



ORACLE
Financial Services

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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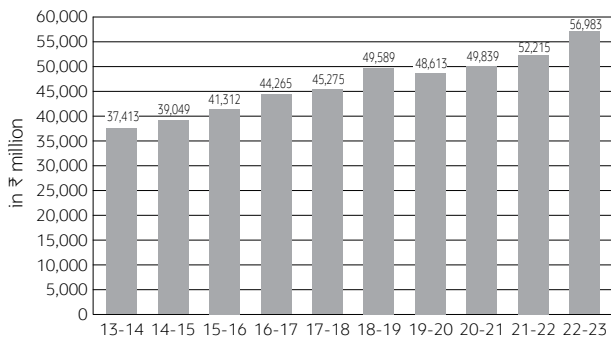
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Annual General Meeting

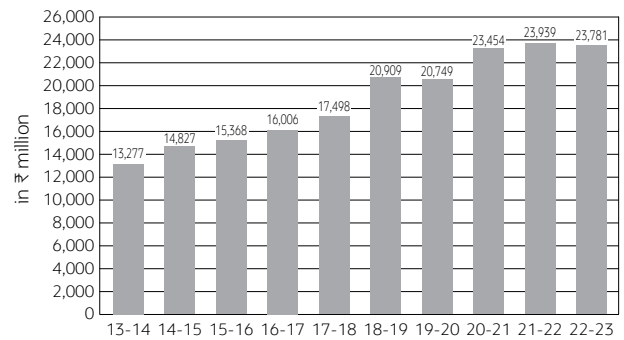
Day and Date	:	Thursday, July 27, 2023
Time	:	5.00 p.m. (IST)
Mode	:	Video Conferencing / Other Audio Visual Means

Ten year history

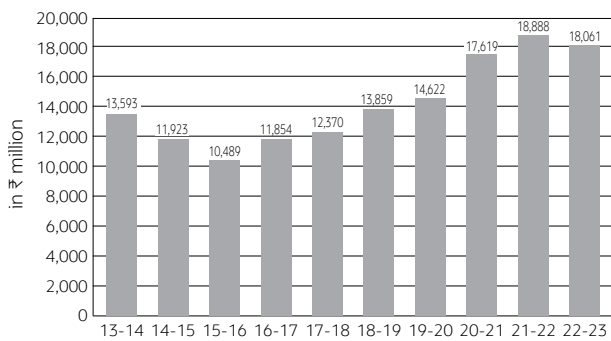
Operating revenue



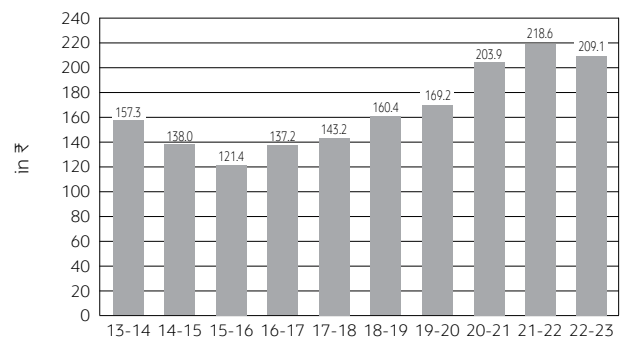
Operating income



Net income

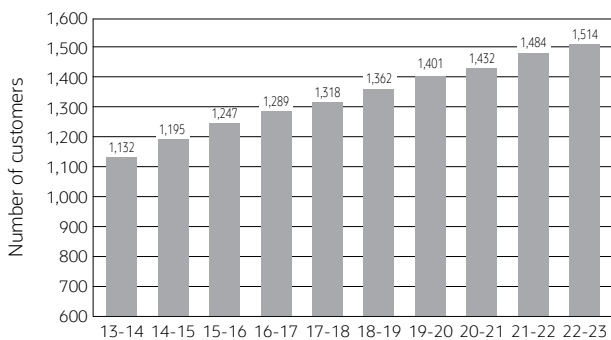


Earnings per share

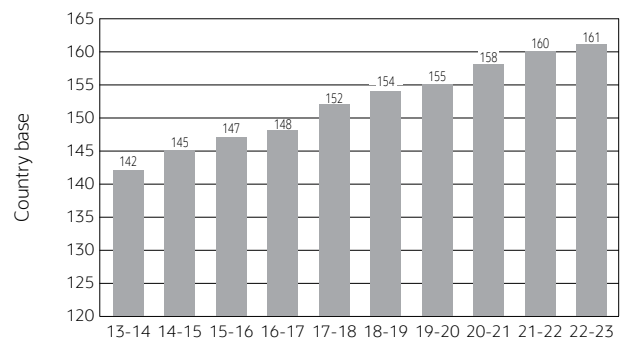


On the base of equity capital as on March 31, 2023.

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	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
Bhargava Srinivasa	Sanjay Bajaj
Chad Menke	Sanjay Kumar Ghosh
Dharpan Koul	Surendra Shukla
George Thomas	Tushar Chitra
Goutam Chatterjee	Umesh Arora
H S Teji	Unmesh Pai
Karthick R Prasad	Venkatesh Srinivasan
Laura Balachandran	Vikram Gupta
Mahesh Kandavar Rao	Vinayak L Hampihallikar
Mustafa Moonim	Vivek Jalan
Promod Radhakrishnan	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.