



ORACLE
Financial Services

Oracle Financial Services Software Limited
Annual Report
2021-22

Letter to Shareholders

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

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

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

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

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

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

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

Regards,

S Venkatachalam

Chairperson

Oracle Financial Services Software Limited

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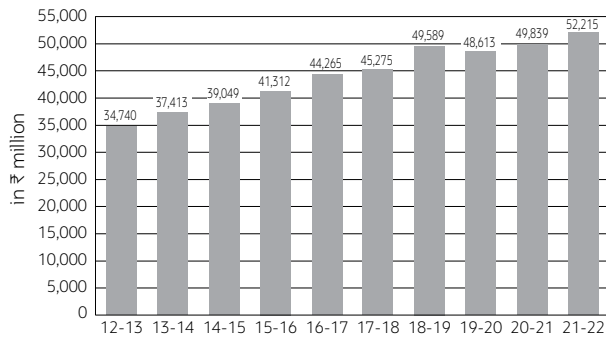
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Annual General Meeting

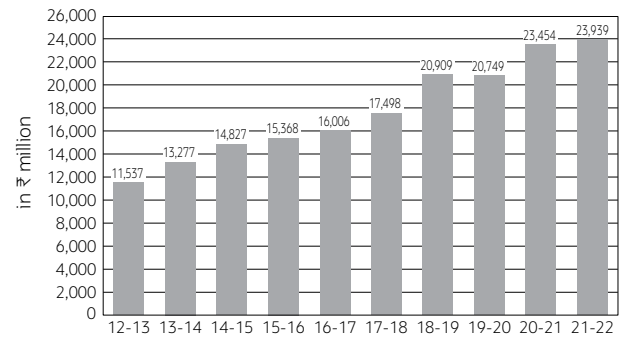
Day and Date	:	Wednesday, August 3, 2022
Time	:	5.00 p.m. (IST)
Mode	:	Video Conferencing / Other Audio Visual Means

Ten year history

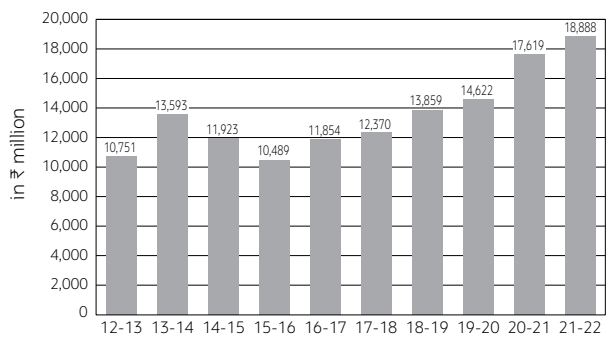
Operating revenue



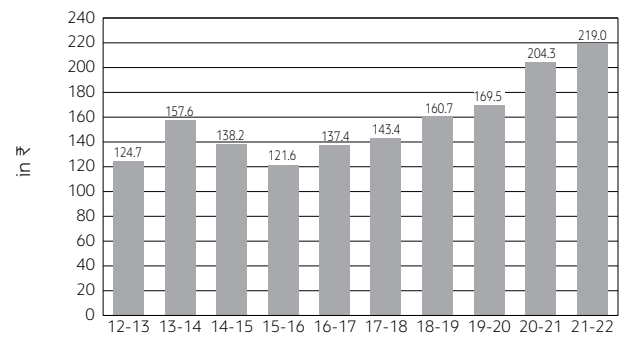
Operating income



Net income

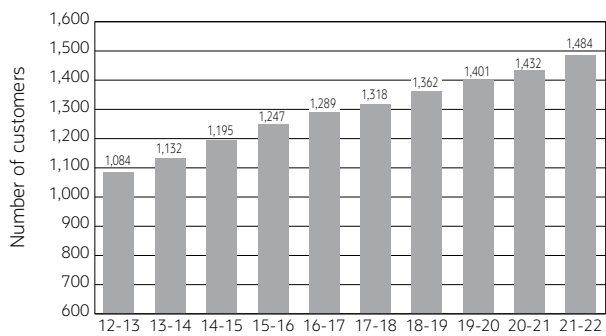


Earnings per share

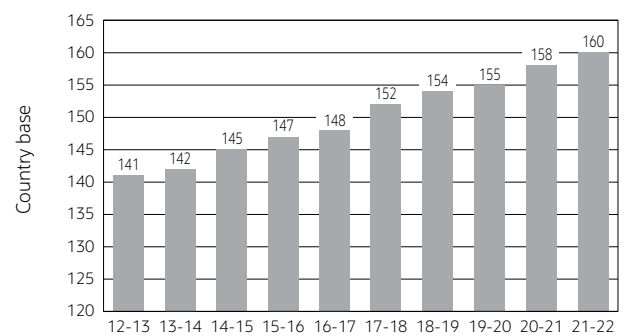


On the base of equity capital as on March 31, 2022

Customers serviced



... in countries



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

Corporate information

Oracle Financial Services Software Limited

Board of directors

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

Company secretary and Compliance officer

Onkarnath Banerjee

Chief accounting officer

Avadhut (Vinay) Ketkar

Legal counsel

Rakesh Sharma

Registered office

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

Registrar & Transfer Agent

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

Auditors

Mukund M. Chitale & Co.
Chartered Accountants

Bankers

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

Management team

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

Directors' report

Financial year 2021-22

Dear Members,

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

Financial highlights

As per Consolidated financial statements:

(Amounts in ₹ million)

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

As per Unconsolidated financial statements:

(Amounts in ₹ million)

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

Performance

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

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

Dividend

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

Transfer to reserves

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

Particulars of loans, guarantees or investments

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

Share capital

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

Annual return

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

Directors and key managerial personnel

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

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

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

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

Number of meetings of the Board

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

Board Committees

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

Board policies

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

Particulars	Details	Website link for policy / details
Code of ethics and business conduct policy	This code defines and implements Oracle ethical business values and sets forth key rules and employee responsibilities. It also provides a context to handle any questions, issues, or concerns. The Code also covers the vigil mechanism and whistle blower policy.	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) with respect to its securities which is likely to affect price of the securities.	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 program of the Company and covers details of CSR activities that it can undertake and how to implement, monitor, and report on these activities.	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 material subsidiaries and describes related actions to be taken by the Company with significant transactions with them.	https://www.oracle.com/a/ocom/docs/industries/financial-services/policy-determining-material.pdf
Record archival policy	The policy provides the framework for archival of the communication made to 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 2021-22 were at an arm's length basis and in the ordinary course of business. Form AOC-2 providing the details of related party transactions of the Company is annexed as Annexure 1 to this report.

Risk management

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

Board evaluation

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

Subsidiaries

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

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

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

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

Research and development

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

Deposits

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