical adjustments -15% to 0%	Negotiation, discount, location and physical adjustments - 10% to 0%	
Description of valuation technique	Final adjusted rental per sq. ft. per month ₹ 49 to ₹ 52	Final adjusted price per sq. mt. ₹ 14,873 to ₹ 16,515	
	Financial modelling technique is used, based on explicit assumptions regarding the prospective income arising out of the development to be carried out on the property. The entire development cash flows are drawn up and assumptions are made about the market performance over the entire project frame. Other contributors such as demand / supply dynamics, construction costs, quality and infrastructure requirements, time frame of project and profits / returns is compiled to create a financial model that captures all market drivers and value impacting parameters.	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, except share data)	
	March 31, 2023	March 31, 2022
(i) In wholly owned subsidiaries		
Oracle (OFSS) ASP Private Limited		
5,170,000 (March 31, 2022 - 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, 2022 - 140,000) equity shares of EUR 100 each, fully paid-up	776.31	776.31
Equity contribution for stock options / OSUs	32.18	32.17
	808.49	808.48
Oracle Financial Services Software Pte. Ltd.		
250,000 (March 31, 2022 - 250,000) equity shares of SGD 1 each, fully paid-up	6.63	6.63
Equity contribution for stock options / OSUs	123.59	123.54
	130.22	130.17
Oracle Financial Services Software America, Inc.		
1 (March 31, 2022 - 1) equity share of USD 0.01 each, fully paid-up	3,452.26	3,452.26
100 (March 31, 2022 - 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	72.55	72.41
	6,417.18	6,417.04
Oracle Financial Services Software (Shanghai) Limited		
100% (March 31, 2022 - 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, 2022 - 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, 2022 - 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	34.52
Provision for diminution in value of investment and fair valuation of loan	(167.36)	(167.36)
	172.98	172.98
Oracle (OFSS) Processing Services Limited		
1,300,000 (March 31, 2022 - 1,300,000) equity shares of ₹ 10 each, fully paid-up	13.00	13.00
Mantas India Private Limited		
1,499,940 (March 31, 2022 - 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, 2022 - 5,808,660) equity shares of ₹ 10 each, fully paid-up	167.60	167.60
Equity contribution for stock options / OSUs	8.27	2.61
	175.87	170.21
Aggregate amount of unquoted investments	7,905.65	7,899.79
Aggregate amount of impairment of unquoted investments	172.76	172.76

Note 7: Financial assets

	(Amounts in ₹ million)	
	March 31, 2023	March 31, 2022
Non-current		
Other financial assets at fair value through profit or loss		
Investment in Sarvatra Technologies Private Limited (unquoted)*		
242,240 (March 31, 2022 - 242,240) equity shares of ₹ 10 each, fully paid-up	–	–
	–	–
Other financial assets measured at amortized cost		
Deposits for premises and others	633.97	593.14
	633.97	593.14
	633.97	593.14
Current		
Other financial assets measured at amortized cost		
Unbilled revenue	1,972.93	1,432.62
Amount receivable from subsidiaries	30.55	18.58
Deposits for premises and others	37.03	40.68
Other receivables and advances	171.95	119.08
	2,212.46	1,610.96

*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, 2023	March 31, 2022
Deposits for premises and others	671.00	633.82
Unbilled revenue	1,972.93	1,432.62
Amount receivable from subsidiaries	30.55	18.58
Other receivables and advances	171.95	119.08
Trade receivables [note 8]	6,309.19	5,568.23
Cash and bank balances [note 9]	34,540.61	34,063.50
	43,696.23	41,835.83

Note 8: Trade receivables

	(Amounts in ₹ million)	
	March 31, 2023	March 31, 2022
Unsecured, considered good	6,526.97	5,661.14
Credit impaired	110.20	86.87
	6,637.17	5,748.01
Impairment allowance		
Unsecured, considered good	(217.78)	(92.91)
Credit impaired	(110.20)	(86.87)
	(327.98)	(179.78)
	6,309.19	5,568.23

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, 2023	Not due	Outstanding for following periods from due date of payment [#] Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables							
Considered good	3,090.00	3,218.91	212.76	3.74	–	1.56	6,526.97
Credit impaired	–	–	–	–	–	–	–
Disputed trade receivables							
Considered good	–	–	–	–	–	–	–
Credit impaired	–	18.94	18.01	62.86	2.05	8.34	110.20
	3,090.00	3,237.85	230.77	66.60	2.05	9.90	6,637.17
Less: Impairment allowance							(327.98)
							6,309.19

(Amounts in ₹ million)

As at March 31, 2022	Not due	Outstanding for following periods from due date of payment [#] Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables							
Considered good	3,102.42	2,552.95	–	3.28	2.49	–	5,661.14
Credit impaired	–	–	–	–	–	–	–
Disputed trade receivables							
Considered good	–	–	–	–	–	–	–
Credit impaired	–	34.13	27.22	8.25	3.16	14.11	86.87
	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

[#]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, 2023	March 31, 2022
(a) Cash and cash equivalents		
Balances with banks:		
In current accounts	1,160.26	860.61
In deposit accounts with original maturity of less than 3 months	210.03	280.03
In unclaimed dividend accounts*	38.05	48.63
	1,408.34	1,189.27
(b) Other bank balances		
Balances with banks:		
In deposit accounts with original maturity of more than 3 months but less than 12 months	33,132.27	32,872.69
In margin money deposit accounts	–	1.54
	33,132.27	32,874.23
	34,540.61	34,063.50

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

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, 2023	March 31, 2022
Non-current		
GST, VAT, service tax and other indirect taxes	297.35	302.10
Tax deducted at source paid under protest	921.80	922.39
Prepaid expenses	0.55	5.14
Deferred contract cost	32.89	34.10
	1,252.59	1,263.73
Current		
Unbilled revenue	1,368.46	1,417.61
GST, VAT, service tax and other indirect taxes	102.55	287.36
Prepaid expenses	138.32	82.78
Deferred contract cost	23.07	16.19
	1,632.40	1,803.94

Note 11: Equity share capital

(Amounts in ₹ million)

	March 31, 2023	March 31, 2022
Authorized:		
100,000,000 (March 31, 2022 - 100,000,000) equity shares of ₹ 5 each	500.00	500.00
Issued, subscribed and fully paid-up:		
86,397,179 (March 31, 2022 - 86,246,465) equity shares of ₹ 5 each	431.99	431.23

- (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, 2023	March 31, 2022
Oracle Global (Mauritius) Limited, holding company		
Number of equity shares	63,051,197	63,051,197
% of equity shares	72.98%	73.11%

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, 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
Issued during the year ended March 31, 2023 under the employee stock option plan (ESOP)	150,714	0.76
Outstanding as at March 31, 2023	86,397,179	431.99

- (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, 2023	March 31, 2022
Share application money pending allotment [#]	0.01	0.00
Securities premium	17,364.31	16,813.64
General reserve	10,145.19	10,145.19
Employee stock options outstanding	1,532.58	1,561.36
Contribution from Ultimate Holding Company	124.27	90.62
Retained earnings	30,387.71	28,938.80
Other comprehensive income	68.12	43.80
	59,622.19	57,593.41

[#]Represents amount less than ₹ 0.01 million as at March 31, 2022.

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, 2023 represents the money received from employees of the Company towards exercise of 1,518 (March 31, 2022 - 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.

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.

The Board of Directors have declared an interim dividend on April 26, 2023 of ₹ 225 per equity share for the year ended March 31, 2023. This would result in an estimated cash outflow of ₹ 19,443.34 million.

The Board of Directors had declared an interim dividend on May 4, 2022 of ₹ 190 per equity share for the year ended March 31, 2022. This had resulted in cash outflow of ₹ 16,405.35 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 it's net liabilities / assets.

Note 13: Financial liabilities

(Amounts in ₹ million)

	March 31, 2023	March 31, 2022
(a) Trade payables measured at amortized cost		
Current		
- Payable to micro and small enterprises*	26.65	11.28
- Payable to others	208.50	147.49
	235.15	158.77
(b) Other financial liabilities		
Current		
Derivative instruments at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contract, net**	1.63	24.62
	1.63	24.62
Other financial liabilities measured at amortized cost		
Amount due to subsidiaries	165.72	68.16
Accrued expenses	420.04	413.17
Accrued compensation to employees	562.13	554.83
Capital creditors	47.32	51.41
Unpaid dividends***	38.05	48.63
	1,233.26	1,136.20
	1,234.89	1,160.82

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

** (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) The Company had held back, based on court order received, an amount of ₹ 3.10 million as at March 31, 2022. The same has been credited to the Investor Education and Protection Fund (the 'Fund') and, as at March 31, 2023 there is no amount due and outstanding to be credited to the Fund.

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

(Amounts in ₹ million)

- Principal amount remaining unpaid to any supplier as at the end of the year.	26.65	11.28
- 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.	-	-
	26.65	11.28

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, 2023	Outstanding for following periods from due date of payment [#]					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	21.12	5.43	0.10			26.65
- To others	39.47	166.65	1.19	0.14	1.05	208.50
Disputed trade payables						
- To micro and small enterprises	-	-	-	-	-	-
- To others	-	-	-	-	-	-
	60.59	172.08	1.29	0.14	1.05	235.15

(Amounts in ₹ million)

As at March 31, 2022	Outstanding for following periods from due date of payment [#]					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

[#]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, 2023	March 31, 2022
Current		
Deferred revenues	1,080.76	1,186.37
Withholding and other taxes	239.20	240.54
Other statutory dues	158.15	150.55
	1,478.11	1,577.46
Non-current		
Deferred revenues	70.88	148.90
	70.88	148.90

Note 15: Provisions

(Amounts in ₹ million)

	March 31, 2023	March 31, 2022
Non-current		
For gratuity [Refer note 30]	1,601.39	1,487.33
	1,601.39	1,487.33
Current		
For gratuity [Refer note 30]	137.26	146.38
For compensated absence	1,147.07	1,059.35
	1,284.33	1,205.73

Note 16: Income taxes

- (a) The major components of income tax expense are:

	(Amounts in ₹ million)	
	Year ended March 31, 2023	Year ended March 31, 2022
(i) Profit or loss section		
Current taxes	5,809.39	5,730.28
Deferred taxes	(102.49)	(80.86)
Income tax expense reported in the statement of profit and loss	5,706.90	5,649.42
(ii) Other Comprehensive Income section		
Deferred tax on actuarial (loss) gain on gratuity fund	(5.20)	31.98
Income tax expense charge reported in Other Comprehensive Income	(5.20)	31.98

- (b) Reconciliation of tax expense and accounting profit:

	(Amounts in ₹ million)	
	March 31, 2023	March 31, 2022
Profit before tax	23,431.98	23,761.51
Enacted tax rates in India	25.17%	25.17%
Computed expected tax expenses	5,897.36	5,980.30
of earlier years	44.64	(64.42)
on non-deductible expenses for tax purpose	121.68	113.35
on exempt income	(234.60)	(377.69)
overseas taxes	81.52	157.79
correlative relief	(208.32)	(188.67)
others	4.62	28.76
Income tax expense reported in statement of profit and loss	5,706.90	5,649.42

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

	(Amounts in ₹ million)	
	March 31, 2023	March 31, 2022
Deferred tax assets		
Difference between book and tax depreciation	162.40	159.67
Provision for compensated absence	288.69	260.73
Provision for gratuity	437.58	377.94
Impairment loss on contract assets	87.92	50.20
Other timing differences	64.65	95.41
	1,041.24	943.95

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)	
	March 31, 2023	March 31, 2022
Balance, beginning of year	943.95	831.11
Tax income during the year recognized in statement of profit or loss	102.49	80.86
Tax (expense) income during the year recognized in other comprehensive income	(5.20)	31.98
Balance, end of the year	1,041.24	943.95

Note 17: Revenue from operations

(Amounts in ₹ million)

	Year ended March 31, 2023	Year ended March 31, 2022
Product licenses and related activities	38,840.10	35,533.77
IT solutions and consulting services	3,715.71	3,427.56
	42,555.81	38,961.33

Note 18: Finance income

(Amounts in ₹ million)

	Year ended March 31, 2023	Year ended March 31, 2022
Interest on financial assets measured at amortized cost:		
Balance with banks in current and deposit accounts	1,289.56	791.26
Deposits for premises and others	46.02	47.08
Loan to subsidiary	–	1.05
	1,335.58	839.39

Note 19: Other income, net

(Amounts in ₹ million)

	Year ended March 31, 2023	Year ended March 31, 2022
Fair value (loss) on derivatives not designated as hedges	(154.75)	(62.44)
Foreign exchange gain, net	376.00	192.78
Profit (loss) on sale of property, plant and equipment, net	0.22	(0.14)
Miscellaneous income	37.18	89.87
Dividend from subsidiary companies	932.14	1,500.66
	1,190.79	1,720.73

Note 20: Employee benefit expenses

(Amounts in ₹ million)

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and bonus	15,742.49	12,910.64
Contribution to provident and other funds	1,094.72	922.96
Stock compensation expense	584.81	496.91
Staff welfare expenses	297.20	215.03
	17,719.22	14,545.54

Note 21: Finance cost

(Amounts in ₹ million)

	Year ended March 31, 2023	Year ended March 31, 2022
Interest on lease liability	32.12	32.30
	32.12	32.30

Note 22: Other operating expenses

(Amounts in ₹ million)

	Year ended March 31, 2023	Year ended March 31, 2022
Application software	11.81	13.36
Communication expenses	74.53	67.84
Rent	59.42	51.17
Power	140.14	108.68
Insurance	22.73	25.19
Repairs and maintenance:		
Buildings and leasehold premises	29.76	25.69
Computer equipments	17.82	10.74
Others	78.10	56.67
Rates and taxes	41.87	30.84
Impairment loss on contract assets	139.94	92.31
Impairment loss on other financial assets	7.54	3.33
Bad debts	74.97	26.81
Corporate Social Responsibility	455.89	428.47
Auditors' remuneration	19.96	17.30
Miscellaneous expenses	154.34	88.72
	1,328.82	1,047.12

Note 23: Financial ratios

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance
(a) Current ratio (in times)	Total current assets	Total current liabilities	10.10	9.85	3%
(b) Return on equity ratio (in %)	Profit for the year	Average total equity	30%	32%	-6%
(c) Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	7.17	7.69	-7%
(d) Trade payables turnover ratio (in times)	Purchases of services and other expenses	Average trade payables	10.31	7.51	37%*
(e) Net capital turnover ratio (in times)	Revenue from operations	Total current assets less total current liabilities	1.06	1.01	5%
(f) Net profit ratio (in %)	Profit for the year	Revenue from operations	42%	46%	-9%
(g) Return on capital employed (in %)	Profit before tax and finance cost	Net worth + lease liabilities + deferred tax liabilities	39%	41%	-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)	108.91	152.41	-29%**
(j) Return on investment (in %)	Dividend from subsidiary company	Average investments in subsidiaries	12%	19%	-37%***

*Trade payables turnover ratio has improved on account of prompt payments towards services availed / goods received.

**Debt service coverage ratio has reduced on account of lease payments.

***During the year ended March 31, 2023 and March 31, 2022 the Company has received dividend from its wholly owned subsidiary companies.

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, 2023:

(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, 2023	247.00	–	247.00	–
Liabilities measured at fair value:					
Foreign exchange forward contract, net [Refer note 13]	March 31, 2023	1.63	–	1.63	–

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 (Level1)	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	–

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, 2023 and March 31, 2022.

Note 25: Reconciliation of basic and diluted equity shares used in computing earnings per share

(Number of equity shares)

	Year ended March 31, 2023	Year ended March 31, 2022
Weighted average shares outstanding for basic earnings per share	86,360,061	86,171,977
Add: Effect of dilutive component of stock options	370,687	457,148
Weighted average shares outstanding for diluted earnings per share	86,730,748	86,629,125
Profit attributable to equity shareholders (In ₹ million)	17,725.08	18,112.09
Earnings per equity share of par value of ₹ 5 (March 31, 2022 ₹ 5) each (in ₹)		
Basic	205.25	210.19
Diluted	204.37	209.08

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 judgement. 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) 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.

(iii) 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).

(iv) 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 40.

(v) 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 are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in note 30.

(vi) 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 24 for further disclosures.

(vii) 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

(Amounts in ₹ million)		
Particulars	March 31, 2023	March 31, 2022
Capital Commitments towards Property, Plant and Equipment		
Contracts remaining to be executed on capital account not provided for (net of advances)	61.57	93.09

Note 28: Leases

Where Company is lessee

The changes in the carrying values of right-of-use asset for the year ended March 31, 2023 and March 31, 2022 are given in note 4.

Set out below are the carrying amounts of lease liabilities and the movement during the year ended March 31, 2023 and March 31, 2022:

(Amounts in ₹ million)		
Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	515.55	304.95
Modifications / additions	5.13	300.01
(Gain) on lease modification	–	(6.23)
Interest on lease liability	32.12	32.30
Repayments	(170.46)	(118.08)
Exchange impact	9.62	2.60
At the end of the year	391.96	515.55

(Amounts in ₹ million)		
Particulars	As at March 31, 2023	As at March 31, 2022
Current	160.77	135.78
Non current	231.19	379.77
Total	391.96	515.55

The maturity analysis of undiscounted lease liabilities as at March 31, 2023 and March 31, 2022 are as follows:

Particulars	(Amounts in ₹ million)	
	As at March 31, 2023	As at March 31, 2022
Less than 1 year	181.86	167.05
1 to 5 years	239.51	401.24
More than 5 years	–	–
Total	421.37	568.29

The following amounts are recognized in the statement of profit and loss for the year ended March 31, 2023 and March 31, 2022:

Particulars	(Amounts in ₹ million)	
	As at March 31, 2023	As at March 31, 2022
Depreciation expenses on right-of-use asset	159.19	176.73
Interest expense on lease liability	32.12	32.30
Expense relating to short-term leases and other service charges (included in other operating expenses as rent)	59.42	51.17
Total	250.73	260.20
(Gain) on lease modification	–	(6.23)
Total	250.73	253.97

The Company had total cash outflows for leases of ₹ 138.34 million (excluding interest) for the year ended March 31, 2023 (March 31, 2022 ₹ 92.01 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, 2023 (March 31, 2022 - Nil).

The minimum rental payments to be made in future in respect of short-term leases as at March 31, 2023 and March 31, 2022 are as follows:

Particulars	(Amounts in ₹ million)	
	As at March 31, 2023	As at March 31, 2022
Less than 1 year	1.93	0.75
1 to 5 years	–	–
More than 5 years	–	–
Total	1.93	0.75

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 ₹ 61.14 million (March 31, 2022 - ₹ 22.24 million) towards welfare of employees of the Company.

As at March 31, 2023, the Trust is not holding any equity shares (March 31, 2022 - Nil equity shares) of the Company.

(b) Employee Stock Option Plan (ESOP)

The Members of the Company at their Annual General Meeting held on August 14, 2001 had 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 extended 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 in future.

Employees Stock Option Plan 2011 Scheme (Scheme 2011)

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 Scheme 2011. Accordingly, the Company has granted 1,950,500 options under the Scheme 2011. As per the 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.

A summary of the activity in the Company's ESOP (Scheme 2011) is as follows:

	Year ended March 31, 2023		Year ended March 31, 2022	
	Shares arising from options	Weighted average exercise price (₹)	Shares arising from options	Weighted average exercise price (₹)
Outstanding at beginning of year	214,108	3,102	324,116	2,943
Granted	–	–	–	–
Exercised	(24,965)	3,100	(86,082)	2,725
Forfeited / lapsed	(96,770)	3,126	(23,926)	2,305
Outstanding at end of the year	92,373	3,077	214,108	3,102
Vested options	92,373		214,108	
Unvested options	–		–	
Options vested during the year	–		–	

Oracle Financial Services Software Limited Stock Plan 2014 (OFSS Stock Plan 2014)

Nomination and Remuneration Committee in their meeting held on August 7, 2014, approved OFSS Stock Plan 2014. Accordingly, the Company has granted 178,245 Stock Options and 1,465,030 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. 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.

A summary of the activity in the Company's ESOP (OFSS Stock Plan 2014) is as follows:

	Year ended March 31, 2023		Year ended March 31, 2022	
	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	619,586	647	588,829	758
Granted	281,387	5	156,215	5
Exercised	(125,749)	16	(98,150)	236
Forfeited	(29,203)	1,911	(27,308)	832
Outstanding at end of the year	746,021	462	619,586	647
Vested options and OSUs	251,994		256,677	
Unvested options and OSUs	494,027		362,909	
Options vested during the year	137,215		133,947	

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.

During the year ended March 31, 2023, the Company has granted 281,387 OSUs at an exercise price of ₹ 5 (March 31, 2022 - 156,215 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 ₹ 3,181 (March 31, 2022 - ₹ 4,111).

The details of total options / OSUs unvested and total options / OSUs vested and exercisable for both Scheme 2011 and OFSS Stock Plan 2014 as on March 31, 2023 are as follows:

	Exercise prices (₹)	Number of Options	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Options / OSUs unvested	5	494,027	5	8.7
Options / OSUs vested and exercisable	5	155,329	5	6.0
	3,077	92,373	3,077	0.5
	3,241	28,765	3,241	2.0
	3,393	36,700	3,393	3.2
	3,579	5,275	3,579	4.2
	3,987	17,300	3,987	2.6
	4,158	8,625	4,158	5.2
		838,394	750	6.6

The details of total options / OSUs unvested and total options / OSUs vested and exercisable for both Scheme 2011 and OFSS Stock Plan 2014 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

Options / OSUs granted during the financial year ended March 31, 2023:

The weighted average fair value of options / OSUs granted during the year was ₹ 3,053 (March 31, 2022 - ₹ 4,309).

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, 2023 OFSS Stock Plan 2014 (OSU)						
	May, 2022	August, 2022	September, 2022	October, 2022	November, 2022	December, 2022	
Weighted average share price (in ₹)	3,517	3,342	3,037	2,965	2,947	3,023	3,000
Exercise Price (in ₹)	5	5	5	5	5	5	5
Expected Volatility	32%	31%	31%	30%	30%	30%	29%
Weighted average life (in years)	2.92	2.92	3.26	2.92	2.92	2.92	2.92
Expected dividend rate	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Average risk-free interest rate %	6.50%	6.55%	6.96%	7.11%	7.00%	7.06%	6.88%

	Year Ended March 31, 2022 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%

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, 2023 and 2022, the Company contributed following amounts to defined contributions plans:

Particulars	(Amounts in ₹ million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Provident fund	694.99	514.05
Superannuation fund	135.07	122.71
	830.06	636.76

Defined benefit plan – gratuity

The amounts recognized in the statement of profit and loss for the year ended March 31, 2023 and 2022 are as follows:

Particulars	(Amounts in ₹ million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	163.86	204.23
Interest cost, net	100.80	82.77
Total included in employee benefit expenses	264.66	287.00

Remeasurements recognized in other comprehensive income are as follows:

Particulars	(Amounts in ₹ million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Due to change in demographic assumptions	28.36	17.68
Due to change in financial assumptions	(100.95)	(34.38)
Due to change in experience adjustments	51.48	143.47
(Return) on plan assets (excl. interest income)	0.45	0.30
Total remeasurements in other comprehensive income	(20.66)	127.07

The amounts recognized in the balance sheet are as follows:

Particulars	(Amounts in ₹ million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Present value of unfunded obligations	1,746.13	1,647.91
Fair value of plan assets	(7.48)	(14.20)
Net liability	1,738.65	1,633.71

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 March 31, 2023	Year ended March 31, 2022
Defined benefit obligation at beginning of the year	1,647.91	1,411.60
Current service cost	211.17	178.59
Past service cost	(47.03)	25.64
Interest cost	101.79	83.31
Effect of exchange rate changes	24.64	6.05
Benefits paid	(171.24)	(184.05)
Re-measurements		
Due to change in demographic assumptions	28.36	17.68
Due to changes in financial assumptions	(100.95)	(34.38)
Due to change in experience adjustments	51.48	143.47
Defined benefit obligation at end of the year	1,746.13	1,647.91

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 March 31, 2023	Year ended March 31, 2022
Fair value of plan assets at beginning of the year	14.20	7.77
Interest income	0.99	0.53
(Return) on plan assets (excl. interest income)	(0.45)	(0.30)
Contribution by employer	100.01	149.96
Benefits paid	(107.27)	(143.76)
Fair value of plan assets at end of the year	7.48	14.20

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, 2023	March 31, 2022
Discount rate	5.25% - 7.50%	3.68% - 7.00%
Expected return on plan assets	7.50%	7.00%
Salary escalation rate	2.00% - 8.00%	2.00% - 8.00%
Weighted average duration (years)	9 – 10	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, 2024 is expected to be ₹ 110.22 million (March 31, 2023 ₹ 139.98 million).

A quantitative sensitivity analysis for significant assumptions on defined benefit obligation as at March 31, 2023 and March 31, 2022 is as shown below:

(Amounts in ₹ million)			
Particulars	Sensitivity level	Year ended March 31, 2023	Year ended March 31, 2022
Financial assumptions			
Discount rate	- 0.5%	1,825.09	1,714.28
	+ 0.5%	1,672.66	1,585.81
Salary escalation rate	- 0.5%	1,692.36	1,593.25
	+ 0.5%	1,800.68	1,704.75
Demographic assumptions			
Withdrawal rate	- 1%	1,739.96	1,654.01
	+ 1%	1,751.15	1,642.16

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 ₹ 115.42 million (March 31, 2022 ₹ 1,044.66 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:

(Amounts in ₹ million)		
Currency	March 31, 2023	March 31, 2022
USD	(527.08)	812.29
SGD	125.72	147.43
GBP	13.89	101.95
JPY	(120.85)	(207.42)
EUR	(343.37)	246.94
AUD	(16.29)	(18.86)

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

The table below 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, 2023		March 31, 2022	
	+1%	-1%	+1%	-1%
USD	48.64	(48.64)	41.04	(41.04)
EUR	7.75	(7.75)	5.26	(5.26)
GBP	2.35	(2.35)	2.55	(2.55)
JPY	1.78	(1.78)	2.06	(2.06)
SGD	1.36	(1.36)	1.10	(1.10)
AUD	3.44	(3.44)	2.92	(2.92)

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, 2023			
Lease liability	160.77	231.19	391.96
Trade payables	235.15	–	235.15
Foreign exchange forward contract, net	1.63	–	1.63
Amount due to subsidiaries	165.72	–	165.72
Accrued expenses	420.04	–	420.04
Accrued compensation to employees	562.13	–	562.13
Capital creditors	47.32	–	47.32
Unpaid dividends	38.05	–	38.05
	1,630.81	231.19	1,862.00

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

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 (primarily trade receivables, including receivables from related parties) 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, 2023 the Company has following outstanding derivative instrument:

(Amounts in million)			
Particulars	March 31, 2023		March 31, 2022
Forward contracts – Sell in USD	USD	70.80	USD 61.70
Forward contracts – Sell in AUD	AUD	7.60	AUD 7.20
Forward contracts – Sell in EUR	EUR	13.10	EUR 5.40
Forward contracts – Sell in JPY	JPY	409.00	JPY 780.00
Forward contracts – Sell in GBP	GBP	2.40	GBP 2.40

Note 35: Code on Social Security

The Code on Social Security, 2020 ("Code") relating to employee benefits during the employment and post-employment benefits has been published in the Gazette of India on September 29, 2020. The Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. The effective date from which these changes are applicable is yet to be notified. The Company will assess and record the impact, if any, when the rules are notified, and the code becomes effective.

Note 36: 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	<p>Oracle Financial Services Software B.V. Oracle Financial Services Software Pte. Ltd. Oracle Financial Services Software Chile Limitada Oracle Financial Services Software (Shanghai) Limited Oracle Financial Services Software America, Inc. ISP Internet Mauritius Company Oracle (OFSS) Processing Services Limited Oracle (OFSS) ASP Private Limited Mantas India Private Limited Oracle (OFSS) BPO Services Limited (from November 12, 2021)</p>
Subsidiaries of Subsidiaries	<p>Subsidiary of Oracle Financial Services Software B.V. - Oracle Financial Services Software SA</p> <p>Subsidiary of Oracle Financial Services Software Pte. Ltd. - Oracle Financial Services Consulting Pte. Ltd.</p> <p>Subsidiaries of Oracle Financial Services Software America, Inc. - Oracle Financial Services Software, Inc. - Mantas Inc. Subsidiaries of Mantas Inc. - Sotas Inc.</p> <p>Subsidiaries of ISP Internet Mauritius Company - Oracle (OFSS) BPO Services Inc. - Oracle (OFSS) BPO Services Limited (till November 11, 2021)</p>
(ii) Related parties with whom transactions have taken place during the year	
Fellow Subsidiaries	<p>Oracle Egypt Ltd. Oracle Canada ULC Oracle Taiwan LLC Oracle Hungary Kft. Oracle EMEA Limited Oracle America, Inc. Oracle Nederland B.V. Oracle Vietnam Pte. Ltd. Oracle Italia S.R.L. Oracle Polska, Sp.z.o.o. Oracle India Private Limited Oracle East Central Europe Limited Oracle Systems Hong Kong Limited Oracle (Philippines) Corporation Oracle do Brasil Sistemas Limitada Oracle Corporation Malaysia Sdn. Bhd. Oracle Systems Limited Oracle East Central Europe Services B.V. Oracle Corporation Australia Pty Limited Oracle Solution Services (India) Private Ltd. Oracle Portugal - Sistemas de Informacao Lda. Oracle Corporation (South Africa) (Pty) Limited Oracle Information Technology Service (Shenzhen) Co., Ltd.</p>

Relationship	Names of related parties
	Oracle Technology Systems (Kenya) Limited
	Oracle de Mexico, S.A. de C.V.
	Oracle New Zealand
	PT Oracle Indonesia
	Oracle Colombia Limitada
	Oracle Korea Ltd.
	Oracle Slovensko spol. s.r.o.
	Sistemas Oracle del Peru S.R.L.
	Oracle Caribbean, Inc.
	Oracle de Centroamerica, S.A.
	Oracle Srbija & Crna Gora d.o.o.
	Sistemas Oracle de Chile Limitada
	Oracle Argentina S.R.L.
	Oracle Corporation (Thailand) Company Limited
	Oracle Corporation Japan
	Oracle Corporation Singapore Pte Ltd
	Oracle Solution Services (India) Private Ltd.
	Oracle Systems Pakistan (Private) Limited
(iii) Controlled Trust	i-flex Employee Stock Option Trust
(iv) Key Managerial Personnel (KMP)	Chaitanya Kamat - Managing Director and Chief Executive Officer Makarand Padalkar - Whole-time Director & Chief Financial Officer Onkarnath Banerjee - Company Secretary & Compliance Officer
(v) Independent Directors	S Venkatachalam Richard Jackson Sridhar Srinivasan Jane Murphy

Transactions and balances outstanding with these parties are described below:

Particulars	(Amounts in ₹ million)			
	Transaction		Amount receivable (payable)	
	Year ended March 31, 2023	Year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
Revenue				
Fellow Subsidiaries				
Oracle America, Inc.	4,180.68	3,773.49	814.32	545.06
Oracle Corporation (South Africa) (Pty) Limited	599.83	869.37	97.01	133.31
Oracle India Private Limited	485.62	529.64	154.43	384.17
Oracle Egypt Ltd.	715.06	765.26	425.68	100.91
Oracle Systems Limited	–	–	–	(0.05)
Oracle do Brasil Sistemas Limitada	110.22	159.97	23.13	106.60
Oracle Canada ULC	1,139.77	882.53	57.57	123.23
Oracle Caribbean, Inc.	250.72	149.54	28.45	16.81
Oracle Colombia Limitada	172.19	141.98	26.93	24.90
Oracle de Centroamerica, S.A.	90.33	112.13	12.15	14.44
Oracle de Mexico, S.A. de C.V.	16.75	20.30	2.45	3.00
Sistemas Oracle de Chile Limitada	283.54	264.36	63.79	23.88
Sistemas Oracle del Peru S.R.L.	40.70	26.61	3.11	4.00
Oracle Argentina S.R.L.	0.73	–	–	–
PT Oracle Indonesia	151.07	–	24.16	–
Oracle Taiwan LLC	394.47	–	137.36	–
Oracle Vietnam Pte. Ltd.	288.24	–	124.08	–
Oracle Korea Ltd.	15.47	–	2.01	–
Oracle New Zealand	171.74	–	25.35	–
Oracle Systems Hong Kong Limited	375.44	–	39.09	–
Oracle Corporation Japan	2,020.95	–	189.95	–

(Amounts in ₹ million)

Particulars	Transaction		Amount receivable (payable)	
	Year ended March 31, 2023	Year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
Oracle Corporation Malaysia Sdn. Bhd.	338.92	–	52.87	–
Oracle (Philippines) Corporation	55.41	–	5.52	–
Oracle Corporation (Thailand) Company Limited	273.76	–	48.24	–
Subsidiaries				
Oracle Financial Services Software B.V.	13,182.61	12,009.46	1,233.84	827.93
Oracle Financial Services Software, Inc.	6,477.31	5,653.93	323.10	90.41
Oracle Financial Services Software Pte. Ltd.	4,385.20	8,772.84	1,037.07	2,247.49
Oracle Financial Services Software (Shanghai) Limited	38.29	61.58	17.37	8.53
Oracle Financial Services Software Chile Limitada	254.95	293.00	66.11	98.56
Oracle (OFSS) Processing Services Limited	28.97	22.31	–	–
Unbilled revenue				
Fellow Subsidiaries				
Oracle America, Inc.	–	–	308.46	270.17
Oracle Corporation (South Africa) (Pty) Limited	–	–	59.96	33.55
Oracle do Brasil Sistemas Limitada	–	–	26.75	19.07
Oracle India Private Limited	–	–	95.26	64.61
Oracle Egypt Ltd.	–	–	177.57	58.89
Oracle Canada ULC	–	–	120.36	38.44
Oracle Caribbean, Inc.	–	–	89.33	26.37
Oracle Colombia Limitada	–	–	13.70	6.79
Oracle de Centroamerica, S.A.	–	–	14.94	5.60
Oracle de Mexico, S.A. de C.V.	–	–	1.64	1.63
Sistemas Oracle de Chile Limitada	–	–	32.22	65.61
Sistemas Oracle del Peru S.R.L.	–	–	18.14	3.67
Oracle (Philippines) Corporation	–	–	14.80	–
Oracle Argentina S.R.L.	–	–	0.73	–
Oracle Corporation (Thailand) Company Limited	–	–	16.09	–
Oracle Corporation Japan	–	–	121.90	–
Oracle Corporation Malaysia Sdn. Bhd.	–	–	27.39	–
Oracle New Zealand	–	–	9.67	–
Oracle Systems Hong Kong Limited	–	–	18.33	–
Oracle Taiwan LLC	–	–	42.76	–
Oracle Vietnam Pte. Ltd.	–	–	40.57	–
PT Oracle Indonesia	–	–	9.83	–
Subsidiaries				
Oracle Financial Services Software B.V.	–	–	769.72	697.74
Oracle Financial Services Software, Inc.	–	–	338.95	312.20
Oracle Financial Services Software Pte. Ltd.	–	–	131.81	620.95
Oracle Financial Services Software (Shanghai) Limited	–	–	5.18	20.69
Oracle Financial Services Software Chile Limitada	–	–	(58.48)	(13.57)
Oracle (OFSS) Processing Services Limited	–	–	6.15	5.17
Oracle Financial Services Software SA	–	–	6.05	–

(Amounts in ₹ million)

Particulars	Transaction		Amount receivable (payable)	
	Year ended March 31, 2023	Year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
Deferred revenue				
Fellow Subsidiaries				
Oracle America, Inc.	–	–	(72.48)	(219.99)
Oracle Caribbean, Inc.	–	–	(1.93)	–
Oracle Colombia Limitada	–	–	(17.58)	–
Oracle Corporation Malaysia Sdn. Bhd.	–	–	(13.02)	–
Oracle Korea Ltd.	–	–	(1.52)	–
Bad debts				
Subsidiaries				
Oracle Financial Services Software, Inc.	0.11	0.06	–	–
Oracle Financial Services Software B.V.	50.31	6.73	–	–
Oracle Financial Services Software Chile Limitada	–	16.64	–	–
Impairment allowance				
Fellow Subsidiaries				
Oracle America, Inc.	1.57	0.01	(1.72)	(0.15)
Oracle Egypt Ltd.	135.73	0.25	(136.76)	(1.03)
Oracle Corporation (South Africa) (Pty) Limited	(0.58)	(1.53)	(0.76)	(1.34)
Oracle Colombia Limitada	1.19	(0.03)	(1.20)	(0.01)
Oracle Canada ULC	1.18	–	(1.22)	(0.04)
Oracle India Private Limited	(1.57)	2.21	(0.64)	(2.21)
Oracle Caribbean, Inc.	0.04	0.01	(0.05)	(0.01)
Oracle de Mexico, S.A. de C.V.	0.01	–	(0.01)	–
Sistemas Oracle del Peru S.R.L.	0.00	–	(0.00)	–
Sistemas Oracle de Chile Limitada	0.08	0.01	(0.09)	(0.01)
Oracle de Centroamerica, S.A.	0.03	–	(0.03)	–
Oracle do Brasil Sistemas Limitada	(0.15)	0.18	(0.03)	(0.18)
Oracle (Philippines) Corporation	0.03	–	(0.03)	–
Oracle Corporation (Thailand) Company Limited	0.32	–	(0.32)	–
Oracle Corporation Japan	1.91	–	(1.91)	–
Oracle Corporation Malaysia Sdn. Bhd.	0.30	–	(0.30)	–
Oracle Korea Ltd.	0.01	–	(0.01)	–
Oracle New Zealand	0.10	–	(0.10)	–
Oracle Systems Hong Kong Limited	0.41	–	(0.41)	–
Oracle Taiwan LLC	1.53	–	(1.53)	–
Oracle Vietnam Pte. Ltd.	0.57	–	(0.57)	–
PT Oracle Indonesia	0.17	–	(0.17)	–
Subsidiaries				
Oracle Financial Services Software B.V.	(51.23)	51.72	(64.36)	(115.59)
Oracle Financial Services Software, Inc.	11.59	0.19	(19.57)	(7.98)
Oracle Financial Services Software Pte. Ltd.	73.91	13.40	(89.08)	(15.17)
Oracle Financial Services Software (Shanghai) Limited	0.05	(0.28)	(0.05)	–
Oracle Financial Services Software Chile Limitada	–	(5.68)	–	–
Rent expenses (including lease payments)				
Fellow Subsidiaries				
Oracle Nederland B.V.	0.20	2.38	(0.35)	(0.13)
Oracle Systems Limited	37.76	34.46	–	–
Oracle India Private Limited	0.68	–	(0.37)	–
Oracle Solution Services (India) Private Ltd.	0.64	–	(0.29)	–

(Amounts in ₹ million)

Particulars	Transaction		Amount receivable (payable)	
	Year ended March 31, 2023	Year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
Miscellaneous income (including sub-lease receipts)				
Fellow Subsidiaries				
Oracle India Private Limited	24.48	52.37	2.41	1.16
Oracle Solution Services (India) Private Ltd.	6.40	14.86	–	–
Oracle Systems Limited	(0.05)	–	–	–
Oracle Nederland B.V.	–	6.23	–	–
Oracle do Brasil Sistemas Limitada	–	6.13	–	–
Subsidiary				
Oracle (OFSS) Processing Services Limited	0.21	0.25	–	–
Payment of equity dividend				
Holding Company				
Oracle Global (Mauritius) Limited	11,979.73	12,610.24	–	–
Key managerial personnel	34.03	31.70	–	–
Independent Directors	1.14	1.20	–	–
Professional fee expenses				
Fellow Subsidiaries				
Oracle India Private Limited	448.22	296.60	(158.40)	(109.75)
Oracle Information Technology Service (Shenzhen) Co., Ltd.	38.05	33.51	(6.00)	(4.97)
Oracle EMEA Limited	13.30	10.37	(6.03)	(6.42)
Oracle Systems Limited	3.12	4.53	(1.33)	(2.63)
Oracle de Mexico, S.A. de C.V.	–	0.07	(0.08)	(0.07)
Oracle Vietnam Pte. Ltd.	0.09	–	(0.24)	(0.16)
Oracle Corporation (Thailand) Company Limited	5.31	1.96	(0.44)	(1.72)
Oracle (Philippines) Corporation	5.72	1.84	(0.15)	(1.43)
Oracle Systems Pakistan (Private) Limited	2.87	–	(1.93)	–
Oracle Egypt Ltd.	0.57	–	(0.57)	–
Oracle America, Inc.	0.30	–	–	–
Oracle Solution Services (India) Private Ltd.	11.19	–	(3.40)	–
Subsidiaries				
Oracle Financial Services Software B.V.	24.09	26.14	(9.50)	(10.58)
Oracle Financial Services Software, Inc.	165.51	121.48	(125.33)	(54.81)
Oracle Financial Services Software Pte. Ltd.	32.59	49.33	(18.33)	(15.18)
Oracle (OFSS) Processing Services Limited	51.66	206.53	(5.93)	(16.84)
Oracle (OFSS) BPO Services Limited	168.79	153.81	(25.29)	(20.85)
Oracle Financial Services Software (Shanghai) Limited	0.00	0.98	(0.06)	(1.02)
Oracle Financial Services Software Chile Limitada	0.52	–	(0.56)	–
Reimbursement (recovery) of expenses				
Fellow Subsidiaries				
Professional fees				
Oracle America, Inc.	73.35	14.86	(71.96)	(55.39)
Oracle Corporation (South Africa) (Pty) Limited	1.84	10.96	(4.32)	(4.11)
Oracle Corporation (Thailand) Company Limited	0.05	–	(0.60)	(0.55)
Oracle do Brasil Sistemas Limitada	–	–	–	(0.90)
Oracle East Central Europe Services B.V.	0.04	0.01	(0.52)	(0.48)
Oracle Italia S.R.L.	–	1.89	–	–
Oracle Technology Systems (Kenya) Limited	–	0.05	–	–
Oracle Vietnam Pte. Ltd.	–	0.20	–	–

Particulars	Transaction		Amount receivable (payable)	
	Year ended March 31, 2023	Year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
Other Expenses				
Oracle (Philippines) Corporation	0.05	0.30	(1.55)	(1.55)
Oracle Canada ULC	0.01	0.77	(2.73)	(2.72)
Oracle Corporation (South Africa) (Pty) Limited	7.02	9.57	(2.30)	(4.47)
Oracle Corporation (Thailand) Company Limited	2.05	(7.99)	(0.47)	(0.35)
Oracle Corporation Australia Pty Limited	–	(0.40)	–	–
Oracle Corporation Malaysia Sdn. Bhd.	3.87	(1.71)	(0.12)	(0.52)
Oracle do Brasil Sistemas Limitada	0.01	0.39	(0.91)	(0.90)
Oracle East Central Europe Limited	0.05	2.77	(0.89)	(3.65)
Oracle East Central Europe Services B.V.	(4.17)	(0.85)	(0.41)	(4.58)
Oracle Egypt Ltd.	0.39	–	(0.39)	–
Oracle Hungary Kft.	–	0.94	–	(1.18)
Oracle Italia S.R.L.	(2.51)	(3.58)	–	(2.51)
Oracle Korea Ltd.	0.01	(0.01)	(0.32)	(0.31)
Oracle New Zealand	(0.02)	0.03	(0.93)	(0.98)
Oracle Polska, Sp.z.o.o.	(0.15)	(0.09)	(0.00)	(3.54)
Oracle Portugal - Sistemas de Informacao Lda.	–	0.04	–	–
Oracle Slovensko spol. s.r.o.	–	2.91	–	–
Oracle Srbija & Crna Gora d.o.o.	2.02	8.33	(0.86)	(0.74)
Oracle Taiwan LLC	1.64	1.97	–	(1.93)
Oracle Technology Systems (Kenya) Limited	3.47	–	–	–
Oracle Vietnam Pte. Ltd.	0.06	(2.56)	–	0.06
PT Oracle Indonesia	1.08	18.54	(0.40)	(1.28)
Sistemas Oracle de Chile Limitada	0.05	(0.03)	(0.72)	(0.66)
Oracle India Private Limited	(2.45)	–	(0.32)	–
Oracle Solution Services (India) Private Ltd.	(0.93)	–	–	–
Subsidiaries				
Oracle Financial Services Software B.V.	(243.50)	(114.94)	18.58	14.31
Oracle Financial Services Software, Inc.	(194.55)	(116.02)	24.84	11.46
Oracle Financial Services Software Pte. Ltd.	(203.18)	(145.44)	(56.82)	20.17
Oracle Financial Services Software Chile Limitada	(34.77)	(26.56)	18.09	2.37
Oracle Financial Services Software (Shanghai) Limited	0.02	12.30	(0.02)	–
Oracle (OFSS) Processing Services Limited	(0.56)	0.50	(0.58)	(0.83)
Oracle (OFSS) BPO Services Limited	(0.22)	0.24	(0.03)	(0.25)
Controlled Trust				
i-flex Employee Stock Option Trust	(0.18)	(0.55)	–	0.05
Directors	1.02	0.03	(0.47)	–
Key managerial personnel [Refer note (i)]				
Short-term employment benefits	74.15	67.73	–	–
Post-employment retiral benefits	(1.74)	0.78	–	–
Share based payments	153.86	151.46	–	–
Commission				
Independent Directors	15.70	15.70	(0.74)	–
Other expenses				
Fellow Subsidiaries				
Oracle India Private Limited	14.29	9.43	(1.08)	(6.77)
Oracle Corporation Singapore Pte Ltd	–	–	(0.05)	(0.04)
Oracle Systems Limited	0.03	0.07	–	–
Subsidiary				
Oracle Financial Services Software (Shanghai) Limited	0.01	0.44	–	–

(Amounts in ₹ million)

Particulars	Transaction		Amount receivable (payable)	
	Year ended March 31, 2023	Year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
Procurement / (sale) of fixed assets, net				
Fellow Subsidiary				
Oracle India Private Limited	69.94	(0.02)	–	0.02
Oracle Systems Limited	1.00	–	–	–
Investments				
Subsidiaries				
Oracle Financial Services Software B.V.	0.01	0.06	808.49	808.48
Oracle Financial Services Software Pte. Ltd.	0.05	0.06	130.22	130.17
Oracle Financial Services Software America, Inc.	0.14	0.30	6,417.18	6,417.04
Oracle Financial Services Software (Shanghai) Limited	–	–	46.05	46.05
Oracle Financial Services Software Chile Limitada	–	–	80.88	80.88
ISP Internet Mauritius Company	–	2.35	340.34	340.34
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	5.66	170.21	175.87	170.21
Dividend received				
Subsidiaries				
Oracle Financial Services Software B.V.	532.14	1,500.66	–	–
Oracle (OFSS) Processing Services Limited	400.00	–	–	–
Stock compensation charge				
Ultimate Holding Company				
Oracle Corporation	32.42	17.05	–	–
Oracle Employee Stock Purchase Plan				
Ultimate Holding Company				
Oracle Corporation	1.23	0.89	(11.58)	(13.42)
Loan to step-down subsidiary company				
Oracle (OFSS) BPO Services Limited	–	(30.00)	–	–
Interest on loan to step-down subsidiary company				
Oracle (OFSS) BPO Services Limited	–	1.05	–	–
Provision for diminution in investment				
Subsidiaries				
ISP Internet Mauritius Company	–	–	(167.36)	(167.36)
Oracle (OFSS) ASP Private Limited	–	–	(5.40)	(5.40)

Note (i): Remuneration includes salary, bonus and perquisites. During the year, 59,988 OSUs under OFSS Stock Plan 2014 (March 31, 2022 – 41,500 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 37: 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 ₹ 455.89 million (March 31, 2022 ₹ 428.47 million) on Corporate Social Responsibility ('CSR') expenditure based on the average net profits of the three immediately preceding financial years. In the current financial year, the Company has adjusted excess amount paid in the previous financial year of ₹ 9.82 million (March 31, 2022 Nil) resulting in a net amount to be spend against CSR expenditure amounting to ₹ 446.07 million (March 31, 2022 ₹ 428.47 million). The Company has spent an amount of ₹ 471.87 million (March 31, 2022 ₹ 438.29 million) against CSR expenditure; of which ₹ 25.80 million (March 31, 2022 ₹ 9.82 million) has been carried forward for set off against CSR spends in the next financial year.

Note 38: Dividend from subsidiary companies

During the year ended March 31, 2023, the Company has received dividend of ₹ 532.14 million (March 31, 2022 ₹ 1,500.66 million) and ₹ 400.00 million (March 31, 2022 Nil) from its wholly owned subsidiary companies Oracle Financial Services Software B.V. and Oracle (OFSS) Processing Services Limited respectively.

Note 39: Net equity dividend remitted in foreign exchange

	Year ended March 31, 2023	Year ended March 31, 2022
Year of remittance (ending on)	March 31, 2023	March 31, 2022
Period to which it relates	March 31, 2022	March 31, 2021
Number of non resident shareholders	2	2
Number of equity shares on which dividend was due	63,051,822	63,053,072
Amount remitted (in USD million)	146.69	164.53
Amount remitted (in AUD million)#	0.00	0.01
Amount remitted (in ₹ million) (net of TDS ₹ 599.01 million; March 31, 2022 - ₹ 630.59 million)	11,380.84	11,980.02

#Represents amount less than AUD 0.01 million.

Note 40: Tax litigations

As at March 31, 2023, the Company has certain litigations with respect to tax matters for various assessment years amounting to ₹ 24,434.24 million (March 31, 2022 – ₹ 21,059.00 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 ₹ 16,678.50 million (March 31, 2022 – ₹ 13,850.59 million) as at March 31, 2023. Further for certain litigations the Company has aggregate provisions of ₹ 874.15 million (March 31, 2022 – ₹ 1,209.04 million) as at March 31, 2023.

Note 41: Auditors remuneration (including GST)

	(Amounts in ₹ million)	
	Year ended March 31, 2023	Year ended March 31, 2022
As auditor		
Audit fees	12.41	9.44
Limited review	8.46	8.49
Tax audit	1.42	1.36
Certifications	0.83	1.12
Out-of-pocket expenses	0.43	–
	23.55	20.41

Note 42: 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, 2023		(Amounts in ₹ million)		
Particulars	Products	Services	Total	
Revenues by geography				
India	4,784.80	0.51	4,785.31	
Outside India				
Americas				
United States of America	7,702.38	2,386.70	10,089.08	
Rest of America	3,115.91	–	3,115.91	
Europe	5,625.99	638.12	6,264.11	
Asia Pacific	8,228.28	455.89	8,684.17	
Middle East and Africa	9,382.74	234.49	9,617.23	
	38,840.10	3,715.71	42,555.81	
Revenues by streams and type of contract				
License fees	5,876.50	–	5,876.50	
Maintenance fees	14,018.92	–	14,018.92	
Consulting fees				
Fixed price	12,881.88	2,174.33	15,056.21	
Time and material basis	6,062.80	1,541.38	7,604.18	
	38,840.10	3,715.71	42,555.81	

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	

- (b) During the year ended March 31, 2023, the Company recognized revenue of ₹ 995.17 million from opening deferred revenue as of April 1, 2022.

During the year ended March 31, 2022, the Company recognized revenue of ₹ 633.89 million from opening deferred revenue as of April 1, 2021.

- (c) During the year ended March 31, 2023 and March 31, 2022, the Company has not recognized any revenue from performance obligations satisfied prior to April 1, 2022 and April 1, 2021; respectively.
- (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 ₹ 1,368.46 million as at March 31, 2023 (March 31, 2022 ₹ 1,417.61 million) has been classified as other current asset.

(e) Reconciliation of revenue recognized with contract price for the year

(Amounts in ₹ million)

	March 31, 2023	March 31, 2022
Revenue as per contracted price	42,591.57	38,989.90
Reduction towards discounts	(35.76)	(28.57)
Revenue from operations	42,555.81	38,961.33

(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:

- 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, 2023, after considering the practical expedient mentioned above is ₹ 15,379.85 million (March 31, 2022 ₹ 12,517.31 million), out of which 56% (March 31, 2022 59%) 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 ₹ 24.71 million for the year ended March 31, 2023 (March 31, 2022 ₹ 20.20 million) and has closing balance of deferred contract cost asset of ₹ 55.96 million as at March 31, 2023 (March 31, 2022 ₹ 50.29 million).

Note 43: 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:

- Product licenses and related activities ('Products') and
- IT solutions and consulting services ('Services')

The business segments are the basis on which the Company reports its primary operational information to management. Product licenses and related activities segment deals with various banking software products. The related activities include enhancements, implementation and maintenance activities.

IT solutions and consulting services segment offers services spanning the entire lifecycle of applications used by financial service institutions. The division's portfolio includes Consulting, Application, Support and Technology Services that help institutions improve efficiency, optimize costs, meet risk and compliance mandates and implement IT solutions finely attuned to their business needs.

Segment revenue and expense:

Revenue is generated through licensing of software products, maintenance fees as well as by providing software solutions to the customers including consulting services. The income and expenses which are not directly attributable to a business segment are shown as unallocable income and expenses.

Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of trade receivables net of allowances, unbilled receivable, 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, 2023		(Amounts in ₹ million)	
Particulars	Products	Services	Total
Revenue from operations	38,840.10	3,715.71	42,555.81
Segment result	20,821.46	1,627.65	22,449.11
Unallocable expenses			(1,543.50)
Finance income			1,335.58
Other income, net			1,190.79
Profit before tax			23,431.98
Tax expenses			(5,706.90)
Profit for the year			17,725.08

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

Revenue of ₹ 36,538.95 million (March 31, 2022 ₹ 34,508.31 million) is derived from a single customer group in 'Products' and 'Services' segment.

Other information

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

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

Geographical segments

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

Regions	Year ended March 31, 2023		Year ended March 31, 2022	
	Amounts in ₹ million	%	Amounts in ₹ million	%
India	4,785.31	11.2%	3,747.64	9.6%
Outside India				
Americas				
United States of America	10,089.08	23.8%	8,898.10	22.8%
Rest of America	3,115.91	7.3%	2,660.82	6.8%
Europe	6,264.11	14.7%	6,794.66	17.4%
Asia Pacific	8,684.17	20.4%	9,101.24	23.5%
Middle East and Africa	9,617.23	22.6%	7,758.87	19.9%
	42,555.81	100.0%	38,961.33	100.0%

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

Regions	As at March 31, 2023		As at March 31, 2022	
	Amounts in ₹ million	%	Amounts in ₹ million	%
India	11,660.07	96.3%	11,500.41	96.4%
Outside India				
Europe	291.02	2.4%	275.45	2.3%
Asia Pacific	24.47	0.2%	–	–
Middle East and Africa	133.75	1.1%	152.97	1.3%
	12,109.31	100.0%	11,928.83	100.0%

Non-current assets for this purpose consist of property, plant and equipment, capital work-in-progress, right-of-use asset, investment property, income tax assets (net) and other non-current assets.

As per our Report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No. 101049W / E300004

Govind Ahuja

Partner

Membership No. 048966

Mumbai, India

April 26, 2023

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

April 26, 2023

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, 2023

(Amounts in ₹ million)

	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities		
Profit before tax	23,431.98	23,761.51
Adjustments to reconcile profit before tax to cash provided by operating activities:		
Depreciation and amortization	583.85	679.81
(Profit) loss on sale of property, plant and equipment, net	(0.22)	0.14
Employee stock compensation expense	584.81	496.91
Finance income	(1,335.58)	(839.39)
Effect of exchange rate changes in cash and cash equivalents	(58.38)	(23.74)
Effect of exchange rate changes in assets and liabilities	378.39	264.80
Finance cost	32.12	32.30
Impairment loss on contract assets	139.94	92.31
Impairment loss on other financial assets	7.54	3.33
(Gain) on lease modification	–	(6.23)
Bad debts	74.97	26.81
Dividend from subsidiary companies	(932.14)	(1,500.66)
Operating Profit before Working Capital changes	22,907.28	22,987.90
Movements in working capital		
Decrease (increase) in other non-current assets	8.49	(87.50)
(Increase) in trade receivables	(1,195.91)	(1,261.51)
(Increase) in other current financial assets	(744.71)	(72.57)
Decrease (Increase) in other current assets	170.03	(126.96)
Increase in non-current provisions	158.27	108.87
Increase (decrease) in trade payables	76.73	(16.94)
Increase (decrease) in other current financial liabilities	99.35	(324.02)
(Decrease) increase in other current liabilities	(99.22)	540.52
(Decrease) increase in other non-current liabilities	(78.02)	148.90
Increase in current provisions	81.64	123.20
Cash from operating activities	21,383.93	22,019.89
Payment of domestic and foreign taxes	(6,326.50)	(6,038.79)
Net cash provided by operating activities	15,057.43	15,981.10
Cash flows from investing activities		
Purchase of property, plant and equipment	(355.44)	(348.63)
Proceeds from sale of property, plant and equipment	0.89	0.02
Refund of deposits for premises and others	1.18	77.11
Loan repaid by step-down subsidiary company	–	30.00
Investment in step-down subsidiary company	–	(167.60)
Bank fixed deposits having maturity of more than three months matured	32,400.00	34,036.60
Bank fixed deposits having maturity of more than three months booked	(32,595.00)	(35,900.00)
Interest received	1,226.52	835.34
Dividend received from subsidiary companies	932.14	1,500.66
Net cash provided by investing activities	1,610.29	63.50

Statement of cash flow

for the year ended March 31, 2023 (continued)

(Amounts in ₹ million)

	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from financing activities		
Proceeds from issue of shares under employee stock option plan	79.36	257.72
Equity dividend paid	(16,415.93)	(17,260.69)
Interest paid on lease liability	(32.12)	(32.30)
Repayment of lease liability	(138.34)	(92.01)
Net cash (used in) financing activities	(16,507.03)	(17,127.28)
Net increase (decrease) in cash and cash equivalents	160.69	(1,082.68)
Cash and cash equivalents at beginning of the year	1,189.27	2,248.21
Effect of exchange rate changes in cash and cash equivalents	58.38	23.74
Cash and cash equivalents at end of the year	1,408.34	1,189.27
Component of cash and cash equivalents		
Balances with banks:		
In current accounts	1,160.26	860.61
In deposit accounts with original maturity of less than three months	210.03	280.03
In unclaimed dividend account*	38.05	48.63
Total cash and cash equivalents at the end of the year [Refer note 9(a)]	1,408.34	1,189.27
*These balances will be utilized only towards the respective unpaid dividend.		

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No. 101049W / E300004

Govind Ahuja

Partner

Membership No. 048966

Mumbai, India

April 26, 2023

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

April 26, 2023

Chaitanya Kamat

Managing Director

& Chief Executive Officer

DIN: 00969094

Onkarnath Banerjee

Company Secretary

& Compliance Officer

ACS: 8547

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Notice of annual general meeting

Notice of annual general meeting

NOTICE is hereby given that the Thirty Fourth Annual General Meeting of Oracle Financial Services Software Limited ("Company") will be held on Thursday, July 27, 2023 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, 2023 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Harinderjit Singh (DIN: 06628566) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Chaitanya Kamat (DIN: 00969094) who retires by rotation and being eligible, offers himself for re-appointment.
4. To confirm the payment of interim dividend of ₹ 225 per equity share already paid, as the final dividend for the financial year ended March 31, 2023.

Special Business:

5. To approve re-appointment of Ms. Jane Murphy (DIN: 08336710) as an Independent Director of the Company for a further term of five years from January 1, 2024 up to December 31, 2028, 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 Sections 149, 150, 152, 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, and on the recommendation of the Nomination and Remuneration Committee and that of the Board of Directors, Ms. Jane Murphy (DIN: 08336710), who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulations 16(1)(b), 17A of the Listing Regulations, who was appointed by the Members of the Company during the Annual General Meeting held on August 8, 2019 as an Independent Director of the Company and who holds office upto December 31, 2023, and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a further term of five years commencing with effect from January 1, 2024 up to December 31, 2028."

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 14, 2023

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: <https://investor.ofss.oracle.com>
Email: investors-vp-ofss_in_grp@oracle.com

Notes:

- a. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act") setting out material facts in respect of item no. 5 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. 2, 3 and 5 of the Notice, forms an integral part of the Notice. The Directors have furnished the requisite declarations and consents.
- c. The Ministry of Corporate Affairs ("MCA") vide its General circular nos. 14/2020, 17/2020 and 20/2020, dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively, and the latest being 10/2022 dated December 28, 2022 (collectively referred to as "MCA Circulars") has 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 MCA Circulars and Securities and Exchange Board of India ("SEBI") Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023, have dispensed with requirements of dispatching physical copies of Annual Reports due in the year 2023 to the shareholders of the Company, thereby allowing the companies to send Annual Reports by email. Accordingly, Notice of the AGM along with the Annual Report 2022-23 is being sent through electronic form to those Members whose email addresses are registered with the Company / Depository Participants. Members may note that the Notice and Annual Report 2022-23 is also available on the Company's website <https://investor.ofss.oracle.com>, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and 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 34th AGM, from their registered email address mentioning their name, DP ID and Client ID / folio number and mobile number, at the Company's email address, investors-vp-ofss_in_grp@oracle.com on or before Friday, July 21, 2023, 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 email address mentioning their name, DP ID and Client ID / folio number and mobile number at investors-vp-ofss_in_grp@oracle.com from Thursday, July 20, 2023 (9:00 a.m. IST) to Friday, July 21, 2023 (5:00 p.m. IST). Those Members who have registered themselves will only be permitted 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 smooth conduct of the AGM.
- g. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, July 21, 2023 to Thursday, July 27, 2023, 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 34th AGM, i.e., July 27, 2023. Members seeking to inspect such documents can send an email to 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 34th 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 and to vote through remote e-voting / e-voting at the AGM on its behalf. The said Resolution / Authorization should be sent from your registered email address to the Scrutinizer's email address at pddiwan@yahoo.co.in with a copy marked to evoting@nsdl.co.in.
- m. The Members can join the AGM through VC / OAVM from 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 and 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 <https://investor.ofss.oracle.com> 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: <https://investor.ofss.oracle.com>. Members may claim the same by making an application to the IEPF Authority in IEPF Form-5 available on www.iepf.gov.in.
- r. In terms of the Regulation 40 of the 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.
- s. 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.
- t. Members who have not yet registered their email addresses are requested to register the same with their DP (in case the shares are held by them in electronic form) or with the RTA (in case the shares are held by them in physical form).
- u. Members who hold shares in physical form are requested to notify any change in the KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details, etc.) and nomination details by submitting duly filled and signed Form ISR – 1 and other forms as may be applicable. Relevant details and forms prescribed by SEBI in this regard are available on the website of the RTA at <https://ris.kfintech.com/>. If any of the above cited documents / details are not available in the folio(s) on or after October 1, 2023, the RTA shall be constrained to freeze such folio(s).
- v. 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 on 1800 309 4001 or email to einward.ris@kfintech.com.
- w. 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 Saturday, July 22, 2023 (9:00 a.m. IST) and ends on Wednesday, July 26, 2023 (5:00 p.m. IST). During this period, Members holding shares in the Company as on the close of business hours of Thursday, July 20, 2023, 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.

- x. 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.nsdl.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.nsdl.com>. Click on “Register online for IDeAS Portal” or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>.
3. 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. 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. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.
2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.
3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.

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 ‘Forgot User Details/ Password?’ option available at abovementioned website.

Helpdesk for any technical issues related to login have been set up for Individual Shareholders holding securities in dematerialized form. The details are given below:

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 evoting@nsdl.co.in or call 022-4886 7000 and 022-2499 7000
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 helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33

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 demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID 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 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 For example if EVEN is 123456 and folio number is 001*** then user ID is 123456001***

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.
- b) "Physical User Reset Password?" (If you are holding shares in physical form) option available on 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 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 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 email 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.
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. 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 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 meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. 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 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 or call on 022 - 4886 7000 and 022 - 2499 7000 or send a request to 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 <https://investor.ofss.oracle.com> 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 no. 5 in the accompanying Notice dated June 14, 2023.

At the Annual General Meeting ("AGM") held on August 8, 2019, the Members of the Company had appointed Ms. Jane Murphy as an Independent Director on the Board of the Company to hold office for a term up to December 31, 2023, not liable to retire by rotation, pursuant to Section 149 of the Act.

In terms of Sections 149(10) and 149(11) of the Act, an Independent Director can hold office for a maximum of two terms of up to five years on the board of a company, and is eligible for re-appointment on passing of a special resolution by the Company after the first term.

Further, in terms of Sections 149, 150, 152, 197 read with Schedule IV of the Act, and Regulations 16, 17A of the Listing Regulations, and based on the recommendation of Nomination and Remuneration Committee, the Board has reviewed the declaration made by Ms. Jane Murphy that she meets the criteria of independence as provided in Section 149(6) of the Act, and the Board based on its evaluation is of opinion that she fulfils the conditions specified in the Act, and the rules made thereunder and is independent of the management. She is not disqualified/debarred from being re-appointed as an Independent Director in terms of Section 164 of the Act, or by any order of SEBI, MCA, RBI or any other such authority and has given her consent for being re-appointed as an Independent Director. The Board consider that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Jane Murphy as an Independent Director. Hence, it is deemed fit to re-appoint Ms. Jane Murphy as an Independent Director on the Board of the Company to hold office for a further term of five years from January 1, 2024 up to December 31, 2028.

Ms. Jane Murphy shall be paid commission, pursuant to the resolution passed by the Shareholders at the 32nd AGM, held on August 4, 2021.

A copy of the draft letter of re-appointment of Ms. Jane Murphy as an Independent Director setting out the terms and conditions will be available electronically for inspection by the Members during the AGM.

Further details and current Directorships and Committee positions held by her in the Company and other companies are provided in the Annexure to this notice.

Your Directors recommend the Special Resolution for re-appointing Ms. Jane Murphy as an Independent Director of the Company for a further term of five years up to December 31, 2028.

Except Ms. Jane Murphy, no Director, Key Managerial Personnel of the Company, or their relatives, is in any way concerned or interested in the resolution at item no. 5 of the Notice.

Your Directors recommend the resolution at item no. 5 of the Notice.

ADDITIONAL INFORMATION OF THE DIRECTORS SEEKING RE-APPOINTMENT AT THE THIRTY FOURTH 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. Harinderjit Singh** (Sonny Singh) is senior vice president and general manager of Oracle's Financial Services Global Business Unit. In this role, he is responsible for a global organization focused on Sales, Consulting, Engineering and Support, of Oracle's products focused on Banking, Insurance and Capital Markets. During his 28-year Oracle career, Mr. Singh has been instrumental in leading the creation and execution of highly successful corporate, business unit, and new market strategies that produce strong topline impact across all of Oracle's hardware, software, and services product lines.

Prior to his current role, he was the senior vice president of Oracle's Industries business unit, which is responsible for Oracle's go-to-market strategy. In this role, his organization was responsible for product marketing, competitive intelligence, field enablement, deal acceleration, and mergers-and-acquisition integration across Oracle's entire product and services portfolio. In addition, his organization delivered all of Oracle's strategic customer engagement capabilities. These include solutions and expertise for all industry vertical segments, the Oracle Insight program, which is Oracle's branded value engineering competency, and Oracle Solution Centers. Additionally, his organization provided the business strategy, tools, and programs for Oracle's key accounts and midsize market segments. Prior to leading the Oracle Industries Business Unit, Mr. Singh was group vice president for Oracle Consulting, where he led Oracle's services business in North America Strategic Accounts.

Mr. Singh holds a master's degree in industrial engineering from Stanford University and a bachelor's degree in mechanical engineering from Punjab University, India. He is active in his local community and serves on the Board at the Children's Discovery Museum in San Jose, California.

2. **Mr. Chaitanya Kamat** is CEO and managing director of Oracle Financial Services Software Limited, a majority-owned subsidiary of Oracle Corporation and an integral part of Oracle's Financial Services Global Business Unit. Mr. Kamat has more than 35 years of financial services, consulting and business transformation experience. His expertise in banking transformation has driven strong topline impact for both the products and services businesses at Oracle Financial Services Software. He is passionate in nurturing a culture of operational excellence and customer delight.

Prior to joining Oracle, Mr. Kamat was managing director at STG, a leading private equity firm focused on investing in software and enterprise services companies. At STG he was responsible for the transformation and operations of its portfolio companies with a specific focus on their use of global operating models.

Earlier, Mr. Kamat worked as the CEO of a retail financial services startup and at Accenture. Joining Accenture in 1986, he worked across Accenture locations in India, United States, Sweden, Hungary, and the Philippines in a range of business consulting and large scale systems integration engagements. In his last role at Accenture, Mr. Kamat was managing partner of Accenture's India Delivery Centre Network, which he was responsible for establishing from scratch and growing to a 13,000 strong unit serving more than 200 global clients.

Mr. Kamat obtained his masters in computer science from the University of Bombay and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has served as the chairman of the board of directors at Teleca AB, and as a director on the boards of Netik Inc., Symphony Marketing Solutions Inc. and The Capital Markets Company N.V.

3. **Ms. Jane Murphy** is a lawyer who was born and raised in Canada, where she qualified and worked as a lawyer before moving to Belgium 30 years ago, where she also qualified as a Belgian lawyer. Her legal practice focuses on data protection (GDPR), corporate law, and corporate governance.

Ms. Murphy is the founder and president of European Data Protection Office (EDPO) and EDPO UK Ltd. She is also an independent, non-executive board director and member of various committees (audit, remuneration, and corporate governance) of listed and non-listed companies in Belgium and in France. Ms. Murphy also teaches Corporate Governance at the UCL University in Belgium and is a regular speaker at events related to the GDPR, corporate governance, and women entrepreneurship.

Ms. Murphy holds an LLM in International and European Law (Magna Cum Laude) from the Brussels University, a Belgian Law degree (cum laude), a Canadian Law degree (magna cum laude), and a Certification in European Data Protection. She also completed an international business course at Harvard University.

Details of Directors seeking re-appointment at the Annual General Meeting, are as under:

Name	Mr. Harinderjit Singh	Mr. Chaitanya Kamat	Ms. Jane Murphy
Age	58 years	61 years	56 years
Date of Appointment	July 10, 2013	October 25, 2010	February 13, 2019
Qualifications	Master's degree in industrial engineering from Stanford University and a bachelor's degree in mechanical engineering from Punjab University, India	Masters in computer science from the University of Bombay and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad	LLM in International and European Law (Magna Cum Laude) from the Brussels University, a Belgian Law degree (cum laude), a Canadian Law degree (magna cum laude), and a Certification in European Data Protection. She also completed an international business course at Harvard University
Experience and expertise in specific functional areas	Over three decades of experience in managing global technology business. Heads the Financial Services Global Business Unit in Oracle Corporation.	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.	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.
Directorships held in other Companies	Children's Discovery Museum, San Jose California	–	<ul style="list-style-type: none"> • Ageas France • Ageas • EDPO UK Ltd • European Data Protection Office (EDPO) • Jane Murphy Avocat (Law Firm) • Oracle Financial Services Software B.V. • Oracle Financial Services Software Pte. Ltd.
Listed entities from which Director has resigned in past three years	–	–	<ul style="list-style-type: none"> • Elia Asset SA • Elia Group SA • Elia Transmission Belgium SA
Memberships / Chairmanships of Committees in the Company	–	Stakeholders Relationship Committee – Member	Audit Committee – Member
Memberships / Chairmanships of Committees in Other Companies	–	–	Audit Committee – Ageas France*
Terms and condition of appointment / re-appointment	Non-Executive, Non-Independent Director, liable to retire by rotation	Managing Director, liable to retire by rotation	Refer explanatory statement above at item no. 5 of the Notice

Name	Mr. Harinderjit Singh	Mr. Chaitanya Kamat	Ms. Jane Murphy
No. of Shares held in the Company as on June 14, 2023	–	129250	–

**Chairperson of the Committee.*

For the purpose of disclosing the 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.

For the purpose of disclosing the Chairpersonships / Memberships of the Committees of the Board of the Company and other companies, only the Audit Committee and the Stakeholders' Relationship Committee are considered.

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.

Notes

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Oracle is committed to developing practices and products that help protect the environment

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