ORACLE®

Financial Services

Oracle Financial Services Software Limited

Annual Report

2018–19

ORACLE®

Letter to Shareholders

On behalf of the Board of Directors, I am pleased to report that for the financial year ended March 31, 2019, your Company posted consolidated revenue of ₹ 49.6 billion which is 10% higher than the revenue of financial year ended March 31, 2018. Consolidated net profit for the current financial year grew 12% over the previous financial year to reach ₹ 13.9 billion. Your Company continued to deliver strong operating results with the consolidated income from operations growing 19% over the last financial year to stand at ₹ 20.9 billion. Our operating margin stood at 42% for the financial year ended March 31, 2019 as compared to 39% for the financial year ended March 31, 2018.

The Company maintained a good deal momentum, winning new customers and helping them in their transformational journey. We also strengthened ties with our existing customers, expanding the scope of our partnerships and gaining new business. Drawing on the strength of our ongoing relationship, Bank of Valletta p.l.c, Malta's largest bank, has chosen to implement Oracle Banking Digital Experience and Oracle Banking APIs (application program interfaces). CBZ Holdings Ltd., Zimbabwe continued to partner with us signing up for some of our new solutions including Oracle Banking Digital Experience, Oracle Banking Payments, Oracle Banking APIs, Oracle Banking Credit Facilities Process Management, Oracle Banking Corporate Lending Process Management, Oracle FLEXCUBE Universal Banking and Oracle Banking Corporate Lending. Heartland Bank, a specialist financial services provider in New Zealand, signed additional licenses for Oracle Banking Digital Experience, Oracle FLEXCUBE Universal Banking as well as Oracle Financial Services Lending and Leasing. The largest bank and the leading supplier of integrated financial services in Perú, Banco De Credito Del Peru has chosen to utilize Oracle Financial Services Analytical Applications. One of the leading Thai commercial banks, TMB Bank Public Company Limited, has extended its relationship with Oracle by signing a deal for Oracle Financial Services Analytical Applications.

Your Company's products and services continued to win accolades and industry recognition. We were named 'Leader' in IDC's Worldwide End-to-End Corporate Banking Solution Providers 2019 Vendor Assessment report. Your Company was also named 'Category Leader' for Data Integrity and Control (DI&C) on Chartis' FinTech Quadrant for DI&C solutions in Financial Services.

Innovation is the key driver of our success. To enable customers take advantage of industry shifts, we launched a new solution, Oracle Banking APIs, which helps the banks seamlessly deliver partner solutions along with the banking services. We also announced the release of four new corporate banking engagement solutions. Oracle Banking Credit Facilities Process Management, Oracle Banking Corporate Lending Process Management and Oracle Banking Trade Finance Process Management are designed to help banks digitize the entire product lifecycle for corporates. Oracle Banking Virtual Accounts Management allows banks to offer a completely new set of services to their corporate clients. We significantly enhanced Oracle Financial Services Analytical Applications suite to meet the emerging compliance requirements and launched new offerings in the area of Enterprise Risk and Financial Crime & Compliance Management. We also expanded the product capabilities to deliver the emerging requirements for the insurance industry.

There is a strong demand among today's technologically savvy customers for new and improved banking services and experiences. Banks can take advantage of evolutions in technology and drive a truly revolutionary change. With an open banking platform, banks have the opportunity to provide highly personalized and truly engaging products and services. Leveraging APIs, banks can rapidly assemble, enable and digitize their services. Your Company provides enhanced value to its customers through a strong ecosystem of FinTech partners who complement our offerings. The opportunities are exciting and your Company is well prepared to take advantage of these trends. Armed with industry leading platforms and solutions built on modern, open, and intelligent technologies, we look forward to yet another rewarding year.

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 your continued goodwill as we tread firmly on the path of excellence.

Regards,

S Venkatachalam

Chairperson

Oracle Financial Services Software Limited

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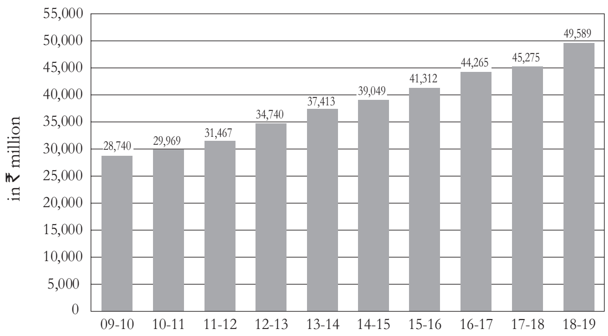
Contents

Annual General Meeting

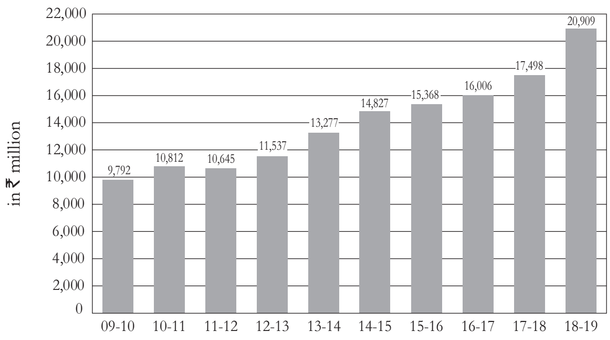
Day and Date	:	Thursday, August 8, 2019
Time	:	3.00 p.m.
Venue	:	Courtyard By Marriott Mumbai International Airport C.T.S No. 215, Andheri Kurla Road Andheri East, Mumbai 400059

Ten year history

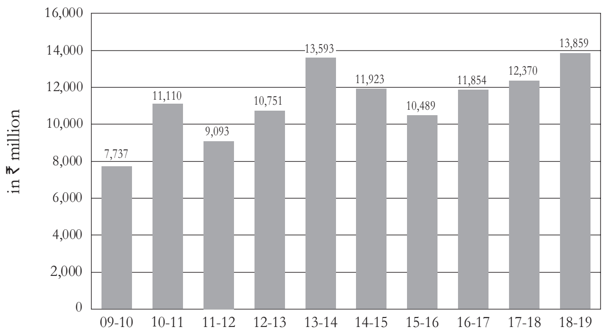
Operating revenue



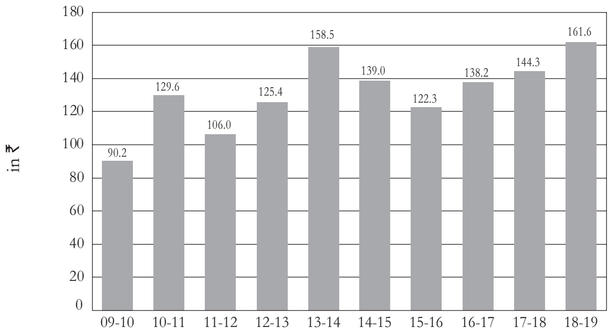
Operating income



Net income

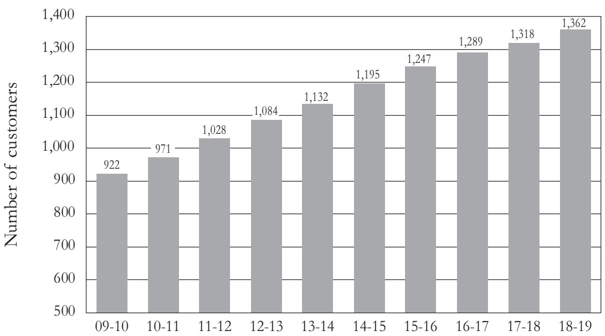


Earnings per share

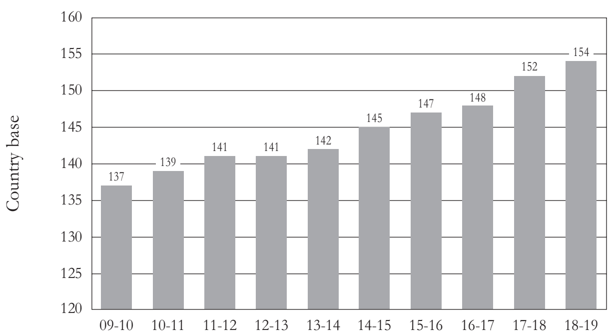


Earnings per share is computed on the equity capital base of 85,751,987 shares as on March 31, 2019.

Customers serviced



... in countries



Note:
Amounts for financial year 2009-10 to 2014-15 are as per Consolidated Indian GAAP and for financial year 2015-16 to 2018-19 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

Mohamed Yacob

Registered office

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

CIN: L72200MH1989PLC053666

Registrars & Transfer Agents

Link Intime India Private Limited
C 101, 247 Park
L B S Marg, Vikhroli (West)
Mumbai 400083, Maharashtra, India

Auditors

Mukund M. Chitale & Co.
Chartered Accountants

Bankers

Bank of India
Barclays Bank PLC
Citibank, N.A.
Deutsche Bank AG
HDFC Bank Ltd.
HSBC Bank
J P Morgan Chase
Kotak Mahindra Bank Ltd.
National Bank of Egypt
Syndicate Bank
Yes Bank Ltd.

Management team

Arvind Gulhati
Bindu Venkatesh
Dinakar Kini
Edwin Niranjan Moses
George Thomas
Goutam Chatterjee
Gregory Chapple
H S Teji
Karthick R Prasad
Laura Balachandran
Mahesh Kandavar Rao
Manish Chandra Gupta
Manmath Kulkarni
Mudit Govil
Mustafa Moonim
Prajakt Deshpande
Rajaram N Vadapandeshwara
Rajendra Potdar
Ravikumar V
S Bhargava
Sanjay Bajaj
Sanjay Kumar Ghosh
Sanjay V Deshpande
Surendra Shukla
Tushar Chitra
Umesh Arora
Venkatesh Srinivasan
Vikram Gupta
Vinayak L Hampihallikar
Vivek Jalan

Offices

India

Oracle Financial Services Software Limited
7-8, R-Tech Park
Nirlon Knowledge Park
Off Western Express Highway
Goregaon (East), Mumbai 400063
Maharashtra, India

Oracle Park, Ambrosia
Pune 411021, Maharashtra, India

C/o Embassy Business Park
C.V. Raman Nagar
Bengaluru 560093, Karnataka, India

Gopalan Enterprises (I) Pvt. Ltd., (SEZ)
Global Axis, Unit 1 & 2
Plot # 152/1, EPIP Zone, Whitefield
Bengaluru 560066, Karnataka, India

Green I-Tech, # 5
Muthiah Mudali Street, Off Cathedral Road
Chennai 600086, Tamil Nadu, India

Oracle (OFSS) ASP Private Limited
Oracle Park, Off Western Express Highway
Goregaon (East)
Mumbai 400063, Maharashtra, India

Oracle (OFSS) Processing Services Limited
Oracle Park, Off Western Express Highway
Goregaon (East)
Mumbai 400063, Maharashtra, India

SDF-1, Unit 12, SEEPZ - SEZ
Andheri (East)
Mumbai 400096, Maharashtra, India

C/o Embassy Business Park
C.V. Raman Nagar
Bengaluru 560093, Karnataka, India

Oracle (OFSS) BPO Services Limited
Mantas India Private Limited
F 01/02, First Floor, Salcon Rasvilas
D-1 District Centre, Saket
New Delhi 110017, India

DLF Infinity Tower A, 3rd Floor
DLF Cyber City, Phase II
Gurgaon 122002, Haryana, India

Asia Pacific

Oracle Financial Services Software Pte. Ltd.
1 Fusionopolis
12-10 Galaxies
Singapore 138522

Akasaka Center Building 13F
1-3-13 Moto Akasaka, Minato-ku
Tokyo 107-0051, Japan

Level 8, 4 Julius Avenue
North Ryde
Sydney, NSW 2113, Australia

Level 5, 417 St. Kilda Road
Melbourne VIC 3004, Australia

Oracle Financial Services Consulting Pte. Ltd.
1 Fusionopolis
12-10 Galaxies
Singapore 138522

Oracle Financial Services Software (Shanghai) Limited
Unit 806, Henderson Metropolitan Building
155, Tianjin Road, Shanghai 200001
People's Republic of China

18th Floor, International Finance Place
No. 8 Huaxia Road, Pearl River New City
Tianhe District, Guangzhou 510623
People's Republic of China

Offices

Europe, Middle East & Africa (EMEA)

Oracle Financial Services Software B.V.
Barbara Strozzilaan 201
NL-1083 HN Amsterdam
The Netherlands

Mainzer Landstrasse 49a
60329 Frankfurt am Main, Germany

Level 29, 40 Bank Street
Canary Wharf
London E14 5NR, UK

Suite 22, Portes de la Defense
15, boulevard Charles de Gaulle
92700 Colombes, France

13-18 City Quay
Dublin 2 Ireland

Oracle Financial Services Software SA
265 Mesogheion Avenue
Neo Psychico 15451
Athens, Greece

Oracle Financial Services Software Limited
Bld.6/1, Village Moskovsky
22nd km Kievskoe Route
108811, Moscow, Russian Federation

Park Rotana, Level One, Office 108
Khalifa Park, Sector E-48
PO Box 769441
Abu Dhabi, UAE

The Edge Building
Plot A-004-038
Al Falak St. Dubai Internet City
Dubai, UAE

ISP Internet (Mauritius) Company
C/o IQEQ Corporate Services (Mauritius) Limited
33, Edith Cavell Street
Port Louis 11324
Mauritius

Americas

Oracle Financial Services Software America, Inc.
Oracle Financial Services Software, Inc.
Oracle (OFSS) BPO Services Inc.
Mantas Inc.
399 Thornall Street, 6th Floor
Edison, NJ 08837 USA

8000 Norman Center Drive, Suite 700
Bloomington, MN 55437 USA

1910 Oracle Way, 3rd Floor
Reston, VA 20190 USA

Oracle Financial Services Software Chile Limitada
Av. Vitacura 2939
Edificio Millenium - 14th Floor
Las Condes, 7550011
Santiago, Chile

Directors' report
Financial year 2018-19

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 2018-19.

Financial highlights

As per Consolidated financial statements: (Amounts in ₹ million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	49,589.03	45,274.72
Finance income	1,319.73	794.84
Other income, net	441.19	112.06
Total income	51,349.95	46,181.62
Depreciation and amortization	(537.17)	(614.63)
Profit before tax	22,669.87	18,404.41
Tax expenses	(8,810.89)	(6,034.00)
Profit for the year	13,858.98	12,370.41
Other comprehensive income for the year	226.49	461.62
Total comprehensive income for the year	14,085.47	12,832.03

As per Unconsolidated financial statements: (Amounts in ₹ million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	35,808.97	38,617.27
Finance income	1,173.47	722.62
Other income, net	216.03	163.65
Total income	37,198.47	39,503.54
Depreciation and amortization	(501.98)	(573.53)
Profit before tax	19,864.15	14,869.14
Tax expenses	(7,039.45)	(4,809.24)
Profit for the year	12,824.70	10,059.90
Other comprehensive income for the year	25.83	32.79
Total comprehensive income for the year	12,850.53	10,092.69

Performance

On consolidated basis, your Company's revenue stood at ₹ 49,589.03 million this year, an increase of 10% from ₹ 45,274.72 million of the previous financial year. The net income this year was ₹ 13,858.98 million, an increase of 12% over the previous year. On an unconsolidated basis, your Company's revenue stood at ₹ 35,808.97 million during the financial year 2018-19, decrease of 7% from the previous year. The Company's net income for the financial year 2018-19 was ₹ 12,824.70 million, an increase of 27%. Previous year's 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 a part of this Directors' report.

Dividend

The Board has decided to conserve the funds for investment in the business and accordingly, has not recommended a dividend for the financial year 2018-19.

Transfer to reserves

The Company does not propose to transfer any amount to the General Reserve out of the amount available for appropriation.

Particulars of loans, guarantees or investments

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

Share capital

During the financial year 2018-19, the Company allotted 362,254 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, 2019 was ₹ 428,895,735 divided into 85,779,147 equity shares of face value of ₹ 5 each.

Extract of annual return

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return (in form MGT-9) is annexed as Annexure 1 to this report.

Directors and key managerial personnel

Ms. Kimberly Woolley, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. A resolution seeking Members' approval for her re-appointment forms part of the Notice.

During the year, Mr. Robert K Weiler who was liable to retire by rotation at the Twenty Ninth Annual General Meeting held on August 14, 2018 did not opt for re-appointment as a Non-Executive, Non-Independent Director. As such he ceased to be a Director of the Company on August 14, 2018.

Mr. S Venkatachalam and Mr. Richard Jackson were re-appointed as Independent Directors of the Company at the Twenty Ninth Annual General Meeting held on August 14, 2018 to hold office for a further term of five consecutive years, i.e., from April 1, 2019 up to March 31, 2024.

Mr. Vincent Secondo Grelli and Mr. Yong Meng Kau were appointed as Additional Directors of the Company in the capacity of Non-Executive, Non-Independent Directors at the Board Meeting held on November 2, 2018 and their term ends at the ensuing Annual General Meeting. Resolutions seeking Members' approval for their appointment as Directors of the Company forms part of the Notice.

Ms. Jane Murphy was appointed as an Additional Director of the Company in the capacity of Non-Executive, Independent Director at the Board meeting on February 13, 2019. Resolution seeking Members' approval for her appointment as a Director of the Company for a term of five consecutive years, not liable to retire by rotation, forms part of the Notice.

The Members of the Company, at the Twenty Sixth Annual General Meeting held on September 11, 2015, had appointed Mr. Sridhar Srinivasan as an Independent Director of the Company to hold office for a term of five consecutive years up to March 31, 2020. In accordance with the provisions of Section 149, 152 of the Companies Act, 2013 and applicable provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and based on the performance evaluation and recommendation of the Nomination and Remuneration Committee, it is proposed to re-appoint Mr. Sridhar Srinivasan as an Independent Director for a further term of five consecutive years from April 1, 2020 up to March 31, 2025. A special resolution to this effect forms part of the Notice.

Mr. Makarand Padalkar, Chief Financial Officer of the Company, was appointed as an Additional Director of the Company at the Board Meeting held on May 9, 2019 to hold office up till the ensuing Annual General Meeting in the capacity of Whole-time Director and Chief Financial Officer of the Company for a term of five consecutive years from May 9, 2019 up to May 8, 2024, liable to retire by rotation. A resolution seeking Members' approval for his appointment as a Whole-time Director and Chief Financial Officer of the Company forms part of the Notice.

Ms. Maria Smith resigned as a Non-Executive, Non-Independent Director of the Company with effect from May 9, 2019. The Board places on record its appreciation for the contributions made by her as a member of the Board.

Pursuant to Listing Regulations, the Company has appointed the following of its Independent Directors on the Boards of its material subsidiaries:

- Mr. Richard Jackson has been appointed as a Director of Oracle Financial Services Software, Inc., USA.
- Ms. Jane Murphy has been appointed as a Director of Oracle Financial Services Software B.V., Netherlands and Oracle Financial Services Software Pte. Ltd., Singapore.

Brief resumes of the Directors proposed to be appointed / 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 appointment / re-appointment are not debarred from holding the office of Director pursuant to any Securities and Exchange Board of India ("SEBI") order. All the Independent Directors of the Company have given declaration under Section 149(6) of the Companies Act, 2013 confirming that they meet the criteria of independence.

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 2018-19. 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 Committees of the Board 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 Companies Act, 2013 and Listing Regulations:

Particulars	Details	Website link for policy / details
Record retention policy	The policy details the requirements for retention and destruction of the Company's records in hard copy and electronic media.	http://www.oracle.com/us/industries/financial-services/record-retention-policy-2889568.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/ofss-directors-appointment-policy.pdf
Remuneration policy	This policy establishes principles governing remuneration of the directors, key managerial personnel and senior management of the Company.	http://www.oracle.com/us/industries/financial-services/ofss-remuneration-policy-4492725.pdf
Policy on determination of material events / information	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.	http://www.oracle.com/us/industries/financial-services/policy-determination-events-2889567.pdf
Code of ethics and business conduct, and vigil mechanism / whistle blower 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.	https://www.oracle.com/assets/cebc-176732.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.	http://www.oracle.com/us/industries/financial-services/ofss-party-transactions-policy-2288144.pdf
Dividend distribution policy	This policy details the factors to be considered by the Board while deciding or recommending any dividend.	http://www.oracle.com/us/industries/financial-services/ofss-dividend-distribution-policy-3125465.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.	http://www.oracle.com/us/industries/financial-services/policy-determining-material-2615655.pdf
Directors' familiarization program	Details of Company's familiarization program for its new directors including independent directors.	http://www.oracle.com/us/industries/financial-services/financial-familarization-program-2547373.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.	http://www.oracle.com/us/industries/financial-services/ofss-social-responsibility-2437852.pdf

Related party transactions

All related party transactions entered into during the financial year 2018-19 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 to this report as Annexure 2.

Risk management

The Company's principles and processes have been established by Risk Management Policy with regard to identification, analysis and management of applicable risks. 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.

Board evaluation

In accordance with the requirements of the Section 178 of the Companies Act, 2013 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 2018-19 was tabled at the Board Meeting on May 9, 2019.

Subsidiaries

Your Company has subsidiaries in Greece, India, Chile, China, Mauritius, Singapore, the Netherlands and the United States of America.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013, 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.

On May 9, 2019, the Board of Directors of the Company approved restructuring of ownership of its Indian step down subsidiaries for acquiring majority stake in Mantas India Private Limited and Oracle (OFSS) BPO Services Limited.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, 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 develop 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 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.

Five in-house R&D centers in India of your Company have been accorded recognition by the Department of Scientific and Industrial Research (DSIR) from February 26, 2016. The aggregate expenditure on research and development activities in these in-house R&D centers is as follows:

(Amounts in ₹ million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue Expenditure	2,081.89	2,058.24
Capital Expenditure	519.36	82.06

Fixed deposits

During the financial year 2018-19, the Company has not accepted any fixed deposits within the meaning of Rule 2(c) of the Companies (Acceptance of Deposits) Rules, 2014, and as such, no amount of principal or interest was outstanding as of the date of the Balance Sheet.

Corporate governance

The Company has taken appropriate steps and measures to comply with all the corporate governance regulations and related requirements as envisaged under Regulation 27 of the Listing Regulations. A separate report on Corporate Governance along with a certificate from Mr. Prashant Diwan, Practicing Company Secretary, with regard to compliance of conditions of Corporate Governance as stipulated in Regulation 34(3) of the Listing Regulations forms part of this Annual Report.

A certificate from Mr. Prashant Diwan, Practicing Company Secretary, has also been received stating that none of the Directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI, Ministry of Corporate Affairs (MCA) or any such statutory authority.

Statutory Auditors' report

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

As mentioned in Para 4 of the Independent Auditors Report dated May 9, 2019 attached to the Financial Statements of the Company for the year ended March 31, 2019, the Statutory Auditors are required to report any material misstatements in 'other information' in the Annual Report. The 'other information' was made available to the statutory auditors by the Company after the date of adoption of financial statements on May 9, 2019 by the Board of Directors. The Statutory Auditors have communicated that they have read the 'other information' included in the Annual Report and that there is no material misstatement therein.

With regard to the Statutory Auditors' comment in the CARO report concerning delays in payment of foreign taxes, the Company has no outstanding demand or claim from any authority in this respect. The Company however evaluates potential material tax liabilities and records provisions accordingly. The said liabilities are regularly monitored.

Secretarial audit report

In terms of Section 204 of the Companies Act, 2013, and the Rules made thereunder, the Board has appointed Mr. Prashant Diwan, Practicing Company Secretary, as Secretarial Auditor of the Company for the financial year 2018-19. The Secretarial Audit report is annexed to this report as Annexure 3. This report does not contain any qualification, reservation or adverse remark.

Business responsibility report

Business Responsibility Report for the financial year 2018-19 that forms part of this Annual Report has been hosted on the website of the Company at www.oracle.com/financialservices. The Members, who wish to obtain a printed copy of the report, may write to the Company Secretary at the Registered Office of the Company.

Employee Stock Option Plan ("ESOP")

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

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 Employees Stock Option Scheme ("Scheme 2002") for issue of 4,753,600 options to the employees and directors of the Company and its subsidiaries. According to the Scheme 2002, the Company has granted 4,548,920 options prior to the Initial Public Offering (IPO) and 619,000 options at various dates after the 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).

Pursuant to ESOP scheme approved by the Members of the Company in their meeting held on August 18, 2011, the Board of Directors approved the Employees Stock Option Plan 2011 Scheme ("Scheme 2011"). Accordingly, the Company has granted 1,950,500 options under the Scheme 2011. Nomination and Remuneration Committee in their meeting held on August 7, 2014 approved Oracle Financial Services Software Limited Stock Plan 2014 ("OFSS Stock Plan 2014"). This plan enables issue of deeply discounted options at the face value and referred to as OFSS Stock Units ("OSUs") for convenience. Accordingly, the Company granted 178,245 Stock Options and 712,203 OFSS Stock Units ("OSUs") under OFSS Stock Plan 2014. The issuance terms of OSUs are the same as for Stock Options, employees may elect to receive 1 OSU in lieu of 4 awarded Stock Options at their respective exercise price.

As per the Scheme 2002, Scheme 2010 and Scheme 2011, each of 20% of the total options granted will vest on completion of 12, 24, 36, 48 and 60 months from the date of grant and is subject to continued employment of the employee or directorship of the director with the Company or its subsidiaries. Options have an exercise period of 10 years from the date of grant. The employee pays the exercise price upon exercise of options.

In respect of the OFSS Stock Plan 2014, each of 25% of the total stock options / OSUs granted will vest on completion of 12, 24, 36 and 48 months from the date of grant and 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 upon exercise of options / OSUs.

All the above mentioned Schemes of the Company are in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014. Applicable disclosures relating to Employees Stock Options Schemes, pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014, are placed on the website of the Company at www.oracle.com/financialservices

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

Particulars	Scheme 2002	Scheme 2010	Scheme 2011	OFSS Stock Plan 2014	OFSS Stock Plan 2014 (OSUs)	Total
		(Stock Options)				
Pricing Formula	At the market price as on the date of grant				₹ 5	
Variation of terms of Option / OSUs	None	None	None	None	None	
Number of options / OSUs granted till March 31, 2019	5,167,920	638,000	1,950,500	178,245	712,203	8,646,868
Number of options / OSUs lapsed and forfeited	(620,725)	(283,332)	(453,630)	(32,358)	(68,909)	(1,458,954)
Number of options / OSUs exercised	(4,547,195)	(317,603)	(1,114,646)	(8,792)	(225,817)	(6,214,053)
Total number of Options in force as on March 31, 2019	–	37,065	382,224	137,095	417,477	973,861

The details of options / OSUs granted to Directors and Senior Managerial Personnel under OFSS Stock Plan 2014 during the financial year ended March 31, 2019 are as follows:

	Particulars	Number of Stock Options	Number of OSUs
i.	Director:		
	Mr. Chaitanya Kamat		22,500
ii.	Senior Managerial Personnel:		
	Mr. Arvind Gulhati		4,750
	Mr. Avadhut Ketkar		1,600
	Ms. Bindu Venkatesh		2,125
	Mr. Dinakar K Kini		150
	Mr. Edwin Moses		1,750
	Mr. Mahesh Rao		1,750
	Mr. Makarand Padalkar		8,750
	Mr. Onkarnath Banerjee		500
	Mr. Prajakt Deshpande		300
	Mr. Rajaram Vadapandeshwara		750
	Mr. Sanjay Bajaj		250
	Mr. Surendra Shukla	1,000	250
	Mr. Vikram Gupta		4,750
	Mr. Vinayak Hampihallikar	2,500	625
iii.	Any other employee, who receives grant in any one year of Option / OSUs amounting to 5% or more of Option / OSUs granted during the year	Nil	
iv.	Identified employees who were granted options / OSUs, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	
v.	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'	₹ 149.01	

All stock options were granted at market price on the date of grant and OSUs were granted at the face value of the equity shares. The compensation cost arising on account of stock options and OSUs is calculated using the fair value method. The reported profit is after considering the cost of employee stock compensation (₹ 488.71 million), using fair value method on stock options / OSUs.

A summary of the activities in the Company's Scheme 2010 and Scheme 2011 for the year ended March 31, 2019 are as follows:

Particulars	Scheme 2010		Scheme 2011	
	Shares arising from Options	Weighted average exercise price (₹)	Shares arising from Options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	41,485	2,050	635,882	2,966
Granted	–	–	–	–
Exercised	(3,120)	2,050	(241,558)	3,034
Forfeited	(1,300)	2,050	(12,100)	2,949
Outstanding at the end of the year	37,065	2,050	382,224	2,924
Vested Options	37,065		382,224	
Unvested Options	–		–	
Options vested during the year	–		93,450	
Options forfeited / lapsed during the year	1,300		12,100	

A summary of the activities in the Company's OFSS Stock Plan 2014 for the year ended March 31, 2019 are as follows:

Particulars	Shares arising from OSUs	Weighted average exercise price (₹)	Shares arising from Options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	422,298	5	138,371	3,481
Granted	125,219	5	12,450	4,158
Exercised	(114,070)	5	(3,506)	3,293
Forfeited	(15,970)	5	(10,220)	3,611
Outstanding at the end of the year	417,477	5	137,095	3,537
Vested OSUs / Options	104,601		87,853	
Unvested OSUs / Options	312,876		49,242	
Options vested during the year	128,263		33,590	
Options forfeited / lapsed during the year	15,970		10,220	

The weighted average share price for the year over which stock options / OSUs were exercised was ₹ 3,960. Money realized by exercise of options / OSUs during the financial year 2018-19 was ₹ 751.34 million. The Company has recovered perquisite tax on the options / OSUs exercised by the employees during the year. The weighted average fair value of stock options and OSUs granted during the year was ₹ 991 and ₹ 4,154 respectively, calculated as per the Black Scholes valuation model as stated in 26 (b) in the notes to accounts of the unconsolidated financials.

The details of Options unvested and Options vested and exercisable as on March 31, 2019 are as follows:

	Exercise prices (₹)	Number of options / OSUs	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Options /OSUs unvested	5	312,876	5	8.3
	3,393	25,100	3,393	7.2
	3,579	6,450	3,579	8.2
	3,987	6,792	3,987	6.6
	4,158	10,900	4,158	9.2
Options /OSUs vested and exercisable	5	104,601	5	6.6
	1,930	57,541	1,930	2.7
	2,050	37,065	2,050	1.4
	3,077	176,683	3,077	4.5
	3,127	148,000	3,127	3.8
	3,241	41,578	3,241	6.0
	3,393	23,712	3,393	7.2
	3,579	2,155	3,579	8.2
	3,987	20,408	3,987	6.6
		973,861	1,726	5.9

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 Limited is the sole 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, i-flex Solutions Trustee Company Limited had filed a petition in the Hon'ble 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 Hon'ble Bombay High Court dated August 1, 2016, the trust funds would be utilized for the benefit of the employees.

As at March 31, 2019, 27,160 equity shares of the Company were held by the Trust (March 31, 2018 - 70,600 equity shares).

Human resources

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

Your Company's total employees at the end of March 31, 2019, were 8,054 (March 31, 2018 - 8,818) including employees of subsidiaries.

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

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

Corporate social responsibility

Pursuant to Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014, annual report on the CSR activities for the financial year ended March 31, 2019 is annexed as Annexure 4 to this report.

Internal financial controls

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

The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control system 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 clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, for the financial year ended on March 31, 2019, the Directors hereby confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;

c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the directors had prepared the annual accounts on a going concern basis;

e. the directors, had laid down internal financial controls followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Auditors

The Members of the Company have appointed M/s. Mukund M. Chitale & Co., Chartered Accountants, (ICAI Firm Registration No. 106655W), as the Statutory Auditors of the Company till the conclusion of the 33rd Annual General Meeting to be held in the year 2022.

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 Companies Act, 2013 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 Companies Act, 2013 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.

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 Companies Act, 2013, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are furnished hereunder:

Conservation of energy

The Company strives to conserve energy and use energy efficient computers and illumination systems. The Company also deploys sophisticated office automation and management equipment which optimizes energy consumption. During the year, the Company completed the projects to install photovoltaic solar panels at its campuses in Mumbai and Pune in an effort to increase the use of renewable energy. As part of an initiative to support Oracle's global sustainability goal of reducing waste to landfill, a wet waste compost machine has been installed at the Mumbai office with excess manure provided to NGO 'Green Yatra' where waste is used for tree plantation projects. Green Yatra also recognized the Company with a certificate of appreciation for contributions to increasing local green cover.

Technology absorption

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

Network: Efficient networks are essential to support our global business and the Company continues to invest in upgrades and modernization of the networks thereby increase uptime of the network infrastructure, increase capacity and enable greater collaboration. Your Company has made significant changes in the Wi-Fi environment across the organization, migrating to a faster, more secure next generation wireless network. Not only it is more secure, but it is also two to four times faster on average than the previously used network. This also provides easy access to the internet for employees as well as guests based on their respective access requirement. In line with this initiative, technology refresh of the Wi-Fi infrastructure and access points was also completed. This high performance Wi-Fi, with increased density of access points, will eventually bring down the need for wired ports, which would correspondingly lead to significant energy and cost savings. There has also been significant investment into securing the network infrastructure, to provide a secure computing environment for our employees and customers.

Cloud migration: Your Company is working towards migrating infrastructure to the next generation cloud platform. All corporate applications will be hosted on the Oracle next generation cloud. This move significantly reduces infrastructure costs as well as reduces space and power utilization across the globe. This migration has been initiated and will span across a couple of years. Datacenter consolidation, the next logical consequence of cloud migration, is also in progress keeping in mind the reducing need for physical datacenters and increasing demand for flexible infrastructure utilization.

Business Resiliency: Resiliency is the key to effective management of operations, and your Company has successfully implemented disaster recovery initiatives for critical infrastructure services ensuring a balance between tolerance to downtime and effective technology investments. The cloud migration initiative is also instrumental in planning effective resiliency requirements for critical infrastructure.

Virtual presence: Your Company has made significant investments in providing a near virtual working environment to its employees. Multifunctional and multiple methods of collaboration across geographies, has enhanced business operations. This enhances communication across the globe, minimizing travel, increasing efficiencies from a support perspective as well by making self-service operations easier and effective.

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

Foreign exchange earnings and outgo:

(Amounts in ₹ million)

Foreign exchange earnings	32,845.50
Foreign exchange outgo (including capital goods and other expenditure)	2,662.04
Net equity dividend remitted in foreign exchange	8,196.66

Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans:

Your Company has established an extensive global presence across leading markets through its sales and marketing network. The Company will continue to focus on tapping various potential markets available globally. Experienced sales and marketing specialists focus on building strong international business presence to develop new export markets for your Company.

Prospects

A rapid evolution of technologies, rise of consumer forces, and the increasing scope and speed of regulations is driving a fundamental transformation in the financial services industry.

Financial institutions are investing in newer technologies to create insightful and context aware solutions for the digitally savvy customers. Institutions are deploying analytical tools that deliver insights in customer behavior combined with a powerful digital engagement platform, to gain an edge over their competition. FinTechs offering niche solutions are becoming an important partner in banks' strategies, and therefore, open banking technology that can easily co-exist with the FinTech world is a priority area for the banks.

Regulatory compliance is a major focus area for the financial institutions and requires extensive usage of big-data and data analytics to effectively meet evolving compliance requirements.

Increasing complexity of the markets has changed the banking needs of corporates. Corporate customers need innovation in the areas of credit, liquidity, cash management, trade finance and payments. Banks are in need of solutions that improve efficiency, centralize processing, provide real-time data, and reduce operating costs. Payments is another field where speed of innovation is creating new opportunities in the areas of newer channels, reduced cost of transaction, and speed and reliability of the service.

Your Company's commitment to innovation is a driving factor that keeps it in the forefront of the information technology industry. Our continuous planned investments in research and development and unwavering focus on excellence allow us to evolve with the industry and help our customers reach their goals. Our products and solutions are designed to help financial institutions drive transformation initiatives, harness the potential of disruptive technologies and successfully manage regulatory demands.

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.

Employee particulars

The information required under Section 197 of the Companies Act, 2013 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, 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	3
Mr. Richard Jackson	3
Mr. Sridhar Srinivasan	2
Ms. Jane Murphy	Not Applicable
Executive Director	
Mr. Chaitanya Kamat*	28

** 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 2019 as compared to FY 2018
*Non-Executive, Independent Directors**	
Mr. S Venkatachalam	35%
Mr. Richard Jackson	41%
Mr. Sridhar Srinivasan	41%
Ms. Jane Murphy	Not Applicable
Managing Director and Chief Executive Officer#	
Mr. Chaitanya Kamat	(3%)
Key Managerial Personnel#	
Mr. Makarand Padalkar, Chief Financial Officer	1%
Mr. Onkarnath Banerjee, Company Secretary	4%

** The remuneration structure of the Non-Executive, Independent Directors was revised during the year, the earlier revision was in the year 2014.*
 # 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 2019 as compared to fiscal 2018:

6%.

(iv) The number of permanent employees on the rolls of the Company:

6,503 as on March 31, 2019.

(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 2018-19, the average remuneration of employees other than the key managerial personnel increased by 5% over the previous year. During the same period, average remuneration of the key managerial personnel decreased by 1%.

(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 Companies Act, 2013 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 Companies Act, 2013, 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.

Awards and recognition

Your Company was awarded the Financial Express CFO Award 2019 in the category of Large Enterprises – Services Industry. The Company was named 'Leader' in IDC's Worldwide End-to-End Corporate Banking Solution Providers 2019 Vendor Assessment report. It was also named 'Category Leader' for Data Integrity and Control (DI&C) on Chartis' FinTech Quadrant for DI&C solutions in Financial Services.

Acknowledgements

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. The Directors gratefully acknowledge the continued support received by the Company from its stakeholders, customers, members, vendors and bankers during the year. The Directors also wish to thank the Government of India and the State Governments in the jurisdictions it operates and their various agencies, and departments.

For and on behalf of the Board

S Venkatachalam
Chairperson
DIN: 00257819

June 20, 2019

Annexure 1

Form MGT-9

EXTRACT OF ANNUAL RETURN

for the financial year ended on March 31, 2019

of

ORACLE FINANCIAL SERVICES SOFTWARE LIMITED

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

I.	CIN	L72200MH1989PLC053666
II.	Registration Date	September 27, 1989
III.	Name of the Company	Oracle Financial Services Software Limited
IV.	Category / Sub-category of the Company	Company Limited by shares / Indian Non-Government Company
V.	Address of the Registered Office and Contact Details	Oracle Park Off Western Express Highway, Goregaon (East) Mumbai 400063, Maharashtra, India Tel. no. +91 22 6718 3000 Fax no. +91 22 6718 3001 Email: investors-vp-ofss_in_grp@oracle.com Website: www.oracle.com/financialservices
VI.	Whether Listed Company - Yes / No	Yes
VII.	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	Link Intime India Private Limited C 101, 247 Park L B S Marg, Vikhroli (West) Mumbai 400083 Tel. no. +91 22 4918 6000 Fax no. +91 22 4918 6060 Email: rnt.helpdesk@linkintime.co.in

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the company
1	The Company is engaged in developing, selling and marketing computer software, computer systems; providing consultancy and other information technology related activities	62011	100

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Oracle Global (Mauritius) Limited C/o Citco (Mauritius) Limited 4th Floor, 1 Cyber City, Cyber City, Ebene Mauritius	Not Applicable	Holding	73.50	2(46)
2	Oracle Financial Services Software B.V. Barbara Strozzilaan 201 NL-1083 HN Amsterdam The Netherlands	Not Applicable	Subsidiary	100.00	2(87)
3	Oracle Financial Services Software SA 265 Mesogheion Avenue Neo Psychiko, 15451, Athens, Greece	Not Applicable	Subsidiary	100.00	2(87)
4	Oracle Financial Services Software Pte. Ltd. 1 Fusionopolis, # 12-10 Galaxies Singapore 138522	Not Applicable	Subsidiary	100.00	2(87)
5	Oracle Financial Services Consulting Pte. Ltd. 1 Fusionopolis, # 12-10 Galaxies Singapore 138522	Not Applicable	Subsidiary	100.00	2(87)
6	Oracle Financial Services Software America, Inc. 399 Thornall Street, 6th floor Edison NJ 08837, USA	Not Applicable	Subsidiary	100.00	2(87)
7	Oracle Financial Services Software, Inc. 399 Thornall Street, 6th floor Edison NJ 08837, USA	Not Applicable	Subsidiary	100.00	2(87)
8	Mantas Inc. 13650 Dulles Technology Drive, Suite 300 Herndon, VA 20171, USA	Not Applicable	Subsidiary	100.00	2(87)
9	Sotas Inc. 13650 Dulles Technology Drive, Suite 300 Herndon, VA 20171, USA	Not Applicable	Subsidiary	100.00	2(87)
10	Mantas India Private Limited F 01/02, First Floor, Salcon Rasvilas D-1 District Centre, Saket New Delhi 110017, India	U72900DL1999PTC099923	Subsidiary	100.00	2(87)
11	Oracle (OFSS) ASP Private Limited Oracle Park, Off Western Express Highway Goregaon (East), Mumbai 400063 Maharashtra, India	U72900MH2001PTC131264	Subsidiary	100.00	2(87)
12	Oracle (OFSS) Processing Services Limited Oracle Park, Off Western Express Highway Goregaon (East), Mumbai 400063 Maharashtra, India	U72900MH2005PLC151334	Subsidiary	100.00	2(87)
13	ISP Internet Mauritius Company C/o SGG Corporate Services (Mauritius) Ltd 33 Edith Cavell Street Port Louis, 11324 Mauritius	Not Applicable	Subsidiary	100.00	2(87)
14	Oracle (OFSS) BPO Services Inc. 17682 Mitchell N., Suite 200 Irvine CA – 92614 USA	Not Applicable	Subsidiary	100.00	2(87)
15	Oracle (OFSS) BPO Services Limited F 01/02, First Floor, Salcon Rasvilas D-1 District Centre, Saket New Delhi 110017, India	U72900DL2002PLC180572	Subsidiary	100.00	2(87)

Sr. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
16	Oracle Financial Services Software Chile Limitada Av. Vitacura 2939 Edificio Millenium - 14th Floor Las Condes, 7550011 Santiago, Chile	Not Applicable	Subsidiary	100.00	2(87)
17	Oracle Financial Services Software (Shanghai) Limited Room 806, No 155 Tianjin Road Huangpu District Shanghai 200001 People's Republic of China	Not Applicable	Subsidiary	100.00	2(87)

IV. Shareholding Pattern (Equity share capital breakup as percentage of Total Equity):

(i) Category-wise Shareholding:

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year as on April 1, 2018				No. of Shares held at the end of the year as on March 31, 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
I	II	III	IV	V	VI	VII	VIII	IX	X	XI
(A)	Promoter and Promoter Group									
(1)	Indian									
	(a) Individual / Hindu Undivided Family	–	–	–	–	–	–	–	–	–
	(b) Central Government	–	–	–	–	–	–	–	–	–
	(c) State Government(s)	–	–	–	–	–	–	–	–	–
	(d) Bodies Corporate	–	–	–	–	–	–	–	–	–
	(e) Banks / Financial Institutions	–	–	–	–	–	–	–	–	–
	(f) Any Other	–	–	–	–	–	–	–	–	–
	Sub-total (A)(1)	–	–	–	–	–	–	–	–	–
(2)	Foreign									
	(a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
	(b) Other - Individuals	–	–	–	–	–	–	–	–	–
	(c) Bodies Corporate	63051197	–	63051197	73.82	63051197	–	63051197	73.50	(0.32)
	(d) Banks / Financial Institutions	–	–	–	–	–	–	–	–	–
	(e) Any other	–	–	–	–	–	–	–	–	–
	Sub-total (A)(2)	63051197	–	63051197	73.82	63051197	–	63051197	73.50	(0.32)
Total shareholding of Promoter (A) = (A)(1)+(A)(2)		63051197	–	63051197	73.82	63051197	–	63051197	73.50	(0.32)

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year as on April 1, 2018				No. of Shares held at the end of the year as on March 31, 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
I	II	III	IV	V	VI	VII	VIII	IX	X	XI
(B)	Public Shareholding									
(1)	Institutions									
	(a) Mutual Funds / UTI	2137008	–	2137008	2.50	2830237	–	2830237	3.30	0.80
	(b) Banks / Financial Institutions	1390262	–	1390262	1.63	1829047	–	1829047	2.13	0.50
	(c) Venture Capital Funds	–	–	–	–	–	–	–	–	–
	(d) Central Government / State Government(s)	4000	–	4000	0.00	4000	–	4000	0.00	0.00
	(e) Insurance Companies	–	–	–	–	–	–	–	–	–
	(f) Foreign Portfolio Investor	12553987	–	12553987	14.70	11852757	–	11852757	13.82	(0.88)
	(g) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
	(h) Alternate Investment Funds	1300	–	1300	0.00	1300	–	1300	0.00	0.00
	(i) Others									
	Foreign Mutual Funds	160622	–	160622	0.19	–	–	–	–	(0.19)
	Foreign Bank	48	–	48	0.00	17493	–	17493	0.02	0.02
	Sub-total (B)(1)	16247227	–	16247227	19.02	16534834	–	16534834	19.28	0.25
(2)	Non-Institutions									
	(a) Bodies Corporate	580394	–	580394	0.68	552943	–	552943	0.64	(0.03)
	(b) Individuals									
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	3219299	226183	3445482	4.03	3301233	178965	3480198	4.06	0.02
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	848228	56000	904228	1.06	948374	56000	1004371	1.17	0.11
	(c) NBFCs registered with RBI	–	–	–	–	55902	–	55902	0.07	0.07
	(d) Others									
	i. Non-Resident Indians (Repatriate)	157212	62	157274	0.18	177624	2062	179686	0.21	0.03
	ii. Non-Resident Indians (Non-Repatriate)	820974	267	821241	0.96	732106	199	732305	0.85	(0.11)
	iii. Foreign Nationals	4540	–	4540	0.01	1541	–	1541	0.00	(0.01)
	iv. Clearing Member	32710	–	32710	0.04	20360		20360	0.02	(0.02)
	v. Directors / Relatives	7000	–	7000	0.01	32500	–	32500	0.04	0.03
	vi. Hindu Undivided Family	39659	–	39659	0.05	44075	–	44075	0.05	0.00
	vii. Market Maker	29	–	29	0.00	596	–	596	0.00	0.00
	viii. Trusts	79591	–	79591	0.09	42315	–	42315	0.05	(0.04)
	ix. IEPF	46321	–	46321	0.05	46321	–	46321	0.05	0.00
	Sub-total (B)(2)	5835957	282512	6118469	7.16	5955890	237226	6193116	7.22	0.06
Total Public Shareholding (B)=(B)(1)+(B)(2)		22083184	282512	22365696	26.18	22490724	237226	22727950	26.50	0.31
(C)	Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)		85134381	282512	85416893	100.00	85541921	237226	85779147	100.00	0.00

(ii) Shareholding of Promoters:

Name of Shareholders	Shareholding at the beginning of the year as on April 1, 2018			Shareholding at the end of the year as on March 31, 2019			% change in share holding during the year
	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
Oracle Global (Mauritius) Limited	63051197	73.82	–	63051197	73.50	–	(0.32)
Total	63051197	73.82	–	63051197	73.50	–	(0.32)

(iii) Change in Promoters' Shareholding:

Name of the Shareholders	Shareholding at the beginning of the year as on April 1, 2018		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Oracle Global (Mauritius) Limited				
At the beginning of the year	63051197	73.82	63051197	73.82
Date wise Increase / Decrease in Promoters Shareholding during the Year	–		–	–
At the end of the year			63051197	73.50

The decrease in the percentage of promoters' shareholding from 73.82 % to 73.50 % is due to allotment of shares on the exercise of ESOPs by eligible employees of the Company.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the Shareholders	Shareholding at the beginning of the year as on April 1, 2018		Cumulative shareholding during the year*	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Wessex (Mauritius) Limited				
	At the beginning of the year	5818804	6.81	5818804	6.81
	Transactions - purchase / (sale) from April 1, 2018 to March 31, 2019	(3130905)	(3.65)	2687899	3.13
	At the end of the year			2687899	3.13
2	Life Insurance Corporation of India				
	At the beginning of the year	1380566	1.62	1380566	1.62
	Transactions - purchase / (sale) from April 1, 2018 to March 31, 2019	433786	0.51	1814352	2.12
	At the end of the year			1814352	2.12
3	Copthall Mauritius Investment Limited				
	At the beginning of the year	7534	0.01	7534	0.01
	Transactions - purchase / (sale) from April 1, 2018 to March 31, 2019	1633088	1.90	1633088	1.90
	At the end of the year			1633088	1.90
4	Goldman Sachs (Singapore) PTE				
	At the beginning of the year	2193	0.00	2193	0.00
	Transactions - purchase / (sale) from April 1, 2018 to March 31, 2019	1397853	1.63	1397853	1.63
	At the end of the year			1397853	1.63

Sr. No.	Name of the Shareholders	Shareholding at the beginning of the year as on April 1, 2018		Cumulative shareholding during the year*	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
5	Sussex (Mauritius) Limited				
	At the beginning of the year	2738253	3.21	2738253	3.21
	Transactions - purchase / (sale) from April 1, 2018 to March 31, 2019	(1548095)	(1.80)	1190158	1.39
	At the end of the year			1190158	1.39
6	HDFC Trustee Company Limited - HDFC Equity Fund				
	At the beginning of the year	1368260	1.60	1368260	1.60
	Transactions - purchase / (sale) from April 1, 2018 to March 31, 2019	(694851)	(0.81)	673409	0.79
	At the end of the year			673409	0.79
7	Citigroup Global Markets Mauritius Private Limited				
	At the beginning of the year	–	–	–	–
	Transactions - purchase / (sale) from April 1, 2018 to March 31, 2019	600000	0.70	600000	0.70
	At the end of the year			600000	0.70
8	Burgundy Emerging Markets Fund				
	At the beginning of the year	594846	0.70	594846	0.70
	Transactions - purchase / (sale) from April 1, 2018 to March 31, 2019	(33851)	(0.04)	560995	0.65
	At the end of the year			560995	0.65
9	BBH Burgundy Emerging Markets Master Fund, LP				
	At the beginning of the year	495825	0.58	495825	0.58
	Transactions - purchase / (sale) from April 1, 2018 to March 31, 2019	(9827)	(0.01)	485998	0.57
	At the end of the year			485998	0.57
10	HDFC Trustee Company Limited - HDFC Tax Saverfund				
	At the beginning of the year	413326	0.48	413326	0.48
	Transactions - purchase / (sale) from April 1, 2018 to March 31, 2019	–	–	–	–
	At the end of the year			413326	0.48

** The shares of the Company are traded on daily basis and hence the date wise increase / decrease in shareholding is not indicated.*

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Director/ Key Managerial Personnel (KMP)	Shareholding at the beginning of the year as on April 1, 2018		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mr. S Venkatachalam				
	Non-Executive, Independent Director				
	At the beginning of the year	6000	0.01	6000	0.01
	Transactions - purchase / (sale) from April 1, 2018 to March 31, 2019	–	–	–	–
	At the end of the year			6000	0.01
2	Mr. Chaitanya Kamat				
	Managing Director and Chief Executive Officer				
	At the beginning of the year	–	–	–	–
	ESOP Exercised on July 31, 2018	92750	0.11	92750	0.11
	Sale on August 17, 2018	(1321)	(0.00)	91429	0.11
	Sale on August 20, 2018	(10448)	(0.01)	80981	0.09
	Sale on August 21, 2018	(3268)	(0.00)	77713	0.09
	Sale on August 23, 2018	(8377)	(0.01)	69336	0.08
	Sale on August 24, 2018	(1019)	(0.00)	68317	0.08
	Sale on August 27, 2018	(4292)	(0.01)	64025	0.07
	Sale on August 28, 2018	(174)	(0.00)	63851	0.07
	Sale on August 29, 2018	(3514)	(0.00)	60337	0.07
	Sale on August 30, 2018	(12074)	(0.01)	48263	0.06
	Sale on August 31, 2018	(19723)	(0.02)	28540	0.03
	Sale on September 3, 2018	(12245)	(0.01)	16295	0.02
	Sale on September 10, 2018	(7210)	(0.01)	9085	0.01
	Sale on September 11, 2018	(9085)	(0.01)	0	0.00
	ESOP Exercised on September 25, 2018	25500	0.03	25500	0.03
	At the end of the year			25500	0.03
3	Mr. Makarand Padalkar – KMP				
	At the beginning of the year	36397	0.04	36397	0.04
	Sale on April 1, 2018	(1400)	(0.00)	34997	0.04
	Sale on June 11, 2018	(1000)	(0.00)	33997	0.04
	Sale on July 2, 2018	(2203)	(0.00)	31794	0.04
	Sale on July 3, 2018	(6500)	(0.01)	25294	0.03
	Sale on July 5, 2018	(4150)	(0.00)	21144	0.02
	Sale on July 6, 2018	(3897)	(0.00)	17247	0.02
	ESOP Exercised on July 18, 2018	23500	0.03	40747	0.05
	Sale on September 18, 2018	(1500)	(0.00)	39247	0.05
	Sale on September 19, 2018	(4157)	(0.00)	35090	0.04
	ESOP Exercised on February 20, 2019	10500	0.01	45590	0.05
	At the end of the year			45590	0.05

Sr. No.	Name of the Director/ Key Managerial Personnel (KMP)	Shareholding at the beginning of the year as on April 1, 2018		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
4	Mr. Onkarnath Banerjee – KMP				
	At the beginning of the year	12	0.00	12	0.00
	Sale on June 26, 2018	(12)	(0.00)	0	0.00
	ESOP exercised on July 18, 2018	125	0.00	125	0.00
	Sale on July 23, 2018	(125)	(0.00)	0	0.00
	ESOP exercised on July 31, 2018	125	0.00	125	0.00
	Sale on September 18, 2018	(96)	(0.00)	29	0.00
	ESOP exercised on November 21, 2018	94	0.00	123	0.00
	Sale on January 21, 2019	(70)	(0.00)	53	0.00
	Sale on January 23, 2019	(50)	(0.00)	3	0.00
	At the end of the year			3	0.00

The following Directors did not hold any shares during the Financial Year 2018-19:

Mr. Harinderjit Singh - Director	Ms. Jane Murphy - Independent Director#	Ms. Kimberly Woolley - Director
Ms. Maria Smith - Director**	Mr. Richard Jackson - Director	Mr. Robert K Weiler - Director*
Mr. Sridhar Srinivasan - Independent Director	Mr. Vincent Secondo Grelli- Director##	Mr. Yong Meng Kau - Director##

** Resigned on August 14, 2018*
*** Resigned on May 9, 2019*
 # Appointed on February 13, 2019
Appointed on November 2, 2018

V. Indebtness:

The Company has not availed any loan during the year and is a debt-free company.

VI. Remuneration of Directors and Key Managerial Personnel:

A Remuneration to Managing Director, Whole-time Directors and / or Manager:

(Amounts in ₹ million)

Sr. No.	Particulars of Remuneration	Amount
	Mr. Chaitanya Kamat, Managing Director and Chief Executive Officer	
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	32.54
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	199.95
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	
2	Stock Option (OSU) (Number)	22500
3	Sweat Equity	–
4	Commission	–
	as a % of Profit	
	others, specify	
5	Others, please specify	–
	Total (A)	232.49
	Ceiling as per the Act (5% of the profits calculated under Section 198 of the Companies Act, 2013)	988.62

B Remuneration to other Directors:

(Amounts in ₹ million)

		Fee for attending Board/ Committee Meetings	Commission	Others	Total
1	Non-Executive, Independent Directors				
	S Venkatachalam	–	4.05	–	4.05
	Richard Jackson	–	3.23	–	3.23
	Sridhar Srinivasan	–	2.54	–	2.54
	Jane Murphy*	–	0.32	–	0.32
	Total (1)	–	10.14	–	10.14
2	Other Non-Executive, Non-Independent Directors#	–	–	–	–
	Total (2)	–	–	–	–
	Total (B) = (1+2)	–	10.14	–	10.14
	Total Managerial Remuneration (A+B)	–		–	242.63
	Overall Ceiling as per the Act (11% of the profits calculated under Section 198 of the Companies Act, 2013)				2174.97

** Appointed on February 13, 2019*

 # No payment is made towards fee / commission to the Non-Executive, Non-Independent Directors of the Company.

C Remuneration to Key Managerial Personnel other the MD/ Manager / WTD:

(Amounts in ₹ million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	CFO	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	6.12	10.57	16.69
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.33	60.17	61.50
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961			
2	Stock Option (OSU) (Number)	500	8750	
3	Sweat Equity	–	–	–
4	Commission	–	–	–
	- as a % of Profit			
	- others, specify			
5	Others, please specify	–	–	–
	Total	7.45	70.74	78.19

VII. Penalties / Punishment / Compounding of Offences:

There were no penalties / punishments / compounding of offences under any section of Companies Act, 2013.

Annexure 2

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, 2019, which were not at arm's length basis.

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

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

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

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

S Venkatachalam
Chairperson
DIN: 00257819

Mumbai
June 20, 2019

Secretarial audit report

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[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, 2019 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, 2019 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, 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) Regulations, 2014; 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 explanations given to me in 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, 2009; and

   (d) The Securities and Exchange Board of India (Buyback 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 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

Date: June 20, 2019
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.

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

Date: June 20, 2019
Place: Mumbai

Annual report on corporate social responsibility activities

For Financial Year ended March 31, 2019

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

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

   Oracle Financial Services Software Limited ("Oracle") is committed to using its resources to advance education, protect the environment, and strengthen communities. Through a combination of grants, sponsorships, and volunteer support, Oracle works to improve the quality of life in communities where it does business. The Company's Policy governing Corporate Social Responsibility ("CSR") is in line with the regulation specified in section 135 and schedule VII of the Companies Act, 2013 ("the Act"). The policy is available at www.oracle.com/financialservices

   CSR activities include, but are not limited to, the following:

   (i) Award cash grants to non-profit organizations, non-governmental organizations (NGOs), and other implementation partners, incorporated in India, with track records of at least three years. Grants will:

   - advance education, especially science, technology, engineering, art and mathematics (STEAM);
   - protect the environment and wildlife; and
   - strengthen communities by addressing health, hunger, poverty, and a variety of other community needs.

   (ii) Develop, fund and execute Oracle Volunteers projects.

   (iii) Award in-kind grants of software, curriculum, training, and certification resources to educational institutions through the Oracle Academy.

   The Company will not make contributions to any political party or its affiliations.

2. The Composition of the CSR Committee:

   The CSR Committee comprises of following Members:

Mr. Harinderjit Singh	Chairperson of the Committee
Mr. S Venkatachalam	Member
Mr. Chaitanya Kamat	Member

3. Average net profit of the Company for last three financial years:

   The average net profit of the company as per Rule 2(c)(f) of Companies (Corporate Social Responsibility) Rules is ₹ 16,161,251,372.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 323,225,028

5. Details of CSR spent during the financial year:

   (a) Total amount spent during the financial year: ₹ 323,300,462

   (b) Amount unspent: Nil

(c) Manner in which the amount (in Rupees) spent during the financial year:

During the year ended March 2019, Oracle spent the CSR funds across 103 programs / projects through various NGOs and other organizations in three areas of its focus, namely Education, Environment and Community. The particulars are given below:

Sr. No.	Particulars	Focus: Education	Focus: Environment	Focus: Community	Total
1	CSR project or activity identified.	40 projects / programs for promoting a) education and employment enhancing vocation skills, especially among children, women, elderly & differently abled persons and b) gender equality, empowering women, setting up homes and hostels for women and orphans; old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backwards groups.	15 projects / programs for promoting environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.	48 rural development projects / programs for eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	103 projects/ programs through 103 NGO partners
2	Sector in which the project is covered	Promoting Education & Gender Equality	Promoting Environment Sustainability	Rural development and eradicating poverty	
3	Projects or programs (1) Local area or other (2) Specify the State and District where projects or Programs were undertaken	Projects are implemented across several districts in multiple states (Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Maharashtra, Madhya Pradesh, New Delhi, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Uttarakhand, Uttar Pradesh and West Bengal) and 1 Union territory (Puducherry), and some projects are Pan India			
4	Amount outlay (Budget) Project or Programs wise	131,872,113	50,535,221	140,893,128	323,300,462
5	Amount spent on the projects or Programs	131,872,113	50,535,221	140,893,128	323,300,462
	(1) Direct expenditure or amount spent thru implementing agency on projects or programs	131,872,113	50,535,221	140,893,128	323,300,462
	(2) Overheads				
6	Cumulative expenditure up to the reporting period	131,872,113	50,535,221	140,893,128	323,300,462
7	Amount spent: Direct or through Implementing agency	131,872,113	50,535,221	140,893,128	323,300,462

Details of implementing agency: Charities Aid Foundation, India.

6. In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not applicable. As per the requirements of Section 135 of the Companies Act, 2013 the Company has spent two percent of the average net profit of the three immediately preceding financial years.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

We hereby confirm that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Harinderjit Singh
Chairperson of the Committee
DIN: 06628566

Chaitanya Kamat
Managing Director & Chief Executive Officer
DIN: 00969094

Place: Mumbai
Date: June 20, 2019

Corporate governance report

The detailed report on Corporate Governance of Oracle Financial Services Software Limited ("the Company") for the financial year 2018-19 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:

1. Company's philosophy on code of governance

The Company believes in adopting and adhering to all applicable regulations and globally recognized corporate governance practices and continuously benchmarking itself against such requirements. The Company understands and respects its fiduciary role and responsibility to its Members and strives to meet their expectations.

2. Board of Directors

2.1 Composition of the Board

The composition of the Board of Directors of the Company ("the Board"), their attendance at the Board Meetings during the year, attendance at the last Annual General Meeting, and the number of directorships and board committee Chairpersonships / Memberships held by them as on March 31, 2019 was as under:

Name of the Director	Board Meetings attended during the year	Attendance at the last AGM held on August 14, 2018	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)	6/6	Present	3	–	1
Mr. Richard Jackson (DIN: 06447687)	6/6	Present	5	1	2
Mr. Sridhar Srinivasan (DIN: 07240718)	6/6	Present	7	3	1
Ms. Jane Murphy (w.e.f. February 13, 2019) (DIN: 08336710)	1/1	Not Applicable	8	1	1
Non-Executive, Non-Independent Directors					
Mr. Harinderjit Singh (DIN: 06628566)	5/6	Absent	1	–	–
Ms. Kimberly Woolley (DIN: 07741017)	6/6	Present	10	–	1
Ms. Maria Smith (DIN: 07182337)	6/6	Present	4	–	–
Mr. Vincent Grelli (w.e.f. November 2, 2018) (DIN: 08262388)	2/2	Not Applicable	–	–	–
Yong Meng Kau (w.e.f. November 2, 2018) (DIN: 08234739)	2/2	Not Applicable	13	–	–
Executive Director					
Mr. Chaitanya Kamat Managing Director and Chief Executive Officer (DIN: 00969094)	6/6	Present	–	–	–

Video / tele-conferencing facilities are also used to facilitate Directors travelling / residing abroad or at other locations to participate in the meetings.

Notes:

1. The Chairperson of the Board of Directors is a Non-Executive, Independent Director and the Composition of the Board is in conformity with the Listing Regulations.

2. Pursuant to Regulation 26 of Listing Regulations, none of the Directors on the Board hold directorships in more than ten public companies, or acts as a Chairperson of more than five committees across all the Indian Public Companies in which he / she is a Director. None of the Directors are related inter-se.

3. 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.

4. 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.

5. None of the Independent Directors of the Company held directorships in listed companies except Mr. Sridhar Srinivasan who serves as a Non-Executive, Independent Director in Bank of Baroda.

6. Independent Directors are Non-Executive Directors as defined under Section 149 of the Companies Act, 2013 ("the Act"). All the Independent Directors have confirmed that they meet criteria of independence as specified in the Listing Regulations and are independent of the management. The tenure of Independent Directors is in accordance with the Act and Listing Regulations.

7. The familiarization program formulated for the Directors is available on the website of the Company at: http://www.oracle.com/us/industries/financial-services/financial-familarization-program-2547373.pdf

8. None of the Executive and Non-Executive Directors held any equity shares of the Company except Mr. S Venkatachalam who held 6000 equity shares and Mr. Chaitanya Kamat who held 25500 equity shares of the Company as on March 31, 2019.

9. Changes in Board during the year:

   - Mr. Robert K Weiler, who was liable to retire by rotation at the Annual General Meeting held on August 14, 2018, did not opt for re-appointment as a Non-Executive, Non-Independent Director.

   - Mr. Vincent Secondo Grelli and Mr. Yong Meng Kau were appointed as an Additional Directors of the Company, in the capacity of Non-Executive, Non-Independent Director, with effect from November 2, 2018.

   - Ms. Jane Murphy was appointed as an Additional Director of the Company in the capacity of Non-Executive, Independent Director with effect from February 13, 2019.

10. Pursuant to the recent amendment in Listing Regulations, the Company was required to appoint one Independent Director on the Boards of its material subsidiaries by April 1, 2019. Accordingly, Ms. Jane Murphy was appointed as a Director on the Boards of Oracle Financial Services Software B.V., Netherlands and Oracle Financial Services Software Pte. Ltd., Singapore and Mr. Richard Jackson was appointed as a Director on the Board of Oracle Financial Services Software, Inc., USA before April 1, 2019.

11. The Board has identified the following skills and competencies that help create a dynamic and effective Board.

    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.

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

The Directors of the Company collectively bring to the boardroom the above competencies and diverse experiences & perspectives in areas relevant to the Company.

2.2 Board meetings held during the financial year 2018-19

The Company held Board Meetings at regular intervals during the financial year 2018-19 and 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.

During the financial year 2018-19, six Board Meetings were held on the following dates:

May 11, 2018, July 3, 2018, August 13, 2018, August 14, 2018, November 2, 2018 and February 13, 2019.

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

During the year, a separate meeting of Independent Directors was held on February 13, 2019 and all the Independent Directors of the Company participated in the said meeting, without the presence of the Executive Directors and members of the Management of the Company.

2.3 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 the Senior Managerial Personnel of the Company have confirmed compliance with the Code as of March 31, 2019. The code is available on the website of the Company at: https://www.oracle.com/assets/cebc-176732.pdf

3. Audit committee

3.1 Brief description of terms of reference

The Audit Committee 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.

The extracts of terms of reference of the Audit Committee are as follows:

- Oversight of the financial reporting process and the disclosure of its financial information;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors, fixing their remuneration and the terms of appointment;
- Reviewing with the management, the quarterly and annual financial statements before submission to the Board for approval;
- Evaluating internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Scrutinizing inter-corporate loans and investments;
- Approving or any subsequent modification of transactions with related parties;
- Reviewing the functioning of Whistle Blower mechanism.

3.2 Composition, meetings and attendance of the committee

During the financial year 2018-19, five meetings of the Audit Committee were held on May 11, 2018, July 3, 2018, August 13, 2018, November 2, 2018 and February 13, 2019.

The details of the composition of the Audit Committee as on March 31, 2019 and the member's attendance at the Committee meetings during the year then ended were as under:

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
Ms. Maria Smith	Member, Non-Executive, Non-Independent Director	5/5
Mr. Sridhar Srinivasan (w.e.f. February 13, 2019)	Member, Non-Executive, Independent Director	NA

The Company Secretary acts as the Secretary to the Audit Committee meetings. The Managing Director and Chief Executive Officer, 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 14, 2018 to address the shareholders' queries.

4. Nomination and remuneration committee

4.1 Brief description of terms of reference

The Nomination and Remuneration Committee 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 extracts of terms of reference of the Nomination and Remuneration Committee are as follows:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board policies relating to the remuneration of the directors, key managerial personnel and other employees of the Company;
2. To recommend to the Board the remuneration including bonus payable to the directors and key managerial personnel;
3. To administer and deal with all matters concerning the Employee Stock Option (ESOP) Schemes including grant of stock options to the eligible directors, key managerial personnel and employees of the Company and its subsidiary companies from time to time;
4. To recommend persons who are qualified to become directors of the Company.

4.2 Composition, meetings and attendance of the committee

During the financial year 2018-19, business was dealt with by passing circular resolutions.

The composition of the Committee as on March 31, 2019 was as under:

Name of the Member	
Mr. Richard Jackson	Chairperson, Non-Executive, Independent Director
Mr. Harinderjit Singh	Member, Non-Executive, Non-Independent Director
Mr. Sridhar Srinivasan	Member, Non-Executive, Independent Director

4.3 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.

5. Remuneration paid to directors

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

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

The criteria for payment of commission to the Non-Executive, Independent Directors include a base commission plus incremental commission depending on the number and type of committees where they are members or chairpersons.

5.1 Details of remuneration paid to the directors during the financial year 2018-19

(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 Director					
Mr. Chaitanya Kamat#	22500	31.40	1.83	–	33.23
Non-Executive, Independent Directors					
Mr. S Venkatachalam	–	–	–	4.05	4.05
Ms. Jane Murphy@	–	–	–	0.32	0.32
Mr. Richard Jackson	–	–	–	3.23	3.23
Mr. Sridhar Srinivasan	–	–	–	2.54	2.54

** 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.

@ Appointed w.e.f. February 13, 2019.

During the financial year ended March 31, 2019, the Nomination and Remuneration Committee granted on June 29, 2018, 12,450 Stock Options at an Exercise Price of ₹ 4,158.20 and 125,129 OFSS Stock Units (OSUs) at an exercise price of ₹ 5 under OFSS Stock Plan 2014 to the eligible employees including a Director of the Company.

The terms of Employee stock options / OSUs granted to the Director were as under:

Name of the Director	Scheme@	Options / OSUs outstanding as at April 1, 2018	Options / OSUs exercised & allotted during the year	Options /OSUs outstanding as at March 31, 2019	Exercise price (₹)	Expiry Date
Mr. Chaitanya Kamat	2011	40000	40000	–	3126.85	February 4, 2023
	2011	47000	47000	–	3076.85	September 12, 2023
	Plan 2014 (OSUs)	12500	6250	6250	5.00	March 29, 2025
	Plan 2014 (OSUs)	18750	6250	12500	5.00	November 4, 2025
	Plan 2014 (OSUs)	25000	12500	12500	5.00	June 27, 2026
	Plan 2014 (OSUs)	25000	6250	18750	5.00	June 27, 2027
	Plan 2014 (OSUs)	–	–	22500	5.00	June 28, 2028

@ Options under Scheme 2011 were issued at prevailing market price of shares on the respective dates of grant. These options vest over a period of 5 years from the date of grant and are subject to continued employment / directorship with the Company. The stock options under OFSS Stock Plan 2014 were issued at prevailing market price of shares on the date of grant and 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.

6. Stakeholders' relationship committee

The Committee 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 are as follows:

- Consider and resolve the grievances of the security holders including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the 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.

During the financial year 2018-19, four meetings of the Committee were held on May 11, 2018, August 13, 2018, November 2, 2018 and February 13, 2019.

The details of the composition of the Committee as on March 31, 2019 and the member's attendance at the Committee meetings during the year then ended were as under:

Name of the Member		Number of meetings attended
Mr. S Venkatachalam	Chairperson, Non-Executive, Independent Director	4/4
Mr. Sridhar Srinivasan (w.e.f. February 13, 2019)	Member, Non-Executive, Independent Director	NA
Mr. Chaitanya Kamat	Member, Executive, Non-Independent Director	4/4
Mr. Makarand Padalkar	Member, Chief Financial Officer	4/4

Details of shareholders' complaints received, resolved and outstanding during the financial year 2018-19 are given below:

Particulars	No. of Complaints
Complaints outstanding on April 1, 2018	Nil
Complaints received during the financial year ended March 31, 2019	7
Complaints resolved during the financial year ended March 31, 2019	7
Complaints outstanding on March 31, 2019	Nil

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

7. Transfer committee

The scope of Transfer Committee is to consider and approve requests for transfer, transmission, rematerialization of equity shares and other investor related matters. The meetings are held as needed, based on such requests being received from the shareholders.

During the financial year 2018-19, three meetings of the Committee were held on May 11, 2018, November 2, 2018 and February 13, 2019. The details of the composition of the Committee as on March 31, 2019 and the member's attendance at the Committee meetings during the year then ended were as under:

Name of the Member		Number of meetings attended
Mr. S Venkatachalam	Chairperson, Non-Executive, Independent Director	3/3
Mr. Makarand Padalkar	Member, Chief Financial Officer	3/3

8. 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.

During the financial year 2018-19, thirteen meetings of the Committee were held on April 18, 2018, May 23, 2018, June 20, 2018, July 18, 2018, July 31, 2018, August 29, 2018, September 25, 2018, October 24, 2018, November 21, 2018, December 27, 2018, January 23, 2019, February 20, 2019 and March 26, 2019.

The details of the composition of the Committee as on March 31, 2019 and the member's attendance at the Committee meetings during the year then ended were as under:

Name of the Member		Number of meetings attended
Mr. S Venkatachalam	Chairperson, Non-Executive, Independent Director	13/13
Mr. Chaitanya Kamat	Member, Executive, Non-Independent Director	13/13
Mr. Sridhar Srinivasan	Member, Non-Executive, Independent Director	13/13
Mr. Makarand Padalkar	Member, Chief Financial Officer	13/13

9. Risk management committee

The scope of Risk Management Committee is to formulate Risk Management Policy of the Company to identify elements of risks, if any, which in the opinion of the Board might threaten the existence of the Company. The Audit Committee and the Board can refer certain matters to the Risk Management Committee as they deem fit. The Committee and senior management team assess and identify potential risks and take necessary actions to mitigate risks. The Committee invites the representatives of internal auditor and other stakeholders / executives as needed for the meetings.

During the financial year 2018-19, one meeting of the Committee was held on February 13, 2019.

The composition of Committee as on March 31, 2019 and the Member's attendance at the Committee meeting during the year then ended were as under:

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

10. Corporate social responsibility committee

The scope of Corporate Social Responsibility 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 the 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 2018-19, business was dealt with by passing circular resolutions.

The composition of Committee as on March 31, 2019 was as under:

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

11. Business responsibility committee

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

12. 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
2017-18	August 14, 2018 3.00 p.m.	Rama & Sundri Watumull Auditorium, K C College 124, Dinshaw Wachha Road, Churchgate, Mumbai 400020	Re-appointment of Mr. S Venkatachalam (DIN: 00257819) as an Independent Director for a further term of five consecutive years up to March 31, 2024. Re-appointment of Mr. Richard Jackson (DIN: 06447687) as an Independent Director for a further term of five consecutive years up to March 31, 2024.
2016-17	September 20, 2017 2.30 p.m.	Shri Bhaidas Maganlal Sabhagriha, Bhaktivedanta Swami Marg, Vile Parle (West), Mumbai 400056	–
2015-16	September 7, 2016 2.30 p.m.	The Westin Garden City, International Business Park Oberoi Garden City Goregaon (East), Mumbai 400063	Payment of Commission to the Directors of the Company (excluding the Managing Director and Whole-time Directors), not exceeding in the aggregate one per cent per annum of the net profits of the Company, which shall be calculated in accordance with the provisions of Sections 198 of the Companies Act, 2013; for a further period of five years from April 1, 2017 to March 31, 2022.

(i) There was no Extra-Ordinary General Meeting held during the last three financial years.

(ii) There was no matter requiring approval of the Members through Postal Ballot during the financial year ended March 31, 2019.

(iii) No special resolution is currently proposed to be conducted through postal ballot.

13. Means of communication

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

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

The quarterly and annual results of the Company were 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 www.oracle.com/financialservices

As a part of Green Initiative in Corporate Governance, the Ministry of Corporate Affairs vide its Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011 and pursuant to Section 101 and Section 136 and other applicable provisions of the Companies Act, 2013 read with relevant rules framed thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members of the company who have registered their email address either with the Company or with the Depository. The Securities and Exchange Board of India ("SEBI") has also permitted listed entities to supply soft copies of full annual reports to all those Members who have registered their email addresses for the purpose under Regulation 36 of the Listing Regulations. In case there is any change in your registered email address, please update the same with Company / Depository. The Company has since been annually sending communications to the incremental Members of the Company seeking their preference for receiving corporate documents and has issued / dispatched Annual Reports accordingly.

14. General shareholder information

14.1 Annual general meeting

Day, Date, Time and Venue	Thursday, August 8, 2019 at 3.00 p.m. Courtyard By Marriott Mumbai International Airport C.T.S No. 215, Andheri Kurla Road, Andheri East, Mumbai 400059
Financial Year	April 1 to March 31
Date of Book Closure	Friday, August 2, 2019 to Thursday, August 8, 2019 (both days inclusive)
Dividend Payment Date	Not Applicable

14.2 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

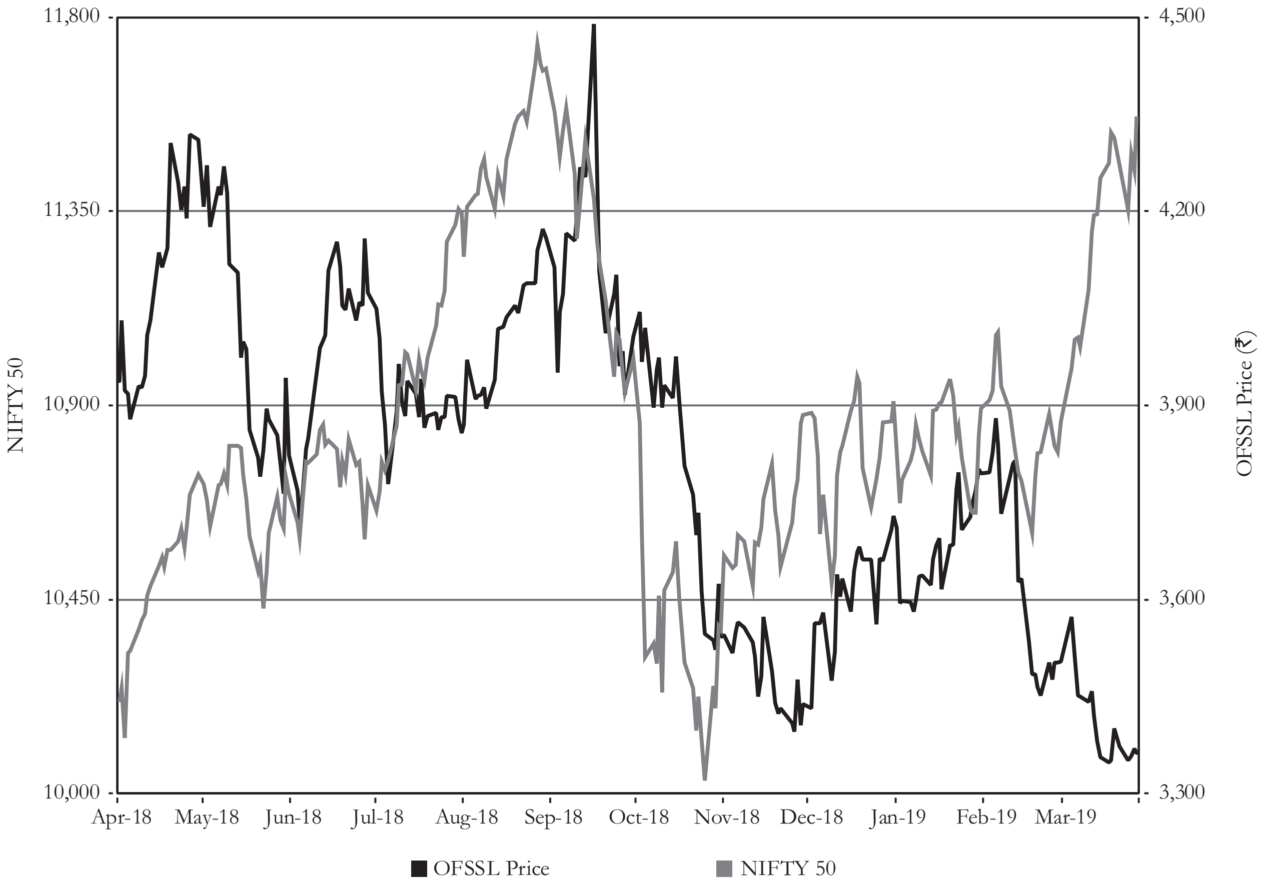
The annual listing fees for the financial year 2018–19 have been paid to both the exchanges.

14.3 Market price data

Monthly high, low and volume of the shares of the Company traded on the stock exchanges from April 1, 2018 to March 31, 2019 are given below:

Month and Year	BSE			NSE		
	High (₹)	Low (₹)	Volume of Shares	High (₹)	Low (₹)	Volume of Shares
April 2018	4400.00	3765.80	33055	4375.00	3760.00	689013
May 2018	4328.30	3600.00	24363	4337.80	3695.05	896890
June 2018	4200.00	3705.00	22930	4239.95	3698.50	508046
July 2018	4106.10	3750.00	20061	4120.00	3750.00	500992
August 2018	4190.00	3818.00	97790	4190.00	3810.50	1204184
September 2018	4655.00	3901.10	2239838	4658.40	3900.00	3637973
October 2018	4117.35	3329.55	44375	4118.00	3321.35	948403
November 2018	3636.90	3354.20	42488	3655.25	3348.10	806240
December 2018	3737.95	3383.05	34342	3745.00	3380.85	770766
January 2019	3836.95	3551.45	52008	3833.15	3551.35	535949
February 2019	3933.00	3401.35	116227	3938.95	3427.20	727633
March 2019	3601.15	3327.00	115781	3610.00	3325.80	697812

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



14.5 Registrar and transfer agents

Link Intime India Private Limited (formerly Intime Spectrum Registry Limited) is the Registrar and Transfer Agents of the Company ("the RTA") and their contact details are as under:

Name	Link Intime India Private Limited
Address	C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400083
Tel. no.	+91 22 49186000
Fax no.	+91 22 49186060
Email	rnt.helpdesk@linkintime.co.in

14.6 Share transfer system

Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Transfer Committee approves the transfer of shares held in physical mode. There are no requests for transfer of physical shares pending as on March 31, 2019.

14.7 Distribution of shareholding as on March 31, 2019

Paid-up shares in capital (in ₹)	Number of Shareholders	% to total shareholders	No. of Shares	Paid-up value (Face value ₹ 5 each)	% of Total no. of shares
Up to 2500	24934	94.44	1970186	9850930	2.30
2501 to 5000	466	1.77	798349	3991745	0.93
5001 to 10000	346	1.31	1186786	5933930	1.38
10001 to 20000	242	0.92	1218823	6094115	1.42
20001 to 30000	96	0.36	736421	3682105	0.86
30001 to 40000	70	0.27	873060	4365300	1.02
40001 to 50000	51	0.19	352758	1763790	0.41
50001 to 100000	87	0.33	1180984	5904920	1.38
100001 & Above	109	0.41	77461780	387308900	90.30
Total	26401	100.00	85779147	428895735	100.00

14.8 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, 2019, 99.72% of the equity shares of the Company were in electronic form and 99.79% of the shareholders held equity shares in electronic form.

14.9 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 or any convertible instruments.

14.10 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.

14.11 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.

14.12 Address for correspondence

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

The addresses of other offices of the Company and its subsidiaries are mentioned in the corporate information section of the annual report.

14.13 Credit rating

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

15. Other disclosures

a. There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

b. The Company has complied with statutory compliances and no penalty or stricture is imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter related to the capital markets during the last three years.

c. The Company has a Whistle Blower 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:
http://www.oracle.com/us/industries/financial-services/policy-determining-material-2615655.pdf

e. The related party transactions policy as approved by the Board is available on the Company's website at:
http://www.oracle.com/us/industries/financial-services/ofss-party-transactions-policy-2288144.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).

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 have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI, Ministry of Corporate Affairs (MCA) or any such statutory authority.

i. M/s. Mukund M. Chitale & Co., Chartered Accountants (Firm Registration no. 106655W) have been appointed as the Statutory Auditors of the Company. The details of payment of Statutory Auditors' fees, on a consolidated basis is given below:

Particulars	Amounts (₹ in million)
Statutory Audit Fees*	13.22
Others	0.06
Total	13.28

** 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 2018-19	2
Number of complaints disposed of during the financial year 2018-19	2
Number of complaints pending as at the end of the financial year 2018-19	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 sub-regulations (2) to (10) of the Listing Regulations.

l. Unclaimed Dividend: Pursuant to Sections 124 and 125 of Companies Act, 2013 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 August 14, 2018 (date of last Annual General Meeting) on the Company's website at www.oracle.com/financialservices and on the website of the MCA 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.

16. 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 Company has adopted unmodified audit opinion / report.

c. The Internal Auditor of the Company reports to the Audit Committee.

CEO & CFO Certificate

May 9, 2019

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) Regulation, 2015

We the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer 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 quarter and year ended on March 31, 2019 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 quarter and year ended on March 31, 2019 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, 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:

   1. Significant changes in internal control over financial reporting during the quarter and year ended on March 31, 2019;

   2. Significant changes in accounting policies during the quarter and year ended on March 31, 2019; 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	**Makarand Padalkar**
Managing Director & CEO	Chief Financial Officer

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, 2019.

For Oracle Financial Services Software Limited

Chaitanya Kamat
Managing Director & CEO
Mumbai, May 9, 2019

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 2019**, 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

Date: June 20, 2019
Place: Mumbai

Technology trends in the financial services industry and outlook

A rapid evolution of technologies, rise of consumer forces, and the increasing scope and speed of regulations is driving a fundamental transformation in the financial services industry. Several innovative operating and business models are emerging driven by shifts in the way both retail and corporate customers consume financial services. Disruptive trends such as artificial intelligence and machine learning, cloud deployment and blockchain technology are influencing the future of banking.

As pressure mounts on banks to innovate, and start-ups struggle to navigate regulations and court new customers, collaboration between the two is emerging as an important way to deliver value to the customer. The move towards ecosystem banking, in which banks become the core part of an ecosystem, could even see a shift from a bank being builders of financial solutions to assemblers and curators of consumer-driven financial management services, tools, and related offerings. The financial institutions need to move to open architecture systems that enable such collaboration. Your Company's solutions provide open APIs (Application Program Interfaces) and other features to enable banks to be an active member of the wider financial services ecosystem.

The increasing complexity of the Markets has changed the banking needs of corporates customers. They need innovation in the areas of credit, liquidity, cash management, trade finance and payments. Banks need to deliver solutions that improve efficiency, centralize information, provide real-time data, and reduce operating costs. Your Company's Corporate Banking suite of solutions are designed to enable easy extensibility, scalability and availability. Banks can easily address new business requirements while integrating with other internal and external applications and offer complete corporate banking solution.

Payments is another area where the scale and speed of adoption of new channels and technologies such as mobile wallets, CNP (Card Not Present) transactions, wearables and cryptocurrencies is altering the rules of the game. Banks are emerging as the anchor of this rapidly evolving payments landscape. In an increasingly cashless future, payment providers who embrace emerging payment innovations to offer differentiated, value-adding digital experiences can deepen their relationships with customers and take a dominant place in the changing market landscape. Your Company's payment solution provides state-of-the-art business services and industry standard messaging framework to enable banks to compete in a digital payments landscape.

Oracle Financial Services Software provides critical elements - digital, data, and an open platform - to enable faster implementation of digital and data capabilities across the business and drive outcomes from innovation investment - all at enterprise-grade scale, security and availability.

Our solutions are architected to enable financial institutions innovate in latest areas, support establishment of new business models as also offer best-of-breed capabilities for financial institutions that need to operate flexibly and respond rapidly to challenging market conditions.

Your Company's Analytical Applications power the top financial services companies in the world across Risk, Finance, Regulatory Compliance and Anti Financial Crime. These products are built on an industry-leading integrated data architecture that ensures sanctity of the source and curate data for reusability. These products enable financial institutions not just meet their Compliance and Regulatory needs, but also help monetize the investment in driving business benefit and improve overall profitability.

Business overview

Oracle Financial Services Software Limited, majority owned by Oracle, is a world leader in providing IT solutions to the financial services industry. With its experience of delivering value based IT solutions to global financial institutions, Oracle Financial Services Software understands the specific challenges that financial institutions face: the need for building customer intimacy and competitive advantage through cost-effective solutions, while simultaneously adhering to the stringent demands of a dynamic regulatory environment.

Our mission is to enable financial institutions to excel through the effective use of information technology. Our dedicated research and development centers excel in innovation by producing world class products that strive to be ahead of the market. We offer financial institutions the world's most comprehensive and contemporary banking applications and a technology footprint that addresses their complex IT and business requirements.

We offer a comprehensive suite of offerings encompassing retail, corporate, and investment banking, funds, cash management, trade, treasury, payments, lending, private wealth management, asset management, compliance, enterprise risk and business analytics, among others.

The products business (comprising product licensing, consulting and support) is our principal business segment. We also have two smaller business segments comprising of PrimeSourcing, our consulting services business (comprising IT application and technology services) and the business process outsourcing (BPO) services business.

These segments are described in detail below:

Products

The suite of solutions delivering a compelling Digital Experience, Digital Engagement and enabling comprehensive Data Management.

Oracle Banking Digital Experience brings new comprehensive capabilities to banks seeking a digital transformation, customer and product acquisitions, business services, including payments innovation and customer financial insight. Built on open standards architecture, it provides a full range of business services out-of-the-box, including digital account and loan origination, digital wallets and mobile payments.

Oracle Banking APIs is targeted at helping banks embarking on an Open API journey. Banks can take advantage of ready to consume APIs to accelerate their initiatives to tap new opportunities presented by PSD2 and Open Banking. Oracle Banking APIs enable banks to build seamless partnerships with third-party technology organizations, easily integrate with corporate client applications and reduce the time between API ideation and delivery.

Oracle Banking Platform is a comprehensive suite of business applications for large global banks. Oracle Banking Platform is designed to help banks respond strategically to today's business challenges and progressively transform their business models and processes, driving productivity improvements across both front and back offices and reducing operating costs. The solution supports banks as they grow their businesses through new distribution strategies, including multi-brand or white labeling, to tap new markets and enterprise product origination supporting multi-product and packages to drive an increased customer-to-product ratio. The solution provides a holistic view of the customer relationship across all products and services.

Oracle Banking Platform is designed as a native service-oriented architecture (SOA) platform, helping banks implement key enterprise services, deliver and enrich channel capability, drive process improvement and tie it in with their existing applications and technology landscape. Through pre-integrated enterprise applications and the underlying Oracle technology, the solution can also help to reduce in-house integration and testing efforts, ultimately, reducing IT costs and improving time-to-market. Oracle Banking Platform provides a comprehensive suite of applications that makes the replacement of core systems viable for large banks, enabling strategic choices as well as providing a high level of flexibility and value.

Oracle FLEXCUBE is a complete banking platform for retail, corporate and investment banking, consumer lending, asset management, and investor servicing including payments. Oracle FLEXCUBE can help banks jumpstart digital transformation and leapfrog their capabilities to stay relevant, competitive and compliant in a fast evolving industry. With its modern, digital, shrink-wrapped, pre-configured, interoperable, scalable and connected capabilities, Oracle FLEXCUBE Universal Banking can help catapult banks to the fore front of digital innovation and leadership. It enables banks to standardize operations across multiple countries, transform their local operations, address niche business requirements, respond faster to market, optimize operations, and manage compliance.

Oracle FLEXCUBE offers banks flexibility in deployment models and transformation journeys. The product suite leverages and incorporate evolving new-age technologies like Cloud, AI/ML, Blockchain and help banks explore new operating and business models with support for Open Banking, APIs and Business Services. Oracle FLEXCUBE offers comprehensive functional capabilities across multiple lines of business and banking segments (retail, corporate, transactions, Business/SME, Microfinance, Islamic, Central Banks) and supports new business capabilities, functionalities, regulatory compliance and country specific localizations. The product supports end-to-end servicing capabilities backed by rich functionality across lending, deposits, current and savings accounts and payment operations. The platform offers components that enables banks to modernize their corporate banking capabilities across lending, liquidity management, trade finance, virtual accounts etc. Oracle FLEXCUBE offers out of the box support for multiple standards and regulatory directives such as SWIFT GPI, SEPA Instant, PSD2, PAD, and FATCA phase III etc. and includes data privacy features.

Oracle Banking Enterprise Product Manufacturing is a comprehensive suite of Product master data management capability for the banking domain. It provides functionality to define financial products under Current Accounts and Savings Account, Loans, Term Deposits, Credit Cards, Investment and Retirement Accounts and Insurance (Consumer Credit, Lenders Mortgage and Home and Content Insurance types). Oracle Banking Enterprise Product Manufacturing helps banks create innovative products faster, add features to existing products, and set prices based on customer relationships. By designing differentiated product bundles, banks can optimize the product portfolio.

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

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

Oracle Banking Corporate Lending is an end-to-end digitally enabled lending solution. The solution enables easy integration with the bank's internal and external systems of customers, partner banks and agencies through that supports open interface (Open API) standards and eliminates processing overheads to deliver a 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 either through bilateral loans, syndicated loans by partnering with other banks or secondary loan trading. It enables banks to offer flexible loan terms such as revolving and non-revolving commitments, flexible interest rates and fees, different payments options, multiple rollover options and flexible disbursement facility.

Oracle Banking Liquidity Management enables banks to run a centralized liquidity management solution. The solution supports traditional liquidity management methods like pooling and sweeping as also the advanced methods such as interest optimization. The solution enables banks to provide in-depth visibility into cash positions of customers, thereby helping them manage their daily liquidity in a consolidated and effective manner. The solution also provides advanced techniques such as additional avenues for higher yield investments with flexibility to cater to country regulatory restrictions, which in turn helps businesses to remain competitive and grow steadily despite all odds.

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

Oracle Banking Corporate Lending Process Management is built to accelerate the process of origination and servicing of corporate loans, enhance digital experiences and empower banks to address customers' financing needs. Its flexible servicing capabilities enables banks to undertake revolving and non-revolving commitments, manual and automated payments, flexible rollover options and multiple types of disbursement facilities. Banks can now easily close loans with an efficient workflow that ensures settlements and legal proceeding are undertaken smoothly. An Open API enabled solution, Oracle Banking Corporate Lending Process Management allows banks to create new and connected experiences for their customers.

Oracle Banking Trade Finance Process Management provides comprehensive support for banks to enable their corporate customers to manage their trade finance operations efficiently. Banks can help corporate improve their trade service quality levels, expand trade operations to a global scale and ensure compliance to regulatory bodies without incurring additional costs. With Oracle Banking Trade Finance Process Management, banks can enable corporates to manage a wide range of trade services including guarantees, documentary credit and collections through intelligent automation.

Oracle Banking Virtual Account Management provides comprehensive support for banks to enable their corporate customers to manage their banking accounts efficiently. Pre-integrated with Oracle Banking Liquidity Management, Oracle Banking Payments and Oracle FLEXCUBE DDA the solution helps banks offer comprehensive support for virtual accounts. With Oracle Banking Virtual Account Management, corporates can ensure rationalization of number of real accounts and at the same time manage corporate liquidity efficiently.

Oracle Banking Payments helps financial institutions improve straight through processing, support real-time and immediate payment settlement, and reduce time-to-market while driving innovation. The solution is designed to enable banks to rapidly respond to evolving standards while maintaining complete operational control and providing high fidelity insight. Oracle Banking Payments supports global as well as local payment standards.

Oracle FLEXCUBE Enterprise Limits and Collateral Management offers a single source for managing exposure across a business portfolio. It enables centralized collateral management, limits definition, tracking and exposure measurement for effective exposure management and resource utilization.

Oracle Financial Services Lending and Leasing combines the power of Oracle's comprehensive, industry-leading lending, and leasing solution with the simplicity, elasticity and security of Oracle Cloud and empowering lending institutions to grow and improve profitability of their core lending business. The solution supports the complete consumer lending operations and lifecycle processing from origination to servicing, collections, delivering accurate, actionable information from a single data source to help lending institutions make faster and more informed decisions about loans, reduce risk, effectively manage the loan life cycle and manage delinquencies and losses. With an intuitive interface, navigation and context based account and customer sessions help boost user productivity.

Oracle FLEXCUBE Investor Servicing is a process enabled-transfer agency and investor servicing solution. It helps financial institutions manage the complete fund lifecycle and reduce operational costs through process automation across fund structures, intermediary hierarchies, and investors. Oracle FLEXCUBE Investor Servicing, an ISO 20022 compliant solution, enables enhanced STP processing through support for a wide variety of SWIFT NET Fund messages. With a comprehensive business rules engine for products such as hedge funds, mutual funds and investment linked products and fee structures, Oracle FLEXCUBE Investor Servicing allows fund management companies to configure and launch new products rapidly.

Oracle Financial Services Analytical Applications (OFSAA) is a suite of industry leading applications catering to the critical areas of Risk, Finance, Treasury, Front office, Regulatory Reporting and Compliance, including the areas of Financial Crime. These products are built on a unified data architecture leveraging new age technologies like Artificial Intelligence (AI)/ Machine Learning (ML) and Graph, to deliver high performance.

The suite of applications can be seamlessly integrated across all analytical applications, sharing a common data infrastructure, thereby significantly reducing the cost of deployment. The analytics framework readily adapts to change through prebuilt rules, pre-configured quantitative modeling techniques, pattern matching algorithms, highly configurable user interface.

In addition to pre-configured computing solutions for Risk and Regulatory Compliance, Oracle Financial Services Analytical Applications provide the ability to generate highly formatted templates for regulatory reporting submission and e-filing.

Services

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

We render services through centers located in India, onsite teams operating at our customers' premises and our on-site centers located in other parts of the world. With customer demands changing rapidly to outcome based transformational engagements; there is a clear opportunity for PrimeSourcing to integrate its deep domain knowledge with the product offerings of Oracle, thereby providing a compelling value.

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

Our revenues

Our revenues comprise three streams - license fees, annual maintenance contract (post contract support – PCS) fees for our products and consulting fees in respective business segments.

License fee

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

Annual maintenance contract (PCS) fees

Customers typically sign an Annual Maintenance Contract with us under which, we provide technical support, maintenance, problem resolution and upgrades for the licensed products. These support agreements typically cover a period of twelve months and are renewed for further period of 12 months.

Consulting fee

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

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

Analysis of our consolidated financial results

The following discussion is based on our audited consolidated financial statements, which have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant Rules of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The consolidated financial statements include Oracle Financial Services Software Limited ("the Company"), its subsidiaries and Controlled Trust (together referred to as "OFSS group" as described in note 1 to the consolidated financial statements) ("the Group") as at March 31, 2019.

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

Performance summary

(Amounts in ₹ million)

Year ended March 31, 2019	Products	Services	BPO Services	Total
Revenue	43,527.29	4,945.07	1,116.67	49,589.03
Operating expenses	(22,061.72)	(4,309.46)	(793.30)	(27,164.48)
Unallocable expenses				(1,515.60)
Income from operations	21,465.57	635.61	323.37	20,908.95
Operating margin	49%	13%	29%	42%
Profit for the year				13,858.98
Profit margin				28%
Year ended March 31, 2018				
Revenue	39,378.60	4,770.92	1,125.20	45,274.72
Operating expenses	(20,792.34)	(4,449.10)	(792.85)	(26,034.29)
Unallocable expenses				(1,742.92)
Income from operations	18,586.26	321.82	332.35	17,497.51
Operating margin	47%	7%	30%	39%
Profit for the year				12,370.41
Profit margin				27%

Our total revenues in the fiscal year ended March 31, 2019 were ₹ 49,589.03 million, an increase of 10% over our total revenues of ₹ 45,274.72 million in the fiscal year ended March 31, 2018. The increase in revenues was primarily attributable to an increase in the revenues from our products business.

Income from operations in fiscal year 2019 was ₹ 20,908.95 million representing an increase of 20% from ₹ 17,497.51 million in fiscal year 2018. The profit for the year in fiscal year 2019 was ₹ 13,858.98 million, as against ₹ 12,370.41 million in fiscal year 2018.

Revenues from operations

Products revenues

As of March 31, 2019, our product revenues were ₹ 43,527.29 million, an increase of 11% from ₹ 39,378.60 million during the fiscal year ended March 31, 2018. Product revenues represented 88% and 87% of total revenues for fiscal years ended 2019 and 2018, respectively.

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

	Year ended March 31, 2019	Year ended March 31, 2018
License fees	12%	14%
Consulting fees	57%	56%
PCS fees	31%	30%
Total	100%	100%

Services revenues

Our services revenues represented 10% and 11% of our total revenues for the fiscal year ended March 31, 2019 and March 31, 2018. Our services revenues were ₹ 4,945.07 million in the fiscal year ended March 31, 2019, an increase of 4% from ₹ 4,770.92 million in the fiscal year ended March 31, 2018.

The percentage of total services revenues from time and material contracts was 75% in fiscal year 2019 and 77% in fiscal year 2018, with the remainder of our services revenues attributable to fixed price contracts. We received 40% and 38% of our services revenues from onsite work and 60% and 62% from offshore work during the fiscal years 2019 and 2018 respectively.

Business Process Outsourcing (BPO) Revenues

Our revenues from BPO services in the fiscal year ended March 31, 2019 were ₹ 1,116.67 million, decrease of 1% over our revenues from BPO services of ₹ 1,125.20 million in the fiscal year ended March 31, 2018.

Finance income and other income, net

Our finance and other income primarily comprises of interest on bank deposits and foreign exchange gain / loss. Our finance and other income in the fiscal year ended March 31, 2019, was ₹ 1,760.92 million, as compared to ₹ 906.91 million in the fiscal year ended March 31, 2018. The higher interest income on bank deposits of ₹ 1,270.47 million on account of higher surplus cash balance along with higher interest rates has primarily attributed to overall increase in finance and other income.

Expenses

Operating expenses

The operating expenses consist of costs attributable to the compensation expenses for employees, project related travel expenses, professional fees paid to vendors, the cost of application software for internal use, selling and marketing expenses (including commissions payable to our partners), research and development expenses, product advertising and marketing expenses, contribution against Corporate Social Responsibility and overhead expenses associated with support functions such as human resources, finance, facilities and infrastructure, IT along with depreciation and amortization. We recognize these expenses as incurred.

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

Employee costs

Our employee costs increased by 5% to ₹ 21,958.10 million in the fiscal year ended March 31, 2019 from ₹ 20,991.71 million in the fiscal year ended March 31, 2018. Employee costs relate to salaries and bonuses paid to employees.

Travel related expenses

Our travel related expenditure increased by 6% to ₹ 2,466.95 million in the fiscal year ended March 31, 2019 from ₹ 2,334.18 million in the fiscal year ended March 31, 2018. Travel costs relate to airfare, accommodation and other related expenses incurred on travel of our employees both on projects and for internal assignments.

Professional fees

Our professional fees related expenditure decreased by 4% to ₹ 1,492.07 million in the fiscal year ended March 31, 2019 from ₹ 1,549.26 million in the fiscal year ended March 31, 2018 representing 3% of revenue from operations for the year ended March 31, 2019. Professional fees include services hired from external consultants for various projects.

Other expenses

Our other expenditure decreased by 3% to ₹ 2,225.79 million in the fiscal year ended March 31, 2019 from ₹ 2,287.43 million in the fiscal year ended March 31, 2018. The other expenses represent 4% and 5% of revenue from operations for years ended March 31, 2019 and 2018 respectively. Other expenses primarily consist of Corporate Social Responsibility expenditure, various facilities costs, application software, communication and other miscellaneous expenses.

Depreciation and amortization

Our depreciation and amortization charge was ₹ 537.17 million and ₹ 614.63 million for the year ended March 31, 2019 and March 31, 2018 respectively representing 1% of revenues from operations for both the years ended March 31, 2019 and 2018.

Operating Margin

Operating profit for the year ended March 31, 2019 is ₹ 20,908.95 million as against ₹ 17,497.51 million during the year ended March 31, 2018.

Income taxes

Our provision for income taxes in the fiscal year ended March 31, 2019 was ₹ 8,810.89 million, an increase of 46% over our provision for income taxes of ₹ 6,034.00 million in the fiscal year ended March 31, 2018. Our effective tax rate was 39% and 33% in the fiscal year 2019 and 2018, respectively. Income taxes also include foreign taxes representing income taxes payable overseas by us in various countries.

Profit for the year

As a result of the foregoing factors, net profit has increased by 12% to ₹ 13,858.98 million in fiscal year 2019 from ₹ 12,370.41 million in fiscal year 2018.

Analysis of our unconsolidated results

The following discussion is based on our audited unconsolidated financial statements, which have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

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

Our unconsolidated results are determined largely by the intercompany agreements with our subsidiaries. With effect from April 1, 2018, the Company amended its commercial arrangements with its subsidiary companies without modifying the substance of the arrangements and functions undertaken by the Company and its subsidiary companies. Consequently, there is a reduction in both the revenue earned and the expenditure incurred by the Company in the current year and they are not comparable with the previous year.

Performance summary

(Amounts in ₹ million)

Year ended March 31, 2019	Products	Services	Total
Revenue from operations	31,886.35	3,922.62	35,808.97
Operating expenses	(13,462.46)	(2,574.78)	(16,037.24)
Unallocable expenses	–	–	(1,297.08)
Income from operations	18,423.89	1,347.84	18,474.65
Operating margin	58%	34%	52%
Profit for the year			12,824.70
Profit margin			36%
Year ended March 31, 2018			
Revenue from operations	33,509.25	5,108.02	38,617.27
Operating expenses	(18,767.54)	(4,699.80)	(23,467.34)
Unallocable expenses	–	–	(1,167.06)
Income from operations	14,741.71	408.22	13,982.87
Operating margin	44%	8%	36%
Profit for the year			10,059.90
Profit margin			26%

Our total revenues in fiscal year 2019 were ₹ 35,808.97 million as against ₹ 38,617.27 million in fiscal year 2018.

Income from operations in fiscal year 2019 was ₹ 18,474.65, representing an increase of 32% from ₹ 13,982.87 million in fiscal year 2018. The profit for the year in fiscal year 2019 was ₹ 12,824.70 million, as against ₹ 10,059.90 million in fiscal year 2018.

Revenues from operations

Products revenues

Our products revenues in the fiscal year ended March 31, 2019, stood at ₹ 31,886.35 million, a decrease of 5% over our products revenues of ₹ 33,509.25 million in the fiscal year ended March 31, 2018. Product revenues represented 89% and 87% of total revenues for fiscal years ended 2019 and 2018 respectively.

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

	Year ended March 31, 2019	Year ended March 31, 2018
License fees	13%	13%
Consulting fees	52%	59%
PCS fees	35%	28%
Total	100%	100%

Services revenues

Our services revenues represented 11% and 13% of our total revenues in the fiscal year 2019 and 2018. Our services revenues were ₹ 3,922.62 million and ₹ 5,108.02 million in the fiscal year ended March 31, 2019 and March 31, 2018 respectively.

The percentage of total services revenues from time and material contracts was 71% in fiscal year 2019 and 75% in fiscal year 2018, with the remainder of our services revenues attributable to fixed price contracts.

Finance income and other income, net

Our finance and other income primarily comprises of interest on bank deposits and foreign exchange gain / loss. Our finance and other income were ₹ 1,389.50 in the fiscal year ended March 31, 2019, as compared to ₹ 886.27 million in the fiscal year ended March 31, 2018. Surplus cash balance along with movement in interest rates were the contributors towards higher interest income on bank deposits of ₹ 1,126.00 million for the fiscal year ended March 31, 2019.

Expenses

Operating expenses

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

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

Employee costs

Our employee costs decreased by 36% to ₹ 11,896.09 million in the fiscal year ended March 31, 2019 from ₹ 18,586.73 million in the fiscal year ended March 31, 2018. Employee costs relate to salaries and bonuses paid to employees in India and at overseas branches, stock compensation charge to eligible employees along with staff welfare activities for employees.

Travel related expenses

Our travel related expenditure decreased by 17% to ₹ 1,741.70 million in the fiscal year ended March 31, 2019 from ₹ 2,091.45 million in the fiscal year ended March 31, 2018. Travel costs relate to airfare, accommodation and other related expenses incurred on travel of our employees both on projects and for internal assignments.

Professional fees

Our professional fees related expenditure was ₹ 1,366.75 million in the fiscal year ended March 31, 2019 as against ₹ 1,739.71 million in the fiscal year ended March 31, 2018. The overall professional fees represent around 4% of revenue from operations for the year ended March 31, 2019 and 5% for the year ended March 31, 2018. Professional fees include services hired external consultants for various projects and support services.

Other expenses

Our other expenditure increased by 11% to ₹ 1,827.80 million in the fiscal year ended March 31, 2019 from ₹ 1,642.98 million in the fiscal year ended March 31, 2018. The other expenses represent 5% of revenue from operations for the year ended March 31, 2019 and 4% for the year ended March 31, 2018. Other expenses primarily consist of Corporate Social Responsibility expenditure, provision for diminution in value of investment, bad debts and impairment loss on contract assets, various facilities and infrastructure costs, application software, communication, and other miscellaneous expenses.

Depreciation and amortization

Our Depreciation and amortization charge was ₹ 501.98 million and ₹ 573.53 million for the year ended March 31, 2019 and 2018 respectively representing 1% of revenues from operations for the year ended March 31, 2019 and 2018 respectively.

Operating Margin

Operating profit for the year ended March 31, 2019 is ₹ 18,474.65 million as against ₹ 13,982.87 million during the year ended March 31, 2018.

Income taxes

Our provision for income tax in the fiscal year ended March 31, 2019, was ₹ 7,039.45 million as against ₹ 4,809.24 million in the fiscal year ended March 31, 2018. Our effective tax rate was 35% and 32% for the fiscal years ended March 31, 2019 and March 31, 2018 respectively. Income taxes also include foreign taxes representing income taxes payable overseas by the Company in various countries.

Profit for the year

As a result of the foregoing factors, net profit for the year ended March 31, 2019 is ₹ 12,824.70 million as against ₹ 10,059.90 million during the year ended March 31, 2018.

Other metrics

Key financial ratios

The following table summarizes significant changes in key financial ratios for the year ended March 31, 2019 and March 31, 2018.

	Consolidated		Unconsolidated	
	2019	2018	2019	2018
Financial Performance				
Operating profit / revenue from operations	42%	39%	52%	36%
Profit after tax / revenue from operations	28%	27%	36%	26%
Financial Position				
Current ratio	4.1 times	3.9 times	5.6 times	3.9 times
Return on total equity	28%	26%	33%	26%
Days of sales outstanding	63 days	73 days	48 days	59 days

Trade receivables

As per Consolidated financials, trade receivables as of March 31, 2019 and 2018 were ₹ 9,474.76 million and ₹ 10,074.80 million respectively. As per unconsolidated financials trade receivables as of March 31, 2019 and 2018 were ₹ 4,866.30 million and ₹ 6,317.93 million respectively.

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

Ageing in days	Consolidated		Unconsolidated	
	2019	2018	2019	2018
0-180	88%	93%	71%	84%
More than 180	12%	7%	29%	16%
Total	100%	100%	100%	100%

Geographic breakup of revenues

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

	Year ended March 31, 2019			Year ended March 31, 2018		
	Products Revenues	Services Revenues	Total Revenues	Products Revenues	Services Revenues	Total Revenues
Consolidated						
Americas (NAMER)	29%	69%	33%	30%	70%	34%
Europe, Middle East, Africa (EMEA)	37%	22%	35%	34%	21%	33%
Asia Pacific (JAPAC)	34%	9%	32%	36%	9%	33%
Total	100%	100%	100%	100%	100%	100%
Unconsolidated						
Americas (NAMER)	23%	67%	28%	28%	67%	34%
Europe, Middle East, Africa (EMEA)	42%	22%	39%	36%	23%	34%
Asia Pacific (JAPAC)	35%	11%	33%	36%	10%	32%
Total	100%	100%	100%	100%	100%	100%

Customer concentration

The percentage of total revenues during fiscal years 2019 and 2018 that we derived from our largest customer, largest five customers and largest ten customers on consolidated and unconsolidated basis is provided in the accompanying table. The Company contracts end customers in several countries through the local subsidiary of Oracle Corporation. Entities under common control are considered as a single customer for the purpose of reporting customer concentration.

	Products Revenues		Services Revenues		Total Revenues	
	2019	2018	2019	2018	2019	2018
Consolidated						
Largest customer	52%	52%	15%	14%	47%	46%
Top 5 customers	61%	61%	55%	58%	57%	56%
Top 10 customers	66%	66%	77%	79%	62%	62%
Unconsolidated						
Largest customer	74%	79%	98%	96%	77%	81%
Top 5 customers	89%	90%	100%	99%	90%	91%
Top 10 customers	93%	93%	100%	100%	94%	94%

Internal control systems and their adequacy

Oracle Financial Services Software group has in place adequate systems for internal control and documented procedures covering all financial and operating functions. These systems are designed to provide reasonable assurance with regard to maintaining proper accounting 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

New market dynamics, emerging digital-first competition, and ever-increasing regulation are driving financial services companies to reinvent themselves in fundamentally different ways. Our solution suite provides critical elements of this reinvention – digital, data, and an open platform. The company is well positioned to enable financial institutions implement digital and data capabilities faster, and drive outcomes from their innovation investment. While Geo-political issues are impacting mobility and the cost of doing business, our deep domain expertise, strong partner network, and high brand value, remain our strengths; resulting in continued momentum of new customer additions.

Our opportunities come from:

- Financial institutions continuing to upgrade their technology capabilities
- Increasing focus on digital solutions and experience for customers and staff
- Evolving regulatory mandates and market dynamics driving IT spend
- Our expanding solution footprint with new solutions for corporate banking and payments

The opportunities also throw up new challenges:

- Increased competition from vendors with digital solutions and new players
- Negative pressure on pricing as customers seek to streamline their IT budgets
- Attrition of key talent with increased demand for skilled resources who have a blend of domain and technology expertise

Liquidity and capital resources

Our capital requirement relate primarily to financing the growth of our business. We have historically financed the majority of our working capital, capital expenditure and other requirements through our operating cash flow. During fiscal year 2019 and 2018, we generated cash from operations of ₹ 13,796.12 million and ₹ 11,574.16 million respectively as per consolidated financials and ₹ 10,526.77 million and ₹ 10,669.09 million respectively as per unconsolidated financials.

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

Human capital

We are a globally integrated organization having seamless team-work with collaboration and a good understanding of the nuances of different geographical cultures with a strong backbone of our own Company culture and business conduct guidelines.

As at March 31, 2019, the Company had 6,503 employees (March 31, 2018 - 7,149) and the OFSS Group had 8,054 employees (March 31, 2018 - 8,818).

Talent acquisition and retention

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

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, make our employees unique. We leverage the virtual libraries across the organization and also use on-line learning from leading learning portals.

We have in-house curiosity club and work on creating patents which are unique to our domain. We encourage employees to author peer-reviewed technical papers and business case studies.

Employee experience and well-being

We also invest in employee health and well-being of the employees through a variety of programs. 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. We have crèche services for our woman employees at close quarters to the offices to enable them get back to regular work faster and easier. Our woman employees are part of the global Oracle Woman's Leadership initiative and undergoes specialized programs for developing future woman leaders.

Performance management and career development

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

Our Oracle University also helps us get learning for the future in both technology and domain, addressed on a periodic basis. All our employees are continuously equipped with the necessary learning which helps them to address the changing functional and technological environments, and customer requirements.

Rewards and recognition

Our reward mechanism is geared towards recognizing the achievements. We have a number of recognition programs which recognize the achievements both at a specific project level as on the basis an overall contribution to the organization goals. Our Pacesetter Awards program recognizes individual excellence and such high achievers get nominated for high-end, future focused learning 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
Currency Volatility	
A substantial portion of the Company's revenue is generated in foreign currencies (USD, AUD, SGD, EURO, JPY and GBP), while a majority of the Company's expenses are incurred in Indian Rupees. The functional currency of the Company is the Indian Rupee. Exchange rate fluctuations can significantly impact the Company's revenues, operating results, cash flows and total assets, which are reported in Indian Rupees.	The Company manages its foreign currency risk by hedging a part of receivables in the major currencies using forward contracts as a hedge instrument.
Competition	
The Company faces competition from established global, as well as regional and local, IT products and service providers. The Company also faces competition from new-age players who offer niche solutions.	The Company continues to invest in enriching its IT solutions technically and functionally as relevant to each market segment. A unique combination of state of the art IT products along with end-to-end consulting solutions for the financial services industry makes the Company competitive in the market.
Economic and political conditions	
The Company has presence across most continents and serves customers in over 150 countries. It faces risks due to changes in respective political environments, state of economies, GDP growth, inflation and other major changes in economic policies that are out of the Company's control.	The Company aims to proactively avoid situations with overt political or other risks. It carefully assesses the local situation to minimize the impact of such risks on its existing business and growth strategies.
Litigation	
Legal claims can arise from commercial disputes, intellectual property entitlements and employment related matters, among others. The risk increases due to vast geographic presence of the Company's operations and nature of its business. Litigation can be lengthy, expensive and disruptive. The results of litigation cannot be predicted and an adverse decision could result in monetary damages or injunctive reliefs that could affect the business, operating results or financial condition of the Company.	The Company has extensive processes to monitor and mitigate risks associated with customer contracts in their local jurisdictions. The Company conducts regular awareness sessions for its employees on applicable laws, immigration policies, data security, mobility restrictions, IP management, etc. The Company has a strong whistle blower mechanism for reporting such issues by any employee.
Cyber Security	
Due to the nature of its offerings, there is a risk of disruption or damage to the Company from any incidence involving compromise of data resulting in financial loss, reputational damage and legal claims.	The Company has implemented cyber security controls as per the NIST framework to detect, prevent and remediate data breach threats. These controls are continuously monitored for their effectiveness. The Company maintains appropriate fire walls, access controls and infrastructure services which are invoked at different points to mitigate risks.
Intellectual Property Rights	
Protecting intellectual property rights is crucial to the success of the Company, as any misappropriation or misuse of the intellectual property rights could harm its competitive position. There is also a risk that someone will claim that the Company is infringing on a third party's intellectual property. Such claims could lead to expensive litigation and even loss of IPR ownership.	The Company relies on a combination of copyright registrations, license agreements, confidentiality agreements with employees, nondisclosure and other contractual confidentiality requirements imposed on its customers and third parties, etc. to protect the Company's proprietary intellectual property rights. The Company has developed a highly secured IT environment that prevents unauthorized access to its Intellectual property assets. As regards our own IP, our release processes have extensive tests to ensure that no unauthorized third party IP is included.

Risks	Mitigation Plan
Change in Business Model	
Rapid technological advances, changing delivery models, evolving standards in software development, changing and increasingly sophisticated customer needs and frequent new product introductions and enhancements characterize the industry in which the Company operates. Inability to adapt to these changes may adversely affect the Company's market share and impact future growth.	The Company keeps close watch on the present and future competition and offerings, their market share, customer preferences, technological advancements and respective competitive advantages to make required modifications to its market strategy and business plan.
Data Privacy	
Protection of personal data is an area of increasing concern globally. Several countries and economic blocks have promulgating legislations, e.g., GDPR by the European Union. Certain legislations carry severe consequences for non-compliance or breach. Any violation or security breach, observed non-compliance or inadequacy of privacy policies and procedures can result in substantive liabilities, penalties and reputational impact.	The Company has a strong data privacy program that operates globally and has processes to keep track of newer legislative promulgations. The program involves strong internal controls, documentation policies, upgraded contract framework and employee awareness. The Company also ensures that its vendors follow the data privacy norms and conducts regular audits of the processes and systems used by them.
Global Regulations & Compliance Requirements	
The Company's operations are spread globally and it needs to manage a multi-cultural workforce, different political and economic conditions, complex tax regulations and local compliance requirements. Exposure to diverse work environments, immigration requirements, labor laws, etc. may impact the performance of the Company in each of such jurisdictions. Regulations which restrict mobility could also lead to the Company's inability to effectively service certain customers leading to loss of revenue.	The Company believes in adopting and adhering to globally recognized corporate governance practices and continuously benchmarking itself against such norms. The Company, through its local offices, aims to ensure compliance with applicable local laws and engages services of professional advisors whenever required. The Company has strong tax and mobility compliance programs globally.

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Consolidated financials

Financial statements for the year ended March 31, 2019 prepared in accordance with Ind AS (Consolidated).

Independent Auditor's Report

To the Members of Oracle Financial Services Software Limited

Report on the Audit of Consolidated Ind AS Financial Statements

1. Opinion

We have audited the accompanying Consolidated Ind AS financial statements of Oracle Financial Services Software Limited ("the Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2019, the Consolidated profit and consolidated total other comprehensive income, Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS financial statements under the provisions of the Companies Act, 2013 ("the Act") and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on Consolidated Ind AS financial statements.

3. Key Audit Matter

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

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

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Revenue Recognition**	**Principal Audit Procedures:**
	The Group's revenue streams consist of license fees, maintenance fees and consulting fees – fixed price and time & material contracts. Revenue from contracts with customers is recognised in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers ("Ind AS 115"). The application of Ind AS 115 involves certain key judgements relating to identification of distinct performance obligations, determination of the transaction price, allocation of transaction price to the identified performance obligations especially to license fees, the appropriateness of the basis used to measure	a) Evaluated the Group's work to implement Ind AS 115 and assessed whether the accounting principles comply with the new accounting standard. b) Obtained an understanding of management's internal controls over the revenue process and evaluated whether these were designed in line with the Ind AS 115. Tested relevant internal controls, including information technology (IT) controls, over revenue process. Carried out a combination of procedures involving inquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.

Sr. No.	Key Audit Matter	Auditor's Response
	revenue recognised over time or at a point in time, including relevant cut-off at period end dates. Refer note 2.3 (f), 17, 25 and 26 (ix) of the consolidated Ind AS financial statements.	c) Performed following procedures on a sample of revenue contracts entered into by Group, selected on a test check basis as deemed appropriate: i) Read and identified the distinct performance obligations in these contracts and compared these performance obligations with those identified and recorded in the books of accounts. 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. d) Performed cut-off testing procedures (by selecting a sample of contracts either side of year-end) to test that revenue has been recognised in the appropriate accounting period.
2.	**Evaluation of income tax positions**	**Principal Audit Procedures:**
	The Group has uncertain income tax positions in India which includes matters under dispute involving significant judgment to determine the possible outcome of these disputes. Further the Group has operations in a number of different jurisdictions and are therefore subject to many tax regimes and differing rules and regulations. This requires understanding and interpretation of various tax laws in each jurisdiction and appropriately applying these to tax calculations, which is inherently complex. Further management is also required to evaluate the transfer pricing mechanism as per applicable tax laws in different jurisdictions and its consequential impact on adequacy of provision for income tax for the year and as at the year-end. Refer note 2.3(g), 16, 26 (vi) and 39 of the consolidated Ind AS financial statements.	a) Evaluated the design and tested the operating effectiveness of the relevant controls, through combination of procedures involving inquiry and observation, reperformance and inspection of evidence in respect of operation of these controls to assess how the Group monitors income tax and related developments and their assessment of the potential impact on the Group. b) For uncertain tax positions, obtained details of income tax assessments, appeal orders and income tax demands from management. c) Evaluated the management's underlying assumptions of the validity and adequacy of provisions for uncertain income tax positions and evaluating 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. d) For key tax jurisdictions, assessed the appropriateness of the income tax computation provided by the management. e) For key tax jurisdictions, assessed the transfer pricing mechanism between the entities from arm's length perspective as per applicable tax laws to each entity within the group. f) Tested income tax computation provided by the management, tested the calculation of income tax and checked the arithmetical accuracy of the amounts reported. Read assessment orders from tax authorities, appeal orders tax returns wherever applicable, to assess its impact on income tax provision, if any. g) Obtained and assessed effective tax rate reconciliation to evaluate the total income tax expense for the year.

Sr. No.	Key Audit Matter	Auditor's Response
3.	**Impairment of Goodwill**	
	The goodwill amounting to ₹ 6,086.63 million represents 9.92 % of its total assets. For the cash generating units (CGUs) which also includes goodwill, the determination of the recoverable amount of these CGUs requires significant estimates in determining the key assumptions supporting the expected future cash flows of the business, the utilisation of the relevant assets and the most appropriate discount rate. Refer to note 2.3 (c), 5, 26 (iv) and 31 of the consolidated Ind AS financial statements.	a) Focused our testing on the impairment of goodwill and the key assumptions and estimates made by management. b) Audit procedures included an assessment of the controls over the impairment assessment process. c) Evaluated the design and tested the operating effectiveness of the relevant controls. d) Carried out the following procedures on the valuation report and supporting assumptions provided to us: i. Evaluated whether the approach and methodology used by management to calculate the value in use of each CGU complies with Ind AS 36 Impairment of Assets. ii. Obtained and analysed the projections provided by management for each CGU, to determine whether the forecast cash flows are supportable based on historical performance, including assessment of long term growth rate. iii. Analysed and reviewed the discount rates calculated by management i.e. Weighted Average Cost of Capital (WACC). iv. Assessed the key cash flow assumptions based on historical performance and industry information. e) Performed sensitivity analysis around the key assumptions used by management to ascertain the extent of change in those assumptions that either individually or collectively would be required for an impairment charge. f) Assessed the appropriateness of the recognition, measurement and related disclosures of goodwill.

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

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

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

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

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

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Director's of the Companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Director of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

i) Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under the section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary Companies which are Companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

v) Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements. For the other entities included in the consolidated Ind AS financial statements, which have been audited by the 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 regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

7. Other Matters

We did not audit the Ind AS financial statements/financial information, in respect of six subsidiaries, whose Ind AS financial statements/financial information reflect total assets of ₹ 20,144.92 million and net assets of ₹ 10,822.89 million as at March 31, 2019, total revenues of ₹ 41,490.90 million, total profit after tax (net) of ₹ 194.33 million and net cash inflows of ₹ 2,892.55 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statement/financial information have been audited by other auditors, whose Ind AS financial statements/ financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

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

8. Report on Other Legal and Regulatory Requirements

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 Ind AS financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of consolidated Ind AS Financial Statements.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flow and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India to the extent applicable and the operating effectiveness of such controls, refer to our separate report in Annexure A to this report.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid during the year by the Holding Company to its directors and its subsidiary companies, wherever applicable is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate Ind AS financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

   i. The Group has disclosed the impact of pending litigations on the financial position in its Consolidated Ind AS financial statements – Refer Note 27(b) and Note 39 to the Consolidated Ind AS financial statements;

   ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

(S.M.Chitale)
Partner
M. No. 111383

Date: May 09, 2019
Place: Mumbai

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

Referred to in paragraph [8(i)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date

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

1. In conjunction with our audit of the consolidated Ind AS financial statements of Oracle Financial Services Software Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Oracle Financial Services Software Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies to the extent applicable, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

6. In our opinion, the Holding Company and its subsidiary companies to the extent applicable, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

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

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

(S.M.Chitale)
Partner
M. No. 111383

Date: May 09, 2019
Place: Mumbai

Consolidated balance sheet
as at March 31, 2019

(Amounts in ₹ million)

	Notes	March 31, 2019	March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,450.09	2,180.07
Capital work-in-progress	3	4.53	25.86
Investment property	4	102.00	102.00
Goodwill	5	6,086.63	6,086.63
Investment in an associate	6	–	–
Financial assets	7	649.80	525.96
Deferred tax assets (net)	16	617.03	1,227.65
Income tax assets (net)		7,486.56	5,968.95
Other non-current assets	10	711.88	672.82
		18,108.52	16,789.94
Current assets			
Financial Assets			
Trade receivables	8	9,474.76	10,074.80
Cash and cash equivalents	9 (a)	11,562.69	8,060.99
Other bank balances	9 (b)	16,716.93	18,399.68
Other current financials assets	7	3,357.06	5,388.90
Income tax assets (net)		28.45	72.22
Other current assets	10	2,066.01	545.08
		43,205.90	42,541.67
TOTAL		61,314.42	59,331.61
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	11	428.76	426.73
Other Equity	12	48,936.63	46,647.20
Total equity		49,365.39	47,073.93
Non- current liabilities			
Financial liabilities	13	32.38	35.45
Other non-current liabilities	14	160.62	190.53
Employee benefit obligations	15	1,005.21	926.34
Deferred tax liability (net)	16	29.80	5.30
Income tax liabilities (net)		106.84	144.34
		1,334.85	1,301.96
Current liabilities			
Financial liabilities			
Trade payables			
Payable to micro and small enterprises	13	3.17	–
Payable to others	13	564.48	646.43
Other current financial liabilities	13	2,723.47	3,230.23
Other current liabilities	14	5,064.67	4,838.40
Employee benefit obligations	15	1,290.03	1,378.29
Income tax liabilities (net)		968.36	862.37
		10,614.18	10,955.72
TOTAL		61,314.42	59,331.61
Summary of significant accounting policies	2		

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

As per our report of even date

For Mukund M. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No. 106655W

S. M. Chitale
Partner
Membership No. 111383

Mumbai, India
May 9, 2019

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

S Venkatachalam
Chairman
DIN: 00257819

Chaitanya Kamat
Managing Director
& Chief Executive Officer
DIN: 00969094

Richard Jackson
Director
DIN: 06447687

Makarand Padalkar
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Compliance Officer
ACS: 8547

Mumbai, India
May 9, 2019

Consolidated statement of profit and loss
for the year ended March 31, 2019

(Amounts in ₹ million, except share data)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	17	49,589.03	45,274.72
Finance income	18	1,319.73	794.84
Other income, net	19	441.19	112.06
Total income		51,349.95	46,181.62
EXPENSES			
Employee benefit expenses	20	21,958.10	20,991.71
Travel related expenses		2,466.95	2,334.18
Professional fees		1,492.07	1,549.26
Other operating expenses	21	2,225.79	2,287.43
Depreciation and amortization	3	537.17	614.63
Total expenses		28,680.08	27,777.21
Profit before tax		22,669.87	18,404.41
Tax expenses	16		
Current tax		8,206.10	5,933.26
Deferred tax		604.79	100.74
Total tax expenses		8,810.89	6,034.00
Profit for the year		13,858.98	12,370.41
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gain (loss) on gratuity fund		46.51	49.83
Deferred tax	16	(14.07)	(15.92)
Items that will be reclassified subsequently to profit and loss			
Exchange differences on translation of foreign operations		194.05	427.71
Total other comprehensive income for the year, net of tax		226.49	461.62
Total comprehensive income for the year		14,085.47	12,832.03
Profit attributable to:			
Equity holders of the Company		13,858.98	12,370.41
Non-controlling interests		–	–
		13,858.98	12,370.41
Total comprehensive income attributable to:			
Equity holders of the Company		14,085.47	12,832.03
Non-controlling interests		–	–
		14,085.47	12,832.03
Earnings per equity share of par value of ₹ 5 each (in ₹)	24		
Basic		161.94	145.22
Diluted		161.11	144.37
Summary of significant accounting policies	2		

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

As per our report of even date

For Mukund M. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No. 106655W

S. M. Chitale
Partner
Membership No. 111383

Mumbai, India
May 9, 2019

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

S Venkatachalam
Chairman
DIN: 00257819

Chaitanya Kamat
Managing Director
& Chief Executive Officer
DIN: 00969094

Richard Jackson
Director
DIN: 06447687

Makarand Padalkar
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Compliance Officer
ACS: 8547

Mumbai, India
May 9, 2019

Consolidated statement of changes in equity
for the year ended March 31, 2019

Year ended March 31, 2019

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity									Total equity attributable to equity holders of the Company
	No. of shares	Share capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Contribution from Ultimate Holding Company	Gain on Treasury shares	Retained earnings	Other comprehensive income		
										Foreign currency translation reserve	Remeasurement of defined benefit obligation	
Balance as of April 1, 2018	85,346,293	426.73	1.91	13,663.84	10,145.19	1,899.06	48.17	357.16	19,719.03	812.84	–	47,073.93
Changes in equity for year ended March 31, 2019												
Adjustment on adoption of Ind AS 115 'Revenue from Contracts with Customers'	–	–	–	–	–	–	–	–	93.64	–	–	93.64
Application money received for exercised options	–	–	749.91	–	–	–	–	–	–	–	–	749.91
Shares issued for exercised options	362,254	1.82	(751.34)	749.52	–	–	–	–	–	–	–	–
Stock compensation charge	–	–	–	–	–	514.32	96.35	–	–	–	–	610.67
Forfeiture of options	–	–	–	–	–	(38.16)	–	–	38.16	–	–	–
Stock compensation related to options exercised	–	–	–	727.85	–	(727.85)	–	–	–	–	–	–
Sale of treasury shares	43,440	0.21	–	–	–	–	–	165.54	–	–	–	165.75
Profit for the year	–	–	–	–	–	–	–	–	13,858.98	–	–	13,858.98
Final equity dividend	–	–	–	–	–	–	–	–	(11,125.59)	–	–	(11,125.59)
Dividend distribution tax	–	–	–	–	–	–	–	–	(2,288.39)	–	–	(2,288.39)
Actuarial gain (loss) on gratuity fund including deferred tax thereon	–	–	–	–	–	–	–	–	–	–	32.44	32.44
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	–	–	194.05	–	194.05
Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings	–	–	–	–	–	–	–	–	32.44	–	(32.44)	–
Balance as of March 31, 2019	85,751,987	428.76	0.48	15,141.21	10,145.19	1,647.37	144.52	522.70	20,328.27	1,006.89	–	49,365.39

Year ended March 31, 2018

(Amounts in ₹ million, except share data)

Particulars	Equity share capital: No. of shares	Equity share capital: 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	Other comprehensive income: Remeasurement of defined benefit obligation	Total equity attributable to equity holders of the Company
Balance as of April 1, 2017	84,940,264	424.70	26.16	12,528.86	10,145.19	1,835.05	–	–	7,300.77	385.13	–	32,645.86
Changes in equity for year ended March 31, 2018												
Application money received for exercised options	–	–	587.91	–	–	–	–	–	–	–	–	587.91
Shares issued for exercised options	310,487	1.55	(612.16)	610.61	–	–	–	–	–	–	–	–
Stock compensation charge	–	–	–	–	–	635.18	48.17	–	–	–	–	683.35
Forfeiture of options	–	–	–	–	–	(46.80)	–	–	46.80	–	–	–
Stock compensation related to options exercised	–	–	–	524.37	–	(524.37)	–	–	–	–	–	–
Sale of treasury shares	95,542	0.48	–	–	–	–	–	357.16	–	–	–	357.64
Profit for the year	–	–	–	–	–	–	–	–	12,370.41	–	–	12,370.41
Interim equity dividend	–	–	–	–	–	–	–	–	(27.30)	–	–	(27.30)
Dividend distribution tax	–	–	–	–	–	–	–	–	(5.56)	–	–	(5.56)
Actuarial gain (loss) on gratuity fund including deferred tax thereon	–	–	–	–	–	–	–	–	–	–	33.91	33.91
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	–	–	427.71	–	427.71
Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings	–	–	–	–	–	–	–	–	33.91	–	(33.91)	–
Balance as of March 31, 2018	85,346,293	426.73	1.91	13,663.84	10,145.19	1,899.06	48.17	357.16	19,719.03	812.84	–	47,073.93

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 Mukund M. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No. 106655W

S. M. Chitale
Partner
Membership No. 111383

Mumbai, India
May 9, 2019

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

S Venkatachalam
Chairman
DIN: 00257819

Richard Jackson
Director
DIN: 06447687

Chaitanya Kamat
Managing Director
& Chief Executive Officer
DIN: 00969094

Makarand Padalkar
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Compliance Officer
ACS: 8547

Mumbai, India
May 9, 2019

Notes annexed to and forming part of consolidated financial statements
for the year ended March 31, 2019

Note 1: Corporate information

Oracle Financial Services Software Limited (the "Company") was incorporated in India with limited liability on September 27, 1989. The Company is domiciled in India and has its registered office at Mumbai, Maharashtra, India. The Company is a subsidiary of Oracle Global (Mauritius) Limited holding 73.53% (March 31, 2018 - 73.88%) ownership interest in the Company as at March 31, 2019.

The Company along with its subsidiaries and associate 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, 2019 were approved by the Company's Board of Directors and authorized for issue on May 9, 2019.

The Company has following subsidiaries, associate and controlled entities (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
i-flex Employee Stock Option Trust (Refer note 26)	India	Nil	Controlled trust
Login SA (till July 4, 2017)	France	33%	Associate
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
Subsidiaries of Mantas Inc.			
Sotas Inc.	United States of America	100%	Subsidiary
Subsidiaries of Sotas Inc.			
Mantas India Private Limited	India	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	India	100%	Subsidiary

Note 2: Significant accounting policies

2.1 Basis of preparation

These consolidated financial statements comprising of balance sheet as at March 31, 2019, statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

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

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

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

2.2 Basis of consolidation

OFSS consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the company, its subsidiaries, its associate 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, 2019.

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) Investment in associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence are similar to those necessary to determine control over the subsidiaries.

The OFSS group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the OFSS group's share of net assets of an associate since the acquisition date.

The statement of profit and loss reflects the OFSS group's share of the results of operations of an associate. The aggregate of the OFSS group's share of profit or loss of an associate is shown on the face of the statement of profit and loss. When OFSS group's share of losses of an associate equals or exceeds its interest in the same, OFSS group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the OFSS group has incurred legal or constructive obligations or made payments on behalf of the associate. If an associate subsequently reports profits, the OFSS group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

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

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

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

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

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is 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 amortized, 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.

(c) 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.

(d) 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").

Effective April 1, 2018, OFSS group has adopted Appendix B to Ind AS 21 "Foreign Currency Transactions and Advance Considerations" prospectively and the comparative information is not restated in the consolidated financial statements. 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 a foreign currency. The adoption of Appendix B to Ind AS 21, did not have a material impact on the consolidated statement of profit and loss for the year ended March 31, 2019.

(e) 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.

(f) Revenue recognition

Effective April 1, 2018, OFSS group has adopted Ind AS 115 "Revenue from Contracts with Customers" retrospectively with the cumulative effect recognized at the date of initial application. The standard is applied only to contracts that are not completed as of April 1, 2018 and the comparative information is not restated in the consolidated financial statements. The cumulative effect of applying Ind AS 115 primarily relates to capitalization of incremental cost associated with contracts and has been adjusted to the opening balance of retained earnings resulting in an increase of ₹ 93.64 million, net of tax. The adoption of Ind AS 115 did not have a material impact on the consolidated statement of profit and loss for the year ended March 31, 2019.

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

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

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

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

Performance obligation

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

Product maintenance revenue is 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 Revenue are classified as non-financial asset if the contractual right to consideration is dependent on completion of contractual milestones.

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

(g) 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.

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.

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.

(h) 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.

(i) 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.

(j) 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 analyses 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.

(k) 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.

On that basis, the OFSS group estimates the following provision matrix at the reporting date:

Ageing	0 - 30 days	31 - 60 days	61 - 90 days	91 - 180 days	181 - 360 days	More than 360 days
Africa	2.66%	16.14%	2.76%	13.32%	37.29%	44.84%
Asia Pacific	0.01%	0.27%	0.26%	3.64%	3.49%	22.66%
Europe & Middle East	0.03%	0.21%	0.16%	3.50%	2.70%	22.60%
United States of America & Latin America	0.07%	0.07%	0.47%	1.66%	16.28%	66.01%

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.

(l) 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.

(m) Leases

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.

OFSS group as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the OFSS group is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease, at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability which leads to constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the OFSS group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

A lease arrangement where substantially all the risks and rewards of ownership of an asset are not transferred to the OFSS group as lessee is classified as operating lease. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

(n) 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.

(o) 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.

(p) 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.

(q) 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.

(r) 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.

(s) 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.

(t) Cash and cash equivalents

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

Note 3: Property, plant and equipment

Year ended March 31, 2019

(Amounts in ₹ million)

Particulars	Gross carrying value					Depreciation					Net carrying value
	As at April 01, 2018	Additions	Sale/ deletions	Translation gain (loss)	As at March 31, 2019	As at April 01, 2018	For the year	Sale/ deletions	Translation (gain) loss	As at March 31, 2019	As at March 31, 2019
Freehold Land	436.31	–	–	–	436.31	–	–	–	–	–	436.31
Improvement to leasehold premises	614.36	–	149.82	21.91	486.45	538.04	41.88	149.81	21.86	451.97	34.48
Buildings	2,077.87	14.48	2.40	–	2,089.95	961.03	104.11	1.18	–	1,063.96	1,025.99
Computer equipments	2,112.17	676.39	95.26	7.65	2,700.95	1,827.55	259.67	93.90	7.43	2,000.75	700.20
Office equipments	268.54	24.60	18.20	1.63	276.57	253.06	16.33	18.57	1.42	252.24	24.33
Electricals and other installations	925.20	0.66	0.30	–	925.56	840.79	50.82	0.30	–	891.31	34.25
Furniture and fixtures	995.47	92.88	63.48	7.14	1,032.01	829.38	64.36	63.39	7.13	837.48	194.53
Total	7,429.92	809.01	329.46	38.33	7,947.80	5,249.85	537.17	327.15	37.84	5,497.71	2,450.09
										Capital work-in-progress	4.53
											2,454.62

Year ended March 31, 2018

(Amounts in ₹ million)

Particulars	Gross carrying value					Depreciation					Net carrying value
	As at April 01, 2017	Additions	Sale/ deletions	Translation gain (loss)	As at March 31, 2018	As at April 01, 2017	For the year	Sale/ deletions	Translation (gain) loss	As at March 31, 2018	As at March 31, 2018
Freehold Land	436.31	–	–	–	436.31	–	–	–	–	–	436.31
Improvement to leasehold premises	624.85	1.79	17.71	5.43	614.36	497.23	53.15	17.11	4.77	538.04	76.32
Buildings	2,077.87	–	–	–	2,077.87	857.58	103.45	–	–	961.03	1,116.84
Computer equipments	2,003.18	217.18	112.14	3.95	2,112.17	1,703.05	233.66	112.12	2.96	1,827.55	284.62
Office equipments	349.04	5.84	87.94	1.60	268.54	280.07	59.21	87.75	1.53	253.06	15.48
Electricals and other installations	934.00	3.35	12.15	–	925.20	768.21	84.73	12.15	–	840.79	84.41
Furniture and fixtures	943.84	56.92	5.95	0.66	995.47	753.71	80.43	5.40	0.64	829.38	166.09
Total	7,369.09	285.08	235.89	11.64	7,429.92	4,859.85	614.63	234.53	9.90	5,249.85	2,180.07
										Capital work-in-progress	25.86
											2,205.93

Note 4: Investment property

Year ended March 31, 2019

(Amounts in ₹ million)

Particulars	Gross carrying value					Depreciation						Net carrying value
	As at April 01, 2018	Additions	Sale/ deletions	Translation gain (loss)	As at March 31, 2019	As at April 01, 2018	For the year	Impairment loss	Sale/ deletions	Translation (gain) loss	As at March 31, 2019	As at March 31, 2019
Freehold land	102.00	–	–	–	102.00	–	–	–	–	–	–	102.00
Total	102.00	–	–	–	102.00	–	–	–	–	–	–	102.00

Year ended March 31, 2018

(Amounts in ₹ million)

Particulars	Gross carrying value					Depreciation						Net carrying value
	As at April 01, 2017	Additions	Sale/ deletions	Translation gain (loss)	As at March 31, 2018	As at April 01, 2017	For the year	Impairment loss	Sale/ deletions	Translation (gain) loss	As at March 31, 2018	As at March 31, 2018
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, 2019 and March 31, 2018 is based on valuations performed by Rakesh Narula & Co; an accredited independent valuer. Rakesh Narula & Co. is one of the senior most and reputed valuer in the field of asset valuation. Rakesh Narula & Co. has been carrying out valuation as per the International norms and Standards. The fair value of the above investment property as at March 31, 2019 and March 31, 2018 is ₹ 245.00 million and ₹ 237.50 million respectively.

The direct operating expenses incurred in relation to investment property are ₹ 4.13 million and ₹ 4.44 million for the financial year ended March 31, 2019 and March 31, 2018 respectively. These expenses are included in repairs and maintenance under note 21: Other operating expenses.

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

Reconciliation of fair value:	(Amounts in ₹ million)
Fair Value of Investment Property as on April 1, 2017	225.67
Adjustment towards Fair Values for the financial year ended March 31, 2018	11.83
Fair Value of Investment Property as on March 31, 2018	237.50
Adjustment towards Fair Values for the financial year ended March 31, 2019	7.50
Fair Value of Investment Property as on March 31, 2019	245.00

Description of valuation techniques used and key inputs to valuation on investment properties: (Amounts in ₹)

Investment property	Valuation technique	Significant unobservable inputs	Range (weighted average)	
			March 31, 2019	March 31, 2018
Freehold land	Market approach	Estimated market rate per sq. mt. of freehold land	₹ 15,909 to ₹ 23,620	₹ 13,306 to ₹ 29,659
	(Sale Comparison Method)	Negotiation, location and physical adjustments	-15% to 0%	-20% to +30%
		Final adjusted price per sq. mt.	₹ 15,909 to ₹ 17,007	₹ 13,050 to ₹ 18,628

The fair market value of the portion of land is computed using the market approach (Sale Comparison Method). The prevalent market rates of comparable property in the vicinity are considered to estimate the market value of the subject 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 subject property.

Note 5: Goodwill

Year ended March 31, 2019

(Amounts in ₹ million)

Particulars	Gross carrying value					Amortization and impairment losses					Net carrying value
	As at April 01, 2018	Additions	Sale/ deletions	Translation gain (loss)	As at March 31, 2019	As at April 01, 2018	For the year	Sale/ deletions	Translation (gain) loss	As at March 31, 2019	As at March 31, 2019
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, 2018

(Amounts in ₹ million)

Particulars	Gross carrying value					Amortization and impairment losses					Net carrying value
	As at April 01, 2017	Additions	Sale/ deletions	Translation gain (loss)	As at March 31, 2018	As at April 01, 2017	For the year	Sale/ deletions	Translation (gain) loss	As at March 31, 2018	As at March 31, 2018
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 6: Investment in an associate

The Company had a 33% interest in Login SA, which is a highly specialized front and mid office treasury solution provider with its product Login Acumen in France. The OFSS group's interest in Login SA was accounted for using the equity method in the consolidated financial statements. The Company has sold shares of Login SA on July 4, 2017 for a total consideration of ₹ 16.91 million.

Note 7: Financial assets

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
Non-current		
Other financial assets at fair value through profit or loss		
Investment in Sarvatra Technologies Private Limited (Unquoted)*		
242,240 (March 31, 2018 - 242,240) equity shares of ₹ 10 each, fully paid-up	–	–
Other financial assets measured at amortized cost		
Deposits for premises and others	649.80	525.96
	649.80	525.96
	649.80	525.96
Current		
Derivative instruments at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contract, net**	20.37	–
	20.37	–
Other financial assets measured at amortized cost		
Unbilled revenue	3,061.03	5,080.57
Deposits for premises and others	49.44	154.36
Other receivables and advances	226.22	153.97
	3,336.69	5,388.90
	3,357.06	5,388.90

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

** 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.

Breakup of financial assets carried at amortized cost:

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
Trade receivables [Refer note 8]	9,474.76	10,074.80
Cash and bank balances [Refer note 9]	28,279.62	26,460.67
Deposits for premises and others	699.24	680.32
Unbilled revenue	3,061.03	5,080.57
Other receivables and advances	226.22	153.97
	41,740.87	42,450.33

Note 8: Trade receivables

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
Secured, considered good	–	–
Unsecured, considered good	9,795.68	10,307.25
Credit impaired	128.10	827.01
	9,923.78	11,134.26
Impairment Allowance		
Unsecured, considered good	(320.92)	(232.45)
Credit impaired	(128.10)	(827.01)
	(449.02)	(1,059.46)
	9,474.76	10,074.80

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.

Note 9: Cash and bank balances

(Amounts in ₹ million)

		March 31, 2019	March 31, 2018
(a)	Cash and cash equivalents		
	Balances with banks:		
	In current accounts*	9,734.89	6,352.67
	In deposit accounts with original maturity of less than 3 months	1,711.17	1,593.05
	In unclaimed dividend accounts	116.63	115.27
		11,562.69	8,060.99
(b)	Other bank balances		
	Balances with banks:		
	In deposit accounts with original maturity of more than 3 months but less than 12 months**	16,715.34	18,398.06
	In margin money deposit accounts	1.59	1.62
		16,716.93	18,399.68
		28,279.62	26,460.67

* Current account includes ₹ 0.08 million (March 31, 2018 - ₹ 39.03 million) on account of restricted cash and bank balances held by i-flex Employee Stock Option Trust controlled by the Company.

** Deposit accounts with original maturity of more than 3 months but less than 12 months includes ₹ 950.38 million (March 31, 2018 - ₹ 684.53 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.

Note 10: Other assets

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
Non-current		
GST, VAT, service tax and other indirect taxes	460.57	460.57
Prepaid expenses	192.96	212.25
Deferred contract cost	58.35	–
	711.88	672.82
Current		
Unbilled revenue	1,368.51	–
GST, VAT, service tax and other indirect taxes	299.08	223.98
Prepaid expenses	346.76	321.10
Deferred contract cost	51.66	–
	2,066.01	545.08

Note 11: Equity share capital

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
Authorized:		
100,000,000 (March 31, 2018 - 100,000,000) equity shares of ₹ 5 each	500.00	500.00
Issued, subscribed and fully paid-up:		
85,751,987 (March 31, 2018 - 85,346,293) equity shares of ₹ 5 each	428.76	426.73

(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, 2019	March 31, 2018
Oracle Global (Mauritius) Limited, holding company		
Number of equity shares	63,051,197	63,051,197
% of equity shares	73.53%	73.88%

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, 2017	84,940,264	424.70
Issued during the year ended March 31, 2018 under the employee stock option plan (ESOP)	310,487	1.55
Sale of treasury shares during the year ended March 31, 2018	95,542	0.48
Outstanding as at March 31, 2018	85,346,293	426.73
Issued during the year ended March 31, 2019 under the employee stock option plan (ESOP)	362,254	1.82
Sale of treasury shares during the year ended March 31, 2019	43,440	0.21
Outstanding as at March 31, 2019	85,751,987	428.76

(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, 2019	March 31, 2018
Share application money pending allotment [Refer note below]	0.48	1.91
Securities premium	15,141.21	13,663.84
General reserve	10,145.19	10,145.19
Employee stock options outstanding	1,647.37	1,899.06
Contribution from Ultimate Holding Company	144.52	48.17
Gain on Treasury shares	522.70	357.16
Retained earnings	20,328.27	19,719.03
Other comprehensive income	1,006.89	812.84
	48,936.63	46,647.20

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 for the year ended March 31, 2019 represents the money received from employees of the Company towards exercise of 250 stock options at the exercise price of ₹ 1,930 under Employee Stock Option Plan 2011 Scheme ("Scheme 2011") and 299 OFSS Stock Units ("OSUs") at the exercise price of ₹ 5 under Oracle Financial Services Software Limited Stock Plan 2014 ("OFSS Stock Plan 2014"). Each stock option and OSU is entitled for one equity share of ₹ 5 each of the Company. Share application money pending allotment for the year ended March 31, 2018 represents the money received from employees of the Company towards exercise of 350 stock options at the exercise price of ₹ 3,077 and 200 stock options at the exercise price of ₹ 3,127 under Employee Stock Option Plan 2011 Scheme ("Scheme 2011") and 133 OFSS Stock Units ("OSUs") at the exercise price of ₹ 5 and 62 stock options at the exercise price of ₹ 3,393 under Oracle Financial Services Software Limited Stock Plan 2014 ("OFSS Stock Plan 2014"). Each stock option and 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.

The Board of Directors had recommended a final dividend of ₹ 130 per equity share for the year ended March 31, 2018. This final dividend was approved by the shareholders at the Annual General Meeting of the Company held on August 14, 2018.

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, 2019	March 31, 2018
(a)	Trade payable measured at amortized cost		
	Current		
	- Payable to micro and small enterprises*	3.17	–
	- Payable to others	564.48	646.43
		567.65	646.43
(b)	Other financial liabilities		
	Non-current		
	Financial liabilities measured at amortized cost		
	Accrued compensation to employees	32.38	35.45
		32.38	35.45
	Current		
	Derivative instruments at fair value through profit or loss		
	Derivatives not designated as hedges		
	Foreign exchange forward contract, net**	–	30.61
		–	30.61
	Other financial liabilities measured at amortized cost		
	Accrued compensation to employees	1,102.85	822.88
	Accrued Expenses	1,286.29	1,541.35
	Capital creditors	144.70	–
	Advance from customers	73.00	720.12
	Unpaid dividends***	116.63	115.27
		2,723.47	3,199.62
		2,723.47	3,230.23

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

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

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
- Principal amount remaining unpaid to any supplier as at the end of the year	3.17	–
- 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	–	–
	3.17	–

** 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.

*** There is no amount due and outstanding as at balance sheet date to be credited to the Investor Education and Protection Fund.

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

Note 14: Other liabilities

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
Non-current		
Deferred Revenue	10.25	39.17
Deferred Rent	150.37	151.36
	160.62	190.53
Current		
Deferred Revenue	4,401.16	4,223.64
Withholding and other taxes	213.83	208.51
Other statutory dues	433.33	393.62
Deferred Rent	16.35	12.63
	5,064.67	4,838.40

Note 15: Employee benefit obligations

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
Non-current		
Gratuity [Refer note 30]	1,005.21	926.34
	1,005.21	926.34
Current		
Gratuity [Refer note 30]	125.60	120.25
Compensated absence	1,164.43	1,258.04
	1,290.03	1,378.29

Note 16: Income taxes

(a) The major components of income tax expense for the year ended March 31, 2019 and March 31, 2018 are:

(Amounts in ₹ million)

		Year ended March 31, 2019	Year ended March 31, 2018
(i)	Profit or loss section		
	Current taxes	8,206.10	5,933.26
	Deferred taxes	604.79	100.74
	Income tax expense reported in the statement of profit and loss	8,810.89	6,034.00
(ii)	Other Comprehensive Income (OCI) section		
	Deferred tax on actuarial gain on gratuity fund	14.07	15.92
	Income tax expense charge reported in Other Comprehensive Income	14.07	15.92

Deferred tax charge for the year ended March 31, 2019 and March 31, 2018 relates to origination and reversal of temporary differences.

(b) Reconciliation of tax expense and accounting profit for the year ended March 31, 2019 and March 31, 2018:

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax	22,669.87	18,404.41
Enacted tax rates in India	34.94%	34.61%
Computed expected tax expenses	7,921.76	6,369.40
Tax effect		
of earlier years	(14.42)	(127.44)
on income at different rates	(353.31)	(220.38)
on undistributed profits	124.98	189.76
on non-deductible expenses for tax purpose	210.96	12.53
on weighted deduction for tax purpose	(454.49)	(370.36)
Overseas taxes	1,447.45	118.62
Others	(72.04)	61.87
Income tax expense reported in consolidated statement of profit and loss	8,810.89	6,034.00

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

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
Deferred tax asset		
Difference between book and tax depreciation	114.89	220.75
Provision for compensated absence	289.18	368.87
Provision for gratuity	382.90	360.94
Impairment loss on financial assets	172.21	389.15
Net operating loss	87.96	103.36
Tax on undistributed profits	(542.92)	(417.94)
Other timing differences	112.81	202.52
	617.03	1,227.65
Deferred tax liability		
Deferred revenue	(28.17)	(5.30)
Other timing differences	(1.63)	–
	(29.80)	(5.30)
Net deferred tax asset	587.23	1,222.35

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 ₹ 1,320.99 million (March 31, 2018 - ₹ 882.12 million).

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

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Balance, beginning of year	1,222.35	1,339.71
Tax (expense) on adoption of Ind AS 115 'Revenue from Contracts with Customers'	(26.40)	–
Tax (expense) income during the year recognized in profit or loss	(604.79)	(100.74)
Tax (expense) income during the year recognized in OCI	(14.07)	(15.92)
Translation differences	10.14	(0.70)
Balance, end of the year	587.23	1,222.35

Note 17: Revenue from operations

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Product licenses and related activities	43,527.29	39,378.60
IT solutions and consulting services	4,945.07	4,770.92
Business process outsourcing services	1,116.67	1,125.20
	49,589.03	45,274.72

Note 18: Finance income

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Interest on financial assets measured at amortized cost:		
Bank deposits	1,270.47	720.90
Deposits for premises and others	49.26	46.43
Others	–	27.51
	1,319.73	794.84

Note 19: Other income, net

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Fair value gain on derivatives not designated as hedges	(56.89)	59.77
Foreign exchange (loss), net	283.86	(203.70)
Profit on sale of fixed assets, net	0.51	2.07
Profit on sale of investment in associate [Refer note 6]	–	16.91
Miscellaneous income	213.71	237.01
	441.19	112.06

Note 20: Employee benefit expenses

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and bonus	19,518.42	18,457.81
Contribution to provident and other funds	975.94	1,026.49
Stock compensation expense	610.67	683.35
Staff welfare expenses	853.07	824.06
	21,958.10	20,991.71

Note 21: Other operating expenses

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Application software	34.71	57.78
Communication expenses	94.02	134.13
Rent	665.58	637.53
Power	210.37	214.90
Insurance	33.63	34.49
Repairs and maintenance:		
Buildings and leasehold premises	38.00	58.52
Computer equipments	9.74	14.47
Others	155.98	113.15
Rates and taxes	90.03	324.71
Impairment loss (reversed) on contract assets	(628.50)	(74.36)
Impairment loss on other financial assets	3.42	4.23
Bad debts	865.89	70.09
Corporate Social Responsibility expenditure [Refer note below]	324.83	333.00
Miscellaneous expenses	328.09	364.79
	2,225.79	2,287.43

As per the requirements of Section 135 of the Companies Act, 2013 the OFSS group was required to spend an amount of ₹ 324.76 million (March 31, 2018 - ₹ 332.90 million) on Corporate Social Responsibility expenditure based on the average net profits of the three immediately preceding financial years. The OFSS group has spent an amount of ₹ 324.83 million (March 31, 2018 - ₹ 333.00 million) against Corporate Social Responsibility expenditure.

Note 22: Research and development expenditure

Five in-house research and development centers of the Company in India have been accorded recognition by the Department of Scientific and Industrial Research (DSIR) from February 26, 2016. The aggregate expenditure on research and development activities in these in-house R&D centers is as follows:

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Revenue Expenditure	2,081.89	2,058.24
Capital Expenditure	519.36	82.06

Note 23: Net equity dividend remitted in foreign exchange

Year of remittance (ending on)	March 31, 2019	March 31, 2018
Period to which it relates	March 31, 2018	March 31, 2017
Number of non-resident shareholders	1	1
Number of equity shares on which dividend was due	63,051,197	63,051,197
Amount remitted (in US$ million)	114.05	166.02
Amount remitted (in ₹ million)	8,196.66	10,718.70

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

(Number of equity shares)

	Year ended March 31, 2019	Year ended March 31, 2018
Weighted average shares outstanding for basic earnings per share	85,582,423	85,182,848
Add: Effect of dilutive stock options	436,875	503,905
Weighted average shares outstanding for diluted earnings per share	86,019,298	85,686,753

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, 2019 (Amounts in ₹ million)

Particulars	Products	Services	BPO - Services	Total
Revenue by Geography				
India	2,713.55	26.30	18.98	2,758.83
Outside India				
Americas				
United States of America	9,764.18	2,998.63	1,097.69	13,860.50
Rest of America	2,969.06	112.16	–	3,081.22
Europe	6,759.15	1,081.87	–	7,841.02
Asia Pacific	12,361.56	508.66	–	12,870.22
Middle East and Africa	8,959.79	217.45	–	9,177.24
	43,527.29	4,945.07	1,116.67	49,589.03
Revenue by Streams and type of Contract				
License Fees	5,443.04	–	–	5,443.04
Maintenance Fees	13,496.73	–	–	13,496.73
Consulting fees				
Fixed Price	13,426.74	1,533.98	–	14,960.72
Time & Material Basis	11,160.78	3,411.09	1,116.67	15,688.54
	43,527.29	4,945.07	1,116.67	49,589.03

(b) During the year ended March 31, 2019, the OFSS group recognized revenue of ₹ 4,001.28 million from opening deferred revenue as of April 1, 2018.

(c) During the year ended March 31, 2019, the OFSS group recognized revenue of ₹ 732.10 million from performance obligations satisfied prior to April 1, 2018.

(d) Change in contract assets and contract liabilities are on account of transactions undertaken in the normal course of business. On account of adoption of Ind AS 115, unbilled revenue of ₹ 1,368.51 million as at March 31, 2019 has been classified as other current asset.

(e) **Reconciliation of revenue recognized with contract price for the year ended March 31, 2019**

(Amounts in ₹ million)

Revenue as per contracted price	49,744.03
Reduction towards discounts	(155.00)
Revenue from operations	49,589.03

(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:

i. contracts where the original expected duration is one year or less

ii. contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date. Typically this involves those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors such as terminations, changes in the scope of contracts, periodic revalidations of estimates and other macro economic factors.

The aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at March 31, 2019, after considering the practical expedient mentioned above is ₹ 12,780.21 million, out of which 67% 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 ₹ 63.12 million for the year ended March 31, 2019 and has closing balance of deferred contract cost asset of ₹ 110.01 million as at March 31, 2019.

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) **Operating lease**

The OFSS group has entered into commercial property leases for offices. The OFSS group has accounted these contracts as operating leases which have been determined based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property, the fair value of the asset and that the OFSS group does not obtain any significant risks and rewards of ownership of these properties.

(ii) **Fair value of investment property**

As per the Ind AS, the OFSS group is required to disclose the fair value of the investment property. Accordingly, the Company has engaged an independent valuation specialist to assess the fair values of investment property as at March 31, 2019 and March 31, 2018. The investment property was valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the investment property. The key assumptions used to determine fair value of the investment property and sensitivity analysis are provided in note 4.

(iii) Employee Benefit Trust

The Company had formed a Trust with name i-flex Employee Stock Option Trust ("The Trust") in the year 1998. The main object was to provide benefit to the employees through stock purchase scheme. The Trust is holding certain assets including the equity shares of the Company. The Trust funds would now be utilized for the benefit of the employees. However, as per the Trust deed, the Company may use its controlling power on certain activities of the Trust. Accordingly, the financial of the Trust are consolidated with the financials of the OFSS group.

(iv) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the projections for the next five years and do not include restructuring activities that the OFSS group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognized by the OFSS group. The key assumptions used to determine the recoverable amount for the different CGUs, are disclosed and further explained in note 31.

(v) Share based payments

The Company measures share-based payments and transactions at fair value and recognizes over the vesting period using Black Scholes valuation model. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and model used for estimating fair value for share-based payment transactions are disclosed in note 29(b).

(vi) Taxes

Income tax expense comprises current tax expense and the net changes in the deferred tax asset or liability during the year. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions, including disclosures thereof. Also refer note no. 2.3 (g) and note 39.

Deferred tax liability is recognized on the undistributed profits of subsidiaries where it is expected that the earnings of the subsidiary will be distributed in foreseeable future. Deferred tax asset is recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(vii) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment retirement benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date annually. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases is based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in note 30.

(viii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 37 for further disclosures.

(ix) Revenue recognition

The OFSS group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables. The OFSS group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

In determining the transaction price for the contract, judgement is required to assess if the consideration is fixed or is considered variable and whether there is any constraint on such variable consideration such as volume discounts, service level credits and price concessions. The OFSS group uses judgement to determine an appropriate standalone selling price for each performance obligation and allocates the transaction price to each performance obligation on the basis of the relative 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 and contingent liabilities

(Amounts in ₹ million)

	Particulars	March 31, 2019	March 31, 2018
(a)	Capital Commitments towards Property, Plant and Equipment		
	Contracts remaining to be executed on capital account not provided for (net of advances)	241.04	235.24
(b)	Contingent liabilities	3.20	4.61

Note 28: Leases

Where OFSS group is lessee

Operating lease

The OFSS group has taken certain office premises under operating lease, which expire at various dates through year 2025. Some of these lease agreements have a price escalation clause. Gross rental expenses for the year ended March 31, 2019 aggregated to ₹ 613.08 million (March 31, 2018 - ₹ 585.59 million). The minimum rental payments to be made in future in respect of these leases are as follows:

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
Not later than one year	*476.94	488.58
Later than one year but not later than five years	1,261.48	993.15
Later than five years	92.27	234.99
	1,830.69	1,716.72

* Excludes ₹ 79.89 million towards rentals paid in advance.

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 Solution 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 ₹ 10.89 million (March 31, 2018 - ₹ 28.71 million) towards welfare of employees of the Company.

As at March 31, 2019, the Trust is holding 27,160 equity shares (March 31, 2018 – 70,600 equity shares) of the Company.

(b) Employee Stock Option Plan ("ESOP")

The Members at their Annual General Meeting held on August 14, 2001 approved grant of ESOPs to the employees / directors of the Company and its subsidiaries up to 7.5% of the issued and paid-up capital of the Company from time to time. This said limit was enhanced and approved up to 12.5% of the issued and paid-up capital of the Company from time to time, by the Members at their Annual General Meeting held on August 18, 2011. This 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 under this authorization.

Pursuant to ESOP scheme approved by the shareholders of the Company on August 14, 2001, the Board of Directors, on March 4, 2002 approved the Employees Stock Option Scheme ("Scheme 2002") for issue of 4,753,600 options to the employees and directors of the Company and its subsidiaries. According to the Scheme 2002, the Company has granted 4,548,920 options prior to the IPO and 619,000 options at various dates after IPO (including the grants of options out of options forfeited earlier). On August 25, 2010, the Board of Directors approved the Employees Stock Option Plan 2010 Scheme ("Scheme 2010") for issue of 618,000 options to the employees and directors of the Company and its subsidiaries. According to the Scheme 2010, the Company has granted 638,000 options (including the grants of options out of options forfeited earlier).

Pursuant to ESOP scheme approved by the shareholders of the Company in their meeting held on August 18, 2011, the Board of Directors approved the Employees Stock Option Plan 2011 Scheme ("Scheme 2011"). Accordingly, the Company has granted 1,950,500 options under the Scheme 2011. Nomination and Remuneration Committee in their meeting held on August 7, 2014 approved Oracle Financial Services Software Limited Stock Plan 2014 ("OFSS Stock Plan 2014"). Accordingly the Company granted 178,245 Stock Options and 712,203 OFSS Stock Units ("OSUs") under OFSS Stock Plan 2014. The issuance terms of OSUs are the same as for Stock Options, employees may elect to receive 1 OSU in lieu of 4 awarded Stock Options at their respective exercise price.

As per the Scheme 2002, Scheme 2010 and Scheme 2011, each of 20% of the total options granted will vest on completion of 12, 24, 36, 48 and 60 months from the date of grant and is subject to continued employment of the employee or directorship of the director with the Company or its subsidiaries. Options have exercise period of 10 years from the date of grant. The employee pays the exercise price upon exercise of options.

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 and is subject to continued employment of the employee with the Company or its subsidiaries. Options / OSUs have exercise period of 10 years from the date of grant. The employee pays the exercise price upon exercise of options / OSUs.

A summary of the activity in the Company's ESOP (Scheme 2002) is as follows:

	Year ended			
	March 31, 2019		March 31, 2018	
	Shares arising from options	Weighted average exercise price (₹)	Shares arising from options	Weighted average exercise price (₹)
Outstanding at beginning of year	–	–	12,000	2,333
Granted	–	–	–	–
Exercised	–	–	(12,000)	2,333
Forfeited	–	–	–	–
Lapsed	–	–	–	–
Outstanding at end of the year	–	–	–	–
Vested options	–		–	
Unvested options	–		–	

A summary of the activity in the Company's ESOP (Scheme 2010) is as follows:

	Year ended			
	March 31, 2019		March 31, 2018	
	Shares arising from options	Weighted average exercise price (₹)	Shares arising from options	Weighted average exercise price (₹)
Outstanding at beginning of year	41,485	2,050	56,675	2,050
Granted	–	–	–	–
Exercised	(3,120)	2,050	(14,600)	2,050
Forfeited	(1,300)	2,050	(590)	2,050
Outstanding at end of the year	37,065	2,050	41,485	2,050
Vested options	37,065		41,485	
Unvested options	–		–	

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

	Year ended			
	March 31, 2019		March 31, 2018	
	Shares arising from options	Weighted average exercise price (₹)	Shares arising from options	Weighted average exercise price (₹)
Outstanding at beginning of year	635,882	2,966	860,798	2,922
Granted	–	–	–	–
Exercised	(241,558)	3,034	(196,016)	2,753
Forfeited	(12,100)	2,949	(28,900)	3,100
Outstanding at end of the year	382,224	2,924	635,882	2,966
Vested options	382,224		540,332	
Unvested options	–		95,550	

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

	Year ended			
	March 31, 2019		March 31, 2018	
	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	560,669	863	534,537	905
Granted	137,669	381	138,383	237
Exercised	(117,576)	103	(87,871)	176
Forfeited	(26,190)	1,412	(24,380)	710
Outstanding at end of the year	554,572	878	560,669	863
Vested options	192,454		154,597	
Unvested options	362,118		406,072	

During the year ended March 31, 2019, the Company has granted 12,450 stock options and 125,219 OSUs under OFSS Stock Plan 2014 at an exercise price of ₹ 4,158 and ₹ 5 respectively.

The weighted average share price for the year over which stock options / OSUs were exercised was ₹ 3,960 (March 31, 2018 - ₹ 3,795).

The details of options / OSUs unvested and options / OSUs vested and exercisable as on March 31, 2019 are as follows:

	Exercise prices (₹)	Number of Options	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Options /OSUs unvested	5	312,876	5	8.3
	3,393	25,100	3,393	7.2
	3,579	6,450	3,579	8.2
	3,987	6,792	3,987	6.6
	4,158	10,900	4,158	9.2
Options /OSUs vested and exercisable	5	104,601	5	6.6
	1,930	57,541	1,930	2.7
	2,050	37,065	2,050	1.4
	3,077	176,683	3,077	4.5
	3,127	148,000	3,127	3.8
	3,241	41,578	3,241	6.0
	3,393	23,712	3,393	7.2
	3,579	2,155	3,579	8.2
	3,987	20,408	3,987	6.6
		973,861	1,726	5.9

The details of options / OSUs unvested and options / OSUs vested and exercisable as on March 31, 2018 are as follows:

	Exercise prices (₹)	Number of Options	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Options /OSUs unvested	5	329,388	5	8.4
	3,077	95,550	3,077	5.5
	3,241	11,994	3,241	7.0
	3,393	40,901	3,393	8.2
	3,579	9,000	3,579	9.2
	3,987	14,789	3,987	7.6
Options /OSUs vested and exercisable	5	92,910	5	7.5
	1,930	73,133	1,930	3.7
	2,050	41,485	2,050	2.4
	3,077	200,489	3,077	5.5
	3,127	266,710	3,127	4.9
	3,241	34,445	3,241	7.0
	3,393	12,556	3,393	8.2
	3,987	14,686	3,987	7.6
		1,238,036	1,983	6.3

Stock options / OSUs granted during the financial year ended March 31, 2019:

The weighted average fair value of stock options / OSUs granted during the year was ₹ 3,868 (March 31, 2018 - ₹ 3,407).

The Black Scholes valuation model has been used for computing the above weighted average fair value of stock options / OSUs granted considering the following inputs:

	Year Ended March 31, 2019	
	OFSS Stock Plan 2014 (Stock Option)	OFSS Stock Plan 2014 (OSU)
	June, 2018	June, 2018
Weighted average share price (in ₹)	991	4,154
Exercise Price (in ₹)	4,158	5
Expected Volatility	22%	22%
Weighted average life (in years)	2.93	2.60
Expected dividend rate	Nil	Nil
Average risk-free interest rate	7.61%	7.48%

	Year Ended March 31, 2018	
	OFSS Stock Plan 2014 (Stock Option)	OFSS Stock Plan 2014 (OSU)
	June, 2017	June, 2017
Weighted average share price (in ₹)	987	3,575
Exercise Price (in ₹)	3,579	5
Expected Volatility	23%	23%
Weighted average life (in years)	3.60	3.60
Expected dividend rate	Nil	Nil
Average risk-free interest rate	6.45%	6.45%

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, 2019 and March 31, 2018, the OFSS group contributed following amounts to defined contributions plans:

(Amounts in ₹ million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Provident fund	349.32	352.07
Superannuation fund	114.65	124.16
	463.97	476.23

Defined benefit plan – gratuity

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

(Amounts in ₹ million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	136.08	127.64
Past service cost	–	87.95
Interest cost, net	72.90	56.78
Total included in employee benefit expenses	208.98	272.37

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

(Amounts in ₹ million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Due to change in demographic assumptions	(4.06)	3.46
Due to change in financial assumptions	(6.95)	(48.27)
Due to change in experience adjustments	(37.82)	(7.18)
Return on plan assets (excl. Interest income)	2.32	2.16
Total re-measurements in OCI	(46.51)	(49.83)

The amounts recognized in the balance sheet are as follows:

(Amounts in ₹ million)

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded obligations	938.13	916.36
Present value of unfunded obligations	194.06	135.39
Fair value of plan assets	(1.38)	(5.16)
Net liability	1,130.81	1,046.59

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

(Amounts in ₹ million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Defined benefit obligation at beginning of the year	1,051.75	904.93
Current service cost	136.08	127.64
Past service cost	–	87.95
Interest cost	73.23	57.32
Benefits paid	(80.04)	(74.10)
Re-measurement		
Due to change in demographic assumptions	(4.06)	3.46
Due to change in financials assumptions	(6.95)	(48.27)
Due to change in experience adjustments	(37.82)	(7.18)
Defined benefit obligation at end of the year	1,132.19	1,051.75

Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

(Amounts in ₹ million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Fair value of plan assets at beginning of the year	5.16	8.50
Interest income	0.33	0.54
(Return) on plan assets (excl. Interest income)	(2.32)	(2.16)
Contributions by employer	66.67	63.98
Benefits paid	(68.46)	(65.70)
Fair value of plan assets at end of the year	1.38	5.16

Plan assets are administered by LIC.

The assumptions used in accounting for the gratuity plan are set out as below:

(Amounts in ₹ million)

Particulars	March 31, 2019	March 31, 2018
Discount rate	3.90%- 7.80%	3.91%- 7.70%
Expected returns on plan assets	7.80%	7.70%
Salary escalation rate	2.00%-8.00%	2.00%-8.00%
Weighted average duration (years)	8 – 15	5 – 14

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

The OFSS group evaluates these assumptions annually based on its long-term plans of growth and industry standards. The discount rates are based on current market yields on government bonds consistent with the currency and estimated term of the post-employment benefits obligations. Plan assets are administered by LIC. The expected rate of return on plan assets is based on the expected average long term rate of return on investments of the fund during the terms of the obligation.

The OFSS group's contribution to the fund for the year ending March 31, 2020 is expected to be ₹ 113.25 million (March 31, 2019 ₹ 110.46 million).

A quantitative sensitivity analysis for significant assumptions on defined benefit obligation as at March 31, 2019 is as shown below:

(Amounts in ₹ million)

Particulars	Sensitivity level	Year ended March 31, 2019	Year ended March 31, 2018
Financial assumptions			
Discount rate	- 0.5%	1,177.49	1,092.01
	+0.5%	1,089.89	1,014.13
Salary escalation rate	- 0.5%	1,092.68	1,017.75
	+0.5%	1,173.53	1,087.06
Demographic assumptions			
Withdrawal rate	- 1%	1,128.36	1,049.49
	+1%	1,135.46	1,053.59

Note 31: Impairment testing of goodwill

Goodwill acquired through business combinations with indefinite lives has been allocated to the two cash generating units (CGUs) below, which are also operating and reportable segments, for impairment testing:

1. Product licenses and related activities ('Products')
2. Business Process Outsourcing services ('BPO Services')

Carrying amount of goodwill allocated to each of the CGUs:

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
Products	5,861.99	5,861.99
BPO 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, 2019 and March 31, 2018 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, 2019 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, 2018 - 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 25.31% (March 31, 2018 - 20.97%). The management did not identify impairment for this CGU.

Key assumptions used for value in use calculations

The calculation of value in use for Products CGU is most sensitive to the following assumptions:

- Operating margins
- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period

Operating margins - Operating margins are based on average values achieved in the current financial year.

Discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Growth rate estimates - Rates are in line with the industry average growth rate.

Note 32: Financial risk management objectives and policies

The OFSS group activities expose it to market risks, liquidity risk and credit risks. The management oversees these risks and is aided by the Risk Management Committee whose scope is to formulate the risk management policy, which will identify elements of risk, if any which may affect the OFSS group.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises of foreign currency risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of monetary items will fluctuate because of changes in foreign exchange rates. This may have potential impact on the statement of profit and loss and other components of equity, where monetary items are denominated in a foreign currency which are different from functional currency in which they are measured. As of balance sheet date, the OFSS group's net foreign currency exposure expressed in INR that is not hedged is ₹ 4,902.80 million (March 31, 2018 - ₹ 3,017.10 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:

(Amounts in ₹ million)

Currency	March 31, 2019	March 31, 2018
USD	2,261.08	1,062.49
CNY	1,071.42	1,034.53
GBP	1,050.25	696.22
EUR	(166.63)	(632.65)
AUD	340.65	(154.41)

The OFSS group manages its foreign currency risk by hedging the receivables in the major currencies (USD, EUR, AUD 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:

(Amounts in ₹ million)

Currency	March 31, 2019		March 31, 2018	
	+1%	-1%	+1%	-1%
USD	28.21	(28.21)	30.96	(30.96)
CNY	7.05	(7.05)	6.80	(6.80)
GBP	12.52	(12.52)	10.00	(10.00)
EUR	(16.26)	16.26	(15.57)	15.57
AUD	2.90	(2.90)	3.44	(3.44)

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 based on contractual undiscounted payments:

As at March 31, 2019

(Amounts in ₹ million)

Particulars	Less than one year	More than one year	Total
Trade payable	567.65	–	567.65
Accrued compensation to employees	1,102.85	32.38	1,135.23
Accrued Expenses	1,286.29	–	1,286.29
Capital creditors	144.70	–	144.70
Advance from customers	73.00	–	73.00
Unpaid dividends	116.63	–	116.63
Foreign exchange forward contract, net	–	–	–
	3,291.12	32.38	3,323.50

As at March 31, 2018

(Amounts in ₹ million)

Particulars	Less than one year	More than one year	Total
Trade payable	646.43	–	646.43
Accrued compensation to employees	822.88	35.45	858.33
Accrued Expenses	1,541.35	–	1,541.35
Advance from customers	720.12	–	720.12
Unpaid dividends	115.27	–	115.27
Foreign exchange forward contract, net	30.61	–	30.61
	3,876.66	35.45	3,912.11

The OFSS group has sufficient funds in cash and cash equivalent and other bank balances to meet obligations towards financial liabilities.

(c) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The OFSS group is exposed to credit risk from its operating activities (primarily trade receivables) and from its finance activities, including time deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed in line with the established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on regional historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 8.

Cash and Bank balances

Credit risk from balances with banks is managed by the OFSS group's treasury department in accordance with the OFSS group's policy. Investments of surplus funds are made only with existing Bankers and within credit limits assigned to each banker.

OFSS group follows a conservative philosophy and aims to invest surplus funds mainly in India and only in time deposits with well-known and highly rated banks. The duration of such time deposits will not exceed 364 days. The OFSS group, on quarterly basis, monitors the credit ratings and total deposit balances of each of its bankers. Further limits are set to minimize the concentration of risks and therefore mitigate financial loss of any potential failure to repay deposits.

Note 33: Capital management

For the purpose of the OFSS group's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the OFSS group's capital management is to maximize the equity shareholder value.

The OFSS group manages its capital structure and makes adjustments in light of changes in economic conditions and other financial requirements.

Note 34: Derivative instruments

The Company enters into forward foreign exchange contracts where the counter party is a bank. The Company purchases forward foreign exchange contracts to mitigate the risks of change in foreign exchange rate on receivables denominated in certain foreign currencies. The Company considers the risk of non-performance by the counter party as non-material.

As at March 31, 2019 the Company has following outstanding derivative instrument:

(Amounts in million)

Particulars	March 31, 2019	March 31, 2018
Forward contracts – Sell in US Dollar	USD 37.76	USD 57.40
Forward contracts – Sell in AU Dollar	AUD 3.87	AUD 13.32
Forward contracts – Sell in Euro	EUR 1.75	EUR 10.88
Forward contracts – Sell in JPY	JPY 287.00	–

Note 35: Recent accounting pronouncements

Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) vide the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified Ind AS 116 and amendments to certain other Ind ASs:

Ind AS 116, Leases:

Ind AS 116 was notified on March 30, 2019 and is applicable to the Company from financial year beginning April 1, 2019.

Ind AS 116 has introduced a single lease accounting model which requires a lessee to recognize a right-of-use asset and a lease liability by assessing whether a contract is, or contains a lease at the inception of the contract. The standard specifies the manner in which an initial lease liability will be measured and the cost of the right-of-use asset will be recognized. The standard also provides certain exemptions from recognition; based on the term of lease contracts and the underlying asset values. Lessor accounting requirements are substantially in line with Ind AS 17.

Ind AS 116 permits two methods of transition: i) full retrospective method: retrospective application to each prior reporting period applying Ind AS 8 Accounting Polices, Changes in Accounting Estimates and Errors or, ii) modified retrospective method: retrospective application with cumulative effect of initially applying Ind AS 116 recognized at the date of initial application (i.e. April 1, 2019). Certain practical expedients are available under both the methods. The standard also contains additional disclosures requirements as defined in Ind AS 116.

The OFSS group will adopt the new accounting standard effective April 1, 2019 using the modified retrospective method and is in the process of evaluating the requirements of the amendment and its effect on the consolidated financial statements.

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

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and 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

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

This interpretation will come into force from April 1, 2019. The OFSS group is evaluating the requirements of the amendment and the effect on the consolidated financial statements.

Amendment to Ind AS 12 – Income taxes

The amendments clarify that the income tax consequence of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

The amendment will come into force from April 1, 2019. Since the OFSS group's current practice is in line with these amendments, the OFSS group does not expect any effect on the consolidated financial statements.

Amendment to Ind AS 19 – Employee benefits

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

The amendments apply to plan amendments, curtailments or settlements occurring on or after the beginning of the first annual reporting period that begins on or after April 1, 2019. These amendments will apply only to any future plan amendments, curtailments or settlements of the OFSS group.

Note 36: Summary of net assets and share in profit or loss of the group

March 31, 2019

(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	31,153.46	63%	12,824.70	93%	25.83	11%	12,850.53	91%
Subsidiaries								
Indian								
Oracle (OFSS) Processing Services Limited	290.61	1%	73.66	1%	0.28	0%	73.94	1%
Oracle (OFSS) BPO Services Limited	108.23	0%	(116.91)	(1%)	6.22	3%	(110.69)	(1%)
Oracle (OFSS) ASP Private Limited	40.70	0%	0.92	0%	–	0%	0.92	0%
Mantas India Private Limited	20.29	0%	0.73	0%	–	0%	0.73	0%
Foreign								
Oracle Financial Services Software B.V.	1,809.24	4%	567.10	4%	2.02	1%	569.12	4%
Oracle Financial Services Software SA	878.97	2%	(43.15)	0%	(10.17)	(4%)	(53.32)	0%
Oracle Financial Services Software Pte. Ltd.	959.70	2%	(722.43)	(5%)	40.42	18%	(682.01)	(5%)
Oracle Financial Services Consulting Pte. Ltd.	(220.21)	0%	(1.82)	0%	(17.76)	(8%)	(19.58)	0%
Oracle Financial Services Software America, Inc.	20.16	0%	(0.09)	0%	1.21	1%	1.12	0%
Oracle Financial Services Software, Inc.	7,528.01	14%	392.18	3%	376.12	165%	768.30	6%
Mantas Inc.	4,893.92	10%	0.27	0%	11.83	5%	12.10	0%
Sotas Inc.	(0.84)	0%	(0.36)	0%	(0.02)	0%	(0.38)	0%
ISP Internet Mauritius Company	400.96	1%	10.24	0%	–	0%	10.24	0%
Oracle (OFSS) BPO Services Inc.	(678.69)	(1%)	2.46	0%	(39.99)	(18%)	(37.53)	0%
Oracle Financial Services Software Chile Limitada	435.42	1%	55.66	0%	(29.27)	(13%)	26.39	0%
Oracle Financial Services Software (Shanghai) Limited	151.00	0%	0.37	0%	(1.01)	0%	(0.64)	0%
Controlled trust								
Indian								
i-flex Employee Stock Option Trust	950.35	2%	194.32	1%	–	0%	194.32	1%
Associate								
Foreign								
Login SA	–	0%	–	0%	–	0%	–	0%
Adjustments arising out of consolidation	624.11	1%	621.13	4%	(139.22)	(61%)	481.91	3%
Total	49,365.39	100%	13,858.98	100%	226.49	100%	14,085.47	100%

March 31, 2018

(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	30,290.54	64%	10,059.90	81%	32.79	7%	10,092.69	79%
Subsidiaries								
Indian								
Oracle (OFSS) Processing Services Limited	216.67	0%	45.39	0%	0.84	0%	46.23	0%
Oracle (OFSS) BPO Services Limited	212.76	0%	(62.57)	0%	4.05	1%	(58.52)	0%
Oracle (OFSS) ASP Private Limited	39.78	0%	0.63	0%	–	0%	0.63	0%
Mantas India Private Limited	19.56	0%	0.70	0%	–	0%	0.70	0%
Foreign								
Oracle Financial Services Software B.V.	1,353.19	3%	126.11	1%	209.26	45%	335.37	3%
Oracle Financial Services Software SA	926.74	2%	33.30	0%	31.85	7%	65.15	0%
Oracle Financial Services Software Pte. Ltd.	1,549.34	3%	712.11	6%	124.83	27%	836.94	6%
Oracle Financial Services Consulting Pte. Ltd.	(200.63)	0%	1.79	0%	(15.67)	(3%)	(13.88)	0%
Oracle Financial Services Software America, Inc.	19.04	0%	0.93	0%	0.07	0%	1.00	0%
Oracle Financial Services Software, Inc.	6,705.76	15%	1,257.03	10%	22.74	5%	1,279.77	10%
Mantas Inc.	4,881.82	10%	(6.49)	0%	(0.04)	0%	(6.53)	0%
Sotas Inc.	(0.46)	0%	(0.48)	0%	0.02	0%	(0.46)	0%
ISP Internet Mauritius Company	390.72	1%	(0.87)	0%	–	0%	(0.87)	0%
Oracle (OFSS) BPO Services Inc.	(641.20)	(1%)	38.61	0%	(0.06)	0%	38.55	0%
Oracle Financial Services Software Chile Limitada	406.68	1%	26.53	0%	35.52	8%	62.05	0%
Oracle Financial Services Software (Shanghai) Limited	149.54	0%	(53.77)	0%	15.42	3%	(38.35)	0%
Controlled trust								
Indian								
i-flex Employee Stock Option Trust	754.08	2%	343.16	3%	–	0%	343.16	3%
Associate								
Foreign								
Login SA	–	0%	–	0%	–	0%	–	0%
Adjustments arising out of consolidation	–	0%	(151.60)	(1%)	–	0%	(151.60)	(1%)
Total	47,073.93	100%	12,370.41	100%	461.62	100%	12,832.03	100%

Note 37: Fair values

The management has assessed that fair value of financial instruments approximates their carrying amounts largely due to the short term maturities of these instruments.

Fair value hierarchy:

The following table provides the fair value measurement hierarchy of the OFSS group's assets and liabilities.

Fair value measurement hierarchy for assets and liabilities as at March 31, 2019: (Amounts in ₹ million)

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	unobservable inputs (Level 3)
Assets for which fair values are disclosed:					
Investment property [Refer note 4]	March 31, 2019	245.00	–	245.00	–
Assets measured at fair value:					
Foreign exchange forward contract, net [Refer note 7]	March 31, 2019	20.37	–	20.37	–

Fair value measurement hierarchy for assets and liabilities as at March 31, 2018: (Amounts in ₹ million)

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	unobservable inputs (Level 3)
Assets for which fair values are disclosed:					
Investment property [Refer note 4]	March 31, 2018	237.50	–	237.50	–
Liabilities measured at fair value:					
Foreign exchange forward contract, net [Refer note 13]	March 31, 2018	30.61	–	30.61	–

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, 2019 and March 31, 2018.

Note 38: 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 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 de Venezuela, C.A. 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 Hardware ZAO Oracle Hrvatska d.o.o. Oracle Hellas, S.A. 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. Oracle New Zealand Oracle Norge AS Oracle (Philippines) Corporation Oracle Polska, Sp.z.o.o. Oracle Portugal - Sistemas de Informacao Lda. Oracle Research & Development Center, Shenzhen, Ltd. 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 Svenska AB Oracle SRBIJA CRNA GORA d.o.o. 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. PT Oracle Indonesia

		Sistemas Oracle de Chile, S.A.
		Sistemas Oracle del Peru, S.A.
(iii)	Key Managerial Personnel ('KMP')	Chaitanya Kamat - Managing Director and Chief Executive Officer
		Makarand Padalkar - Chief Financial Officer
		Onkarnath Banerjee - Company Secretary & Compliance Officer
(iv)	Independent Directors	S Venkatachalam
		Sridhar Srinivasan
		Richard Jackson
		Jane Murphy (from February 13, 2019)

Transactions and balances outstanding with these parties are described below:

(Amounts in ₹ million)

	Transaction		Amount receivable (payable)	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
Revenue				
Fellow subsidiaries				
Oracle America, Inc.	3,871.40	3,740.14	1,004.65	676.08
Oracle Austria GmbH	19.41	16.86	4.37	4.45
Oracle Belgium B.V.B.A/SPRL.	58.39	43.01	8.84	15.68
Oracle Bilgisayar Sistemleri Limited Sirketi	4.97	30.45	–	21.67
Oracle Canada ULC	982.39	1,020.53	165.40	176.14
Oracle Caribbean, Inc.	164.30	52.25	16.93	22.84
Oracle (China) Software Systems Company Limited	30.63	42.29	3.32	21.53
Oracle Colombia Limitada	225.69	279.63	1.92	172.46
Oracle Consulting Kazakhstan LLP	1.32	0.95	–	(0.19)
Oracle Corporation Japan	2,451.16	1,582.56	681.23	357.67
Oracle Corporation (South Africa)(Pty) Limited	700.91	942.58	16.24	165.99
Oracle Corporation (Thailand) Company Limited	622.80	449.06	114.56	141.14
Oracle Corporation Australia Pty. Limited	3,487.60	4,984.94	516.66	802.52
Oracle Corporation Malaysia Sdn. Bhd.	347.85	410.03	57.33	115.14
Oracle Corporation Singapore Pte. Ltd.	479.37	487.37	159.89	94.44
Oracle Corporation UK Limited	547.57	597.64	102.89	181.20
Oracle Czech s.r.o.	59.15	27.33	8.42	25.00
Oracle Danmark ApS	13.47	12.02	2.17	4.60
Oracle de Centroamerica, S.A.	35.81	4.33	2.82	0.85
Oracle de Mexico, S.A. de C.V.	40.74	52.05	5.27	22.03
Oracle Deutschland B.V & Co. KG	44.17	65.45	3.66	31.29
Oracle de Venezuela, C.A.	–	0.04	–	0.02
Oracle Do Brasil Sistemas Limitada	97.59	148.34	142.46	57.47
Oracle East Central Europe Limited	379.46	327.73	26.22	225.48
Oracle East Central Europe Services B.V.	37.28	76.37	20.18	31.65
Oracle Egypt Limited	1,290.75	618.08	322.08	677.42
Oracle France, S.A.S.	232.96	62.46	192.08	21.94
Oracle Hardware ZAO	223.23	–	93.55	–
Oracle Hellas, S.A.	215.81	151.33	35.23	189.24
Oracle Hrvatska d.o.o.	0.57	0.54	0.10	0.23
Oracle Hungary Kft.	259.90	255.51	31.90	69.77
Oracle Iberica, S.R.L.	136.71	33.00	17.36	7.49
Oracle India Private Limited	497.61	214.42	206.77	183.95
Oracle Italia S.r.l.	280.87	284.07	49.15	110.86

(Amounts in ₹ million)

	Transaction		Amount receivable (payable)	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
Oracle Korea, Ltd.	35.41	61.39	1.30	21.90
Oracle Luxembourg S.a.r.l.	3.09	3.15	–	0.65
Oracle Nederland B.V.	268.23	247.24	87.44	91.94
Oracle New Zealand	318.10	193.98	20.85	32.84
Oracle Norge AS	8.31	–	5.43	–
Oracle (Philippines) Corporation	211.45	390.25	(12.38)	41.16
Oracle Polska, Sp.z.o.o.	32.54	23.31	–	14.00
Oracle Portugal - Sistemas de Informacao Lda.	132.95	93.64	54.84	81.14
Oracle Slovensko spol. s r.o.	46.78	–	7.23	–
Oracle Serbia and Montenegro d.o.o	59.23	65.21	235.59	129.10
Oracle SRBIJA CRNA GORA d.o.o.	361.40	449.46	–	–
Oracle Software (Schweiz) GmbH	–	1.10	–	1.12
Oracle Systems Hong Kong Limited	432.65	304.11	56.71	66.31
Oracle Systems Limited	1,805.41	1,179.76	233.18	579.53
Oracle Systems Pakistan (Private) Limited	262.35	276.42	350.57	84.93
Oracle Taiwan LLC	397.91	118.27	105.47	51.42
Oracle Technology Systems (Kenya) Limited	101.21	101.29	6.89	18.20
Oracle Vietnam Pte. Ltd.	260.72	131.53	29.63	76.39
PT Oracle Indonesia	183.69	191.99	22.03	17.88
Oracle Romania SRL	238.42	110.70	24.63	39.07
Sistemas Oracle de Chile, S.A.	74.02	51.74	20.48	26.91
Sistemas Oracle del Peru, S.A.	66.58	7.84	2.94	1.18
Impairment allowance				
Fellow subsidiaries				
Oracle America, Inc.	0.26	(1.73)	(1.12)	(0.86)
Oracle (China) Software Systems Company Limited	(3.59)	(3.09)	–	(3.59)
Oracle (Philippines) Corporation	(3.25)	3.10	(0.62)	(3.87)
Oracle Austria GmbH	0.32	–	(0.32)	–
Oracle Belgium B.V.B.A/SPRL.	0.01	(0.04)	(0.01)	–
Oracle Bilgisayar Sistemleri Limited Sirketi	(0.26)	0.01	–	(0.26)
Oracle Canada ULC	(1.26)	(4.77)	(0.21)	(1.47)
Oracle Caribbean, Inc.	(2.57)	2.56	(0.03)	(2.60)
Oracle Colombia Limitada	(0.92)	0.57	–	(0.92)
Oracle Consulting Kazakhstan LLP	(0.05)	0.05	–	(0.05)
Oracle Corporation (South Africa)(Pty) Limited	(7.22)	2.48	(7.06)	(14.28)
Oracle Corporation (Thailand) Company Limited	(1.74)	0.03	(0.07)	(1.81)
Oracle Corporation Australia Pty. Limited	(1.09)	1.44	(0.35)	(1.44)
Oracle Corporation Japan	(9.05)	10.61	(1.55)	(10.60)
Oracle Corporation Malaysia Sdn. Bhd.	(0.94)	0.34	–	(0.94)
Oracle Corporation Singapore Pte. Ltd.	(1.58)	1.78	(0.11)	(1.69)
Oracle Corporation UK Limited	(0.07)	(0.29)	(0.16)	(0.23)
Oracle Czech s.r.o.	(0.50)	0.52	(0.02)	(0.52)
Oracle Danmark ApS	(0.01)	(0.01)	–	(0.01)
Oracle de Centroamerica, S.A.	(0.02)	0.02	–	(0.02)
Oracle de Mexico, S.A. de C.V.	(1.38)	0.48	–	(1.38)
Oracle Deutschland B.V & Co. KG	–	–	–	(0.01)
Oracle Do Brasil Sistemas Limitada	17.71	0.28	(18.15)	(0.44)
Oracle East Central Europe Limited	(2.96)	2.97	(0.01)	(2.97)
Oracle East Central Europe Services B.V.	0.07	(13.55)	(0.01)	0.06

(Amounts in ₹ million)

	Transaction		Amount receivable (payable)	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
Oracle Egypt Limited	(620.64)	(80.91)	(56.42)	(677.06)
Oracle France, S.A.S.	0.10	–	(0.10)	–
Oracle Hardware ZAO	1.67	(24.39)	(1.67)	–
Oracle Hellas, S.A.	–	0.07	(0.10)	(0.10)
Oracle Hungary Kft.	(0.16)	0.05	(0.05)	(0.21)
Oracle Iberica, S.R.L.	0.02	(0.01)	(0.02)	–
Oracle India Private Limited	2.70	(1.50)	(1.20)	1.50
Oracle Italia S.r.l.	0.08	(0.37)	(0.07)	0.01
Oracle Korea, Ltd.	(0.55)	0.51	–	(0.55)
Oracle Luxembourg S.a.r.l.	–	(0.01)	–	–
Oracle Nederland B.V.	–	–	(0.87)	(0.32)
Oracle New Zealand	(0.12)	0.14	(0.03)	(0.15)
Oracle Polska, Sp.z.o.o.	(0.09)	0.09	–	(0.09)
Oracle Portugal - Sistemas de Informacao Lda.	0.12	(0.05)	(0.30)	(0.18)
Oracle Romania SRL	(0.22)	0.05	(0.03)	(0.25)
Oracle Serbia and Montenegro d.o.o	3.22	(0.35)	(3.30)	(0.08)
Oracle Slovensko spol. s r.o.	0.01	–	(0.01)	–
Oracle Software (Schweiz) GmbH	(0.01)	0.01	–	(0.01)
Oracle Svenska AB	–	(0.01)	–	–
Oracle Systems Hong Kong Limited	(0.26)	(1.35)	(0.09)	(0.35)
Oracle Systems Limited	(4.15)	(5.26)	–	(4.15)
Oracle Systems Pakistan (Private) Limited	25.55	(4.00)	(27.47)	(1.92)
Oracle Taiwan LLC	(2.07)	(3.72)	(0.31)	(2.38)
Oracle Technology Systems (Kenya) Limited	(4.43)	3.70	(1.13)	(5.56)
Oracle Vietnam Pte. Ltd.	(1.32)	(0.22)	(0.02)	(1.34)
PT Oracle Indonesia	0.03	(0.50)	(0.03)	–
Sistemas Oracle de Chile, S.A.	(0.35)	(0.32)	(0.01)	(0.36)
Sistemas Oracle del Peru, S.A.	(0.05)	0.03	–	(0.05)
Bad debts				
Fellow subsidiaries				
Oracle America, Inc.	1.20	–	–	–
Oracle (Philippines) Corporation	1.13	–	–	–
Oracle (China) Software Systems Company Limited	1.29	–	–	–
Oracle Bilgisayar Sistemleri Limited Sirketi	(2.31)	–	–	–
Oracle Caribbean, Inc.	0.03	–	–	–
Oracle Canada ULC	0.05	0.16	–	–
Oracle Consulting Kazakhstan LLP	0.06	–	–	–
Oracle Corporation (South Africa)(Pty) Limited	0.88	0.20	–	–
Oracle Corporation Australia Pty. Limited	(3.43)	0.08	–	–
Oracle Corporation Malaysia Sdn. Bhd.	0.94	–	–	–
Oracle Corporation UK Limited	6.53	–	–	–
Oracle Czech s.r.o.	2.02	–	–	–
Oracle Danmark ApS	0.14	–	–	–
Oracle de Mexico, S.A. de C.V.	4.75	–	–	–
Oracle de Venezuela, C.A.	0.02	–	–	–
Oracle Do Brasil Sistemas Limitada	1.26	–	–	–
Oracle Egypt Limited	715.96	–	–	–
Oracle East Central Europe Limited	1.03	–	–	–
Oracle East Central Europe Services B.V.	2.27	–	–	–

(Amounts in ₹ million)

	Transaction		Amount receivable (payable)	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
Oracle India Private Limited	(1.10)	–	–	–
Oracle Korea, Ltd.	1.37	–	–	–
Oracle Romania SRL	0.06	–	–	–
Oracle Polska, Sp.z.o.o.	0.64	–	–	–
Oracle Portugal - Sistemas de Informacao Lda.	2.11	–	–	–
Oracle Serbia and Montenegro d.o.o	–	0.07	–	–
Oracle Systems Pakistan (Private) Limited	1.58	–	–	–
Oracle Systems Limited	(7.22)	–	–	–
Oracle Taiwan LLC	1.18	0.17	–	–
Oracle Technology Systems (Kenya) Limited	(2.64)	–	–	–
Oracle Vietnam Pte. Ltd.	–	2.31	–	–
Sistemas Oracle de Chile, S.A.	3.36	–	–	–
Sistemas Oracle del Peru, S.A.	0.16	–	–	–
Advance received from Customers				
Fellow subsidiaries				
Oracle America, Inc.	(394.84)	394.84	–	(394.84)
Oracle Belgium B.V.B.A/SPRL.	(0.03)	0.86	(0.83)	(0.86)
Oracle Bilgisayar Sistemleri Limited Sirketi	(1.81)	1.81	–	(1.81)
Oracle Colombia Limitada	(13.04)	13.04	–	(13.04)
Oracle Corporation Malaysia Sdn. Bhd.	0.07	0.16	(2.56)	(2.49)
Oracle Corporation (South Africa)(Pty) Limited	(137.87)	46.53	–	(137.87)
Oracle de Venezuela, C.A.	(0.01)	0.01	–	(0.01)
Oracle East Central Europe Limited	(15.11)	20.52	(5.41)	(20.52)
Oracle East Central Europe Services B.V.	5.05	–	(5.05)	–
Oracle (Philippines) Corporation	(0.03)	0.03	–	(0.03)
Oracle Hellas, S.A.	(2.10)	2.10	–	(2.10)
Oracle Hungary Kft.	(0.01)	0.02	(0.15)	(0.16)
Oracle Italia S.r.l.	(0.09)	0.09	–	(0.09)
Oracle Polska, Sp.z.o.o.	(9.44)	9.44	–	(9.44)
Oracle Portugal - Sistemas de Informacao Lda.	(0.05)	0.05	–	(0.05)
Oracle Software (Schweiz) GmbH	0.01	–	(0.01)	–
Oracle SRBIJA CRNA GORA d.o.o.	–	(2.43)	–	–
Oracle Systems Limited	(91.99)	33.14	(31.40)	(123.39)
Oracle Taiwan LLC	(2.97)	2.97	–	(2.97)
Oracle Technology Systems (Kenya) Limited	(1.12)	1.12	–	(1.12)
PT Oracle Indonesia	–	(2.77)	–	–
Deferred Revenue				
Fellow subsidiaries				
Oracle America, Inc.	–	–	(12.17)	(62.36)
Oracle Bilgisayar Sistemleri Limited Sirketi	–	–	(0.31)	(1.59)
Oracle (China) Software Systems Company Limited	–	–	–	(0.19)
Oracle Canada ULC	–	–	(5.73)	(2.80)
Oracle Caribbean, Inc.	–	–	(4.78)	–
Oracle Consulting Kazakhstan LLP	–	–	(0.10)	–
Oracle Colombia Limitada	–	–	–	(87.39)
Oracle Corporation (Thailand) Company Limited	–	–	(19.60)	–
Oracle Corporation Australia Pty. Limited	–	–	(0.21)	(0.73)
Oracle Corporation Malaysia Sdn. Bhd.	–	–	(1.40)	(26.21)

(Amounts in ₹ million)

	Transaction		Amount receivable (payable)	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
Oracle Corporation Singapore Pte. Ltd.	–	–	(1.35)	(0.67)
Oracle Corporation UK Limited	–	–	(0.14)	–
Oracle Corporation (South Africa)(Pty) Limited	–	–	–	(0.25)
Oracle Czech s.r.o.	–	–	(0.04)	(1.99)
Oracle Danmark ApS	–	–	(0.73)	(1.87)
Oracle East Central Europe Services B.V.	–	–	(0.20)	(0.21)
Oracle de Mexico, S.A. de C.V.	–	–	(0.59)	(0.01)
Oracle do Brasil Sistemas Limitada	–	–	–	6.83
Oracle Egypt Limited	–	–	(20.19)	(38.91)
Oracle Hellas, S.A.	–	–	–	(24.23)
Oracle Hrvatska d.o.o.	–	–	(0.12)	(0.05)
Oracle Hungary Kft.	–	–	(17.08)	(26.30)
Oracle Iberica, S.R.L.	–	–	(0.04)	(0.01)
Oracle India Private Limited	–	–	(0.41)	(4.46)
Oracle Italia S.r.l.	–	–	(1.76)	(80.80)
Oracle Korea, Ltd.	–	–	(0.55)	(1.19)
Oracle Nederland B.V.	–	–	–	(0.70)
Oracle New Zealand	–	–	(0.10)	(3.20)
Oracle (Philippines) Corporation	–	–	–	(9.09)
Oracle Polska, Sp.z.o.o.	–	–	(6.19)	(6.87)
Oracle Portugal - Sistemas de Informacao Lda.	–	–	(2.03)	(32.09)
Oracle SRBIJA CRNA GORA d.o.o.	–	–	–	(61.71)
Oracle Serbia and Montenegro d.o.o	–	–	–	(52.42)
Oracle Systems Hong Kong Limited	–	–	(1.23)	(2.04)
Oracle Systems Limited	–	–	(3.21)	(77.38)
Oracle Systems Pakistan (Private) Limited	–	–	–	(2.00)
Oracle Taiwan LLC	–	–	(1.16)	(2.99)
Oracle Technology Systems (Kenya) Limited	–	–	–	(0.28)
Oracle Vietnam Pte. Ltd.	–	–	(0.03)	(0.93)
Oracle Romania SRL	–	–	(0.40)	(0.53)
PT Oracle Indonesia	–	–	–	(0.16)
Sistemas Oracle de Chile, S.A.	–	–	(0.31)	–
Unbilled revenue				
Fellow subsidiaries				
Oracle America, Inc.	–	–	342.93	461.42
Oracle Austria GmbH	–	–	2.72	1.49
Oracle Belgium B.V.B.A/SPRL.	–	–	2.63	6.04
Oracle Bilgisayar Sistemleri Limited Sirketi	–	–	0.46	9.61
Oracle (China) Software Systems Company Limited	–	–	3.45	25.09
Oracle Canada ULC	–	–	66.08	107.63
Oracle Caribbean, Inc.	–	–	27.11	7.04
Oracle Colombia Limitada	–	–	19.86	28.36
Oracle Consulting Kazakhstan LLP	–	–	0.11	0.10
Oracle Corporation (South Africa)(Pty) Limited	–	–	63.40	155.14
Oracle Corporation (Thailand) Company Limited	–	–	39.14	182.85
Oracle Corporation Australia Pty. Limited	–	–	248.28	401.92
Oracle Corporation Japan	–	–	475.60	109.74
Oracle Corporation Malaysia Sdn. Bhd.	–	–	20.98	42.43
Oracle Corporation Singapore Pte. Ltd.	–	–	23.02	89.67

(Amounts in ₹ million)

	Transaction		Amount receivable (payable)	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
Oracle Corporation UK Limited	–	–	140.14	151.03
Oracle Czech s.r.o.	–	–	3.65	3.93
Oracle Danmark ApS	–	–	0.25	0.68
Oracle de Centroamerica, S.A.	–	–	1.48	0.68
Oracle de Venezuela, C.A.	–	–	–	0.03
Oracle Deutschland B.V & Co. KG	–	–	–	11.40
Oracle East Central Europe Limited	–	–	30.12	62.58
Oracle de Mexico, S.A. de C.V.	–	–	2.53	2.56
Oracle do Brasil Sistemas Limitada	–	–	22.46	74.08
Oracle France, S.A.S.	–	–	12.38	7.26
Oracle East Central Europe Services B.V.	–	–	7.32	29.49
Oracle Egypt Limited	–	–	195.21	49.09
Oracle Hardware ZAO	–	–	14.09	–
Oracle Hellas, S.A.	–	–	18.43	13.86
Oracle Hungary Kft.	–	–	10.22	87.47
Oracle Iberica, S.R.L.	–	–	72.29	1.86
Oracle India Private Limited	–	–	109.82	45.90
Oracle Italia S.r.l.	–	–	44.71	16.68
Oracle Korea, Ltd.	–	–	2.26	4.61
Oracle Luxembourg S.a.r.l.	–	–	–	0.13
Oracle Nederland B.V.	–	–	42.08	54.80
Oracle New Zealand	–	–	10.80	17.85
Oracle Norge AS	–	–	2.88	–
Oracle (Philippines) Corporation	–	–	6.93	22.28
Oracle Serbia and Montenegro d.o.o	–	–	1.92	0.86
Oracle Software (Schweiz) GmbH	–	–	–	0.02
Oracle SRBIJA CRNA GORA d.o.o.	–	–	6.43	76.92
Oracle Polska, Sp.z.o.o.	–	–	0.49	0.48
Oracle Portugal - Sistemas de Informacao Lda.	–	–	0.87	3.27
Oracle Romania SRL	–	–	8.87	11.35
Oracle Slovensko spol. s r.o.	–	–	9.12	–
Oracle Systems Hong Kong Limited	–	–	37.36	42.18
Oracle Systems Limited	–	–	87.39	140.93
Oracle Systems Pakistan (Private) Limited	–	–	49.01	79.88
Oracle Taiwan LLC	–	–	112.67	19.66
Oracle Technology Systems (Kenya) Limited	–	–	35.80	11.59
Oracle Vietnam Pte. Ltd.	–	–	65.22	28.84
PT Oracle Indonesia	–	–	8.94	22.18
Sistemas Oracle de Chile, S.A.	–	–	4.61	8.17
Sistemas Oracle del Peru, S.A.	–	–	4.03	0.30
Rent expenses				
Fellow subsidiaries				
Oracle India Private Limited	1.33	2.43	(2.31)	(1.25)
Oracle (China) Software Systems Company Limited	2.06	2.23	(0.39)	(1.42)
Oracle Corporation Australia Pty. Limited	4.40	4.42	(0.35)	(0.87)
Oracle Corporation Singapore Pte. Ltd.	26.48	–	(2.03)	–
Oracle EMEA Limited	0.21	0.47	(0.07)	(0.08)
Oracle Hellas, S.A.	20.42	9.05	(2.80)	(5.63)
Oracle America, Inc.	19.41	22.01	(1.68)	(5.71)

(Amounts in ₹ million)

	Transaction		Amount receivable (payable)	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
Oracle Nederland B.V.	5.88	5.11	(5.52)	(4.87)
Oracle France, S.A.S.	3.05	2.85	–	(0.76)
Oracle Corporation Japan	6.88	7.64	(0.56)	–
Sistemas Oracle de Chile, S.A.	6.02	5.14	(1.48)	(2.56)
Oracle Systems Limited	43.54	31.14	–	–
Professional fee expenses				
Ultimate Holding Company				
Oracle Corporation	0.39	–	(0.39)	–
Fellow subsidiaries				
Oracle America, Inc.	342.73	75.85	(263.96)	(18.43)
Oracle Corporation Australia Pty. Limited	1.83	13.26	(1.83)	–
Oracle Corporation Japan	10.34	20.43	(10.35)	–
Oracle Corporation (South Africa)(Pty) Limited	(4.02)	14.62	(3.30)	(41.52)
Oracle Corporation Singapore Pte. Ltd.	6.65	–	(6.65)	–
Oracle Corporation UK Limited	7.06	–	(7.03)	–
Oracle Colombia Limitada	(4.19)	4.19	–	(4.19)
Oracle Deutschland B.V & Co. KG	0.31	–	(0.30)	–
Oracle India Private Limited	386.08	414.88	(266.66)	(453.37)
Oracle Italia S.R.L.	4.43	–	–	–
Oracle Iberica, S.R.L.	3.40	1.40	(4.89)	(1.40)
Oracle Luxembourg S.a.r.l.	–	0.34	–	–
Oracle Systems Limited	10.02	1.02	(13.05)	(1.39)
Oracle Technology Systems (Kenya) Limited	(3.08)	4.13	(0.28)	(5.74)
Oracle Hungary Kft.	1.47	–	–	–
Oracle Hellas, S.A.	1.42	–	(1.42)	–
Oracle Romania SRL	2.12	0.84	(1.57)	–
Oracle East Central Europe Limited	6.45	2.87	–	–
Oracle East Central Europe Services B.V.	0.43	–	(0.43)	–
Oracle de Mexico, S.A. de C.V.	45.98	39.79	(38.81)	–
Oracle Research & Development Center, Shenzhen, Ltd.	36.75	32.83	(10.82)	(17.14)
Oracle Research and Development Centre, Beijing, Ltd.	(0.13)	–	–	(0.13)
Oracle Canada ULC	15.46	0.66	(8.24)	–
Oracle Do Brasil Sistemas Limitada	1.38	–	(1.38)	–
Oracle Corporation (Thailand) Company Limited	4.52	–	–	–
Oracle Corporation Malaysia Sdn. Bhd.	3.72	2.09	–	–
Oracle Czech s.r.o.	1.46	–	–	–
Oracle Korea, Ltd.	0.30	–	–	–
Oracle Nederland B.V.	2.48	(1.23)	(0.88)	–
Oracle New Zealand	8.77	–	–	–
Oracle Solution Services (India) Private Ltd.	2.93	–	(2.92)	–
Oracle Taiwan LLC	3.27	–	–	–
Oracle Egypt Limited	0.49	3.97	–	(6.28)
Oracle Polska, Sp.z.o.o.	1.18	7.87	(1.13)	–
Oracle EMEA Limited	11.28	7.65	(44.40)	(37.95)
Oracle (Philippines) Corporation	7.78	–	–	–
Oracle Portugal - Sistemas de Informacao Lda.	1.42	8.26	(2.30)	(2.16)
Oracle Systems Hong Kong limited	10.91	–	–	–
Oracle Vietnam Pte. Ltd.	2.83	–	–	–
Sistemas Oracle de Chile, S.A.	0.41	–	(0.41)	–
PT Oracle Indonesia	2.98	–	–	–

(Amounts in ₹ million)

	Transaction		Amount receivable (payable)	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
Application software expenses				
Fellow subsidiaries				
Oracle India Private Limited	3.64	20.13	–	–
Other expenses				
Fellow subsidiaries				
Oracle America, Inc.	(0.82)	0.82	–	(0.82)
Oracle Italia S.R.L.	25.10	4.17	(11.97)	(4.61)
Oracle Belgium B.V.B.A/SPRL.	0.02	8.83	–	(8.83)
Oracle Corporation UK Limited	0.04	4.87	–	(5.26)
Oracle de Mexico, S.A. de C.V.	(0.58)	0.01	–	(0.58)
Oracle East Central Europe Services B.V.	4.42	–	(4.67)	(3.71)
Oracle EMEA Limited	–	(20.99)	–	–
Oracle Technology Systems (Kenya) Limited	0.18	1.28	(3.02)	(2.84)
Oracle (China) Software Systems Company Limited	(0.01)	0.01	–	(0.01)
Oracle Taiwan LLC	0.08	0.25	(2.16)	(5.94)
Oracle Czech s.r.o.	(0.35)	0.08	(0.05)	(0.41)
Oracle Egypt Limited	4.91	35.05	(18.07)	(12.57)
Oracle East Central Europe Limited	3.57	1.88	(5.66)	(2.64)
Oracle Hungary Kft.	4.06	2.23	(1.67)	(2.23)
Oracle India Private Limited	(2.06)	35.44	(12.00)	(5.64)
Oracle Canada ULC	0.88	1.39	(2.27)	(1.39)
Oracle Corporation Singapore Pte. Ltd.	(0.28)	0.28	–	(0.28)
Oracle Corporation (South Africa)(Pty) Limited	12.40	38.85	(60.56)	(53.61)
Oracle New Zealand	12.67	5.70	(13.63)	(15.17)
Oracle Polska, Sp.z.o.o.	2.30	5.20	(6.61)	(4.42)
Oracle Portugal - Sistemas de Informacao Lda.	1.65	0.54	–	(3.81)
Oracle Corporation Malaysia Sdn. Bhd.	14.27	7.27	(14.44)	(6.72)
Oracle Corporation (Thailand) Company Limited	4.97	11.46	(12.04)	(9.84)
Oracle Vietnam Pte. Ltd.	4.98	0.54	(2.37)	(12.92)
Oracle (Philippines) Corporation	3.93	8.97	(9.44)	(6.49)
Oracle Korea, Ltd.	0.51	–	–	–
PT Oracle Indonesia	3.99	4.14	(9.05)	(5.06)
Procurement of fixed assets				
Fellow subsidiaries				
Oracle Corporation Singapore Pte. Ltd.	0.17	–	–	–
Oracle India Private Limited	509.61	62.10	(108.88)	–
Staff Welfare Expenses				
Ultimate Holding Company				
Oracle Corporation	–	0.49	–	(0.49)
Fellow subsidiaries				
Oracle America, Inc.	1.79	–	(1.94)	–
Oracle Corporation Australia Pty. Limited	2.47	0.43	(0.55)	(0.43)
Oracle Corporation Japan	0.54	2.28	–	(0.17)
Oracle Corporation Singapore Pte. Ltd.	2.06	0.77	(0.79)	(0.77)
Oracle Corporation UK Limited	8.41	1.10	(0.85)	(1.10)
Oracle Systems Hong Kong Limited	0.36	0.34	(0.35)	(0.34)

(Amounts in ₹ million)

	Transaction		Amount receivable (payable)	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
Miscellaneous income				
Fellow subsidiaries				
Oracle America, Inc.	19.38	26.08	–	(0.86)
Oracle Corporation UK Limited	20.76	19.52	–	–
Oracle Solution Services (India) Private Ltd.	16.54	10.56	–	–
Oracle India Private Limited	52.74	39.51	–	–
Security Deposit				
Fellow subsidiaries				
Oracle France, S.A.S.	–	–	0.46	0.47
Other advances				
Ultimate Holding Company				
Oracle Corporation	–	–	1.45	–
Fellow subsidiaries				
Oracle America, Inc.	–	–	(3.59)	–
Oracle Polska, Sp.z.o.o.	–	–	5.91	–
Oracle France, S.A.S.	–	–	0.10	–
Stock compensation expense				
Ultimate Holding Company				
Oracle Corporation	94.37	48.17	–	–
Oracle Employee Stock Purchase Plan				
Ultimate Holding Company				
Oracle Corporation	1.98	–	(37.35)	–
Payment of equity dividend				
Holding Company				
Oracle Global (Mauritius) Limited	8,196.66	10,718.70	–	–
Key Managerial personnel	17.37	15.15	–	–
Independent Directors	0.78	0.85	–	–
Key Managerial personnel [Refer note (i) below]				
Short-term employment benefits	50.16	51.26	–	–
Post-employment retiral benefits	0.78	2.59	–	–
Share based payments	148.43	168.28	–	–
Commission				
Independent Directors	10.14	7.10	(0.32)	–
Reimbursement of expenses				
Directors	3.05	3.02	–	–

Note (i): Remuneration includes salary, bonus and perquisites. During the year, 31,750 OSUs under OFSS Stock Plan 2014 (March 31, 2018 – 35,500 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 39: Litigations

The OFSS group has certain litigations with respect to income tax matters for various assessment years amounting to ₹ 3,451.95 million (income tax demand outstanding on account of dispute), which are pending before various appellate authorities. The management expects that its position will be upheld on ultimate resolution and the possibility of any outflow of resources is remote. Further for certain ligations the OFSS group has aggregate provisions of ₹ 833.78 million as at March 31, 2019 (as at March 31, 2018 ₹ 883.78 million).

Note 40: Segment information

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

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

a) Product licenses and related activities ('Products')

b) IT solutions and consulting services ('Services') and

c) Business Process Outsourcing services ('BPO - 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.

BPO - Services comprises of business process outsourcing services to the Lending, Collections, Customer Service and Capital Markets industry.

Year ended March 31, 2019 (Amounts in ₹ million)

Particulars	Products	Services	BPO - Services	Total
Revenue	43,527.29	4,945.07	1,116.67	49,589.03
Segment result	21,465.57	635.61	323.37	22,424.55
Unallocable expenses				(1,515.60)
Finance income				1,319.73
Other income, net				441.19
Profit before tax				22,669.87
Tax expenses				(8,810.89)
Net profit				13,858.98

Year ended March 31, 2018 (Amounts in ₹ million)

Particulars	Products	Services	BPO - Services	Total
Revenue	39,378.60	4,770.92	1,125.20	45,274.72
Segment result	18,586.26	321.82	332.35	19,240.43
Unallocable expenses				(1,742.92)
Finance income				794.84
Other income, net				112.06
Profit before tax				18,404.41
Tax expenses				(6,034.00)
Net profit				12,370.41

Other information

Year ended March 31, 2019 (Amounts in ₹ million)

Particulars	Products	Services	BPO - Services	Unallocable	Total
Capital expenditure by segment					
Property, Plant and Equipment	613.85	151.33	8.33	35.50	809.01
Depreciation and amortization	430.04	51.11	34.69	21.33	537.17
Other non-cash expenses	210.53	29.47	0.78	0.03	240.81
Segment assets	20,650.04	2,198.82	447.13	38,018.43	61,314.42
Segment liabilities	8,807.22	845.94	117.43	2,178.44	11,949.03
Equity				49,365.39	49,365.39

Year ended March 31, 2018 (Amounts in ₹ million)

Particulars	Products	Services	BPO - Services	Unallocable	Total
Capital expenditure by segment					
Property, Plant and Equipment	201.80	44.31	12.09	26.88	285.08
Depreciation and amortization	469.80	79.53	37.40	27.90	614.63
Other non-cash expenses	2.87	3.25	(6.28)	0.12	(0.04)
Segment assets	20,884.53	2,623.65	490.74	35,332.69	59,331.61
Segment liabilities	9,010.82	909.79	124.77	2,212.30	12,257.68
Equity				47,073.93	47,073.93

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 and business process outsourcing services. The income and expenses which are not directly attributable to a business segment are classified 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 and property, plant and equipment. Segment liabilities primarily includes trade payables, deferred revenues, advance from customer, employee benefit obligations 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.

Geographical segments

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

Regions	Year ended March 31, 2019		Year ended March 31, 2018	
	Amounts in ₹ million	%	Amounts in ₹ million	%
India	2,758.83	6%	2,832.60	6%
Outside India				
Americas				
United States of America	13,860.50	28%	12,823.19	28%
Rest of America	3,081.22	6%	2,912.42	6%
Europe	7,841.02	16%	7,210.46	16%
Asia Pacific	12,870.22	26%	12,067.54	27%
Middle East and Africa	9,177.24	18%	7,428.51	17%
	49,589.03	100%	45,274.72	100%

Revenue of ₹ 23,142.29 million (March 31, 2018 - ₹ 21,015.77 million) is derived from a single customer in 'Products', 'Services' and 'BPO - Services' segment.

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

Regions	As at March 31, 2019		As at March 31, 2018	
	Amounts in ₹ million	%	Amounts in ₹ million	%
India	10,186.07	60%	8,486.92	56%
Outside India				
Americas				
United States of America	5,139.38	31%	5,128.12	34%
Rest of America	22.38	0%	6.35	0%
Europe	967.49	6%	980.47	7%
Asia Pacific	505.75	3%	428.98	3%
Middle East and Africa	20.62	0%	5.49	0%
	16,841.69	100%	15,036.33	100%

Non-current assets for this purpose consist of Property, Plant and Equipment, Intangible assets, Investment property, non-current income tax asset and other non-current assets.

As per our report of even date

For Mukund M. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No. 106655W

S. M. Chitale
Partner
Membership No. 111383

Mumbai, India
May 9, 2019

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

S Venkatachalam
Chairman
DIN: 00257819

Chaitanya Kamat
Managing Director
& Chief Executive Officer
DIN: 00969094

Richard Jackson
Director
DIN: 06447687

Makarand Padalkar
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Compliance Officer
ACS: 8547

Mumbai, India
May 9, 2019

Consolidated statement of cash flow
for the year ended March 31, 2019

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from operating activities		
Profit before tax	22,669.87	18,404.41
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities:		
Depreciation and amortization	537.17	614.63
(Profit) on sale of fixed assets, net	(0.51)	(2.07)
(Profit) on sale of investment in associate	–	(16.91)
Impairment loss (reversed) on contract assets	(628.50)	(74.36)
Impairment loss recognized on other financial assets	3.42	4.23
Bad debts	865.89	70.09
Finance income	(1,319.73)	(794.84)
Employee stock compensation expense	610.67	683.35
Effect of exchange rate changes in cash and cash equivalent	5.75	(396.56)
Unrealized exchange (gain)/loss, net	(205.99)	206.24
Deferred rent	2.73	(7.92)
Operating Profit before Working Capital changes	22,540.77	18,690.28
Movements in working capital		
Decrease in other non-current assets	21.99	41.78
Decrease (increase) in trade receivables	616.44	(2,399.77)
Decrease (increase) in other financial assets	2,117.45	(242.64)
(Increase) in other current assets	(1,483.53)	(21.77)
(Decrease) increase in non-current financial liabilities	(1.71)	11.06
(Decrease) in other non-current liabilities	(28.35)	(62.62)
Increase in non-current employee benefit obligations	125.38	191.96
Increase in trade payables	44.29	537.51
(Decrease) increase in other current financial liabilities	(615.23)	595.28
Increase in current liabilities	191.03	429.36
(Decrease) increase in current employee benefit obligations	(89.51)	55.30
Cash from operating activities	23,439.02	17,825.74
Payment of domestic and foreign taxes	(9,642.90)	(6,251.58)
Net cash provided by operating activities	13,796.12	11,574.16
Cash flows from investing activities		
Fixed assets including capital work in progress	(767.41)	(305.17)
Refund of deposits for premises and others	28.18	6.70
Proceeds from sale of fixed assets	2.82	3.43
Proceeds from sale of associate	–	16.91
Bank fixed deposits having maturity of more than three months matured	25,063.29	10,706.71
Bank fixed deposits having maturity of more than three months booked	(23,232.79)	(24,438.83)
Interest received	1,114.20	482.45
Net cash provided by / (used in) investing activities	2,208.29	(13,527.80)

Consolidated statement of cash flow
for the year ended March 31, 2019 (continued)

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from financing activities		
Proceeds from issue of shares under employee stock option plan	749.91	587.91
Sale of treasury shares	165.75	357.64
Equity dividend paid	(11,124.23)	(14,470.99)
Tax on equity dividend paid	(2,288.39)	(2,771.20)
Net cash (used in) financing activities	(12,496.96)	(16,296.64)
Net increase (decrease) in cash and cash equivalents	3,507.45	(18,250.28)
Cash and cash equivalents at beginning of the year	8,060.99	25,914.71
Effect of exchange rate changes in cash and cash equivalents	(5.75)	396.56
Cash and cash equivalents at end of the year	11,562.69	8,060.99
Component of cash and cash equivalents		
Balances with banks:		
In current accounts*	9,734.89	6,352.67
In deposit accounts with original maturity of less than 3 months	1,711.17	1,593.05
In unclaimed dividend account**	116.63	115.27
Total cash and cash equivalents [Refer note 9 (a)]	11,562.69	8,060.99

* Current account includes ₹ 0.08 million (March 31, 2018 - ₹ 39.03 million) on account of restricted cash and bank balances held by i-flex Employee Stock Option Trust controlled by the Company.

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

As per our report of even date

For Mukund M. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No. 106655W

S. M. Chitale
Partner
Membership No. 111383

Mumbai, India
May 9, 2019

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

S Venkatachalam
Chairman
DIN: 00257819

Chaitanya Kamat
Managing Director
& Chief Executive Officer
DIN: 00969094

Richard Jackson
Director
DIN: 06447687

Makarand Padalkar
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Compliance Officer
ACS: 8547

Mumbai, India
May 9, 2019

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

(Amounts in ₹ million)

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 B.V.	31-Mar-19	EURO	77.50	776.31	1,564.90	4,768.65	2,959.41	531.97	12,122.63	889.00	321.90	567.10	–	100%
2	Oracle Financial Services Software SA	31-Mar-19	EURO	77.50	385.79	(208.73)	442.47	265.41	–	646.21	(39.23)	3.91	(43.14)	–	100%
3	Oracle Financial Services Software Pte. Ltd.	31-Mar-19	USD	69.04	6.63	953.07	4,804.47	3,844.77	–	12,257.32	(277.98)	444.45	(722.43)	–	100%
4	Oracle Financial Services Consulting Pte. Ltd.	31-Mar-19	USD	69.04	–	6.72	6.92	0.20	–	–	263.44	–	263.44	–	100%
5	Oracle Financial Services Software America, Inc.	31-Mar-19	USD	69.04	5,863.44	446.25	33.65	13.49	6,289.53	–	(0.11)	(0.02)	(0.09)	–	100%
6	Oracle Financial Services Software, Inc.	31-Mar-19	USD	69.04	–	7,102.69	9,490.08	2,387.39	–	16,546.68	1,323.93	931.75	392.18	–	100%
7	Mantas Inc.	31-Mar-19	USD	69.04	5,650.17	(5,437.65)	197.59	0.07	15.00	–	0.14	(0.13)	0.27	–	100%
8	Sotas Inc.	31-Mar-19	USD	69.04	–	(0.84)	–	0.84	–	–	(0.46)	(0.09)	(0.36)	–	100%
9	Mantas India Private Limited	31-Mar-19	INR	1.00	15.00	5.28	20.31	0.03	–	–	1.01	0.28	0.73	–	100%
10	ISP Internet Mauritius Company	31-Mar-19	USD	69.04	196.74	37.58	176.58	0.29	58.03	–	10.24	–	10.24	–	100%
11	Oracle (OFSS) BPO Services Inc.	31-Mar-19	USD	69.04	0.43	(679.12)	165.77	844.46	–	172.88	2.46	–	2.46	–	100%
12	Oracle (OFSS) BPO Services Limited	31-Mar-19	INR	1.00	58.19	50.03	175.89	67.66	–	168.52	(116.91)	–	(116.91)	–	100%
13	Oracle (OFSS) Processing Services Limited	31-Mar-19	INR	1.00	13.00	277.78	353.38	62.77	0.17	395.75	104.98	31.32	73.66	–	100%
14	Oracle (OFSS) ASP Private Limited	31-Mar-19	INR	1.00	51.70	(11.00)	41.91	1.21	–	–	0.92	–	0.92	–	100%
15	Oracle Financial Services Software Chile Limitada	31-Dec-18	CLP	0.10	80.38	355.04	778.62	343.20	–	518.67	73.31	17.65	55.66	–	100%
16	Oracle Financial Services Software (Shanghai) Limited	31-Dec-18	CNY	10.27	46.10	104.90	1,564.01	1,413.01	–	367.44	(0.16)	(0.52)	0.37	–	100%
	Controlled Trust														
17	i-flex Employee Stock Option Trust	31-Mar-19	INR	1.00	–	951.57	953.25	1.68	–	–	215.27	20.95	194.32	–	Nil
	Total				13,143.88	5,518.47	23,973.54	12,205.89	6,894.70	43,196.10	2,449.85	1,771.43	678.42	–	

For and on behalf of the Board of Directors of

Oracle Financial Services Software Limited

S Venkatachalam
Chairman
DIN: 00257819

Mumbai, India
June 20, 2019

Unconsolidated financials

Financial statements for the year ended March 31, 2019 prepared in accordance with Ind AS (Unconsolidated).

Independent Auditor's Report

To the Members of Oracle Financial Services Software Limited

Report on the Audit of Standalone Ind AS Financial Statements

1. Opinion

We have audited the accompanying standalone Ind AS financial statements of Oracle Financial Services Software Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit, total other comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 ("the Act") and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on standalone Ind AS financial statements.

3. Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Revenue Recognition**	**Principal Audit Procedures:**
	The Company's revenue streams consist of license fees, maintenance fees and consulting fees – fixed price and time & material contracts. Revenue from contracts with customers is recognized in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers ("Ind AS 115"). The application of Ind AS 115 involves certain key judgements relating to identification of distinct performance obligations, determination of the transaction price, allocation of transaction price to the identified performance obligations especially to license fees, the appropriateness of the basis used to measure revenue recognised over time or at a point in time, including relevant cut-off at period end dates. Refer note 2.2(e), 16, 23 (viii) and 41 of the standalone Ind AS Financial Statements.	a) Evaluated the Company's work to implement Ind AS 115 and assessed whether the accounting principles comply with the new accounting standard. b) Obtained an understanding of management's internal controls over the revenue process and evaluated whether these were designed in line with the Ind AS 115. Tested relevant internal controls, including information technology (IT) controls, over revenue process. Carried out a combination of procedures involving inquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. c) Performed following procedures on a sample of revenue contracts entered into by Company, selected on a test check basis as deemed appropriate: i) Read and identified the distinct performance obligations in these contracts and compared

Sr. No.	Key Audit Matter	Auditor's Response
		these performance obligations with those identified and recorded in the books of accounts. 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. d) Performed cut-off testing procedures (by selecting a sample of contracts either side of year-end) to test that revenue has been recognised in the appropriate accounting period.
2.	**Evaluation of income tax positions**	**Principal Audit Procedures:**
	The Company has uncertain income tax positions in India which includes matters under dispute involving significant judgment to determine the possible outcome of these disputes. Refer note 2.2(f), 15, 23 (v) and 36 of the Standalone Ind AS Financial Statements.	a) Evaluated the design and tested the operating effectiveness of the relevant controls, through combination of procedures involving inquiry and observation, reperformance and inspection of evidence in respect of operation of these controls to assess how the Company monitors income tax and related developments and their assessment of the potential impact on the Company. b) For uncertain tax positions, obtained details of income tax assessments, appeal orders and income tax demands from management. c) Evaluated the management's underlying assumptions of the validity and adequacy of provisions for uncertain income tax positions and evaluating 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.
3.	**Transactions with Related Parties**	**Principal Audit Procedures:**
	A significant part of Company's revenue relates to transactions with related parties. In addition to revenue, Company also enters into other transactions with its related parties. The Company has with effect from April 1, 2018, amended its commercial arrangements with its subsidiary companies without modifying the substance of the arrangements and functions undertaken by the Company and its subsidiary companies. Refer to note 32 and 42 of the Standalone Ind AS financial statements.	a) Obtained an understanding of the process for identifying related party transactions, performed a walkthrough and evaluated the design of controls. b) Verified that the transactions are approved in accordance with internal procedures and the applicable regulations to the Company. c) Tested on a sample basis the arrangements between the related parties along with supporting documents to evaluate the management's assertions that the transactions were at arm's length and in the ordinary course of business. d) Evaluated and tested on a sample basis the rights and obligations of the related parties and assessed whether the transactions were recorded appropriately and whether the relationships and transactions with related parties have been disclosed in accordance with Ind AS 24 "Related Party Disclosures".

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

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

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

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

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

5. **Management's responsibility for the standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, 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.

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

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

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

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

i) Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v) Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

7. Report on Other Legal and Regulatory Requirements

i) As required by the Companies (Auditor's report) Order, 2016 ("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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

ii) As required by section 143 (3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of standalone Ind AS Financial Statements.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on the financial position in its standalone Ind AS financial statements – Refer Note 36 to the standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

(S.M.Chitale)
Partner
M. No. 111383

Date: May 09, 2019
Place: Mumbai

Annexure A to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of Oracle Financial Services Software Limited

Referred to in paragraph [7(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Companies (Auditor's report) Order, 2016 ("the Order") are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of paragraph 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of investments made have been complied with by the Company. In our opinion and according to the information and explanations given to us, there are no loans, guarantees and securities granted in respect of which provisions of section 185 and section 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.

(vi) According to the information and explanations given to us, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products/services of the Company.

(vii) a) Undisputed statutory dues including provident fund, income-tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there have been considerable delays in few cases of foreign withholding tax. As explained to us, the Company did not have any dues of excise duty.

b) According to the information and explanations given to us, undisputed dues in respect of provident fund, income-tax, service tax, sales-tax, duty of customs, value added tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Due Date	Date of Payment
Foreign Tax	Income Tax	23,80,61,441	April 2005 to March 2016	Various dates	Not yet paid
	Withholding Tax	14,06,516	January 2013 to December 2017	Various dates	Not yet paid

c) According to the records of the Company, the dues outstanding of income-tax, sales tax, service tax, duty of customs, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	8,12,79,735	April 2007 to March 2008	Commissioner of Appeal (Income-tax)
	Income Tax	20,21,730	April 2009 to March 2010	Commissioner of Appeal (Income-tax)
	Tax Deducted at Source	48,45,95,672	April 2011 to March 2012	Commissioner of Appeal (Income-tax)
	Income Tax	66,19,87,305	April 2012 to March 2013	Commissioner of Appeal (Income-tax)
	Income Tax	202,54,47,376	April 2014 to March 2015	Commissioner of Appeal (Income-tax)
	Tax Deducted at Source	19,66,17,387	April 2017 to March 2018	Commissioner of Appeal (Income-tax)

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Maharashtra Value Added Tax Act, 2002	Sales Tax (MVAT)	2,89,43,706	April 2012 to March 2013	Joint Commissioner of Sales Tax (Appeals)
	Sales Tax (MVAT)	2,60,63,769	April 2013 to March 2014	Joint Commissioner of Sales Tax (Appeals)
	Sales Tax (MVAT)	1,98,90,239	April 2014 to March 2015	Joint Commissioner of Sales Tax (Appeals)
	Sales Tax (MVAT)	2,21,69,469	April 2015 to March 2016	Joint Commissioner of Sales Tax (Appeals)
Central Sales Tax Act, 2002	Sales Tax (CST)	4,57,394	April 2013 to March 2014	Joint Commissioner of Sales Tax (Appeals)

Note 1: The demand of Income Tax as reported above is net of demand paid under protest and refunds adjusted against said demand of Rs. 204,71,90,929.

Note 2: The demand of Sales Tax as reported above is net of demand paid under protest against said demand of Rs. 99,30,690.

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer or debt instruments and term loans, hence reporting under paragraph 3 (ix) is not applicable to the Company.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of paragraph 3(xii) of the Order are not applicable to the Company.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under paragraph 3(xiv) are not applicable to the Company.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

(S.M.Chitale)
Partner
M. No. 111383

Date: May 09, 2019
Place: Mumbai

Annexure B to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of Oracle Financial Services Software Limited

Referred to in paragraph [7(ii)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date

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

1. We have audited the internal financial controls over financial reporting of Oracle Financial Services Software Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

6. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

(S.M.Chitale)
Partner
M. No. 111383

Date: May 09, 2019
Place: Mumbai

Balance sheet
as at March 31, 2019

(Amounts in ₹ million)

	Notes	March 31, 2019	March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,385.67	2,109.81
Capital work-in-progress	3	4.05	24.48
Investment property	4	102.00	102.00
Financial assets			
Investments in subsidiaries	5	7,650.28	7,780.49
Other non-current financial assets	6	622.17	523.17
Deferred tax assets (net)	15(c)	415.67	1,053.11
Income tax assets (net)		7,225.51	5,794.41
Other non-current assets	9	661.30	672.81
		19,066.65	18,060.28
Current assets			
Financial Assets			
Trade receivables	7	4,866.30	6,317.93
Cash and cash equivalents	8(a)	2,713.65	2,111.89
Other bank balances	8(b)	14,351.10	16,689.01
Other current financials assets	6	2,237.33	2,971.79
Other current assets	9	1,218.72	356.09
		25,387.10	28,446.71
TOTAL		44,453.75	46,506.99
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	10	428.90	427.08
Other Equity	11	38,374.84	37,643.95
Total equity		38,803.74	38,071.03
Non- current liabilities			
Financial liabilities	12(b)	–	31.74
Other non-current liabilities	13	123.46	133.20
Employee benefit obligations	14	965.71	888.17
		1,089.17	1,053.11
Current liabilities			
Financial liabilities			
Trade payables			
Payable to micro and small enterprises	12(a)	3.04	–
Payable to others	12(a)	420.05	555.40
Other current financial liabilities	12(b)	1,855.87	4,319.65
Other current liabilities	13	1,004.54	906.58
Employee benefit obligations	14	889.30	1,228.95
Income tax liabilities (net)		388.04	372.27
		4,560.84	7,382.85
TOTAL		44,453.75	46,506.99
Summary of significant accounting policies	2		

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

As per our report of even date

For Mukund M. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No. 106655W

S. M. Chitale
Partner
Membership No. 111383

Mumbai, India
May 9, 2019

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

S Venkatachalam
Chairman
DIN: 00257819

Chaitanya Kamat
Managing Director
& Chief Executive Officer
DIN: 00969094

Richard Jackson
Director
DIN: 06447687

Makarand Padalkar
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Compliance Officer
ACS: 8547

Mumbai, India
May 9, 2019

Statement of profit and loss
for the year ended March 31, 2019

(Amounts in ₹ million, except share data)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	16	35,808.97	38,617.27
Finance income	17	1,173.47	722.62
Other income, net	18	216.03	163.65
Total income		37,198.47	39,503.54
EXPENSES			
Employee benefit expenses	19	11,896.09	18,586.73
Travel related expenses		1,741.70	2,091.45
Professional fees		1,366.75	1,739.71
Other operating expenses	20	1,827.80	1,642.98
Depreciation and amortization	3	501.98	573.53
Total expenses		17,334.32	24,634.40
Profit before tax		19,864.15	14,869.14
Tax expenses	15		
Current tax		6,428.91	4,775.76
Deferred tax		610.54	33.48
Total tax expenses		7,039.45	4,809.24
Profit for the year		12,824.70	10,059.90
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gain (loss) on gratuity fund		39.87	44.61
Deferred tax	15	(13.93)	(15.59)
Items that will be reclassified subsequently to profit and loss			
Exchange differences on translation of foreign operations		(0.11)	3.77
Total other comprehensive income for the year, net of tax		25.83	32.79
Total comprehensive income for the year		12,850.53	10,092.69
Earnings per equity share of par value of ₹ 5 (March 31, 2018 - ₹ 5) each (in ₹)	21		
Basic		149.77	117.91
Diluted		149.01	117.21
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements.			

As per our report of even date

For Mukund M. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No. 106655W

S. M. Chitale
Partner
Membership No. 111383

Mumbai, India
May 9, 2019

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

S Venkatachalam
Chairman
DIN: 00257819

Chaitanya Kamat
Managing Director
& Chief Executive Officer
DIN: 00969094

Richard Jackson
Director
DIN: 06447687

Makarand Padalkar
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Compliance Officer
ACS: 8547

Mumbai, India
May 9, 2019

Statement of changes in equity
for the year ended March 31, 2019

Year ended March 31, 2019

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity								Total equity attributable to equity holders of the Company
	No. of shares	Share capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Contribution from Ultimate Holding Company	Retained earnings	Other comprehensive income: Foreign currency translation reserve	Other comprehensive income: Remeasurement of defined benefit obligation	
Balance as of April 1, 2018	85,416,893	427.08	1.91	13,663.54	10,145.19	1,899.06	28.91	11,895.87	9.47	–	38,071.03
Changes in equity for year ended March 31, 2019											
Adjustment on adoption of Ind AS 115 'Revenue from Contracts with Customers'	–	–	–	–	–	–	–	26.26	–	–	26.26
Application money received for exercised options	–	–	749.91	–	–	–	–	–	–	–	749.91
Shares issued for exercised options	362,254	1.82	(751.34)	749.52	–	–	–	–	–	–	–
Stock compensation charge	–	–	–	–	–	514.32	12.95	–	–	–	527.27
Forfeiture of options	–	–	–	–	–	(38.16)	–	38.16	–	–	–
Stock compensation related to options exercised	–	–	–	727.85	–	(727.85)	–	–	–	–	–
Profit for the year	–	–	–	–	–	–	–	12,824.70	–	–	12,824.70
Final equity dividend	–	–	–	–	–	–	–	(11,132.87)	–	–	(11,132.87)
Dividend distribution tax	–	–	–	–	–	–	–	(2,288.39)	–	–	(2,288.39)
Actuarial gain (loss) on gratuity fund including deferred tax thereon	–	–	–	–	–	–	–	–	–	25.94	25.94
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	–	(0.11)	–	(0.11)
Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings	–	–	–	–	–	–	–	25.94	–	(25.94)	–
Balance as of March 31, 2019	85,779,147	428.90	0.48	15,140.91	10,145.19	1,647.37	41.86	11,389.67	9.36	–	38,803.74

Year ended March 31, 2018

(Amounts in ₹ million, except share data)

Particulars	Equity share capital		Other equity								Total equity attributable to equity holders of the Company
	No. of shares	Share capital	Share application money pending allotment	Securities premium	General reserve	Employee stock options outstanding	Contribution from Ultimate Holding Company	Retained earnings	Other comprehensive income		
									Foreign currency translation reserve	Remeasurement of defined benefit obligation	
Balance as of April 1, 2017	85,106,406	425.53	26.16	12,528.56	10,145.19	1,835.05	–	1,793.01	5.70	–	26,759.20
Changes in equity for year ended March 31, 2018											
Application money received for exercised options	–	–	587.91	–	–	–	–	–	–	–	587.91
Shares issued for exercised options	310,487	1.55	(612.16)	610.61	–	–	–	–	–	–	–
Stock compensation charge	–	–	–	–	–	635.18	28.91	–	–	–	664.09
Forfeiture of options	–	–	–	–	–	(46.80)	–	46.80	–	–	–
Stock compensation related to options exercised	–	–	–	524.37	–	(524.37)	–	–	–	–	–
Profit for the year	–	–	–	–	–	–	–	10,059.90	–	–	10,059.90
Interim equity dividend	–	–	–	–	–	–	–	(27.30)	–	–	(27.30)
Dividend distribution tax	–	–	–	–	–	–	–	(5.56)	–	–	(5.56)
Actuarial gain (loss) on gratuity fund including deferred tax thereon	–	–	–	–	–	–	–	–	–	29.02	29.02
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	–	3.77	–	3.77
Actuarial gain (loss) on gratuity fund including deferred tax thereon transferred to retained earnings	–	–	–	–	–	–	–	29.02	–	(29.02)	–
Balance as of March 31, 2018	85,416,893	427.08	1.91	13,663.54	10,145.19	1,899.06	28.91	11,895.87	9.47	–	38,071.03

Summary of significant accounting policies [Refer note 2]

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

As per our report of even date

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

For Mukund M. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No. 106655W

S. M. Chitale
Partner
Membership No. 111383

Mumbai, India
May 9, 2019

S Venkatachalam
Chairman
DIN: 00257819

Richard Jackson
Director
DIN: 06447687

Chaitanya Kamat
Managing Director
& Chief Executive Officer
DIN: 00969094

Makarand Padalkar
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Compliance Officer
ACS: 8547

Mumbai, India
May 9, 2019

Notes annexed to and forming part of financial statements
for the year ended March 31, 2019

Note 1: Corporate information

Oracle Financial Services Software Limited (the 'Company') was incorporated in India with limited liability on September 27, 1989. The Company is domiciled in India and has its registered office at Mumbai, Maharashtra, India. The Company is a subsidiary of Oracle Global (Mauritius) Limited holding 73.50% (March 31, 2018 - 73.82%) ownership interest in the Company as at March 31, 2019.

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, 2019 were approved by the Company's Board of Directors and authorized for issue on May 9, 2019.

Note 2: Summary significant accounting policies

2.1 Basis of preparation

These standalone financial statements comprising of balance sheet as at March 31, 2019, statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

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

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

Previous year's comparative numbers in the standalone financial statements have been reclassified wherever necessary, to conform to current year's presentation.

2.2 Summary of significant accounting policies

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

(a) Property, plant and equipment, capital work-in-progress and depreciation

Property, plant and equipment and capital work-in-progress

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

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

Depreciation

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

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

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

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

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

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

(b) Impairment of non-financial assets

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

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

(c) Foreign currencies

The standalone financial statements are presented in Indian Rupees ('INR'), which is the functional currency of the Company. For each branch, the Company determines the functional currency and items included in the financial statements of each branch are measured using that functional currency.

Foreign currency balances

Transactions in foreign currencies are initially recorded by the Company's branches at their respective functional currency using spot rates on the date of 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').

Effective April 1, 2018, the Company has adopted Appendix B to Ind AS 21 "Foreign Currency Transactions and Advance Considerations" prospectively and the comparative information is not restated in the financial statements. 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. The adoption of Appendix B to Ind AS 21, did not have a material impact on the statement of profit and loss for the year ended March 31, 2019.

(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

Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" retrospectively with the cumulative effect recognized at the date of initial application. The standard is applied only to contracts that are not completed as of April 1, 2018 and the comparative information is not restated in the standalone financial statements. The cumulative effect of applying Ind AS 115 primarily relates to capitalization of incremental cost associated with contracts and has been adjusted to the opening balance of retained earnings resulting in an increase of ₹ 26.26 million, net of tax. The adoption of Ind AS 115 did not have a material impact on the statement of profit and loss for the year ended March 31, 2019.

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.

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.

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.

(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 of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

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

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

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

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

On that basis, the Company estimates the following provision matrix at the reporting date:

Ageing	0 - 30 days	31-60 days	61 - 90 days	91 - 180 days	181-360 days	More than 360 days
Africa	2.66%	16.14%	2.76%	13.32%	37.29%	44.84%
Asia Pacific	0.01%	0.27%	0.26%	3.64%	3.49%	22.66%
Europe & Middle East	0.03%	0.21%	0.16%	3.50%	2.70%	22.60%
United States of America & Latin America	0.07%	0.07%	0.47%	1.66%	16.28%	66.01%

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 though 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

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.

Company as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease, at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability which leads to constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

A lease arrangement where substantially all the risks and rewards of ownership of an asset are not transferred to the Company as lessee is classified as operating lease. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

(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 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 Company operates a defined benefit gratuity plan in India, under which the Company makes contributions to a fund administered and managed by the Life Insurance Corporation of India ('LIC') to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the Company, 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 the statement of profit and loss on the earlier of:

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

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

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

(p) Cash dividend to equity shareholders of the company

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

(q) Earnings per share

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

(r) Cash and cash equivalents

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

Note 3: Property, plant and equipment

Year ended March 31, 2019

(Amounts in ₹ million)

Particulars	Gross carrying value					Depreciation					Net carrying value
	As at April 01, 2018	Additions	Sale/ deletions	Translation gain (loss)	As at March 31, 2019	As at April 01, 2018	Additions	Sale/ deletions	Translation (gain) loss	As at March 31, 2019	As at March 31, 2019
Freehold land	436.31	–	–	–	436.31	–	–	–	–	–	436.31
Improvement to leasehold premises	269.04	–	8.74	–	260.30	224.17	33.06	8.73	–	248.50	11.80
Buildings	2,077.87	14.48	2.40	–	2,089.95	961.03	104.11	1.18	–	1,063.96	1,025.99
Computer equipments	1,946.57	652.76	68.03	0.78	2,532.08	1,690.05	236.76	67.12	0.58	1,860.27	671.81
Office equipments	245.28	20.62	12.74	0.11	253.27	233.64	14.55	12.74	0.06	235.51	17.76
Electricals and other installations	925.08	0.66	0.30	–	925.44	840.69	50.82	0.30	–	891.21	34.23
Furniture and fixtures	875.64	91.21	11.62	0.10	955.33	716.40	62.68	11.62	0.10	767.56	187.77
Total	6,775.79	779.73	103.83	0.99	7,452.68	4,665.98	501.98	101.69	0.74	5,067.01	2,385.67
										Capital work-in-progress	4.05
											2,389.72

Year ended March 31, 2018

(Amounts in ₹ million)

Particulars	Gross carrying value					Depreciation					Net carrying value
	As at April 01, 2017	Additions	Sale/ deletions	Translation gain (loss)	As at March 31, 2018	As at April 01, 2017	Additions	Sale/ deletions	Translation (gain) loss	As at March 31, 2018	As at March 31, 2018
Freehold land	436.31	–	–	–	436.31	–	–	–	–	–	436.31
Improvement to leasehold premises	283.56	–	14.52	–	269.04	199.40	39.29	14.52	–	224.17	44.87
Buildings	2,077.87	–	–	–	2,077.87	857.58	103.45	–	–	961.03	1,116.84
Computer equipments	1,851.49	190.78	95.70	–	1,946.57	1,572.66	213.11	95.70	(0.02)	1,690.05	256.52
Office equipments	290.28	5.04	50.04	–	245.28	226.45	57.23	50.04	–	233.64	11.64
Electricals and other installations	933.88	3.35	12.15	–	925.08	768.11	84.73	12.15	–	840.69	84.39
Furniture and fixtures	821.67	56.40	2.39	(0.04)	875.64	642.73	75.72	2.04	(0.01)	716.40	159.24
Total	6,695.06	255.57	174.80	(0.04)	6,775.79	4,266.93	573.53	174.45	(0.03)	4,665.98	2,109.81
										Capital work-in-progress	24.48
											2,134.29

Note 4: Investment property

Year ended March 31, 2019

(Amounts in ₹ million)

Particulars	Gross carrying value					Depreciation					Net carrying value
	As at April 01, 2018	Additions	Sale/ deletions	Translation gain (loss)	As at March 31, 2019	As at April 01, 2018	Additions	Sale/ deletions	Translation (gain) loss	As at March 31, 2019	As at March 31, 2019
Freehold land	102.00	–	–	–	102.00	–	–	–	–	–	102.00
Total	102.00	–	–	–	102.00	–	–	–	–	–	102.00

Year ended March 31, 2018

(Amounts in ₹ million)

Particulars	Gross carrying value					Depreciation					Net carrying value
	As at April 01, 2017	Additions	Sale/ deletions	Translation gain (loss)	As at March 31, 2018	As at April 01, 2017	Additions	Sale/ deletions	Translation (gain) loss	As at March 31, 2018	As at March 31, 2018
Freehold land	102.00	–	–	–	102.00	–	–	–	–	–	102.00
Total	102.00	–	–	–	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, 2019 and March 31, 2018 is based on valuations performed by Rakesh Narula & Co; an accredited independent valuer. Rakesh Narula & Co. is one of the senior most and reputed valuer in the field of asset valuation. Rakesh Narula & Co. has been carrying out valuation as per the international norms and standards. The fair value of the above investment property as at March 31, 2019 and March 31, 2018 is ₹ 245.00 million and ₹ 237.50 million respectively.

The direct operating expenses incurred in relation to investment property are ₹ 4.13 million and ₹ 4.44 million for the financial year ended March 31, 2019 and March 31, 2018 respectively. These expenses are included in repairs and maintenance under note 20: other operating expenses.

The Company has no restrictions on the realisability 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 22 on fair value measurement.

Reconciliation of fair value:

(Amounts in ₹ million)

Fair Value of Investment Property as on April 1, 2017	225.67
Adjustment towards Fair Values for the financial year ended March 31, 2018	11.83
Fair Value of Investment Property as on March 31, 2018	237.50
Adjustment towards Fair Values for the financial year ended March 31, 2019	7.50
Fair Value of Investment Property as on March 31, 2019	245.00

Description of valuation techniques used and key inputs to valuation on investment properties:

(Amounts in ₹)

Investment property	Valuation technique	Significant unobservable inputs	Range (weighted average)	
			March 31, 2019	March 31, 2018
Freehold land	Market approach	Estimated market rate per sq. mt. of freehold land	₹ 15,909 to ₹ 23,620	₹ 13,306 to ₹ 29,659
	(Sale Comparison Method)	Negotiation, location and physical adjustments	-15% to 0%	-20% to +30%
		Final adjusted price per sq. mt.	₹ 15,909 to ₹ 17,007	₹ 13,050 to ₹ 18,628

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

Note 5: Investments in subsidiaries (unquoted) (at cost, unless otherwise stated)

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
In wholly owned subsidiaries		
Oracle (OFSS) ASP Private Limited		
5,170,000 (March 31, 2018 - 5,170,000) equity shares of ₹ 10 each, fully paid-up	46.10	46.10
Provision for diminution in value of investment	(5.40)	(46.10)
	40.70	–
Oracle Financial Services Software B.V.		
140,000 (March 31, 2018 - 140,000) equity shares of EUR 100 each, fully paid-up	776.31	776.31
Equity contribution for stock options / OSUs	31.91	26.19
	808.22	802.50
Oracle Financial Services Software Pte. Ltd.		
250,000 (March 31, 2018 - 250,000) equity shares of SGD 1 each, fully paid-up	6.63	6.63
Equity contribution for stock options / OSUs	122.00	107.46
	128.63	114.09
Oracle Financial Services Software America, Inc.		
1 (March 31, 2018 - 1) equity share of USD 0.01 each, fully paid-up	3,452.26	3,452.26
100 (March 31, 2018 - 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	69.57	58.29
	6,414.20	6,402.92
Oracle Financial Services Software (Shanghai) Limited		
100% (March 31, 2018 - 100%) subscription to the registered capital	45.51	45.51
Equity contribution for stock options / OSUs	0.58	0.34
	46.09	45.85
Oracle Financial Services Software Chile Limitada		
100% (March 31, 2018 - 100%) subscription to the registered capital	70.49	70.49
Equity contribution for stock options / OSUs	9.91	9.29
	80.40	79.78
ISP Internet Mauritius Company		
30,000 (March 31, 2018 - 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	22.69	16.53
Provision for diminution in value of investment and fair valuation of loan	(209.47)	–
	119.04	322.35
Oracle (OFSS) Processing Services Limited		
1,300,000 (March 31, 2018 - 1,300,000) equity shares of ₹ 10 each, fully paid-up	13.00	13.00
Aggregate amount of unquoted investments	7,650.28	7,780.49
Aggregate amount of impairment of unquoted investments	214.87	46.10

Note 6: Financial assets

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
Non-current		
Other financial assets at fair value through profit or loss		
Investment in Sarvatra Technologies Private Limited (unquoted)*		
242,240 (March 31, 2018 - 242,240) equity shares of ₹ 10 each, fully paid-up	–	–
Other financial assets measured at amortized cost		
Deposits for premises and others	622.17	523.17
	622.17	523.17
	622.17	523.17
Current		
Derivative instruments at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contract, net**	20.37	–
	20.37	–
Other financial assets measured at amortized cost		
Unbilled revenue	1,957.79	2,758.39
Amount receivable from subsidiaries	11.05	–
Deposits for premises and others	40.31	114.40
Other receivables and advances	207.81	99.00
	2,216.96	2,971.79
	2,237.33	2,971.79

* The Company had made an investment of ₹ 45 million and the same has been fair valued as at the balance sheet date.

** 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.

Breakup of financial assets measured at amortized cost:

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
Deposits for premises and others [note 6]	662.48	637.57
Unbilled revenue [note 6]	1,957.79	2,758.39
Other receivables and advances [note 6]	207.81	99.00
Trade receivables [note 7]	4,866.30	6,317.93
Cash and bank balances [note 8]	17,064.75	18,800.90
	24,759.13	28,613.79

Note 7: Trade receivables

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
Secured, considered good	–	–
Unsecured, considered good	5,156.26	6,524.17
Credit impaired	124.97	820.27
	5,281.23	7,344.44
Impairment allowance		
Unsecured, considered good	(289.96)	(206.24)
Credit impaired	(124.97)	(820.27)
	(414.93)	(1,026.51)
	4,866.30	6,317.93

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.

Note 8: Cash and bank balances

(Amounts in ₹ million)

		March 31, 2019	March 31, 2018
(a)	Cash and cash equivalents		
	Balances with banks:		
	In current accounts	910.88	492.79
	In deposit accounts with original maturity of less than 3 months	1,686.14	1,503.83
	In unclaimed dividend accounts	116.63	115.27
		2,713.65	2,111.89
(b)	Other bank balances		
	Balances with banks:		
	In deposit accounts with original maturity of more than 3 months but less than 12 months	14,349.51	16,687.39
	In margin money deposit accounts	1.59	1.62
		14,351.10	16,689.01
		17,064.75	18,800.90

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.

Note 9: Other assets

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
Non-current		
GST, VAT, service tax and other indirect taxes	460.57	460.57
Prepaid expenses	182.04	212.24
Deferred contract cost	18.69	–
	661.30	672.81
Current		
Unbilled revenue	702.08	–
GST, VAT, service tax and other indirect taxes	265.64	142.44
Prepaid expenses	235.64	213.65
Deferred contract cost	15.36	–
	1,218.72	356.09

Note 10: Equity share capital

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
Authorized:		
100,000,000 (March 31, 2018 - 100,000,000) equity shares of ₹ 5 each	500.00	500.00
Issued, subscribed and fully paid-up:		
85,779,147 (March 31, 2018 - 85,416,893) equity shares of ₹ 5 each	428.90	427.08

(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, 2019	March 31, 2018
Oracle Global (Mauritius) Limited, holding company		
Number of equity shares	63,051,197	63,051,197
% of equity shares	73.50%	73.82%

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 April 1, 2017	85,106,406	425.53
Issued during the year ended March 31, 2018 under the employee stock option plan (ESOP)	310,487	1.55
Outstanding as at March 31, 2018	85,416,893	427.08
Issued during the year ended March 31, 2019 under the employee stock option plan (ESOP)	362,254	1.82
Outstanding as at March 31, 2019	85,779,147	428.90

(d) Refer note 26 (b) for details of shares reserved for issue under the employee stock option plan (ESOP) of the Company.

Note 11: Other equity

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
Share application money pending allotment	0.48	1.91
Securities premium	15,140.91	13,663.54
General reserve	10,145.19	10,145.19
Employee stock options outstanding	1,647.37	1,899.06
Contribution from Ultimate Holding Company	41.86	28.91
Retained earnings	11,389.67	11,895.87
Other comprehensive income	9.36	9.47
	38,374.84	37,643.95

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 for the year ended March 31, 2019 represents the money received from employees of the Company towards exercise of 250 stock options at the exercise price of ₹ 1,930 under Employee Stock Option Plan 2011 Scheme ("Scheme 2011") and 299 OFSS Stock Units ("OSUs") at the exercise price of ₹ 5 under Oracle Financial Services Software Limited Stock Plan 2014 ("OFSS Stock Plan 2014"). Each stock option and OSUs will entitle one equity share of ₹ 5 each of the Company.

Share application money pending allotment for the year ended March 31, 2018 represents the money received from employees of the Company towards exercise of 350 stock options at the exercise price of ₹ 3,077 and 200 stock options at the exercise price of ₹ 3,127 under Employee Stock Option Plan 2011 Scheme ("Scheme 2011") and 133 OFSS Stock Units ("OSUs") at the exercise price of ₹ 5 and 62 stock options at the exercise price of ₹ 3,393 under Oracle Financial Services Software Limited Stock Plan 2014 ("OFSS Stock Plan 2014"). Each stock option and 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 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 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 had recommended a final dividend of ₹ 130 per equity share for the year ended March 31, 2018. This final dividend was approved by the shareholders at the Annual General Meeting of the Company held on August 14, 2018.

Other comprehensive income

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

Note 12: Financial liabilities

(Amounts in ₹ million)

		March 31, 2019	March 31, 2018
(a)	Trade payable measured at amortized cost		
	Current		
	- Payable to micro and small enterprises*	3.04	–
	- Payable to others	420.05	555.40
		423.09	555.40
(b)	Other financial liabilities		
	Non-current		
	Financial liabilities measured at amortized cost		
	Accrued compensation to employees	–	31.74
		–	31.74
	Current		
	Derivative instruments at fair value through profit or loss		
	Derivatives not designated as hedges		
	Foreign exchange forward contract, net**	–	30.61
		–	30.61
	Other financial liabilities measured at amortized cost		
	Amount due to subsidiaries	275.62	1,927.42
	Accrued expenses	814.65	1,389.99
	Accrued compensation to employees	504.27	717.84
	Capital creditors	144.70	–
	Advances from customers	–	138.52
	Unpaid dividends***	116.63	115.27
		1,855.87	4,289.04
		1,855.87	4,319.65

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

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

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
- Principal amount remaining unpaid to any supplier as at the end of the year.	3.04	–
- 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.	–	–
	3.04	–

** 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.

*** There is no amount due and outstanding as at balance sheet date to be credited to the Investor Education and Protection Fund.

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

Note 13: Other liabilities

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
Non-current		
Deferred Rent	123.46	133.20
	123.46	133.20
Current		
Deferred Revenue	854.55	736.53
Withholding and other taxes	61.84	53.72
Other statutory dues	78.41	111.57
Deferred Rent	9.74	4.76
	1,004.54	906.58

Note 14: Employee benefit obligations

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
Non-current		
Gratuity [Refer note 27]	965.71	888.17
	965.71	888.17
Current		
Gratuity [Refer note 27]	119.39	110.06
Compensated absence	769.91	1,118.89
	889.30	1,228.95

Note 15: Income taxes

(a) The major components of income tax expense for the year ended March 31, 2019 and March 31, 2018 are:

(Amounts in ₹ million)

		Year ended March 31, 2019	Year ended March 31, 2018
(i)	Profit or loss section		
	Current taxes	6,428.91	4,775.76
	Deferred taxes	610.54	33.48
	Income tax expense reported in the statement of profit and loss	7,039.45	4,809.24
(ii)	Other Comprehensive Income section		
	Deferred tax on actuarial gain (loss) on gratuity fund	13.93	15.59
	Income tax expense charge reported in Other Comprehensive Income	13.93	15.59

Deferred tax charge for the year ended March 31, 2019 and March 31, 2018 relates to origination and reversal of temporary differences.

(b) Reconciliation of tax expense and accounting profit for the year ended March 31, 2019 and March 31, 2018:

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax	19,864.15	14,869.14
Enacted tax rates in India	34.944%	34.608%
Computed expected tax expenses	6,941.33	5,145.91
Tax effect		
of earlier years	45.34	13.00
on income at different rates	–	(14.26)
on undistributed profits	124.98	189.76
on non-deductible expenses for tax purpose	194.20	0.98
on weighted deduction for tax purpose	(454.48)	(370.36)
Overseas taxes	179.42	(136.24)
Others	8.66	(19.55)
Income tax expense reported in statement of profit and loss	7,039.45	4,809.24

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

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
Deferred tax asset		
Difference between book and tax depreciation	69.79	176.88
Provision for compensated absence	247.49	354.24
Provision for gratuity	379.18	348.82
Impairment loss on financial assets	154.91	389.15
Tax on undistributed profits	(542.92)	(417.94)
Other timing differences	107.22	201.96
	415.67	1,053.11

Deferred tax asset and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities.

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

(Amounts in ₹ million)

	March 31, 2019	March 31, 2018
Balance, beginning of year	1,053.11	1,102.19
Tax (expense) on adoption of Ind AS 115 'Revenue from Contracts with Customers'	(12.97)	–
Tax (expense) during the year recognized in statement of profit or loss	(610.54)	(33.48)
Tax (expense) during the year recognized in other comprehensive income	(13.93)	(15.59)
Translation differences	–	(0.01)
Balance, end of the year	415.67	1,053.11

Note 16: Revenue from operations

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Product licenses and related activities	31,886.35	33,509.25
IT solutions and consulting services	3,922.62	5,108.02
	35,808.97	38,617.27

Note 17: Finance income

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Interest on financial assets measured at amortized cost:		
Bank deposits	1,126.00	651.05
Deposits for premises and others	47.47	44.19
Others	–	27.38
	1,173.47	722.62

Note 18: Other income, net

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Fair value (loss) gain on derivatives not designated as hedges	(56.89)	59.77
Foreign exchange gain, net	167.20	35.18
Profit on sale of fixed assets, net	0.69	2.08
Profit on sale of investment in associate [Refer note 28]	–	10.31
Miscellaneous income	105.03	56.31
	216.03	163.65

Note 19: Employee benefit expenses

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and bonus	10,520.10	16,520.88
Contribution to provident and other funds	648.37	722.56
Stock compensation expense	488.71	623.33
Staff welfare expenses	238.91	719.96
	11,896.09	18,586.73

Note 20: Other operating expenses

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Application software	26.82	58.06
Communication expenses	49.21	132.25
Rent	385.15	369.21
Power	197.89	202.64
Insurance	21.69	21.14
Repairs and maintenance:		
Buildings and leasehold premises	35.89	54.99
Computer equipments	7.73	11.34
Others	126.15	107.00
Rates and taxes	30.32	289.95
Provision / (reversal) for diminution in value of investment in subsidiary companies	168.77	(196.75)

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Impairment loss (reversed) on contract assets	(629.89)	(71.34)
Impairment loss on other financial assets	3.47	4.16
Bad debts	844.82	62.56
Corporate Social Responsibility expenditure [Refer note below]	323.30	330.48
Auditors' remuneration	11.04	9.95
Miscellaneous expenses	225.44	257.34
	1,827.80	1,642.98

Note: As per the requirements of Section 135 of the Companies Act, 2013 the Company was required to spend an amount of ₹ 323.23 million (March 31, 2018 - ₹ 330.36 million) on Corporate Social Responsibility expenditure based on the average net profits of the three immediately preceding financial years. The Company has spent an amount of ₹ 323.30 million (March 31, 2018 - ₹ 330.48 million) against Corporate Social Responsibility expenditure.

Note 21: Reconciliation of basic and diluted equity shares used in computing earnings per share

(Number of equity shares)

	Year ended March 31, 2019	Year ended March 31, 2018
Weighted average shares outstanding for basic earnings per share	85,631,940	85,320,601
Add: Effect of dilutive component of stock options	436,875	503,905
Weighted average shares outstanding for diluted earnings per share	86,068,815	85,824,506

Note 22: 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, 2019:

(Amounts in ₹ million)

			Fair value measurement using		
	Date of valuation	Total	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 4]	March 31, 2019	245.00	–	245.00	–
Assets measured at fair value:					
Foreign exchange forward contract, net [Refer note 6]	March 31, 2019	20.37	–	20.37	–

Fair value measurement hierarchy for assets and liabilities as at March 31, 2018:

(Amounts in ₹ million)

			Fair value measurement using		
	Date of valuation	Total	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 4]	March 31, 2018	237.50	–	237.50	–
Liabilities measured at fair value:					
Foreign exchange forward contract, net [Ref note 12]	March 31, 2018	30.61	–	30.61	–

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, 2019 and March 31, 2018.

Note 23: 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) Operating lease

The Company has entered into commercial property leases for its offices. The Company has accounted these contracts as operating leases which have been determined based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property, the fair value of the asset and that the Company does not obtain any significant risks and rewards of ownership of these properties.

(ii) Fair value of investment property

As per the Ind AS, the Company is required to disclose the fair value of the investment property.

Accordingly, the Company has engaged an independent valuation specialist to assess the fair values of investment property as at March 31, 2019 and March 31, 2018. The investment property was valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the investment property. The key assumptions used to determine fair value of the investment property and sensitivity analysis are provided in note 4.

(iii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the projections for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

(iv) Share based payments

The Company measures share-based payments and transactions at fair value and recognizes over the vesting period using Black Scholes valuation model. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and model used for estimating fair value for share-based payment transactions are disclosed in note 26(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.

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. 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 27.

(vii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 22 for further disclosures.

(viii) Revenue recognition

The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

In determining the transaction price for the contract, judgement is required to assess if the consideration is fixed or is considered variable and whether there is any constraint on such variable consideration such as volume discounts, service level credits and price concessions. The Company uses judgement to determine an appropriate standalone selling price for each performance obligation and allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract except for sale of software licenses, where the Company uses a residual approach for estimating the standalone selling price of software license as the pricing is highly variable.

Contract fulfilment costs are generally expensed as incurred except for certain contract costs which meet the criteria for capitalization. Such costs are amortized over the benefit period. The assessment of this criteria requires the application of judgement.

Note 24: Capital commitments and contingent liabilities

(Amounts in ₹ million)

Particulars			March 31, 2019	March 31, 2018
a)	Capital commitments towards			
	i)	property, plant and equipment	231.90	235.24
		contracts remaining to be executed on capital account not provided for (net of advances)		
	ii)	acquisition of shares of step-down subsidiary companies	145.00	Nil
	iii)	unsecured loan to step-down subsidiary company	250.00	Nil
b)	Contingent liabilities		Nil	Nil

Note 25: Leases

Where Company is lessee

Operating lease

The Company has taken certain office premises under operating lease, which expire at various dates through year 2025. Some of the lease agreements have a price escalation clause. Gross rental expenses for the year ended March 31, 2019 aggregated to ₹ 337.99 million (March 31, 2018 - ₹ 320.35 million). The minimum rental payments to be made in future in respect of these leases are as follows:

(Amounts in ₹ million)

Particulars	March 31, 2019	March 31, 2018
Not later than one year	*250.65	320.01
Later than one year but not later than five years	625.32	691.40
Later than five years	92.08	176.78
	968.05	1,188.19

* Excludes ₹ 68.71 million towards rentals paid in advance.

Note 26: 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 Solution 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 year ended March 31, 2019, the trust has incurred an expenditure of ₹ 10.89 million (March 31, 2018 - ₹ 28.71 million) towards welfare of employees of the Company.

As at March 31, 2019, the Trust is holding 27,160 equity shares (March 31, 2018 – 70,600 equity shares) of the Company.

(b) Employee Stock Option Plan ("ESOP")

The Members at their Annual General Meeting held on August 14, 2001 approved grant of ESOPs to the employees / directors of the Company and its subsidiaries up to 7.5% of the issued and paid-up capital of the Company from time to time. This said limit was enhanced and approved up to 12.5% of the issued and paid-up capital of the Company from time to time, by the Members at their Annual General Meeting held on August 18, 2011. This 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 under this authorization.

Pursuant to ESOP scheme approved by the shareholders of the Company on August 14, 2001, the Board of Directors, on March 4, 2002 approved the Employees Stock Option Scheme ("Scheme 2002") for issue of 4,753,600 options to the employees and directors of the Company and its subsidiaries. According to the Scheme 2002, the Company has granted 4,548,920 options prior to the IPO and 619,000 options at various dates after IPO (including the grants of options out of options forfeited earlier). On August 25, 2010, the Board of Directors approved the Employees Stock Option Plan 2010 Scheme ("Scheme 2010") for issue of 618,000 options to the employees and directors of the Company and its subsidiaries. According to the Scheme 2010, the Company has granted 638,000 options (including the grants of options out of options forfeited earlier).

Pursuant to ESOP scheme approved by the shareholders of the Company in their meeting held on August 18, 2011, the Board of Directors approved the Employees Stock Option Plan 2011 Scheme ("Scheme 2011"). Accordingly, the Company has granted 1,950,500 options under the Scheme 2011. Nomination and Remuneration Committee in their meeting held on August 7, 2014 approved Oracle Financial Services Software Limited Stock Plan 2014 ("OFSS Stock Plan 2014"). Accordingly the Company granted 178,245 Stock Options and 712,203 OFSS Stock Units ("OSUs") under OFSS Stock Plan 2014. The issuance terms of OSUs are the same as for Stock Options, employees may elect to receive 1 OSU in lieu of 4 awarded Stock Options at their respective exercise price.

As per the Scheme 2002, Scheme 2010 and Scheme 2011, each of 20% of the total options granted will vest on completion of 12, 24, 36, 48 and 60 months from the date of grant and is subject to continued employment of the employee or directorship of the director with the Company or its subsidiaries. Options have exercise period of 10 years from the date of grant. The employee pays the exercise price upon exercise of options.

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 and is subject to continued employment of the employee with the Company or its subsidiaries. Options / OSUs have exercise period of 10 years from the date of grant. The employee pays the exercise price upon exercise of options / OSUs.

A summary of the activity in the Company's ESOP (Scheme 2002) is as follows:

	Year ended March 31, 2019		Year ended March 31, 2018	
	Shares arising from options	Weighted average exercise price (₹)	Shares arising from options	Weighted average exercise price (₹)
Outstanding at beginning of year	–	–	12,000	2,333
Granted	–	–	–	–
Exercised	–	–	(12,000)	2,333
Forfeited	–	–	–	–
Lapsed	–	–	–	–
Outstanding at end of the year	–	–	–	–
Vested options	–		–	
Unvested options	–		–	

A summary of the activity in the Company's ESOP (Scheme 2010) is as follows:

	Year ended March 31, 2019		Year ended March 31, 2018	
	Shares arising from options	Weighted average exercise price (₹)	Shares arising from options	Weighted average exercise price (₹)
Outstanding at beginning of year	41,485	2,050	56,675	2,050
Granted	–	–	–	–
Exercised	(3,120)	2,050	(14,600)	2,050
Forfeited	(1,300)	2,050	(590)	2,050
Outstanding at end of the year	37,065	2,050	41,485	2,050
Vested options	37,065		41,485	
Unvested options	–		–	

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

	Year ended March 31, 2019		Year ended March 31, 2018	
	Shares arising from options	Weighted average exercise price (₹)	Shares arising from options	Weighted average exercise price (₹)
Outstanding at beginning of year	635,882	2,966	860,798	2,922
Granted	–	–	–	–
Exercised	(241,558)	3,034	(196,016)	2,753
Forfeited	(12,100)	2,949	(28,900)	3,100
Outstanding at end of the year	382,224	2,924	635,882	2,966
Vested options	382,224		540,332	
Unvested options	–		95,550	

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

	Year ended March 31, 2019		Year ended March 31, 2018	
	Shares arising from Stock Options and OSUs	Weighted average exercise price (₹)	Shares arising from Stock Options and OSUs	Weighted average exercise price (₹)
Outstanding at beginning of year	560,669	863	534,537	905
Granted	137,669	381	138,383	237
Exercised	(117,576)	103	(87,871)	176
Forfeited	(26,190)	1,412	(24,380)	710
Outstanding at end of the year	554,572		560,669	863
Vested options and OSUs	192,454		154,597	
Unvested options and OSUs	362,118		406,072	

During the year ended March 31, 2019, the Company has granted 12,450 stock options and 125,219 OSUs under OFSS Stock Plan 2014 at an exercise price of ₹ 4,158 and ₹ 5 respectively.

The weighted average share price for the year over which stock options / OSUs were exercised was ₹ 3,960 (March 31, 2018 - ₹ 3,795).

The details of options / OSUs unvested and options / OSUs vested and exercisable as on March 31, 2019 are as follows:

	Exercise prices (₹)	Number of Options	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Options /OSUs unvested	5	312,876	5	8.3
	3,393	25,100	3,393	7.2
	3,579	6,450	3,579	8.2
	3,987	6,792	3,987	6.6
	4,158	10,900	4,158	9.2
Options /OSUs vested and exercisable	5	104,601	5	6.6
	1,930	57,541	1,930	2.7
	2,050	37,065	2,050	1.4
	3,077	176,683	3,077	4.5
	3,127	148,000	3,127	3.8
	3,241	41,578	3,241	6.0
	3,393	23,712	3,393	7.2
	3,579	2,155	3,579	8.2
	3,987	20,408	3,987	6.6
		973,861		5.9

The details of options / OSUs unvested and options / OSUs vested and exercisable as on March 31, 2018 are as follows:

	Exercise prices (₹)	Number of Options	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Options /OSUs unvested	5	329,388	5	8.4
	3,077	95,550	3,077	5.5
	3,241	11,994	3,241	7.0
	3,393	40,901	3,393	8.2
	3,579	9,000	3,579	9.2
	3,987	14,789	3,987	7.6
Options /OSUs vested and exercisable	5	92,910	5	7.5
	1,930	73,133	1,930	3.7
	2,050	41,485	2,050	2.4
	3,077	200,489	3,077	5.5
	3,127	266,710	3,127	4.9
	3,241	34,445	3,241	7.0
	3,393	12,556	3,393	8.2
	3,987	14,686	3,987	7.6
		1,238,036	1,983	6.3

Stock options / OSUs granted during the financial year ended March 31, 2019:

The weighted average fair value of stock options / OSUs granted during the year was ₹ 3,868 (March 31, 2018 - ₹ 3,407).

The Black Scholes valuation model has been used for computing the above weighted average fair value of stock options / OSUs granted considering the following inputs:

	Year Ended March 31, 2019	
	OFSS Stock Plan 2014 (Stock Option)	OFSS Stock Plan 2014 (OSU)
	June, 2018	June, 2018
Weighted average share price (in ₹)	991	4,154
Exercise Price (in ₹)	4,158	5
Expected Volatility	22%	22%
Weighted average life (in years)	2.93	2.60
Expected dividend rate	Nil	Nil
Average risk-free interest rate	7.61%	7.48%

	Year Ended March 31, 2018	
	OFSS Stock Plan 2014 (Stock Option)	OFSS Stock Plan 2014 (OSU)
	June, 2017	June, 2017
Weighted average share price (in ₹)	987	3,575
Exercise Price (in ₹)	3,579	5
Expected Volatility	23%	23%
Weighted average life (in years)	3.60	3.60
Expected dividend rate	Nil	Nil
Average risk-free interest rate	6.45%	6.45%

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 27: Employee benefit obligation

Defined contribution plans

During year ended March 31, 2019 and 2018, the Company contributed following amounts to defined contributions plans:

(Amounts in ₹ million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Provident fund	331.70	332.90
Superannuation fund	114.65	124.16
	446.35	457.06

Defined benefit plan – gratuity

The amounts recognized in the statement of profit and loss for the year ended March 31, 2019 and 2018 are as follows:

(Amounts in ₹ million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	132.45	123.90
Past service cost	–	87.14
Interest cost, net	69.56	53.66
Total included in employee benefit expenses	202.01	264.70

Remeasurements recognized in other comprehensive income are as follows:

(Amounts in ₹ million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Due to change in demographic assumptions	–	2.79
Due to change in financial assumptions	(6.48)	(41.67)
Due to change in experience adjustments	(35.71)	(7.89)
(Return) on plan assets (excl. interest income)	2.32	2.16
Total remeasurements in other comprehensive income	(39.87)	(44.61)

The amounts recognized in the balance sheet are as follows:

(Amounts in ₹ million)

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded obligations	938.13	916.36
Present value of unfunded obligations	148.35	87.03
Fair value of plan assets	(1.38)	(5.16)
Net liability	1,085.10	998.23

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

(Amounts in ₹ million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Defined benefit obligation at beginning of the year	1,003.39	856.48
Current service cost	132.45	123.90
Past service cost	–	87.14
Interest cost	69.89	54.20
Benefits paid	(77.06)	(71.56)
Re-measurements		
- Due to change in demographic assumptions	–	2.79
- Due to changes in financial assumptions	(6.48)	(41.67)
- Due to change in experience adjustments	(35.71)	(7.89)
Defined benefit obligation at end of the year	1,086.48	1,003.39

Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

(Amounts in ₹ million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Fair value of plan assets at beginning of the year	5.16	8.50
Interest income	0.33	0.54
(Return) on plan assets (excl. interest income)	(2.32)	(2.16)
Contribution by employer	66.67	63.98
Benefits paid	(68.46)	(65.70)
Fair value of plan assets at end of the year	1.38	5.16

Plan assets are administered by LIC.

The assumptions used in accounting for the gratuity plan are set out as below:

(Amounts in ₹ million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	3.90% - 7.80%	3.90% - 7.70%
Expected return on plan assets	7.80%	7.70%
Salary escalation rate	2.00% - 8.00%	2.00% - 8.00%
Weighted average duration (years)	8 – 15	7 – 14

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. 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, 2020 is expected to be ₹ 113.25 million (March 31, 2019 ₹ 110.46 million).

A quantitative sensitivity analysis for significant assumptions on defined benefit obligation as at March 31, 2019 and March 31, 2018 is as shown below:

(Amounts in ₹ million)

Particulars	Sensitivity level	Year ended March 31, 2019	Year ended March 31, 2018
Financial assumptions			
Discount rate	- 0.5%	1,129.39	1,042.27
	+ 0.5%	1,046.37	967.06
Salary escalation rate	- 0.5%	1,049.21	970.71
	+ 0.5%	1,125.41	1,037.31
Demographic assumptions			
Withdrawal rate	- 1%	1,083.37	1,001.32
	+ 1%	1,089.11	1,005.05

Note 28: Investment in associate

The Company had an investment of ₹ 6.59 million in Login SA with a 33% interest. During the year ended March 31, 2018, the Company had disposed off the investment for a total consideration of ₹ 16.90 million.

Note 29: 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 ₹ 2,750.14 million (March 31, 2018 - ₹ 787.80 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, 2019	March 31, 2018
USD	809.02	(621.64)
CNY	1,071.42	1,034.53
JPY	375.70	297.48
EUR	58.68	(355.84)
AUD	356.76	0.64

The Company manages its foreign currency risk by hedging the receivables in the major currencies (USD, EUR, JPY and AUD) using hedging instrument as forward contracts. The period of the forward contracts is determined by the expected collection period for invoices which currently ranges between 30 to 120 days.

Foreign currency sensitivity

Below table demonstrates sensitivity impact on Company's profit after tax and total equity due to change in foreign exchange rates of currencies where it has significant exposure:

(Amounts in ₹ million)

Currency	March 31, 2019		March 31, 2018	
	+1%	-1%	+1%	-1%
USD	22.04	(22.04)	20.99	(20.99)
CNY	6.92	(6.92)	7.00	(7.00)
JPY	3.58	(3.58)	2.01	(2.01)
EUR	1.25	(1.25)	3.52	(3.52)
AUD	3.53	(3.53)	4.51	(4.51)

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 based on contractual undiscounted payments.

(Amounts in ₹ million)

Particulars	Less than 1 year	More than 1 year	Total
As at March 31, 2019			
Trade payables	423.09	–	423.09
Amount due to subsidiaries	275.62	–	275.62
Accrued expenses	814.65	–	814.65
Accrued compensation to employees	504.27	–	504.27
Capital creditors	144.70	–	144.70
Unpaid dividends	116.63	–	116.63
	2,278.96	–	2,278.96

(Amounts in ₹ million)

Particulars	Less than 1 year	More than 1 year	Total
As at March 31, 2018			
Trade payables	555.40	–	555.40
Amount due to subsidiaries	1,927.42	–	1,927.42
Accrued expenses	1,389.99	–	1,389.99
Accrued compensation to employees	717.84	31.74	749.58
Unpaid dividends	115.27	–	115.27
Advance from customers	138.52	–	138.52
Foreign exchange forward contract, net	30.61	–	30.61
	4,875.05	31.74	4,906.79

The Company has sufficient funds in cash and cash equivalents and other bank balances to meet obligations towards financial liabilities.

(c) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its finance activities, including time deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed in line with the established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on regional historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 7.

(ii) Cash and Bank balances

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with existing Bankers and within credit limits assigned to each banker.

Company follows a conservative philosophy and aims to invest surplus funds in India only in time deposits with well-known and highly rated banks. The duration of such time deposits will not exceed 364 days. The Company, on quarterly basis, monitors the credit ratings and total deposit balances of each of its bankers. Further limits are set to minimize the concentration of risks and therefore mitigate financial loss of any potential failure to repay deposits.

Note 30: 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 31: 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, 2019 the Company has following outstanding derivative instrument:

(Amounts in million)

Particulars	March 31, 2019	March 31, 2018
Forward contracts – Sell in US Dollar	USD 37.76	USD 57.40
Forward contracts – Sell in AU Dollar	AUD 3.87	AUD 13.32
Forward contracts – Sell in Euro	EUR 1.75	EUR 10.88
Forward contracts – Sell in JPY	JPY 287.00	–

Note 32: Names of related parties and description of relationship:

Relationship	Names of related parties
(i) Related parties where control exists	
Ultimate Holding Company	Oracle Corporation
Holding Company	Oracle Global (Mauritius) Limited
Direct Subsidiaries	Oracle Financial Services Software B.V. 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
Subsidiaries of Subsidiaries	Subsidiary of Oracle Financial Services Software B.V. - Oracle Financial Services Software SA Subsidiary of Oracle Financial Services Software Pte. Ltd. - Oracle Financial Services Consulting Pte. Ltd. Subsidiaries of Oracle Financial Services Software America, Inc. - Oracle Financial Services Software, Inc. - Mantas Inc. Subsidiaries of Mantas Inc. - Sotas Inc. Subsidiary of Sotas Inc. - Mantas India Private Limited Subsidiaries of ISP Internet Mauritius Company - Oracle (OFSS) BPO Services Inc. - Oracle (OFSS) BPO Services Limited
(ii) Associate	Login SA (disposed off on July 4, 2017)
(iii) Related parties with whom transactions have taken place during the year	
Fellow Subsidiaries	Oracle Egypt Ltd. Oracle Canada ULC Oracle Taiwan LLC Oracle Romania SRL Oracle Hungary Kft. Oracle EMEA Limited Oracle Czech s.r.o. 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

Relationship		Names of related parties
		Oracle Systems Hong Kong Limited
		Oracle Corporation UK Limited
		Oracle (Philippines) Corporation
		Oracle do Brasil Sistemas Limitada
		Oracle Corporation Malaysia Sdn. Bhd.
		Oracle Systems Limited
		Oracle Corporation Singapore Pte. Ltd.
		Oracle East Central Europe Services BV
		Oracle Corporation Australia Pty. Limited
		Oracle Solution Services (India) Private Ltd.
		Oracle Corporation (Thailand) Company Limited
		Oracle Portugal - Sistemas de Informação Lda.
		Oracle Corporation (South Africa)(Pty) Limited
		Oracle Research & Development Center, Beijing, Ltd.
		Oracle Research & Development Center, Shenzhen, Ltd.
		Oracle Technology Systems (Kenya) Limited
		Oracle de Mexico, S.A. de C.V.
		Oracle New Zealand
		PT Oracle Indonesia
		Oracle (China) Software Systems Co. Ltd.
		Oracle Colombia Limitada
		Oracle Belgium B.V.B.A/SPRL
(iv)	Controlled Trust	i-flex Employee Stock Option Trust
(v)	Key Managerial Personnel ('KMP')	Chaitanya Kamat - Managing Director and Chief Executive Officer
		Makarand Padalkar - Chief Financial Officer
		Onkarnath Banerjee - Company Secretary & Compliance Officer
(vi)	Independent Directors	S Venkatachalam
		Richard Jackson
		Sridhar Srinivasan
		Jane Murphy (from February 13, 2019)

Transactions and balances outstanding with these parties are described below:

(Amounts in ₹ million)

Particulars	Transaction		Amount receivable (payable)	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
Revenue				
Fellow subsidiaries				
Oracle America, Inc.	559.25	505.65	83.48	147.07
Oracle Corporation (South Africa)(Pty) Limited	700.93	942.57	18.54	168.57
Oracle India Private Limited	478.63	200.60	202.56	171.52
Oracle Egypt Ltd.	1,291.06	616.68	322.08	676.80
Oracle Technology Systems (Kenya) Limited	–	–	–	(2.46)
Oracle Systems Limited	224.04	63.07	5.87	(2.39)
Oracle Portugal - Sistemas de Informação Lda.	8.84	–	–	0.05
Oracle do Brasil Sistemas Limitada	39.60	53.42	41.47	5.12

(Amounts in ₹ million)

Particulars	Transaction		Amount receivable (payable)	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
Subsidiaries				
Oracle Financial Services Software B.V.	9,574.13	9,546.72	85.92	963.82
Oracle Financial Services Software, Inc.	9,099.24	11,875.71	364.84	779.32
Oracle Financial Services Software Pte. Ltd.	8,587.28	9,403.88	1,450.82	1,667.21
Oracle Financial Services Software (Shanghai) Limited	111.14	324.46	1,214.16	1,216.08
Oracle Financial Services Software Chile Limitada	191.32	170.51	112.42	62.72
Oracle (OFSS) Processing Services Limited	11.30	–	–	–
Advance from customers				
Fellow Subsidiary				
Oracle Corporation (South Africa)(Pty) Limited	137.87	(46.52)	–	(137.87)
Oracle America, Inc.	0.61	0.61	–	(0.61)
Oracle Systems Limited	0.04	0.04	–	(0.04)
Unbilled revenue				
Fellow Subsidiaries				
Oracle America, Inc.	–	–	36.02	43.01
Oracle Corporation (South Africa)(Pty) Limited	–	–	63.40	155.14
Oracle do Brasil Sistemas Limitada	–	–	1.30	0.01
Oracle India Private Limited	–	–	102.64	44.48
Oracle Systems Limited	–	–	(1.42)	45.83
Oracle Egypt Ltd.	–	–	195.21	47.88
Subsidiaries				
Oracle Financial Services Software B.V.	–	–	594.77	362.70
Oracle Financial Services Software, Inc.	–	–	248.50	460.71
Oracle Financial Services Software Pte. Ltd.	–	–	783.61	841.97
Oracle Financial Services Software (Shanghai) Limited	–	–	26.79	82.81
Oracle Financial Services Software Chile Limitada	–	–	(8.01)	(23.46)
Oracle (OFSS) Processing Services Limited	–	–	11.24	–
Deferred revenue				
Fellow Subsidiaries				
Oracle America, Inc.	–	–	–	(0.13)
Oracle Corporation (South Africa)(Pty) Limited	–	–	–	(0.25)
Oracle do Brasil Sistemas Limitada	–	–	–	6.97
Oracle India Private Limited	–	–	(0.41)	(4.46)
Oracle Systems Limited	–	–	–	(67.37)
Oracle Egypt Ltd.	–	–	(20.19)	(38.91)
Subsidiaries				
Oracle Financial Services Software B.V.	–	–	–	(18.00)
Oracle Financial Services Software Chile Limitada	–	–	–	(6.99)
Bad debts				
Fellow Subsidiaries				
Oracle Corporation (South Africa)(Pty) Limited	0.88	0.06	–	–
Oracle Corporation Australia Pty. Limited	–	0.06	–	–
Oracle America, Inc.	0.01	–	–	–
Oracle India Private Limited	(1.90)	–	–	–

(Amounts in ₹ million)

Particulars	Transaction		Amount receivable (payable)	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
Oracle Egypt Ltd.	715.30	–	–	–
Oracle Technology Systems (Kenya) Limited	(2.64)	–	–	–
Oracle Systems Limited	(7.22)	–	–	–
Oracle Portugal - Sistemas de Informação Lda.	0.05	–	–	–
Subsidiaries				
Oracle Financial Services Software, Inc.	30.27	6.12	–	–
Oracle Financial Services Software Pte. Ltd.	3.76	15.68	–	–
Oracle Financial Services Software B.V.	80.15	27.72	–	–
Oracle Financial Services Software (Shanghai) Limited	(1.52)	–	–	–
Impairment allowance				
Fellow Subsidiaries				
Oracle America, Inc.	(0.15)	(4.54)	(0.06)	(0.21)
Oracle Egypt Ltd.	(620.38)	(81.17)	(56.42)	(676.80)
Oracle Portugal - Sistemas de Informação Lda.	(0.00)	0.00	–	(0.00)
Oracle Corporation (South Africa)(Pty) Limited	(7.35)	2.37	(6.82)	(14.17)
Oracle Systems Limited	0.08	(1.20)	(0.01)	0.07
Oracle India Private Limited	2.90	2.71	(1.17)	1.73
Oracle do Brasil Sistemas Limitada	4.94	0.00	(4.94)	(0.00)
Oracle Technology Systems (Kenya) Limited	1.02	(0.09)	–	1.02
Subsidiaries				
Oracle Financial Services Software B.V.	(20.67)	(13.16)	(97.56)	(118.23)
Oracle Financial Services Software, Inc.	17.95	5.05	(44.71)	(26.76)
Oracle Financial Services Software Pte. Ltd.	9.22	(5.24)	(32.76)	(23.54)
Oracle Financial Services Software (Shanghai) Limited	(0.33)	0.83	(2.57)	(2.90)
Oracle Financial Services Software Chile Limitada	0.63	2.74	(3.82)	(3.19)
Oracle (OFSS) BPO Services Inc.	(0.00)	(0.02)	–	(0.00)
Application software expenses				
Fellow Subsidiaries				
Oracle India Private Limited	3.64	20.13	–	–
Rent expenses				
Fellow Subsidiaries				
Oracle Nederland B.V.	5.88	5.11	(5.52)	(4.87)
Oracle Systems Limited	43.54	31.14	–	–
Oracle India Private Limited	1.33	2.43	(2.31)	(1.25)
Miscellaneous income				
Fellow Subsidiaries				
Oracle India Private Limited	52.74	39.51	3.42	–
Oracle Solution Services (India) Private Ltd.	16.54	10.56	6.77	–
Subsidiaries				
Oracle Financial Services Software B.V.	–	3.42	–	–
Oracle Financial Services Software, Inc.	–	0.23	–	–
Oracle Financial Services Software Chile Limitada	–	3.46	–	–
Oracle (OFSS) Processing Services Limited	0.38	0.37	0.07	0.34

(Amounts in ₹ million)

Particulars	Transaction		Amount receivable (payable)	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
Payment of equity dividend				
Holding Company				
Oracle Global (Mauritius) Limited	8,196.66	10,718.70	–	–
Key managerial personnel	17.37	15.15	–	–
Controlled Trust	7.27	28.24	–	–
Independent Directors	0.78	0.85	–	–
Professional fee expenses				
Fellow Subsidiaries				
Oracle India Private Limited	378.88	414.88	(259.50)	(453.37)
Oracle Research & Development Center, Shenzhen, Ltd.	36.75	32.83	(10.82)	(17.14)
Oracle Research & Development Center, Beijing, Ltd.	(0.13)	–	–	(0.13)
Oracle EMEA Limited	9.76	7.65	(42.94)	(37.95)
Oracle Systems Limited	10.02	1.02	(13.05)	(1.39)
Oracle Portugal - Sistemas de Informação Lda.	0.10	3.03	(2.30)	(2.16)
Oracle Corporation (South Africa)(Pty) Limited	(4.02)	14.62	(3.30)	(41.52)
Oracle Egypt Ltd.	0.49	3.97	–	(6.28)
Oracle Technology Systems (Kenya) Limited	(3.08)	4.13	(0.28)	(5.74)
Oracle Nederland B.V.	0.20	(1.23)	(0.27)	–
Oracle Colombia Limitada	(4.19)	4.19	–	(4.19)
Oracle de Mexico, S.A. de C.V.	31.75	–	(26.87)	–
Oracle Canada ULC	0.25	–	(0.26)	–
Oracle Corporation UK Limited	2.31	–	(2.35)	–
Oracle America, Inc.	145.06	–	(144.92)	–
Oracle do Brasil Sistemas Limitada	1.38	–	(1.38)	–
Oracle East Central Europe Services BV	0.43	–	(0.43)	–
Subsidiaries				
Oracle Financial Services Software B.V.	29.51	–	(22.15)	–
Oracle Financial Services Software, Inc.	193.01	40.28	(83.18)	8.38
Oracle Financial Services Software Pte. Ltd.	51.16	–	(37.79)	–
Oracle (OFSS) Processing Services Limited	295.12	302.89	(51.93)	(58.88)
Oracle Financial Services Software Chile Limitada	–	–	–	–
Reimbursement of expenses				
Subsidiaries				
Oracle Financial Services Software B.V.	272.91	987.62	(47.56)	(289.84)
Oracle Financial Services Software, Inc.	551.65	4,046.45	–	(1,210.17)
Oracle Financial Services Software Pte. Ltd.	641.11	2,519.33	(33.01)	(782.87)
Oracle Financial Services Software Chile Limitada	–	–	0.34	(0.38)
Oracle Financial Services Software (Shanghai) Limited	10.33	270.61	9.84	(60.75)
Oracle (OFSS) Processing Services Limited	(0.07)	1.97	0.60	(1.00)
Oracle (OFSS) BPO Services Limited	0.05	0.95	0.22	–
i-flex ESOP Stock Option Trust	(0.34)	(0.08)	0.05	0.08
Directors	3.05	3.02	–	–

(Amounts in ₹ million)

Particulars	Transaction		Amount receivable (payable)	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
Key managerial personnel [Refer note (i)]				
Short-term employment benefits	50.16	51.26	–	–
Post-employment retiral benefits	0.78	2.59	–	–
Share based payments	148.43	168.28	–	–
Commission				
Independent Directors	10.14	7.10	(0.32)	–
Other expenses				
Fellow Subsidiaries				
Oracle America, Inc.	(0.82)	0.82	–	(0.82)
Oracle Corporation UK Limited	(4.36)	4.87	–	(5.26)
Oracle India Private Limited	(2.06)	35.44	(12.00)	(5.64)
Oracle Corporation Singapore Pte. Ltd.	(0.28)	0.28	–	(0.28)
Oracle (China) Software Systems Co. Ltd.	(0.01)	0.01	–	(0.01)
Oracle Corporation (South Africa)(Pty) Limited	12.40	38.85	(60.56)	(53.61)
Oracle Portugal - Sistemas de Informação Lda.	(3.81)	0.54	–	(3.81)
Oracle Polska, Sp.z.o.o.	0.12	5.20	(4.51)	(4.42)
Oracle Vietnam Pte. Ltd.	(11.51)	0.54	(2.37)	(12.92)
Oracle Canada ULC	0.88	1.39	(2.27)	(1.39)
Oracle Corporation Malaysia Sdn. Bhd.	4.18	7.27	(10.87)	(6.72)
Oracle Corporation (Thailand) Company Limited	1.31	11.46	(11.54)	(9.84)
Oracle (Philippines) Corporation	2.76	8.97	(8.87)	(6.49)
Oracle Italia S.R.L.	7.35	4.17	(11.97)	(4.61)
Oracle Taiwan LLC	(4.95)	0.25	(2.16)	(5.94)
Oracle Czech s.r.o.	(0.35)	0.08	(0.05)	(0.41)
Oracle Egypt Ltd.	4.91	35.05	(18.07)	(12.57)
Oracle East Central Europe Limited	0.20	1.88	(2.83)	(2.64)
Oracle de Mexico, S.A. de C.V.	(0.58)	0.01	–	(0.58)
Oracle EMEA Limited	–	(20.99)	–	–
Oracle Technology Systems (Kenya) Limited	(0.25)	1.28	(2.60)	(2.84)
Oracle East Central Europe Services BV	0.96	–	(4.67)	(3.71)
Oracle New Zealand	(1.50)	5.70	(13.63)	(15.17)
PT Oracle Indonesia	3.99	4.14	(9.05)	(5.06)
Oracle Hungary Kft	(0.55)	2.23	(1.67)	(2.23)
Oracle Belgium B.V.B.A/SPRL	(8.83)	8.83	–	(8.83)
Procurement / (sale) of fixed assets, net				
Fellow Subsidiary				
Oracle India Private Limited	504.57	62.10	(108.88)	–
Investments				
Subsidiaries				
Oracle Financial Services Software B.V.	5.72	5.61	808.22	802.50
Oracle Financial Services Software Pte. Ltd.	14.54	19.15	128.63	114.09
Oracle Financial Services Software America, Inc.	11.28	8.79	6,414.20	6,402.92
Oracle Financial Services Software (Shanghai) Limited	0.24	0.10	46.09	45.85
Oracle Financial Services Software Chile Limitada	0.62	1.45	80.40	79.78
ISP Internet Mauritius Company	6.16	5.66	328.51	322.35

(Amounts in ₹ million)

Particulars	Transaction		Amount receivable (payable)	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
Oracle (OFSS) ASP Private Limited	–	–	46.10	46.10
Oracle (OFSS) Processing Services Limited	–	–	13.00	13.00
Stock compensation charge				
Ultimate Holding Company				
Oracle Corporation	12.19	28.91	–	–
Oracle Employee Stock Purchase Plan				
Ultimate Holding Company				
Oracle Corporation	0.76	–	(14.16)	–
Provision for diminution in investment				
Subsidiaries				
ISP Internet Mauritius Company	209.47	196.75	(209.47)	–
Oracle (OFSS) ASP Private Limited	(40.70)	–	(5.40)	(46.10)

Note (i): Remuneration includes salary, bonus and perquisites. During the year, 31,750 OSUs under OFSS Stock Plan 2014 (March 31, 2018 – 35,500 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 33: Earnings in foreign currency (on accrual basis)*

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Product licenses and related activities	28,942.18	30,879.33
IT solutions and consulting services	3,900.84	5,057.16
Miscellaneous income	2.48	7.11
	32,845.50	35,943.60

* Excludes revenue from operations of foreign branches.

Note 34: Expenditure in foreign currency (on accrual basis)

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Employee benefit expenses	1,177.71	7,440.14
Travel related expenses	130.59	545.47
Professional fees	798.12	1,094.88
Other operating expenses	85.24	332.34
Foreign taxes	470.38	319.13
	2,662.04	9,731.96

Note 35: Net equity dividend remitted in foreign exchange

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Year of remittance (ending on)	March 31, 2019	March 31, 2018
Period to which it relates	March 31, 2018	March 31, 2017
Number of non-resident shareholders	1	1
Number of equity shares on which dividend was due	63,051,197	63,051,197
Amount remitted (in US$ million)	114.05	166.02
Amount remitted (in ₹ million)	8,196.66	10,718.70

Note 36: Litigations

The Company has certain litigations with respect to income tax matters for various assessment years amounting to ₹ 3,451.95 million (income tax demand outstanding on account of dispute), which are pending before various appellate authorities. The management expects that its position will be upheld on ultimate resolution and the possibility of any outflow of resources is remote. Further for certain litigations the Company has aggregate provisions of ₹ 883.78 million as at March 31, 2019 (March 31, 2018 - ₹ 883.78 million).

Note 37: Research and development expenditure

Five in-house research and development centers of the Company in India have been accorded recognition by the Department of Scientific and Industrial Research (DSIR) from February 26, 2016. The aggregate expenditure on research and development activities in these in-house R&D centers is as follows:

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Revenue expenditure	2,081.89	2,058.24
Capital expenditure	519.36	82.06

Note 38: Auditors remuneration (including GST / service tax)

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
As auditor		
Audit fees	5.78	4.96
Limited review	4.96	4.52
Tax audit	0.65	0.59
Certifications	1.52	1.46
Out-of-pocket expenses	0.12	0.21
	13.03	11.74

Note 39: Other operating expenses for the year ended March 31, 2019 include ₹ 209.47 million towards provision for diminution in value of investment along with provision for loss in fair value of loan given to ISP Internet Mauritius Company and reversal of provision for diminution in value of investment in Oracle (OFSS) ASP Private Limited for ₹ 40.70 million.

Other operating expenses for the year ended March 31, 2018 include ₹ 196.75 million towards reversal of provision for diminution in value of investment in ISP Internet Mauritius Company along with reversal of provision for loss in fair value of loan given to ISP Internet Mauritius Company.

Note 40: Recent accounting pronouncements

Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) vide the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified Ind AS 116 and amendments to certain other Ind ASs:

Ind AS 116 Leases:

Ind AS 116 was notified on March 30, 2019 and is applicable to the Company from financial year beginning April 1, 2019.

Ind AS 116 has introduced a single lease accounting model which requires a lessee to recognize a right-of-use asset and a lease liability by assessing whether a contract is, or contains a lease at the inception of the contract. The standard specifies the manner in which an initial lease liability will be measured and the cost of the right-of-use asset will be recognized. The standard also provides certain exemptions from recognition; based on the term of lease contracts and the underlying asset values. Lessor accounting requirements are substantially in line with Ind AS 17.

Ind AS 116 permits two methods of transition: i) full retrospective method: retrospective application to each prior reporting period applying Ind AS 8 Accounting Polices, Changes in Accounting Estimates and Errors or, ii) modified retrospective method: retrospective application with cumulative effect of initially applying Ind AS 116 recognized at the date of initial application (i.e. April 1, 2019). Certain practical expedients are available under both the methods. The standard also contains additional disclosures requirements as defined in Ind AS 116.

The Company proposes to adopt the new standard effective April 1, 2019 using the modified retrospective method and is in the process of evaluating the requirements of the amendment and the effect on the standalone financial statements.

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

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and 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

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

This interpretation will come into force from April 1, 2019. The Company is evaluating the requirements of the amendment and the effect on the standalone financial statements.

Amendment to Ind AS 12 – Income taxes

The amendments clarify that the income tax consequence of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

The amendment will come into force from April 1, 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on the standalone financial statements.

Amendment to Ind AS 19 – Employee benefits

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after April 1, 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

Note 41: 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, 2019 (Amounts in ₹ million)

Particulars	Products	Services	Total
Revenues by geography			
India	2,713.55	24.50	2,738.05
Outside India			
Americas			
United States of America	5,523.78	2,559.89	8,083.67
Rest of America	1,820.98	67.23	1,888.21
Europe	4,910.52	714.23	5,624.75
Asia Pacific	8,604.49	390.47	8,994.96
Middle East and Africa	8,313.03	166.30	8,479.33
	31,886.35	3,922.62	35,808.97
Revenues by streams and type of contract			
License fees	4,296.86	–	4,296.86
Maintenance fees	11,094.64	–	11,094.64
Consulting fees			
Fixed price	9,856.73	1,122.01	10,978.74
Time and material basis	6,638.12	2,800.61	9,438.73
	31,886.35	3,922.62	35,808.97

(b) During the year ended March 31, 2019, the Company recognized revenue of ₹ 613.54 million from opening deferred revenue as of April 1, 2018.

(c) During the year ended March 31, 2019, the Company recognized revenue of ₹ 725.31 million from performance obligations satisfied prior to April 1, 2018.

(d) Change in contract assets and contract liabilities are on account of transactions undertaken in the normal course of business. On account of adoption of Ind AS 115, unbilled revenue of ₹ 702.08 million as at March 31, 2019 has been classified as other current asset.

(e) Reconciliation of revenue recognized with contract price for the year ended March 31, 2019:

(Amounts in ₹ million)

Revenue as per contracted price	35,951.64
Reduction towards discounts	(142.67)
Revenue from operations	35,808.97

(f) Remaining performance obligation

The Company has applied the practical expedient as provided in Ind AS 115 and excluded the disclosure relating to remaining performance obligation for:

i. contracts where the original expected duration is one year or less.

ii. contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date. Typically this involves those contracts where invoicing is on time and material basis.

Remaining performance obligation estimates are subject to change and are affected by several factors such as terminations, changes in the scope of contracts, periodic revalidations of estimates and other macro economic factors.

The aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at March 31, 2019, after considering the practical expedient mentioned above is ₹ 10,560.45 million, out of which 66% 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 ₹ 18.71 million for the year ended March 31, 2019 and has closing balance of deferred contract cost asset of ₹ 34.05 million as at March 31, 2019.

Note 42: With effect from April 1, 2018, the Company has amended its commercial arrangements with its subsidiary companies without modifying the substance of the arrangements and functions undertaken by the Company and its subsidiary companies. Consequently, there is a reduction in the revenue earned and the expenditure incurred by the Company in the current year and they are not comparable with the previous year.

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:

a) Product licenses and related activities ('Products') and

b) IT solutions and consulting services ('Services')

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

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

Year ended March 31, 2019 (Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue from operations	31,886.35	3,922.62	35,808.97
Segment result	18,423.89	1,347.84	19,771.73
Unallocable expenses			(1,297.08)
Finance income			1,173.47
Other income, net			216.03
Profit before tax			19,864.15
Tax expenses			(7,039.45)
Profit for the year			12,824.70

Year ended March 31, 2018 (Amounts in ₹ million)

Particulars	Products	Services	Total
Revenue from operations	33,509.25	5,108.02	38,617.27
Segment result	14,741.71	408.22	15,149.93
Unallocable expenses			(1,167.06)
Finance income			722.62
Other income, net			163.65
Profit before tax			14,869.14
Tax expenses			(4,809.24)
Profit for the year			10,059.90

Other information

Year ended March 31, 2019 (Amounts in ₹ million)

Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Property, plant and equipment	613.85	151.33	14.55	779.73
Depreciation and amortization	414.07	70.56	17.35	501.98
Other non-cash expenses [Refer note 39]	194.18	24.14	168.85	387.17
Segment assets	8,889.18	1,783.53	33,781.04	44,453.75
Segment liabilities	4,342.68	582.11	725.22	5,650.01
Equity			38,803.74	38,803.74

Year ended March 31, 2018 (Amounts in ₹ million)

Particulars	Products	Services	Unallocable	Total
Capital expenditure by segment				
Property, plant and equipment	201.80	44.31	9.46	255.57
Depreciation and amortization	452.76	102.76	18.01	573.53
Other non-cash expenses [Refer note 39]	(9.27)	4.54	(196.64)	(201.37)
Segment assets	9,438.73	2,335.93	34,732.33	46,506.99
Segment liabilities	6,654.15	1,139.82	641.99	8,435.96
Equity			38,071.03	38,071.03

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 and property, plant and equipment. Segment liabilities primarily includes trade payables, deferred revenues, advance from customer, employee benefit obligations 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.

Geographical segments

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

Regions	Year ended March 31, 2019 Amounts in ₹ million	%	Year ended March 31, 2018 Amounts in ₹ million	%
India	2,738.05	8%	2,804.51	7%
Outside India				
Americas				
United States of America	8,083.67	23%	10,683.86	28%
Rest of America	1,888.21	5%	2,159.36	6%
Europe	5,624.75	16%	6,325.21	16%
Asia Pacific	8,994.96	25%	9,765.70	25%
Middle East and Africa	8,479.33	23%	6,878.63	18%
	35,808.97	100%	38,617.27	100%

Revenue of ₹ 27,574.41 million (March 31, 2018 ₹ 31,321.29 million) is derived from a single customer in 'Products' and 'Services' segment.

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

Regions	As at March 31, 2019 Amounts in ₹ million	%	As at March 31, 2018 Amounts in ₹ million	%
India	10,004.04	96%	8,313.54	96%
Outside India				
Europe	249.17	3%	258.19	3%
Asia Pacific	104.70	1%	126.28	1%
Middle East and Africa	20.62	0%	5.50	0%
	10,378.53	100%	8,703.51	100%

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

As per our report of even date

For Mukund M. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No. 106655W

S. M. Chitale
Partner
Membership No. 111383

Mumbai, India
May 9, 2019

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

S Venkatachalam
Chairman
DIN: 00257819

Chaitanya Kamat
Managing Director
& Chief Executive Officer
DIN: 00969094

Richard Jackson
Director
DIN: 06447687

Makarand Padalkar
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Compliance Officer
ACS: 8547

Mumbai, India
May 9, 2019

Statement of cash flow
for the year ended March 31, 2019

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from operating activities		
Profit before tax	19,864.15	14,869.14
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities:		
Depreciation and amortization	501.98	573.53
Profit on sale of fixed assets, net	(0.69)	(2.08)
Profit on sale of investment in associate	–	(10.31)
Employee stock compensation expense	488.71	623.33
Provision / (reversal) for diminution in investment in subsidiary company	168.77	(196.75)
Finance income	(1,173.47)	(722.62)
Effect of exchange rate changes in cash and cash equivalents	1.78	(43.62)
Unrealized exchange (gain), net	(111.21)	(104.59)
Deferred rent	(4.76)	0.22
Impairment loss (reversed) on financial assets	(629.89)	(71.34)
Impairment loss recognized on other financial assets	3.47	4.16
Bad debts	844.82	62.56
Operating Profit before Working Capital changes	19,953.66	14,981.63
Movements in working capital		
Decrease in other non-current assets	33.61	40.71
Decrease (increase) in trade receivables	1,255.50	(1,072.39)
Decrease in other current financial assets	793.99	168.03
(Increase) decrease in other current assets	(842.40)	13.46
(Decrease) increase in non-current financial liabilities	(31.74)	10.60
Increase in non-current employee benefit obligations	117.41	187.95
(Decrease) increase in trade payables	(8.05)	441.10
(Decrease) increase in other current financial liabilities	(2,642.01)	982.39
Increase (decrease) in other current liabilities	89.88	(234.84)
(Decrease) increase in current employee benefit obligations	(345.26)	75.48
Cash from operating activities	18,374.59	15,594.12
Payment of domestic and foreign taxes	(7,847.82)	(4,925.03)
Net cash provided by operating activities	10,526.77	10,669.09
Cash flows from investing activities		
Fixed assets including capital work-in-progress	(739.04)	(275.88)
Proceeds from sale of fixed assets	2.83	2.43
Proceeds from sale of investment in associate	–	16.90
Refund (placement) of deposits for premises and others	19.09	(0.60)
Bank fixed deposits having maturity of more than three months matured	22,290.54	8,940.00
Bank fixed deposits having maturity of more than three months booked	(19,823.00)	(22,007.53)
Interest received	996.34	415.62
Net cash provided by (used in) investing activities	2,746.76	(12,909.06)

Statement of cash flow
for the year ended March 31, 2019 (continued)

(Amounts in ₹ million)

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from financing activities		
Proceeds from issue of shares under employee stock option plan	749.91	587.91
Equity dividend paid	(11,131.51)	(14,499.22)
Tax on equity dividend paid	(2,288.39)	(2,771.20)
Net cash (used in) financing activities	(12,669.99)	(16,682.51)
Net increase (decrease) in cash and cash equivalents	603.54	(18,922.48)
Cash and cash equivalents at beginning of the year	2,111.89	20,990.75
Effect of exchange rate changes in cash and cash equivalents	(1.78)	43.62
Cash and cash equivalents at end of the year	2,713.65	2,111.89
Component of cash and cash equivalents		
Balances with banks:		
In current accounts	910.88	492.79
In deposit accounts with original maturity of less than three months	1,686.14	1,503.83
In unclaimed dividend account*	116.63	115.27
Total cash and cash equivalents [Refer note 8(a)]	2,713.65	2,111.89

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

As per our report of even date

For Mukund M. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No. 106655W

S. M. Chitale
Partner
Membership No. 111383

Mumbai, India
May 9, 2019

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

S Venkatachalam
Chairman
DIN: 00257819

Chaitanya Kamat
Managing Director
& Chief Executive Officer
DIN: 00969094

Richard Jackson
Director
DIN: 06447687

Makarand Padalkar
Chief Financial Officer

Onkarnath Banerjee
Company Secretary
& Compliance Officer
ACS: 8547

Mumbai, India
May 9, 2019

Notice of annual general meeting

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Notice of annual general meeting

NOTICE is hereby given that the Thirtieth Annual General Meeting of Oracle Financial Services Software Limited ("the Company") will be held on Thursday, August 8, 2019 at 3.00 p.m. at Courtyard By Marriott Mumbai International Airport, C.T.S No. 215, Andheri Kurla Road, Andheri East, Mumbai 400059 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, 2019 and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Ms. Kimberly Woolley (DIN: 07741017) who retires by rotation and, being eligible, offers herself for re-appointment.

Special Business:

3. To consider and, if thought fit, to pass, with or without modification(s), as an Ordinary Resolution the following:

   "RESOLVED THAT Mr. Yong Meng Kau (DIN: 08234739), who was appointed as an Additional Director of the Company on November 2, 2018 and who holds office until the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 and Article 109 of the Articles of Association of the Company, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Companies Act, 2013 from a Member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company in the capacity of Non-Executive, Non-Independent Director, liable to retire by rotation."

4. To consider and, if thought fit, to pass, with or without modification(s), as an Ordinary Resolution the following:

   "RESOLVED THAT Mr. Vincent Secondo Grelli (DIN: 08262388), who was appointed as an Additional Director of the Company on November 2, 2018 and who holds office until the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 and Article 109 of the Articles of Association of the Company, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Companies Act, 2013 from a Member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company in the capacity of Non-Executive, Non-Independent Director, liable to retire by rotation."

5. To consider and, if thought fit, to pass, with or without modification(s), as an Ordinary Resolution the following:

   "RESOLVED THAT Ms. Jane Murphy (DIN: 08336710), who was appointed as an Additional Director in the capacity of a Non-Executive, Independent Director of the Company with effect from February 13, 2019 and who holds office until the date of this Annual General Meeting pursuant to Sections 149, 152, 161 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, and Article 109 of the Articles of Association of the Company, and who meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 along with the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Companies Act, 2013 from a Member proposing her candidature for the office of a Director, be and is hereby appointed as a Non-Executive, Independent Director of the Company to hold office for a term up to December 31, 2023, not liable to retire by rotation.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Jane Murphy be paid such fees and remuneration, including commission and reimbursement of expenses, as the Board or the Nomination and Remuneration Committee may approve from time to time within the limits approved by the Members of the Company subject to the limits prescribed under the Companies Act, 2013."

6. To consider and, if thought fit, to pass, with or without modification(s), as an Ordinary Resolution the following:

   "RESOLVED THAT Mr. Makarand Padalkar (DIN: 02115514), who was appointed as an Additional Director of the Company on May 9, 2019 and who holds office until the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 and Article 109 of the Articles of Association of the Company, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Companies Act, 2013 from a Member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company in the capacity of Whole-time Director and Chief Financial Officer to hold office for a term up to May 8, 2024, liable to retire by rotation."

7. To consider and, if thought fit, to pass, with or without modification(s), as an Ordinary Resolution the following:

"RESOLVED THAT pursuant to the provisions of Sections 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and Articles of Association of the Company and subject to such other approvals as may be necessary in this regard, the approval of the Members of the Company be and is hereby accorded to the appointment and the terms of remuneration of Mr. Makarand Padalkar (DIN: 02115514) as the Whole-time Director and Chief Financial Officer of the Company, for a term of five years with effect from May 9, 2019 to May 8, 2024, at a remuneration as set out below:

Remuneration:

1. Gross Salary: In the scale of ₹ 1.00 crore p.a. to ₹ 2.00 crore p.a. inclusive of perquisites and allowances as mentioned below:

   Perquisites and allowances:

   a) Housing: House Rent Allowance as per the rules of the Company.
   b) Hospitalization Expenses: Coverage under a hospitalization insurance scheme for self and family as per the rules of the Company.
   c) Leave travel concession / allowance: For self and family once in a year, as per the rules of the Company.
   d) Personal accident insurance & Group Term Life Insurance: As per the rules of the Company.
   e) Other allowances as per the rules of the Company.
   f) Other benefits:
      i. Earned / privilege leave: As per the rules of the Company.
      ii. Company's contribution to provident fund and superannuation fund: As per the rules of the Company.
      iii. Gratuity: As per the rules of the Company.
      iv. Encashment of leave: As per the rules of the Company.

2. Performance linked Bonus: Payable annually or at other intervals, as may be decided by the Board or the Nomination and Remuneration Committee of the Board in accordance with applicable law.

RESOLVED FURTHER THAT Mr. Makarand Padalkar, be granted such number of employee stock options as may be decided by the Board or the Nomination and Remuneration Committee.

RESOLVED FURTHER THAT notwithstanding anything stated herein above, wherein in any financial year closing on and after March 31, 2020, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Makarand Padalkar the minimum remuneration as per the Companies Act, 2013.

RESOLVED FURTHER THAT the Board and the Nomination and Remuneration Committee of the Board be and is hereby authorized to decide the remuneration (salary, perquisites and bonus, etc.) payable to Mr. Makarand Padalkar, within the terms approved by the Members as above, subject to such other approvals as may be required.

RESOLVED FURTHER THAT the terms and conditions and the remuneration as mentioned above that forms part of the agreement dated May 17, 2019 entered into between Mr. Makarand Padalkar and the Company placed before the meeting be and is hereby approved and the Board be and is hereby authorized to alter and vary the terms and conditions of his said appointment and the remuneration within the aforesaid limit or the Agreement in such manner as may be agreed to between the Board and Mr. Makarand Padalkar."

8. 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, 152 and other applicable provisions, if any, of the Companies Act, 2013, 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 ("SEBI Listing Regulations"), as amended from time to time, Mr. Sridhar Srinivasan (DIN: 07240718), who was appointed as an Independent Director at the Twenty Sixth Annual General Meeting of the Company for a term of five consecutive years up to March 31, 2020 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 along with the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of Director, 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 April 1, 2020 up to March 31, 2025."

By Order of the Board of Directors

Onkarnath Banerjee
Company Secretary and Compliance Officer
Membership no. ACS 8547

Mumbai
June 20, 2019

Registered Office:
Oracle Park, Off Western Express Highway
Goregaon (East), Mumbai 400063
Tel. no. +91 22 6718 3000
Fax no. + 91 22 6718 3001
CIN: L72200MH1989PLC053666
Website: www.oracle.com/financialservices
Email: investors-vp-ofss_in_grp@oracle.com

Notes:

a. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the "Act") in respect of item nos. 3 to 8 as mentioned in the above Notice is annexed hereto.

b. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, August 2, 2019 to Thursday, August 8, 2019, both days inclusive, for the purpose of the Annual General Meeting ("AGM").

c. Corporate Members intending to send their authorized representatives to attend the AGM are requested to either send to the Company a certified true copy of their board resolution or such other authorization, authorizing the representatives to attend and vote on their behalf at the meeting, or the authorized representatives shall carry such authorization along with them for attending the meeting at the venue.

d. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE IN THE AGM INSTEAD OF HIMSELF / HERSELF ON A POLL ONLY AND THAT A PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS A PROXY ON BEHALF OF NOT MORE THAN FIFTY (50) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN (10) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED AND SIGNED AND MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM. A BLANK PROXY FORM IS ENCLOSED.

e. The Members / proxies / authorized representatives are requested to bring duly completed Attendance Slip sent herewith for attending the AGM.

f. The Members / proxies are requested to bring their copy of the Annual Report to the AGM.

g. The documents referred to in the Notice and the Explanatory Statement annexed hereto are available for inspection by the Members of the Company at the Registered Office of the Company between 2.00 p.m. and 4.00 p.m. on any working day of the Company up to the date of the AGM.

h. Statutory Registers maintained under the provisions of the Act will be available for inspection by the Members at the AGM.

i. The Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

j. Additional information required as per Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI"), in respect of the Directors seeking appointment / re-appointment at the AGM, forms an integral part of the Notice. The Directors have furnished the requisite declarations and consents for their appointment / re-appointment.

k. Members wishing to claim dividends which remain unclaimed are requested to correspond with the Registrar and Share Transfer Agents and / or Company Secretary and Compliance Officer at the Company's Registered Office. 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).

l. 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 Company's website: www.oracle.com/financialservices. Members may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in

m. Members who hold shares in physical form are requested to notify promptly any change in their addresses, email address, updates to their bank accounts and other relevant information to the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited, having its office at C101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India ("RTA"). Such Members are also requested to consider the option of holding shares in dematerialized form.

n. Members are requested to address all communications to the RTA of the Company. Members may write to the RTA or call RTA on +91-22- 4918 6000 or e-mail to rnt.helpdesk@linkintime.co.in

o. Members holding shares in physical form are advised to make nomination(s) in respect of their shareholding in the Company. Pursuant to Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014, the nomination form (Form No. SH-13) can be downloaded from the website of the RTA: https://www.linkintime.co.in/client-downloads.html under the section 'General → Nomination'.

p. Members who hold shares in demat mode are requested to make nomination in respect of their shareholding by contacting their Depository Participants. They should also notify promptly any change in their addresses, bank particulars and other related information to their respective Depository Participants.

q. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their Depository Participants ("DPs"), in case the shares are held by them in electronic form and with the RTA, in case the shares are held by them in physical form. The Company has been sending annually communications to the Members of the Company whose email addresses are not registered with RTA / Depository Participant, requesting them to communicate their preference for receiving corporate documents. Accordingly, the Company has emailed or dispatched a physical copy of the Annual Report to Members.

r. The Securities and Exchange Board of India ("SEBI") has mandated submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, required to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.

s. In terms of the Regulation 40 of Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from April 1, 2019. Accordingly, Members holding shares in physical form are advised to dematerialize their shares.

t. Members may kindly note that due to security reasons, there could be certain restrictions and limitations in terms of movement of people, hand baggage and vehicles at the venue of the AGM. People and their accompanied items would be subject to inspection. We solicit your co-operation.

v. A route map to the venue of the AGM is provided at the back of the attendance slip.

w. No gifts or gift coupons shall be distributed to Members at or in connection with the AGM.

x. Webcast facility - The Company will be providing one-way live webcast of proceedings of the AGM from 3.00 p.m. onwards on Thursday, August 8, 2019, on the National Securities Depository Limited (NSDL) website. You may access the same by logging on to the e-voting website of NSDL at https://www.evoting.nsdl.com by using your remote e-voting credentials. The link will be available under shareholder log-in where the E-voting Event Number ("EVEN") of the Company will be displayed.

y. Voting through electronic mode - 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 (SS2) issued by the Institute of Company Secretaries of India (each as amended or modified from time to time), the Company is providing facility to its Members to exercise their votes electronically through the electronic voting service facility provided by NSDL on the items of business given in the Notice through an electronic voting system, to the Members holding shares in the Company as on the close of business hours of Thursday, August 1, 2019, being the cut-off date fixed for determining voting rights of Members entitled to participate in the remote e-voting process through the remote e-voting platform provided by NSDL. The facility of e-voting will also be made available at the AGM to the Members holding shares in the Company as on the cut-off date. The Members who have not cast their votes by way of remote e-voting shall be able to exercise their right at the AGM. Members who have cast their votes through remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

The e-voting rights of the Members / Beneficial Owners shall be reckoned on the shares held by them as on the close of business hours of Thursday, August 1, 2019. The remote e-voting period begins on Saturday, August 3, 2019 (9.00 a.m. IST) and ends on Wednesday, August 7, 2019 (5.00 p.m. IST). During this period the Members holding their shares either in physical form or in dematerialized form may cast their votes electronically. The e-voting module shall be disabled by NSDL thereafter.

The instructions for remote e-Voting are as under:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

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 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in 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 folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details 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, your 'initial password' is communicated to you on your postal address.

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 mode) option available on www.evoting.nsdl.com

   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.

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 given below:

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After clicking Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. 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.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to pddiwan@yahoo.co.in with a copy marked to evoting@nsdl.co.in

2. 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.

3. In case of any queries, 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 toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Other instructions:

1. The remote e-voting period commences on Saturday, August 3, 2019 (9.00 a.m. IST) and ends on Wednesday, August 7, 2019 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the close of business hours of Thursday, August 1, 2019, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for remote e-Voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

2. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the close of business hours of Thursday, August 1, 2019.

3. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice convening the AGM and up to the cut-off date i.e., Thursday, August 1, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in

4. The facility of e-Voting will also be made available at the AGM. Members attending the meeting who have not already cast their vote will be able to exercise their right at the AGM. Please note that the Members who have cast their vote by e-Voting prior to the AGM may also attend the meeting but shall not be entitled to cast their vote again.

5. The Company has appointed, Mr. Prashant Diwan, Practicing Company Secretary (Membership no. FCS 1403 and COP no. 1979) as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.

6. 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 three working days 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.

7. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.oracle.com/financialservices and on the website of National Securities Depository Limited 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 the special business mentioned under item nos. 3 to 8 in the accompanying Notice dated June 20, 2019.

Item no. 3:

Mr. Yong Meng Kau (DIN: 08234739) was appointed as an Additional Director of the Company by the Board of Directors on November 2, 2018. Pursuant to, and in accordance with, the provisions of Section 161 of the Companies Act, 2013, and Article 109 of the Articles of Association of the Company, Mr. Kau holds office up to the date of this Annual General Meeting and is eligible for appointment as a Director of the Company in the capacity of Non-Executive, Non-Independent Director, liable to retire by rotation. Mr. Kau shall not draw any remuneration from the Company.

The Company has received a notice from a Member, along with the requisite deposit under Section 160(1) of the Companies Act, 2013, proposing his candidature for appointment as a Director of the Company.

The detailed profile of Mr. Yong Meng Kau, and Directorships and Committee positions held by him in other companies, are included separately in this Notice.

Except Mr. Kau, no Director, Key Managerial Personnel of the Company, or their relatives, is in any way concerned or interested in the resolution set out at item no. 3 of the Notice.

Your Directors recommend the resolution at item no. 3 of the Notice.

Item no. 4:

Mr. Vincent Secondo Grelli (DIN: 08262388) was appointed as an Additional Director of the Company by the Board of Directors on November 2, 2018. Pursuant to, and in accordance with, the provisions of the Section 161 of the Companies Act, 2013, and Article 109 of the Articles of Association of the Company, Mr. Grelli holds office up to the date of this Annual General Meeting and is eligible for appointment as a Director of the Company in the capacity of Non-Executive, Non-Independent Director, liable to retire by rotation. Mr. Grelli shall not draw any remuneration from the Company.

The Company has received a notice from a Member, along with the requisite deposit under Section 160 of the Companies Act, 2013, proposing his candidature for appointment as a Director of the Company.

The detailed profile of Mr. Vincent Secondo Grelli, and Directorships and Committee positions held by him in other companies, are included separately in this Notice.

Except Mr. Grelli, no Director, Key Managerial Personnel of the Company, or their relatives, is in any way concerned or interested in the resolution set out at item no. 4 of the Notice.

Your Directors recommend the resolution at item no. 4 of the Notice.

Item no. 5:

Based on the recommendation of Nomination and Remuneration Committee, Ms. Jane Murphy (DIN: 08336710) was appointed as an Additional Director of the Company in capacity of Non-Executive, Independent Director of the Company by the Board of Directors on February 13, 2019. Pursuant to, and in accordance with, the provisions of Sections 149, 152, 161 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Article 109 of the Articles of Association of the Company, Ms. Murphy holds office up to the date of this Annual General Meeting and is eligible for appointment as a Non-Executive, Independent Director of the Company. It is proposed to appoint Ms. Murphy as a Non-Executive, Independent Director of the Company for a term up to December 31, 2023, not liable to retire by rotation.

Ms. Murphy has given a declaration that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. Ms. Murphy fulfils the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her appointment as an Independent Director of the Company and is independent of the management.

The Company has received a notice from a Member, under Section 160(1) of the Companies Act, 2013, proposing her candidature for appointment as a Non-Executive, Independent Director of the Company.

The detailed profile of Ms. Jane Murphy, and Directorships and Committee positions held by her in other companies, are included separately in this Notice.

Except Ms. 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.

Item no. 6:

Based on the recommendation of Nomination and Remuneration Committee, Mr. Makarand Padalkar (DIN: 02115514) was appointed as an Additional Director of the Company by the Board of Directors on May 9, 2019. Pursuant to, and in accordance with, the provisions of the Section 161 of the Companies Act, 2013, and Article 109 of the Articles of Association of the Company, Mr. Padalkar holds office up to the date of this Annual General Meeting and is eligible for appointment as a Director of the Company, in the capacity of Whole-time Director and Chief Financial Officer, liable to retire by rotation.

The Company has received a notice from a Member, under Section 160(1) of the Companies Act, 2013, proposing his candidature for appointment as a Director of the Company.

The detailed profile of Mr. Makarand Padalkar, and Directorship and Committee positions held by him in other companies, are included separately in this Notice.

Except Mr. Padalkar, no Director, other Key Managerial Personnel of the Company, or their relatives, is in any way concerned or interested in the resolution set out at item no. 6 of the Notice.

Your Directors recommend the resolution at item no. 6 of the Notice.

Item no. 7:

The Board of Directors of the Company at its meeting held on May 9, 2019 appointed Mr. Makarand Padalkar (DIN: 02115514) as the Whole-time Director and Chief Financial Officer of the Company for a period of five years with effect from May 9, 2019, subject to the approval of the Members and such other approvals as may be required, on the following terms and conditions:

Remuneration:

1. Gross Salary: In the scale of ₹ 1.00 crore p.a. to ₹ 2.00 crore p.a. inclusive of perquisites and allowances as mentioned below:
   Perquisites and allowances:
   a. Housing: House Rent Allowance as per the rules of the Company.
   b. Hospitalization Expenses: Coverage under a hospitalization insurance scheme for self and family as per the rules of the Company.
   c. Leave travel concession / allowance: For self and family once in a year, as per the rules of the Company.
   d. Personal accident insurance & Group Term Life Insurance: As per the rules of the Company.
   e. Other allowances as per the rules of the Company.
   f. Other benefits:
      i. Earned / privilege leave: As per the rules of the Company.
      ii. Company's contribution to provident fund and superannuation fund: As per the rules of the Company.
      iii. Gratuity: As per the rules of the Company.
      iv. Encashment of leave: As per the rules of the Company.
2. Performance linked Bonus: Payable annually or at other intervals, as may be decided by the Board or the Nomination and Remuneration Committee of the Board in accordance with applicable law.

Mr. Padalkar shall also be eligible for stock options under Employee Stock Option Schemes as may be approved by the Nomination and Remuneration Committee of the Board from time to time.

Further, notwithstanding anything stated herein above, wherein in any financial year; closing on and after March 31, 2020, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Makarand Padalkar the minimum remuneration as per the provisions of the Companies Act, 2013.

The remuneration payable to Mr. Makarand Padalkar as set out in the resolution no. 7 of the Notice is within the limits permitted under the provisions of Sections 197 and 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re - enactment thereof for the time being in force).

The agreement entered into between Mr. Makarand Padalkar and the Company is available for inspection by the Members of the Company at its registered office between 2:00 p.m. to 4:00 p.m. on any working day of the Company and is also placed before the meeting.

Except Mr. Makarand Padalkar, no other Director or Key Managerial Personnel of the Company, or their relatives, is in any way concerned or interested in the resolution at item no. 7 of the Notice.

Your Directors recommend the resolution at item no. 7 of the Notice.

Item no. 8:

At the Annual General Meeting held on September 11, 2015, the Members of the Company had appointed Mr. Sridhar Srinivasan (DIN: 07240718) as an Independent Director on the Board of the Company to hold office for a term of five consecutive years up to March 31, 2020, not liable to retire by rotation, pursuant to Section 149 of the Act.

In terms of Section 149(10) of the Act, an Independent Director can hold office for a term up to five consecutive years on the board of a company, not be liable to retire by rotation and be eligible for re-appointment on passing of a special resolution by the Company.

Further, in terms of Sections 149, 152 read with Schedule IV of the Act, and Regulation 16 of the Listing Regulations, and based on the recommendation of Nomination and Remuneration Committee, the Board has reviewed the declaration made by Mr. Sridhar Srinivasan that he meets the criteria of independence as provided in Section 149(6) of the Act, and the Board is of opinion that he fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management. Hence, it is deemed fit to re-appoint Mr. Sridhar Srinivasan as an Independent Director on the Board of the Company to hold office for a further term of five consecutive years from April 1, 2020 up to March 31, 2025.

The Company has received a notice from a Member, under Section 160(1) of the Companies Act, 2013, proposing his candidature for appointment as a Non-Executive, Independent Director of the Company.

A copy of the draft letter of re-appointment of Mr. Sridhar Srinivasan as an Independent Director setting out the terms and conditions is available for inspection by the Members at the Company's Registered Office between 2.00 p.m. to 4.00 p.m. on any working day of the Company up to the date of the AGM.

The detailed profile of Mr. Sridhar Srinivasan, and Directorships and Committee positions held by him in other companies, are included separately in this Notice.

Your Directors consider that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Sridhar Srinivasan as an Independent Director.

Accordingly, your Directors recommend the Special Resolution for re-appointing Mr. Sridhar Srinivasan as an Independent Director of the Company for a further term of five consecutive years up to March 31, 2025.

Except Mr. Sridhar Srinivasan, no Director, Key Managerial Personnel of the Company, or their relatives, is in any way concerned or interested in the resolution at item no. 8 of the Notice.

Your Directors recommend the resolution at item no. 8 of the Notice.

ADDITIONAL INFORMATION OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE THIRTIETH 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 - 2 ON GENERAL MEETINGS

A brief profile of the Directors to be appointed / re-appointed is given below:

1. **Ms. Kimberly Woolley** is the Assistant General Counsel and Assistant Secretary for Oracle Corporation. She has been practicing corporate law since 1998 and originally joined Oracle Corporation in May 2009. She supports Oracle Corporation's Board of Directors and Committees of the Board. Ms. Woolley is a member of Oracle Corporation's Disclosure Committee and is responsible for Oracle's compliance with U.S. securities laws, including the review and preparation of the company's periodic reports (10-K, 10-Qs, 8-Ks), annual proxy statement and Section 16 filings. Ms. Woolley also supports Oracle's Treasury and Finance teams in capital markets transactions. Prior to joining Oracle Corporation, Ms. Woolley was the Director, Associate General Counsel of Williams-Sonoma, Inc. where she served as the Head of Corporate and Securities law, reporting to the General Counsel. Ms. Woolley previously worked as an Associate at law firms Gibson, Dunn & Crutcher (London and San Francisco), and Sullivan & Cromwell (New York and London). Ms. Woolley holds a juris doctorate degree with High Honors from The George Washington University Law School, and a bachelor of arts degree with Honors (Magna Cum Laude) in Politics and Government from Ripon College. Ms. Woolley is a member of the New York and California state bars.

2. **Mr. Yong Meng Kau** is Vice President for Legal, and Deputy Regional General Counsel for Oracle Corporation, JAPAC. Prior to joining Oracle in 2001, he was in private practice specializing in corporate and commercial law. In his current role, he manages the legal team for Oracle's ASEAN and South Asia business and operations, and provides legal support to local and regional management across all lines of businesses. He also serves as a director in 8 Oracle subsidiaries across Singapore, Vietnam, and Indonesia, and is the Company Secretary for Oracle Corporation Singapore. Mr. Kau holds Bachelor of Laws (Honours) and Graduate Certificate in International Arbitration from National University of Singapore. Mr. Kau is a Fellow of the Singapore Institute of Arbitrators.

3. **Mr. Vincent Secondo Grelli** is the Vice President Tax, Asia Pacific Region for Oracle Corporation. He is responsible for managing Oracle's direct and indirect tax affairs in the Asia Pacific, Greater China and India regions. Mr. Grelli joined Oracle Corporation in December of 2008. Prior to joining Oracle, Mr. Grelli was the Vice President of Global Taxes at Hyperion Solutions, reporting to the Company's Chief Financial Officer. Mr. Grelli has previously held Senior Global tax management positions at Sun Microsystems and Amdahl Corporation. Mr. Grelli began his career with Arthur Andersen. Mr. Grelli holds a bachelor's degree in accounting and is a Certified Public Accountant licensed in California. Mr. Grelli is a long standing member of the American Institute of Certified Public Accountants.

4. **Ms. Jane Murphy** is a Belgo-Canadian lawyer who was born and raised in Canada, where she qualified and worked as a lawyer before moving to Belgium 25 years ago, where she also qualified as a Belgian lawyer. Her legal practice focuses on the GDPR, corporate law, mergers & acquisitions and corporate governance. Ms. Murphy is the founder and President of European Data Protection Office (EDPO). She is also an independent non-executive board director and member of various committees (audit, risk, legal, compliance, remuneration and corporate governance) of listed companies, Ageas (Belgium and France) and Elia and of the non-listed company, Puilaetco Dewaay Private Bankers. Ms. Murphy is Vice-President of CanCham Belux and a regular speaker at events related to the GDPR, corporate law and Canada-EU relations. 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.

5. **Mr. Makarand Padalkar** is the Chief Financial Officer of the Company. Prior to his present position, Mr. Padalkar has managed various responsibilities ranging from business & technology consulting to Global Banks and Financial Institutions, to heading marketing and managing corporate office / strategy. As first head of marketing in the Company, he successfully launched the products that are the core foundation of the Company today. Mr. Padalkar is with the Company since 1994. Prior to joining the Company, Mr. Padalkar spent 12 years with Tata Unisys Limited (now Tata Consultancy Services Limited) consulting various clients in BFSI segments in Europe and United States, managing strategic client relationships and launching foray of the Company in banking products. Mr. Padalkar is a post graduate engineer from Indian Institute of Technology, Mumbai.

6. **Mr. Sridhar Srinivasan** is a Senior Advisor with Oliver Wyman, a leading global management consulting firm. He joined Oliver Wyman in early 2013 as a Partner and India Head. He works with CEOs, Boards of Directors and other senior leaders of top Financial Services companies in the region on topics such as Management Strategy, Risk Management, Client Coverage models, Product and Distribution strategies, Cost Optimization, Governance and Regulatory Compliance. Mr. Srinivasan has over 30 years of experience in the Financial Services Industry. Prior to joining Oliver Wyman, he was Managing Director of Citigroup, based in London. He was with Citi for 28 years and has worked in 6 countries across Asia, Africa and Europe. Some of the leadership positions he held with Citibank included being CEO for three countries, Corporate Bank Head for India and Transaction Services Head for Africa. Mr. Srinivasan is a graduate of Delhi University and is also a Chartered Accountant.

Details of current Directorships and Committee positions held in other companies by the Directors, seeking appointment / re-appointment at the Annual General Meeting, are as under:

Particulars	Kimberly Woolley	Yong Meng Kau	Vincent Secondo Grelli	Jane Murphy	Makarand Padalkar	Sridhar Srinivasan
Age	47 years	55 years	67 years	52 years	59 years	59 years
Date of Appointment	March 29, 2017	November 2, 2018	November 2, 2018	February 13, 2019	May 9, 2019	July 23, 2015
Qualifications	Juris Doctorate degree with High Honors from The George Washington University Law School. Member of the New York and California state bars.	Bachelor of Laws (Honours) and Graduate Certificate in International Arbitration from National University of Singapore. Fellow Member of the Singapore Institute of Arbitrators and Member of the Chartered Institute of Arbitrators.	Bachelor's Degree in Accounting, and a Certified Public Accountant.	Masters in International and European Law.	Post Graduate engineer from Indian Institute of Technology, Mumbai.	Bachelor's Degree in Commerce and a Fellow Member of the Institute of Chartered Accountants of India.
Expertise in specific functional areas	Corporate Law, Securities Law and Corporate Governance	Corporate and Commercial Law	Global tax and accounting	GDPR, corporate law, mergers & acquisitions and corporate governance, with broad local and international experience	Finance, Business & Technology Consulting	Global Financial Services Industry
Directorships held in other companies	- Ripon College - GoAhead Software India Private Limited - Responsys Business Solutions India Private Limited - Tekelec Systems India Private Limited - Waban Software Private Limited - Logfire Technology Solutions Private Limited - Palerra Software Private Limited - Oracle Corporation, Japan - Aconex (India) Private Limited - Oracle Solution Services (India) Private Limited	- Aconex (Singapore) Pte. Ltd. - MICROS-Fidelio Singapore Pte Ltd - NetSuite Software (Asia Pacific) Pte. Ltd. - Oracle Corporation Singapore Pte. Ltd. - Oracle Singapore Holdings Pte. Ltd. - Oracle Vietnam Pte. Ltd. - Sun Microsystems Pte. Ltd. - Tekelec Singapore Pte. Ltd. - Grapeshot Asia Pacific Pte. Ltd. - Conject Services Pte. Ltd. - goBalto International Pte. Ltd. - Oracle Bangladesh Limited - Oracle Global Services Singapore Pte Ltd	–	- Ageas France - Puilaeto Dewaay Private Bankers - Ageas - Elia Systems Operator - Elia Asset SA - Canada-Belgium-Luxembourg Chamber of Commerce (CanCham BeLux) - Oracle Financial Services Software B.V. - Oracle Financial Services Software Pte. Ltd.	Sarvatra Technologies Private Limited	- India Factoring and Finance Solutions Private Limited - Bank of Baroda - FINCA Bank Georgia - Vivriti Capital Private Limited - Vivriti Asset Management Private Limited
Memberships / Chairmanships of committees of other companies	Audit Committee: - Ripon College	–	–	Audit Committee: - Ageas France* - Puilaeto Dewaay Private Bankers	–	Audit Committee: - India Factoring and Finance Solutions Private Limited* - Vivriti Capital Private Limited - FINCA Bank Georgia
Number of shares held in the Company	–	–	–	–	45590	–

*Chairperson of the Committee.

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.

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.

For other details such as the number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of the above directors, please refer to the Corporate Governance Report which is a part of this Annual Report.

By Order of the Board of Directors

Onkarnath Banerjee
Company Secretary and Compliance Officer
Membership no. ACS 8547

Mumbai
June 20, 2019

Registered Office:
Oracle Park, Off Western Express Highway
Goregaon (East), Mumbai 400063
Tel. no. +91 22 6718 3000
Fax no. + 91 22 6718 3001
CIN: L72200MH1989PLC053666
Website: www.oracle.com/financialservices
Email: investors-vp-ofss_in_grp@oracle.com

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ATTENDANCE SLIP

ORACLE FINANCIAL SERVICES SOFTWARE LIMITED
Registered Office: Oracle Park, Off Western Express Highway, Goregaon (East), Mumbai 400063
CIN: L72200MH1989PLC053666; Tel. no. +91 22 6718 3000; Fax no. + 91 22 6718 3001
Website: www.oracle.com/financialservices; Email: investors-vp-ofss_in_grp@oracle.com

I hereby record my presence at the Thirtieth Annual General Meeting of the Company held on Thursday, August 8, 2019 at 3.00 p.m. at Courtyard By Marriott Mumbai International Airport, C.T.S No. 215, Andheri Kurla Road, Andheri East, Mumbai 400059.

Full name of the Shareholder ....
(in block letters)

Ledger Folio No. .... DP ID .... Client ID ....

Number of Shares held ....

Full name of Proxy ....
(in block letters)

Signature of Shareholder or Proxy attending ....

Please provide full name of the 1st Joint Holder.

....

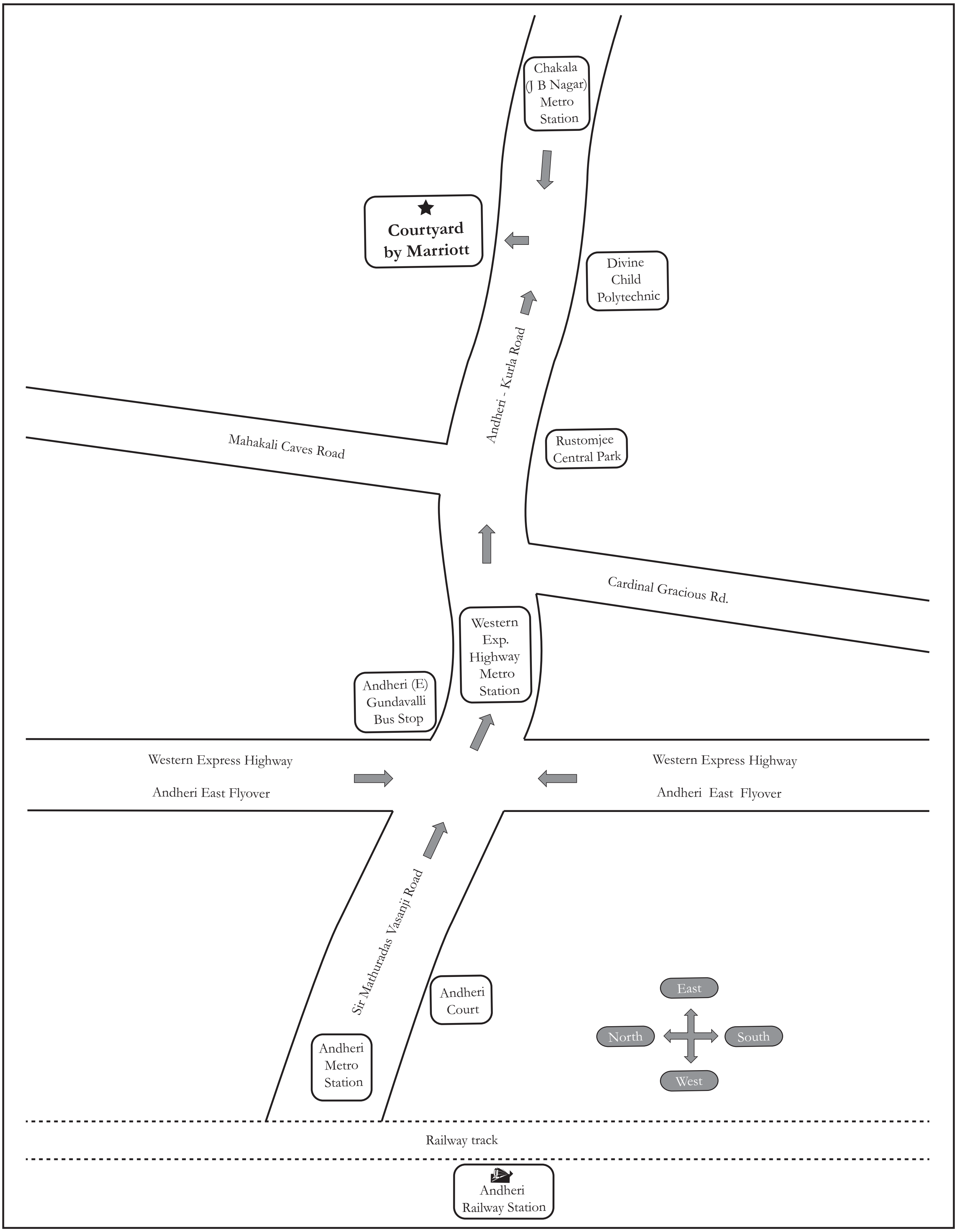
Notes:

(1) Members / Proxy holders are requested to produce the attendance slip duly signed for admission to the Meeting hall.

(2) Members are requested to bring their copy of Annual Report for reference at the Meeting.

P.T.O.

Route map to the venue of the Annual General Meeting



★ Annual General Meeting venue

Map not to scale

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

ORACLE FINANCIAL SERVICES SOFTWARE LIMITED

Registered Office: Oracle Park, Off Western Express Highway, Goregaon (East), Mumbai 400063
CIN: L72200MH1989PLC053666; Tel. no. +91 22 6718 3000; Fax no. + 91 22 6718 3001
Website: www.oracle.com/financialservices; Email: investors-vp-ofss_in_grp@oracle.com

Name of the member(s)	
Registered address	
Email id	
Folio No. / Client ID	
DP ID	

I / We, being the member(s) of Oracle Financial Services Software Limited holding…………………………………equity shares of the above named company, hereby appoint

1. Name: ………………………………………………………………… Email Id: ……………………………………………………

   Address: ………

   ………………………………………………………..………… Signature: ______________________________or failing him / her

2. Name: ………………………………………………………………… Email Id: ……………………………………………………

   Address: ………

   ……………………………………………………...…………… Signature: ______________________________or failing him / her

3. Name: ………………………………………………………………… Email Id: ……………………………………………………

   Address: ………

   ………………………………………………………..………… Signature: ______________________________

P.T.O.

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Thirtieth Annual General Meeting of the Company to be held on Thursday, August 8, 2019 at 3.00 p.m. at Courtyard By Marriott Mumbai International Airport, C.T.S No. 215, Andheri Kurla Road, Andheri East, Mumbai 400059 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Resolutions	Vote (optional)*		
		For	Against	Abstain
	Ordinary Business			
1	Adoption of audited financial statements (including consolidated financial statements) for the financial year ended March 31, 2019 and the Reports of the Board of Directors and the Auditors thereon.			
2	Appointment of a Director in place of Ms. Kimberly Woolley (DIN: 07741017) who retires by rotation and, being eligible, offers herself for re-appointment.			
	Special Business			
3	Appointment of Mr. Yong Meng Kau (DIN: 08234739) as a Director of the Company in the capacity of Non-Executive, Non-Independent Director, liable to retire by rotation.			
4	Appointment of Mr. Vincent Secondo Grelli (DIN: 08262388) as a Director of the Company in the capacity of Non-Executive, Non-Independent Director, liable to retire by rotation.			
5	Appointment of Ms. Jane Murphy (DIN: 08336710) as a Non-Executive, Independent Director of the Company for a term of five consecutive years up to December 31, 2023.			
6	Appointment of Mr. Makarand Padalkar (DIN: 02115514) as a Whole-time Director and Chief Financial Officer of the Company, for a term of five years up to May 8, 2024, liable to retire by rotation.			
7	Terms and conditions of remuneration payable to Mr. Makarand Padalkar (DIN: 02115514) as Whole-time Director for a term of five years up to May 8, 2024.			
8	Re-appointment of Mr. Sridhar Srinivasan (DIN: 07240718) as an Independent Director for a further term of five consecutive years up to March 31, 2025.			

* it is optional to indicate your preference. If you leave the for, against or abstain columns blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

Signed this ……………………………… day of ……………………… 2019.

Please affix ₹ 1 revenue stamp and sign across

Signature of Member(s)

Signature of proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. A person can act as proxy on behalf of the Members up to and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

Oracle Financial Services Software Limited

Registered Office
Oracle Park, Off Western Express Highway
Goregaon (East), Mumbai 400063, Maharashtra, India

CIN: L72200MH1989PLC053666

Investor Enquiries
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Fax + 91.22.6718.3001

oracle.com/financialservices