

**Oracle (OFSS) BPO Services Limited**

**Financial Statements**

for the year ended March 31, 2022

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Oracle (OFSS) BPO Services Limited

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

#### **Opinion**

We have audited the accompanying Ind AS financial statements of Oracle (OFSS) BPO Services Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

#### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

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

The annual report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

### **Responsibility of Management for the 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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.

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

Our objectives are to obtain reasonable assurance about whether the 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

- (g) According to the information and explanations given by the management, no managerial remuneration has been paid / provided by the Company during the year ended March 31, 2022;
- (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 does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 36 to the Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 36 to the Ind AS financial statements, no funds have been received by the company from any persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. No dividend has been declared or paid during the year by the Company.

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

per Govind Ahuja  
Partner  
Membership Number: 048966  
UDIN: 22048966AIJOLB6046  
Place of Signature: Mumbai  
Date: May 04, 2022

**ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE**

**Re: Oracle (OFSS) BPO Services Limited (the 'Company')**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - (B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
  - (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
  - (b) During the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
  - (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, value added tax, sales tax and duty of excise are not applicable to the Company for the year ended March 31, 2022.
- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

<b>Name of the statute</b>	<b>Nature of the dues</b>	<b>Amount (Rs)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
The Income Tax Act, 1961	Penalty	2,825,151	Assessment year 2009- 2010	Deputy Commissioner of Income Tax

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) According to the information and explanations given by the management, the Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of paragraph 3(xii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Act where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under paragraph 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.



- (xiv) (a) The Company has implemented internal audit system on a voluntary basis which is commensurate with the size of the Company and nature of its business though it is not required to have an internal audit system under Section 138 of the Companies Act, 2013.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 24 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) There are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 37 to the financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 37 to the financial statements.

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

per Govind Ahuja  
Partner  
Membership Number: 048966  
UDIN: 22048966AIJOLB6046  
Place of Signature: Mumbai  
Date: May 04, 2022

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF ORACLE (OFSS) BPO SERVICES LIMITED**

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

We have audited the internal financial controls over financial reporting of Oracle (OFSS) BPO Services Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, 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 with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Ind AS financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Ind AS Financial Statements**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Ind AS Financial Statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

per Govind Ahuja  
Partner  
Membership Number: 048966  
UDIN: 22048966AIJOLB6046  
Place of Signature: Mumbai  
Date: May 04, 2022

**Oracle (OFSS) BPO Services Limited**

**Balance sheet as at March 31, 2022**

(Amounts in ₹ thousand)

	Notes	March 31, 2022	March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	19,164	26,018
Right-of-use asset	4	94,490	146,030
Financial assets			
Other non-current financial assets	5	32,601	26,133
Deferred tax assets	18	82,235	52,804
Income tax assets (net)		40,387	47,181
		<b>268,877</b>	<b>298,166</b>
<b>Current assets</b>			
Financial assets			
Trade receivables	6	32,797	31,552
Cash and cash equivalents	7(a)	15,727	28,644
Other bank balances	7(b)	95,243	-
Other current financial assets	5	10,752	16,056
Other current assets	8	13,537	23,757
		<b>168,056</b>	<b>100,009</b>
<b>TOTAL</b>		<b>436,933</b>	<b>398,175</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	9	58,194	58,194
Contribution from Parent Company	10	145,792	140,834
Other equity	11	61,603	(43,814)
<b>Total equity</b>		<b>265,589</b>	<b>155,214</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Lease Liabilities	12	53,340	111,903
Provision	14	26,543	24,514
		<b>79,883</b>	<b>136,417</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	15	-	30,000
Lease Liabilities	12	58,563	46,320
Trade payables			
Payable to micro and small enterprises	16	-	23
Payable to others	16	2,956	4,230
Other current financial liabilities	17	6,857	9,598
Other current liabilities	13	6,578	4,088
Provision	14	16,507	12,285
		<b>91,461</b>	<b>106,544</b>
<b>TOTAL</b>		<b>436,933</b>	<b>398,175</b>
Summary of significant accounting policies	2		

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

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

For and on behalf of the Board of Directors of  
Oracle (OFSS) BPO Services Limited

per Govind Ahuja  
Partner  
Membership No. 048966

Priyanshu Bhatt                      Manish Bhandari  
Director                                  Director  
DIN 08445621                          DIN 03583180

Bijal Makwana  
Company Secretary  
ACS 60438

Mumbai, India  
May 4, 2022

Mumbai, India  
May 4, 2022

**Oracle (OFSS) BPO Services Limited**  
**Statement of profit and loss for the year ended March 31, 2022**

(Amounts in ₹ thousand, except share data)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
<b>INCOME</b>			
Revenue from operations	19	394,465	366,285
Finance income	20	4,922	3,986
Other income, net	21	320	20,436
<b>Total income</b>		<b>399,707</b>	<b>390,707</b>
<b>EXPENSES</b>			
Employee benefits expenses	22	189,523	170,199
Travel related expenses		1,195	5,355
Professional fees		4,564	4,436
Finance Costs	23	14,017	24,112
Other operating expenses	24	28,493	27,907
Depreciation and amortization expense	3	66,992	65,762
<b>Total expenses</b>		<b>304,784</b>	<b>297,771</b>
<b>Profit before tax</b>		<b>94,923</b>	<b>92,936</b>
Tax expenses/(credits)	18		
Current tax		17,047	6,299
Deferred tax (credit)		(28,905)	(54,457)
<b>Total tax expenses/(credits)</b>		<b>(11,858)</b>	<b>(48,158)</b>
<b>Profit for the year</b>		<b>106,781</b>	<b>141,094</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
Actuarial (loss) /gain on gratuity		(1,890)	5,941
Deferred tax credits/(charge)		526	(1,653)
<b>Total other comprehensive income/(expenses) for the year, net of tax</b>		<b>(1,364)</b>	<b>4,288</b>
<b>Total comprehensive income for the year</b>		<b>105,417</b>	<b>145,382</b>
Earnings per equity share of par value of Rs. 10 each (March 31, 2021 Rs. 10 each ) (in Rs.)			
Basic		18.35	24.25
Diluted		18.35	24.25
Summary of significant accounting policies	2`		
The accompanying notes form an integral part of the financial statements.			

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

For and on behalf of the Board of Directors of  
Oracle (OFSS) BPO Services Limited

per Govind Ahuja  
Partner  
Membership No. 048966

Priyanshu Bhatt  
Director  
DIN 08445621

Manish Bhandari  
Director  
DIN 03583180

Bijal Makwana  
Company Secretary  
ACS 60438

Mumbai, India  
May 4, 2022

Mumbai, India  
May 4, 2022

**Oracle (OFSS) BPO Services Limited**  
**Statement of changes in equity for the year ended March 31, 2022**

(a) Year ended March 31, 2022

(Amounts in ₹ thousand, except share data)

Particulars	Equity share capital		Contributions from Parent Company	Other Equity		Total equity attributable to equity share holders of the Company
	Number of shares	Share Capital		Retained earnings	Other comprehensive income	
					Remeasurement of defined benefit obligation	
<b>Balance as of April 1, 2021</b>	<b>5,819,360</b>	<b>58,194</b>	<b>140,834</b>	<b>(43,814)</b>	<b>-</b>	<b>155,214</b>
Changes in equity for the year ended March 31, 2022						
Stock compensation expense	-	-	4,958	-	-	4,958
Profit for the year	-	-	-	106,781	-	106,781
Actuarial gain / (loss) on gratuity	-	-	-	-	(1,364)	(1,364)
Actuarial gain / (loss) on gratuity-transferred to retained earnings	-	-	-	(1,364)	1,364	-
<b>Balance as of March 31, 2022</b>	<b>5,819,360</b>	<b>58,194</b>	<b>145,792</b>	<b>61,603</b>	<b>-</b>	<b>265,589</b>

(b) Year ended March 31, 2021

(Amounts in ₹ thousand, except share data)

Particulars	Equity share capital		Contributions from Parent Company	Other Equity		Total equity attributable to equity share holders of the Company
	Number of shares	Share Capital		Retained earnings	Other comprehensive income	
					Remeasurement of defined benefit obligation	
<b>Balance as at April 1, 2020</b>	<b>5,819,360</b>	<b>58,194</b>	<b>136,602</b>	<b>(189,196)</b>	<b>-</b>	<b>5,600</b>
Changes in equity for the year ended March 31, 2021						
Stock compensation expense	-	-	4,232	-	-	4,232
Profit for the year	-	-	-	141,094	-	141,094
Actuarial gain / (loss) on gratuity	-	-	-	-	4,288	4,288
Actuarial gain / (loss) on gratuity transferred to retained earnings	-	-	-	4,288	(4,288)	-
<b>Balance as of March 31, 2021</b>	<b>5,819,360</b>	<b>58,194</b>	<b>140,834</b>	<b>(43,814)</b>	<b>-</b>	<b>155,214</b>

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

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

For and on behalf of the Board of Directors of  
Oracle (OFSS) BPO Services Limited

per Govind Ahuja  
Partner  
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Priyanshu Bhatt  
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DIN 08445621

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Mumbai, India  
May 4, 2022

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May 4, 2022

**Oracle (OFSS) BPO Services Limited**  
**Statement of cash flow for the year ended March 31, 2022**

	(Amounts in ₹ thousand)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Cash flows from operating activities:</b>		
Profit before tax	94,923	92,936
Adjustments to reconcile Profit before tax to cashflows from operating activities :		
Depreciation and amortization expense	66,992	65,762
Employee stock compensation expense	4,958	4,232
Finance Income	(4,922)	(3,986)
Foreign exchange (gain)/loss, net	(320)	440
Interest on lease liability	12,968	17,140
Interest on borrowings	1,049	6,972
GST input credit availed	-	(20,876)
Impairment loss recognized/ (reversed) on other financial assets	535	(414)
<b>Operating Profit before Working Capital changes</b>	<b>176,183</b>	<b>162,206</b>
Movements in working capital		
(Increase) in trade receivables	(925)	(4,085)
Decrease in other current financial assets	5,304	16,027
Decrease/ (Increase) in other current assets	10,220	(191)
Increase/ (Decrease) in non current provisions	138	(3,290)
(Decrease) / Increase in trade payables	(1,297)	1,879
(Decrease) in other current financial liabilities	(2,742)	(4,475)
Increase in other current liabilities	2,490	1,423
Increase /(Decrease) in short term provisions	4,224	(3,894)
<b>Cash flow from operating activities</b>	<b>193,595</b>	<b>165,600</b>
Payment of domestic taxes	(9,402)	(9,509)
<b>Net cash provided by operating activities</b>	<b>184,193</b>	<b>156,091</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(8,598)	(7,027)
Placement of deposits for premises and others	(4,142)	-
Bank fixed deposits having maturity of more than three months matured	20,000	-
Bank fixed deposits having maturity of more than three months booked	(115,000)	-
Interest received	967	616
<b>Net cash (used in) investing activities</b>	<b>(106,773)</b>	<b>(6,411)</b>
<b>Cash flows from financing activities:</b>		
Payment of Lease Liability	(46,320)	(40,733)
Repayment of borrowings	(30,000)	(76,000)
Interest paid	(14,017)	(24,112)
<b>Net cash (used in) financing activities</b>	<b>(90,337)</b>	<b>(140,845)</b>
Net (Decrease) / Increase in cash and cash equivalents	(12,917)	8,835
Cash and cash equivalents at the beginning of the year	28,644	19,809
<b>Cash and cash equivalents at end of the year</b>	<b>15,727</b>	<b>28,644</b>



**Oracle (OFSS) BPO Services Limited**  
**Statement of cash flow for the year ended March 31, 2022**

(Amounts in ₹ thousand)

	<b>Year ended March 31,2022</b>	<b>Year ended March 31,2021</b>
<b>Component of cash and cash equivalents</b>		
Balances with banks:		
Current accounts	15,727	28,644
<b>Total cash and cash equivalents at the end of the year [Refer note 7(a)]</b>	<b>15,727</b>	<b>28,644</b>

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

For and on behalf of the Board of Directors of  
Oracle (OFSS) BPO Services Limited

per Govind Ahuja  
Partner  
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Priyanshu Bhatt                      Manish Bhandari  
Director                                      Director  
DIN 08445621                              DIN 03583180

Bijal Makwana  
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Mumbai, India  
May 4, 2022

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May 4, 2022

## Oracle (OFSS) BPO Services Limited

### Notes annexed to and forming part of the financial statements for the year ended March 31, 2022 (Amounts in thousands of Indian Rupees, except share data)

#### Note 1: Corporate information

Oracle (OFSS) BPO Services Limited (the “Company”) was incorporated in India with limited liability on November 7, 2002. As on March 31, 2021, the Company was a subsidiary of ISP Internet (Mauritius) Company (“ISP”) Holding 99.82%. The Board of Directors of the Company at its meeting held on Thursday, November 18, 2021 approved transfer of shares held by ISP to Oracle Financial Services Software Limited (“OFSS”). Subsequent to the transfer, OFSS has become the direct Holding Company of Oracle (OFSS) BPO Services Limited.

The Company is principally engaged in the business of providing business process outsourcing services to the mortgage industry.

The standalone financial statements for the year ended March 31, 2022 were approved by the Company’s Board of Directors and authorized for issue on May 4, 2022

#### Note 2: Summary of significant accounting policies

##### 2.1 Basis of preparation

These Financial statements comprising of Balance Sheet as at March 31, 2022, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended have been prepared in accordance with Indian Accounting Standards (‘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 financial statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at fair value such as defined benefit plan.

Previous year’s numbers have been reclassified wherever necessary, to confirm to current year’s presentation.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

##### 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*

Property, plant and equipment and capital work in progress, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The Company capitalizes all direct costs relating to the acquisition and installation of property, plant and equipment. 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 cost of fixed assets not ready to use before Balance Sheet date are disclosed under ‘Capital work-in-progress’. All additions during the reported year are considered at cost.

###### *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:

## Oracle (OFSS) BPO Services Limited

### Notes annexed to and forming part of the financial statements for the year ended March 31, 2022 (Amounts in thousands of Indian Rupees, except share data)

<u>Asset description</u>	<u>Asset life (in years)</u>
<b>Tangible assets</b>	
Leasehold Improvements	Lesser of 7 years or Lease term
Computer Equipment	3
Office Equipment	5
Furniture and fixtures	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 based on an internal assessment, the useful lives of the following classes of assets.

- The useful lives of servers and networking equipments forming part of computer equipments 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 estimated at 7 years. These lives are lower than those indicated in schedule II to the Act.
- The useful lives of leasehold improvements are estimated at lesser of 7 years or lease term. These lives are lower than those indicated in schedule II to the Act.

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

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

In 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 assessment of the time value of money and the risks specific to the asset. 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 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 financial statements are presented in Indian Rupees ('INR'), which is the functional currency of the Company.

##### *Foreign currency balances*

Transactions in foreign currencies are initially recorded by the Company at its 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.

## Oracle (OFSS) BPO Services Limited

### Notes annexed to and forming part of the financial statements for the year ended March 31, 2022 (Amounts in thousands of Indian Rupees, except share data)

#### d) Revenue recognition

##### *Business Process Outsourcing (BPO):*

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration that the Company expects to receive in exchange for those services. The Company has concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the customer.

BPO services comprise of back-office administration, data management and call center. Depending upon the terms of the arrangement, revenue from these services are recognized on a per employee, number of hours worked or cost-plus basis. The BPO contracts are time and material contracts where the revenue is recognized as the related services are performed.

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 statement of profit and loss.

Trade receivables represents the Company's rights to an amount of consideration that is unconditional.

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.

The Company recognizes as an asset the incremental cost of obtaining a contract with the customers as an asset and disclose them under "Other assets" as deferred contract costs. Incremental costs of obtaining contracts are those costs that the Company incurs to obtain a contract with customer that would have not been incurred if the contract had not been obtained. Such deferred contract costs assets are amortized over the benefit period.

#### e) Taxes

##### *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 where the Company 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.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period

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.

## Oracle (OFSS) BPO Services Limited

### Notes annexed to and forming part of the financial statements for the year ended March 31, 2022 (Amounts in thousands of Indian Rupees, except share data)

#### *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.

The Company has carried forward unabsorbed depreciation and MAT Credit in its tax returns of income. However, Company is able to earn pre-tax profits of INR 94,923 thousand in current year. The management of Company basis the projections for next 5 years, where the Company expects to earn sufficient profit and utilize the carried forward unabsorbed depreciation and MAT Credit available for utilisation.

Since, Company considers it probable that taxable profit will be available against which the deductible temporary differences, unabsorbed depreciation and MAT Credit can be utilized against in future, the Company has recognized the Deferred tax asset in books amounting to INR 48,435 thousand.

In current year, company has tax payable under Minimum alternate tax (MAT) amounting to INR 16,585 thousand which is charged to the statement of profit and loss and Deferred tax asset of INR. 16,585 thousand is recognised for MAT credit available to the company.

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.

## Oracle (OFSS) BPO Services Limited

### Notes annexed to and forming part of the financial statements for the year ended March 31, 2022 (Amounts in thousands of Indian Rupees, except share data)

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

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

The interpretation 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.

The Company has evaluated the effect of Ind AS 12 amendment on the financial statements and concluded that the appendix does not have an impact on the financial statements of the Company.

#### **f) 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

## Oracle (OFSS) BPO Services Limited

### Notes annexed to and forming part of the financial statements for the year ended March 31, 2022 (Amounts in thousands of Indian Rupees, except share data)

For assets and liabilities that are recognized in the 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

#### **g) 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.

##### *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 financials 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 or loss. The losses arising from impairment are recognized in the statement of profit or loss in finance costs.

##### *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.

## Oracle (OFSS) BPO Services Limited

### Notes annexed to and forming part of the financial statements for the year ended March 31, 2022 (Amounts in thousands of Indian Rupees, except share data)

#### *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 presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss.

#### *De-recognition*

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 only in India and USA and therefore the Company has considered the socio-economic conditions only of the regions where the customers are located.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed and accordingly provision has been made as at March 31, 2022.



## Oracle (OFSS) BPO Services Limited

### Notes annexed to and forming part of the financial statements for the year ended March 31, 2022 (Amounts in thousands of Indian Rupees, except share data)

#### *Interest income*

Interest income is recognized using the effective interest method for all financial instruments measured at amortized cost. Interest income on bank deposits are recognised on a time proportion basis taking into account the amount outstanding and the rate applicable

#### *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 and accrued compensation to employees.

#### *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. The EIR amortization is included as finance costs in the statement of profit or loss.

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

#### *De-recognition*

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 de recognition 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 or loss.

### **h) Leases**

#### *Company as a Lessee*

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

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

## Oracle (OFSS) BPO Services Limited

### Notes annexed to and forming part of the financial statements for the year ended March 31, 2022 (Amounts in thousands of Indian Rupees, except share data)

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

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

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

#### *Company as a Lessor*

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

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

#### **i) Share based payments**

Employees of the Company also receive remuneration in the form of share-based payments of its parent company viz., Oracle Financial Services Software Limited. Since the Company has no obligation to settle the share based payment transaction, the transaction has been recognized as Equity settled share based payment transaction. The parent company determines the cost of equity-settled transactions by the fair value at the date when the grant is made using an appropriate valuation model. The cost to the Company is recognized, together with a corresponding increase in 'Contribution from Parent Company' shown in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expenses.

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

#### **j) Provisions, contingent liabilities and commitments**

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.

A contingent liability is a possible obligation that arises from past events and existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events but is not recognized because it is not probable than an outflow of resource embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

## Oracle (OFSS) BPO Services Limited

### Notes annexed to and forming part of the financial statements for the year ended March 31, 2022 (Amounts in thousands of Indian Rupees, except share data)

#### k) 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.

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.

Gratuity liability is a defined benefit obligation and is recorded based on actuarial valuation on projected unit credit method at the end of the year. The gratuity liability and net periodic gratuity cost is actuarially determined after considering discount rates, expected long term return on plan assets and increase in compensation levels. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, 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. Re-measurements 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.

Interest is calculated by applying the discount rate to the defined benefit liability. The Company recognizes the following changes in the 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.

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

#### l) Cash dividend to equity shareholders of the Company

The Company recognizes a liability to make cash or non-cash 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 equity.

#### m) 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.

## Oracle (OFSS) BPO Services Limited

### Notes annexed to and forming part of the financial statements for the year ended March 31, 2022 (Amounts in thousands of Indian Rupees, except share data)

#### n) Cash and cash equivalents

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

#### 2.3 Recent accounting pronouncements

##### Standards issued but not yet effective

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

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

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

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

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

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

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

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

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

**Oracle (OFSS) BPO Services Limited**

**Notes annexed to and forming part of the financial statements as at March 31, 2022**

**Note 3: Property, plant and equipment**

**(a) Year ended March 31, 2022**

**(Amounts in ₹ thousand)**

Particulars	Gross carrying value				Depreciation				Net carrying value
	As at April 01, 2021	Additions	Sale/ deletions	As at March 31, 2022	As at April 01, 2021	Additions	Sale/ deletions	As at March 31, 2022	As at March 31, 2022
Improvement to leasehold premises	52,094	-	-	52,094	41,121	5,673	-	46,794	5,300
Computer equipments	88,789	5,808	3,592	91,005	78,157	7,890	3,592	82,455	8,550
Office equipments	11,673	2,790	3,757	10,706	9,654	699	3,757	6,596	4,110
Furniture and fixtures	9,107	-	-	9,107	6,713	1,190	-	7,903	1,204
<b>Total</b>	<b>161,663</b>	<b>8,598</b>	<b>7,349</b>	<b>162,912</b>	<b>135,645</b>	<b>15,452</b>	<b>7,349</b>	<b>143,748</b>	<b>19,164</b>

**(b) Year ended March 31, 2021**

**(Amounts in ₹ thousand)**

Particulars	Gross carrying value				Depreciation				Net carrying value
	As at April 01, 2020	Additions	Sale/ deletions	As at March 31, 2021	As at April 01, 2020	Additions	Sale/ deletions	As at March 31, 2021	As at March 31, 2021
Improvement to leasehold premises	52,094	-	-	52,094	35,448	5,673	-	41,121	10,973
Computer equipments	83,272	5,517	-	88,789	71,349	6,808	-	78,157	10,632
Office equipments	10,163	1,510	-	11,673	9,103	551	-	9,654	2,019
Furniture and fixtures	9,107	-	-	9,107	5,523	1,190	-	6,713	2,394
<b>Total</b>	<b>154,636</b>	<b>7,027</b>	<b>-</b>	<b>161,663</b>	<b>121,423</b>	<b>14,222</b>	<b>-</b>	<b>135,645</b>	<b>26,018</b>

**Oracle (OFSS) BPO Services Limited**

**Notes annexed to and forming part of the financial statements as at March 31, 2022**

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

**(a) Year ended March 31, 2022**

**(Amounts in ₹ thousand)**

Particulars	Gross carrying value			Depreciation			Net carrying value		
	As at April 01, 2021	Additions	Deletions	As at March 31, 2022	As at April 01, 2021	Additions	Deletions	As at March 31, 2022	As at March 31, 2022
Right-Of-Use Asset	249,111	-		249,111	103,081	51,540	-	154,621	94,490
<b>Total</b>	<b>249,111</b>	<b>-</b>	<b>-</b>	<b>249,111</b>	<b>103,081</b>	<b>51,540</b>	<b>-</b>	<b>154,621</b>	<b>94,490</b>

**(b) Year ended March 31, 2021**

**(Amounts in ₹ thousand)**

Particulars	Gross carrying value			Depreciation			Net carrying value		
	As at April 01, 2020	Additions	Deletions	As at March 31, 2021	As at April 01, 2020	Additions	Deletions	As at March 31, 2021	As at March 31, 2021
Right-Of-Use Asset	249,111	-		249,111	51,541	51,540	-	103,081	146,030
<b>Total</b>	<b>249,111</b>	<b>-</b>	<b>-</b>	<b>249,111</b>	<b>51,541</b>	<b>51,540</b>	<b>-</b>	<b>103,081</b>	<b>146,030</b>

**Oracle (OFSS) BPO Services Limited**

**Notes annexed to and forming part of the financial statements as at March 31, 2022**

	(Amounts in ₹ thousand)	
	March 31, 2022	March 31, 2021
<b>Note 5: Financial assets</b>		
<b>Non-current</b>		
<b>Other financial assets measured at amortized cost</b>		
Deposits for premises and others	32,601	26,133
	<b>32,601</b>	<b>26,133</b>
<b>Current</b>		
<b>Other financial assets measured at amortized cost</b>		
Unbilled receivables	10,491	14,775
Other advances	261	1,281
	<b>10,752</b>	<b>16,056</b>
<b>Breakup of financial assets measured at amortised cost</b>		
Deposits for premises and others (note 5)	32,601	26,133
Unbilled receivables (note 5)	10,491	14,775
Other advances (note 5)	261	1,281
Trade receivables (note 6)	32,797	31,552
Cash and bank balances (note 7)	110,970	28,644
	<b>187,120</b>	<b>102,385</b>
<b>Note 6: Trade receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	32,797	31,552
Credit impaired	-	2
	32,797	31,554
<b>Impairment Allowance</b>		
Credit impaired	-	(2)
	<b>32,797</b>	<b>31,552</b>

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 90 days.

**Trade Receivable ageing schedule**

As at March 31, 2022	Outstanding for following periods from due date of payment #						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Undisputed trade receivables</b>							
Secured, considered good	32,797	-	-	-	-	-	32,797
Unsecured, considered good	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
<b>Disputed trade receivables</b>							
Secured, considered good	-	-	-	-	-	-	-
Unsecured, considered good	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>32,797</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,797</b>
Less: Impairment allowance							<b>32,797</b>

## Oracle (OFSS) BPO Services Limited

### Notes annexed to and forming part of the financial statements as at March 31, 2022

Outstanding for following periods from due date of payment #

As at March 31, 2021	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Undisputed trade receivables</b>							
Secured, considered good	31,552	-	-	-	-	-	31,552
Unsecured, considered good		-	-	-	-	-	-
Credit impaired	2	-	-	-	-	-	2
<b>Disputed trade receivables</b>							
Secured, considered good	-	-	-	-	-	-	-
Unsecured, considered good	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
<b>Total</b>	31,554	-	-	-	-	-	31,554
Less: Impairment allowance							(2)
							<u><u>31,552</u></u>

# Wherever the due date of payment is not specified, the disclosure is from the date of transaction.

(Amounts in ₹ thousand)

#### Note 7 : Cash and bank balance

##### (a) Cash and cash equivalents

Balances with banks:

In current accounts

'March 31, 2022

'March 31, 2021

15,727

28,644

15,727

28,644

##### (b) Other bank balances

Balances with banks:

In deposit accounts with original maturity of more than 3 months but less than 12 months

95,243

-

95,243

-

110,970

28,644

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 8: Other assets

##### Current

Prepaid expenses

877

1,026

Receivable from government authority

12,660

22,731

13,537

23,757



## Oracle (OFSS) BPO Services Limited

### Notes annexed to and forming part of the financial statements as at March 31, 2022

	(Amounts in ₹ thousand)	
	March 31, 2022	March 31, 2021
<b>Note 9: Equity share capital</b>		
<b>Authorized:</b>		
10,000,000 (March 31, 2021 - 10,000,000) equity shares of Rs. 10 each	100,000	100,000

<b>Issued, subscribed and fully paid-up:</b>		
5,819,360 (March 31, 2021 - 5,819,360) equity shares of Rs. 10 each	58,194	58,194

(a) The Company has only one class of equity shares having a par value of Rs. 10 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

	March 31, 2022	March 31, 2021
Name and relationship of shareholder :		
ISP Internet (Mauritius) Company Limited, holding company (till November 18, 2021)		
Number of equity shares	-	5,808,660
% of equity shares	-	99.82%
Oracle Financial Services Software Limited, holding company. (w.e.f. November 18, 2021)		
Number of equity shares	5,808,660	-
% of equity shares	99.82%	-

The Board of Directors of the Company at its meeting held on Thursday, November 18, 2021 have approved transfer of shares held by ISP Internet Mauritius Company to Oracle Financial Services Software Limited. Subsequent to the acquisition, Oracle Financial Services Software Limited has become the Holding Company of Oracle (OFSS) BPO Services Limited.

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

	No. of equity shares	Amount
Outstanding as at April 1, 2020	5,819,360	58,194
Issued during the year ended March 31, 2021	-	-
Outstanding as at March 31, 2021	5,819,360	58,194
Issued during the year ended March 31, 2022	-	-
Outstanding as at March 31, 2022	5,819,360	58,194

#### Note 10: Contribution from Parent Company

**(a) ESOP charge from parent company**

Balance, beginning of the year	31,764	27,532
Charge for the year (Refer note 22 and note 26)	4,958	4,232
Balance, end of the year	36,722	31,764

**(b) Fair valuation of loan from parent company**

Balance, beginning of the year	109,070	109,070
Charge for the year	-	-
Balance, end of the year	109,070	109,070

**Total (a+b)**

	145,792	140,834
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## Oracle (OFSS) BPO Services Limited

Notes annexed to and forming part of the financial statements as at March 31, 2022

		(Amounts in ₹ thousand)	
<b>Note 11: Other equity</b>		<b>March 31, 2022</b>	<b>March 31, 2021</b>
(a)	Retained earnings	61,603	(43,814)
(b)	Other comprehensive income	-	-
		<b>61,603</b>	<b>(43,814)</b>
		<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>(a)</b>	<b>Retained earnings</b>		
	Balance, beginning of the year	(43,814)	(189,196)
	Profit/(Loss) for the year	106,781	141,094
	Balance, end of the year	62,967	(48,102)
	Actuarial gain on gratuity including deferred tax thereon transferred from other comprehensive income	(1,364)	4,288
	Balance, end of the year	<b>61,603</b>	<b>(43,814)</b>
<b>(b)</b>	<b>Other comprehensive income</b>		
	Balance, beginning of the year	-	-
	Actuarial (loss)/gain on gratuity including deferred tax thereon		
	-Actuarial (loss)/gain on gratuity	(1,890)	5,941
	-Deferred tax thereon	526	(1,653)
		(1,364)	4,288
	Actuarial gain on gratuity including deferred tax thereon transferred to retained earnings	1,364	(4,288)
	Balance, end of the year	-	-

**Retained earnings:** it represents undistributed earnings of the Company.

**Other comprehensive income:** represents remeasurements of defined benefit gratuity plan

## Oracle (OFSS) BPO Services Limited

Notes annexed to and forming part of the financial statements as at March 31, 2022

(Amounts in ₹ thousand)

**March 31, 2022**                      **March 31, 2021**

**Note 12: Other financial liabilities**

**Lease liabilities measured at amortized cost**

Non-current portion	53,340	111,903
Current portion	58,563	46,320
	<b>111,903</b>	<b>158,223</b>

**Note 13: Other liabilities**

**Current**

Deferred revenues	3,121	1,910
Withholding and other taxes	2,006	923
Other statutory dues	1,451	1,255
	<b>6,578</b>	<b>4,088</b>

**Note 14: Provision**

**Non-current**

Gratuity (Refer Note 31)	26,543	24,514
	<b>26,543</b>	<b>24,514</b>

**Current**

Gratuity (Refer Note 31)	4,783	2,974
Compensated absence	11,724	9,311
	<b>16,507</b>	<b>12,285</b>

**Note 15: Financial liabilities - Borrowings measured at amortized cost**

Loan from Oracle Financial Services Software Limited	-	30,000
	<b>-</b>	<b>30,000</b>

Effective 1st March 2019 the Company entered into a loan agreement with its parent company Oracle Financial Services Software Limited for an amount of INR 250,000 thousand and the first disbursement took place in April 2019. Interest was fixed at 9.5% at par with market rate and has been adjusted annually based on change in market rate. Interest rate for March 2022 is 8.75% (March 31, 2021- 8.70%). The interest accrued for the year ended March 31, 2022 is INR 1,049 (March 31, 2021-INR 6,972) and was paid in full in line with the terms of the agreement. Below table shows the movement of the loan during the year:

Particulars	March 31, 2022	March 31, 2021
Opening Balance	30,000	106,000
Loan disbursed from OFSS	-	-
Principal repayment	(30,000)	(76,000)
<b>Closing Balance</b>	<b>-</b>	<b>30,000</b>
Interest accrued and paid	1,049	6,972

## Oracle (OFSS) BPO Services Limited

Notes annexed to and forming part of the financial statements as at March 31, 2022

(Amounts in ₹ thousand)

March 31, 2022                                  March 31, 2021

### Note 16: Trade payables measured at amortized cost

#### Current

Payable to micro enterprises and small enterprises	-	23
Payable to others	2,956	4,230
<b>Total</b>	<b>2,956</b>	<b>4,253</b>

\* 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)

- Principal amount remaining unpaid to any supplier as at the end of the year.	-	23
- 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	-	-
- Amount of interest due and payable for the period of delay in making payment (where the	-	-
- 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.	-	-
	-	<b>23</b>

#### Trade payable ageing schedule

As at March 31, 2022	Not due	Outstanding for following periods from due date of payment #				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Undisputed trade payables</b>						
- To micro and small enterprises	-	-	-	-	-	-
- To others	2,953	3	-	-	-	2,956
<b>Disputed trade payables</b>						
- To micro and small enterprises	-	-	-	-	-	-
- To others	-	-	-	-	-	-
<b>Total</b>	<b>2,953</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,956</b>

As at March 31, 2021	Not due	Outstanding for following periods from due date of payment #				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Undisputed trade payables</b>						
- To micro and small enterprises	23	-	-	-	-	23
- To others	706	3,564	-	-	-	4,270
<b>Disputed trade payables</b>						
- To micro and small enterprises	-	-	-	-	-	-
- To others	-	-	-	-	-	-
<b>Total</b>	<b>729</b>	<b>3,564</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,293</b>

# Wherever the due date of payment is not specified, the disclosure is from the date of transaction.

### Note 17: Other financial liabilities measured at amortized cost

#### Current

Accrued expenses	5,238	5,388
Accrued compensation to employees	1,619	4,210
	<b>6,857</b>	<b>9,598</b>

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

## Notes annexed to and forming part of the financial statements as at March 31, 2022

**Note 18: Income taxes**

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

	(Amounts in ₹ thousand)	
	Year ended	
	March 31, 2022	March 31, 2021
<b>(i) Profit or loss section</b>		
Current tax	17,047	6,299
Deferred tax (credit)	(28,905)	(54,457)
Income tax expense/(credit) reported in the statement of profit and loss	<b>(11,858)</b>	<b>(48,158)</b>
<b>(ii) Other Comprehensive Income (OCI) section</b>		
Deferred tax related to items recognized in OCI during the year		
Actuarial (loss)/gain on gratuity fund	526	(1,653)
Deferred tax credit/(charge) to OCI	<b>526</b>	<b>(1,653)</b>

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

	(Amounts in ₹ thousand)	
	Year ended	
	March 31, 2022	March 31, 2021
Accounting profit/loss before income tax	94,923	92,936
Enacted tax rates in India	29.12%	27.82%
Computed expected tax expenses	27,642	25,855
Tax effect		
of earlier years	-	3,404
on account of tax on income at different rates	(11,057)	(9,617)
on non-deductible expenses for tax purpose	610	457
on account of utilisation of previously unrecognised tax losses	-	(27,998)
on account on deferred Tax on Carried Forward losses	32,755	(36,653)
on account on deferred Tax on Mat credit	(61,585)	(2,895)
on account of deferred tax on actuarial gain	(526)	(1,653)
on account of others	303	942
<b>At the effective income tax rate</b>	<b>(11,858)</b>	<b>(48,158)</b>
<b>Income tax expense reported in statement of profit and loss</b>	<b>(11,858)</b>	<b>(48,158)</b>

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

	(Amounts in ₹ thousand)	
	Year ended	
	March 31, 2022	March 31, 2021
<b>Deferred tax assets</b>		
Difference between book and tax depreciation	6,514	6,591
Provision for compensated absence	3,291	2,409
Provision for gratuity	9,122	7,647
On carried forward losses and unabsorbed depreciation	3,898	36,653
On MAT Credit	64,480	2,895
<b>Total</b>	<b>87,305</b>	<b>56,195</b>
<b>Deferred tax liability</b>		
Lease liability	5,070	3,391
<b>Total</b>	<b>5,070</b>	<b>3,391</b>
<b>Net deferred tax assets</b>	<b>82,235</b>	<b>52,804</b>

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 ₹ thousand)	
	Year ended	
	March 31, 2022	March 31, 2021
Balance, beginning of year	52,804	-
Deferred tax Credit during the year recognised in profit or loss	28,905	54,457
Deferred tax Credit/(charge)during the year recognised in other comprehensive income	526	(1,653)
Balance, end of the year	<b>82,235</b>	<b>52,804</b>

Oracle (OFSS) BPO Services Limited

Notes annexed to and forming part of the financial statements as at March 31, 2022

(Amounts in ₹ thousand)

Year ended

March 31, 2022 March 31, 2021

**Note 19: Revenue from operations**

Service revenue	394,465	366,285
	<b>394,465</b>	<b>366,285</b>

**Note 20: Finance income**

Interest on financial assets measured at amortized cost :

Balance with banks in current and deposit accounts	1,209	616
Deposits for premises and others	2,862	2,590
Interest on income tax refund	851	780
	<b>4,922</b>	<b>3,986</b>

**Note 21: Other income, net**

Foreign exchange (loss)/gain, net	320	(440)
GST input credit availed	-	20,876
	<b>320</b>	<b>20,436</b>

**Note 22: Employee benefit expenses**

Salaries and bonus	168,787	150,582
Contribution to provident and other funds	10,401	9,954
Stock compensation expense	4,958	4,232
Staff welfare expenses	5,377	5,431
	<b>189,523</b>	<b>170,199</b>

**Note 23: Finance Cost**

Interest on Lease Liability	12,968	17,140
Interest on Loan taken	1,049	6,972
	<b>14,017</b>	<b>24,112</b>

**Note 24: Other operating expenses**

Rent	8,404	8,508
Power	3,776	4,986
Communication expenses	5,461	3,904
Facility charges	3,773	3,775
Housekeeping Expenses	2,368	3,090
Repairs and maintenance:		
Buildings and leasehold premises	2,687	1,382
Computer equipments	197	273
Rates and taxes	599	889
Recruitment Expenses	243	782
Impairment loss on other financial assets	535	(414)
Miscellaneous expenses	450	732
	<b>28,493</b>	<b>27,907</b>

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

(Number of equity shares)

March 31, 2022 March 31, 2021

Weighted average shares outstanding for basic earnings per share	5,819,360	5,819,360
Add: Effect of dilutive stock options	-	-
Weighted average shares outstanding for diluted earnings per share	<b>5,819,360</b>	<b>5,819,360</b>

## Oracle (OFSS) BPO Services Limited

### Notes annexed to and forming part of the financial statements for the year ended March 31, 2022 (Amounts in thousands of Indian Rupees, except share data)

#### Note 26: Share based payments - Employee Stock Option Plan ('ESOP')

##### Employee Stock Option Plan ('ESOP')

The Members of Oracle Financial Services Software Limited (OFSSL) approved grant of ESOPs to the employees / Directors of OFSSL and its subsidiaries up to 12.5% of the issued and paid-up capital of OFSSL from time to time.

Pursuant to ESOP scheme approved by the shareholders, OFSSL granted the options to the employees of the OFSSL and its subsidiaries under Employees Stock Option Scheme ("Scheme 2002"), Employees Stock Option Plan 2010 Scheme ("Scheme 2010"), Employees Stock Option Plan 2011 Scheme ("Scheme 2011") and OFSS Stock Plan 2014.

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

A summary of the activity in the OFSSL's ESOP (Scheme 2010) related to OBSL employees is as follows:

	Year ended			
	March 31, 2022		March 31, 2021	
	Shares arising from options	Weighted average exercise price (₹)	Shares arising from options	Weighted average exercise price (₹)
Outstanding at beginning of year	-	-	250	2,050
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited/Employee transfer	-	-	(250)	2,050
<b>Outstanding at end of the year</b>	-	-	-	-
Vested options	-	-	-	-
Unvested options	-	-	-	-
Options vested during the year	-	-	-	-

A summary of the activity in the OFSSL'S ESOP (Scheme 2011) related to OBSL employees is as follows:

	Year ended			
	March 31, 2022		March 31, 2021	
	Shares arising from options	Weighted average exercise price (₹)	Shares arising from options	Weighted average exercise price (₹)
Outstanding at beginning of year	-	-	2,000	2,516
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited/Employee transfer	-	-	(2,000)	2,516
<b>Outstanding at end of the year</b>	-	-	-	-
Vested options	-	-	-	-
Unvested options	-	-	-	-
Options vested during the year	-	-	-	-

## Oracle (OFSS) BPO Services Limited

### Notes annexed to and forming part of the financial statements for the year ended March 31, 2022 (Amounts in thousands of Indian Rupees, except share data)

A summary of the activity in the OFSSL's ESOP (OFSS Stock Plan 2014) related to OBSL employees is as follows:

	Year ended			
	March 31, 2022		March 31, 2021	
	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	4,436	5	4,176	5
Granted	1,600	5	1,600	5
Exercised	(1,396)	5	(407)	5
Forfeited/Employee transfer	-	-	(933)	5
<b>Outstanding at end of the year</b>	<b>4,640</b>	<b>5</b>	<b>4,436</b>	<b>5</b>
Vested options and OSUs	995		1,084	
Unvested options and OSUs	3,645		3,352	

The details of options / OSUs unvested and options / OSUs vested and exercisable as on March 31, 2022 are as follows:

	Exercise prices (₹)	Number of Options	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Options /OSUs unvested	5	3,645	5	8.4
Options /OSUs vested and exercisable	5	995	5	6.5
		<b>4,640</b>	<b>5</b>	<b>8.0</b>

The details of options / OSUs unvested and options / OSUs vested and exercisable as on March 31, 2021 are as follows:

	Exercise prices (₹)	Number of Options	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Options /OSUs unvested	5	3,352	5	8.4
Options /OSUs vested and exercisable	5	1,084	5	7.0
		<b>4,436</b>	<b>5</b>	<b>8.0</b>

Options / OSUs granted during the financial year ended March 31, 2022:

During the year ended March 31, 2022, the OFSSL has granted 1,600 OSUs under OFSS Stock Plan 2014 at an exercise price of ₹ 5 (March 31, 2021 - 1,600 OSUs at an exercise price of ₹ 5) to employees of the Company.

The weighted average share price for the year over which options / OSUs were exercised was ₹ 4,111 (March 31, 2021 - ₹ 3,005).

The weighted average fair value of OSUs granted during the year was ₹ 4,311 (March 31, 2021 - ₹ 3,039).



## Oracle (OFSS) BPO Services Limited

### Notes annexed to and forming part of the financial statements for the year ended March 31, 2022 (Amounts in thousands of Indian Rupees, except share data)

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 in year ended March 2022 and March 2021:

	OFSS Stock Plan 2014 (OSU)	
	August, 2021	July, 2020
Weighted average share price (in `)	4,315	3,044
Exercise Price (in `)	5/-	5
Expected Volatility	32%	32%
Weighted average life (in years)	3.26	3.11
Expected dividend rate	Nil	Nil
Average risk-free interest rate	5.19%	4.5%

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life; the Company expects the volatility of its share price to reduce as it matures.

#### Note 27: Fair values

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The Company has no financial assets and financial liabilities which are measured at fair value through profit or loss.

#### Note 28: Significant accounting judgements, estimates and assumptions

The preparation of the Company'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 Company.

- **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.

- **Defined benefit Obligation (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. Further details about gratuity obligations are given in Note 31.

## Oracle (OFSS) BPO Services Limited

### Notes annexed to and forming part of the financial statements for the year ended March 31, 2022 (Amounts in thousands of Indian Rupees, except share data)

- **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. 2.2 (e).

#### Note 29: Capital commitments and contingent liabilities

Particulars	March 31, 2022	March 31, 2021
<b>(a) Capital commitments</b>		
Contracts remaining to be executed on capital account not provided for (net of advances).	367	5,823
<b>(b) Contingent liabilities:</b>		
On account of Income-tax	Nil	Nil

#### Note 30: Leases

##### Where Company is lessee

The changes in the carrying values of right-of-use asset for the year ended March 31 2022 are given in Note 4. Set out below are the carrying amounts of lease liabilities and the movement during the year ended March 31, 2022:

Particulars	Mar-22	Mar-21
As at April 01, 2021	158,223	198,956
Adjustment on adoption of Ind AS 116	-	-
Modifications	-	-
Accretion of interest	12,968	17,140
Repayments	(59,288)	(57,873)
Translation and revaluation	-	-
<b>As at March 31, 2022</b>	<b>111,903</b>	<b>158,223</b>
Current	58,563	46,320
Non-Current	53,340	111,903
<b>Total</b>	<b>111,903</b>	<b>158,223</b>

The maturity analysis of undiscounted contractual payments under lease liabilities as at March 31, 2022 are as follows:

Particulars	Mar-22	Mar-21
Less than 1 year	66,364	59,288
1 to 5 years	55,303	121,667
more than 5 years	-	-
<b>Total</b>	<b>121,667</b>	<b>180,955</b>

The weighted average incremental borrowing rate applied to lease liabilities recognized in the Balance Sheet at the date of initial application is 9.75 % with maturity in 2024.

## Oracle (OFSS) BPO Services Limited

### Notes annexed to and forming part of the financial statements for the year ended March 31, 2022 (Amounts in thousands of Indian Rupees, except share data)

Following amounts were recognized in the Statement of Profit and Loss for the year ended March 31, 2022

Particulars	Mar-22	Mar-21
Depreciation expenses on right-of-use asset	51,540	51,540
Interest expense on lease liability	12,968	17,140
Expense relating to short-term leases (included in other operating expenses as rent)	Nil	Nil
Expense relating to leases of low-value assets	Nil	Nil
Variable lease payments (included in other operating expenses as rent)	8,404	8,508
<b>Total</b>	<b>72,919</b>	<b>77,188</b>
Income from subleasing right-of-use asset	-	-
<b>Total</b>	<b>72,919</b>	<b>77,188</b>

The Company had total cash outflows for leases of INR 59,288 thousand for the year ended March 31, 2022 (March 31, 2021 – INR 57,873 thousand). The Company did not have any non-cash additions to right-of-use assets and lease liabilities for the year ended March 31, 2022. Further, there are no future cash outflows relating to leases that have not yet commenced.

#### Note 31: Employee Benefit Obligation

##### *Defined contribution plans*

During the year ended March 31, 2022 and March 31, 2021, the Company contributed INR.7,541 thousand and INR. 5,993 thousand, respectively to provident fund.

##### *Defined benefit plan – gratuity*

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Defined benefit obligation at beginning of the year	27,488	38,426
Current service cost	1,091	1,544
Interest cost, net	1,768	2,418
Benefits paid	(911)	(8,959)
Re-measurements		
-Due to change in demographic assumptions	528	871
-Due to changes in financial assumptions	(378)	(226)
-Due to change in experience adjustments	1,740	(6,586)
Defined benefit obligation at end of the year	<b>31,326</b>	<b>27,488</b>

#### B. The amounts recognized in the Statement of Profit and Loss for the year ended March 31, 2022 and March, 2021 are as follows

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	1,091	1,544
Past Service Cost	-	-
Interest cost, net	1,768	2,418
<b>Total included in employee benefits expense</b>	<b>2,859</b>	<b>3,962</b>

**Oracle (OFSS) BPO Services Limited**

**Notes annexed to and forming part of the financial statements for the year ended March 31, 2022  
(Amounts in thousands of Indian Rupees, except share data)**

**C. Re-measurements recognized in other comprehensive income**

<b>Particulars</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Due to change in demographic assumptions	528	871
Due to change in financial assumptions	(378)	(226)
Due to change in experience adjustments	1,740	(6,586)
<b>Total re-measurements in OCI</b>	<b>1,890</b>	<b>(5,941)</b>

**D. The amounts recognized in the Balance Sheet are as follows:**

<b>Particulars</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Present value of unfunded obligations	31,326	27,488
<b>Net liability</b>	<b>31,326</b>	<b>27,488</b>

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

	<u><b>March 31, 2022</b></u>	<u><b>March 31, 2021</b></u>
Discount rate	7.00%	6.80%
Salary escalation rate	6.00%	6.00%
Weighted average duration	6 Years	8 Years

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

The 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.

The Company's contribution towards gratuity for the year ending March 31, 2023 is expected to be INR 4,783 thousand (March 31, 2022 – INR. 2,974 thousand).

**F. A quantitative sensitivity analysis for significant assumptions on defined benefit obligation as at March 31, 2022 and March 31, 2021 is as shown below:**

<b>Particulars</b>	<b>Sensitivity level</b>	<b>Year ended</b>	
		<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>Financial assumptions</b>			
Discount rate	- 0.5%	32,286	28,650
	+ 0.5%	30,418	26,401
Salary escalation rate	- 0.5%	30,477	26,451
	+ 0.5%	32,215	28,587
<b>Demographic assumptions</b>			
Withdrawal rate	- 1%	31,198	27,342
	+ 1%	31,442	27,619

## Oracle (OFSS) BPO Services Limited

### Notes annexed to and forming part of the financial statements for the year ended March 31, 2022 (Amounts in thousands of Indian Rupees, except share data)

#### Note 32: Financial risk management objectives and policies

The Company's activities expose it to market risk, liquidity risk and credit risk. 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.

Following are the carrying amounts of foreign currency denominated monetary items (net) of the Company where it has significant exposure expressed in Indian Rupees that is not hedged as at the Balance Sheet date:

Currency	March 31, 2022	March 31, 2021
USD	14,348	21,256

- Foreign currency sensitivity

Below table demonstrates sensitivity impact on Company's profit after tax and total equity due to change in foreign exchange rates of currencies where it has significant exposure:

Currency	March 31, 2022		March 31, 2021	
	+1%	-1%	+1%	-1%
USD	104	(104)	153	(153)

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 entity's with functional currency as above respective currency where transactions are in foreign currencies.

##### 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. OFSSL has provided a letter of support to the Company to enable it to continue its operations and meet its liabilities as they fall due.

## Oracle (OFSS) BPO Services Limited

### Notes annexed to and forming part of the financial statements for the year ended March 31, 2022 (Amounts in thousands of Indian Rupees, except share data)

The table below summarizes the maturity profile of the Company's financial liabilities.

Particulars	Less than 1 year	More than 1 year	Total
<b>As at March 31, 2022</b>			
Trade payables	2,956	-	2,956
Accrued expenses	5,238	-	5,238
Accrued compensation to employees	1,619	-	1,619
Lease Liabilities	58,563	53,340	111,903
Borrowings	-	-	-
	<b>68,376</b>	<b>53,340</b>	<b>121,716</b>

Particulars	Less than 1 year	More than 1 year	Total
<b>As at March 31, 2021</b>			
Trade payables	4,253	-	4,253
Accrued expenses	5,389	-	5,389
Accrued compensation to employees	4,210	-	4,210
Lease Liabilities	46,320	111,903	158,223
Borrowings	30,000	-	30,000
	<b>90,172</b>	<b>111,903</b>	<b>202,075</b>

Refer Note 30 for maturity analysis of undiscounted contractual payments of lease liabilities as at March 31, 2022.

#### c. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing 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 all 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 5.

- 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 shall aim to invest surplus rupee funds in India only in time deposits with well-known and highly rated banks subject. The duration of such time deposits will not exceed 365 days. The Company, on quarterly basis, monitors the credit ratings and total deposit balances of each of its bankers. Further limits are set to minimize the concentration of risks and therefore mitigate financial loss of any potential failure to repay deposits.

#### Note 33: Capital management

## Oracle (OFSS) BPO Services Limited

### Notes annexed to and forming part of the financial statements for the year ended March 31, 2022 (Amounts in thousands of Indian Rupees, except share data)

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

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

#### Note 34: Names of Related Parties and description of relationship:

Relationship	Names of related parties
<b>(i) Related parties where control exists</b>	
Ultimate Holding Company	Oracle Corporation
Holding Company	ISP Internet (Mauritius) Company ("ISP") (till November 18, 2021)
	Oracle Financial Services Software Limited (from November 18, 2021)
<b>(ii) Related parties with whom transactions have taken place during the year</b>	
Fellow Subsidiaries	Oracle (OFSS) BPO Services, Inc. Oracle (OFSS) Processing Services Limited Oracle India Private Limited

**Oracle (OFSS) BPO Services Limited**

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

Transactions and balances outstanding with these parties are

(Amounts in ₹ thousand)

	Transactions		Amount receivable (payable)	
	Year ended		As at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Revenue</b>				
Oracle (OFSS) BPO Services Inc.	209,207	153,536	8,795	9,320
Oracle Financial Services Software Limited	153,813	180,343	24,001	16,227
Oracle India Private Limited	31,445	32,406	-	6,005
<b>Unbilled revenue</b>				
Oracle (OFSS) BPO Services Inc.	-	-	5,553	12,207
Oracle India Private Limited	-	-	4,938	2,568
<b>Deferred Revenue</b>				
Oracle Financial Services Software Limited	-	-	(3,121)	(1,910)
<b>Communication expenses</b>				
Oracle India Private Limited	2,693	2,330	(2,091)	(1,004)
<b>Purchase of Fixed Asset</b>				
Oracle Financial Services Software Limited	-	1,782	-	(1,782)
<b>Reimbursement of expenses incurred on behalf of " Oracle (OFSS) BPO Services Limited" by</b>				
Oracle Financial Services Software Limited	241	780	252	(774)
Oracle (OFSS) Processing Services Limited	-	9	(9)	(9)
<b>Equity Contribution for stock options/OSU</b>				
Oracle Financial Services Software Limited (Refer note 10)	4,958	4,232	-	-
<b>Loan repaid/(taken) during the year</b>				
Oracle Financial Services Software Limited	30,000	76,000	-	(30,000)
<b>Interest on loan taken</b>				
Oracle Financial Services Software Limited	1,049	6,972	-	-



**Oracle (OFSS) BPO Services Limited**

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

**Note 35: Financial ratios**

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance	Reason
(a) Current ratio (in times)	Total current assets	Total current liabilities	1.84	0.94	96%	Note 1
(b) Return on equity ratio (in %)	Profit for the year	Average total equity	51%	175%	-71%	Note 2
(c) Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	12.26	12.46	-2%	
(d) Trade payables turnover ratio (in times)	Purchases of services and other expenses	Average trade payables	13.23	15.26	-13%	
(e) Net capital turnover ratio (in times)	Revenue from operations	Total current assets less total current	5.15	(56.05)	-109%	Note 3
(f) Net profit ratio (in %)	Profit for the year	Revenue from operations	27%	39%	-30%	Note 4
(g) Return on capital employed (in %)	Profit before tax and finance cost	Networth + lease liabilities	29%	37%	-23%	
(h) Debt equity ratio (in times) ^	Total debts (lease liabilities)	Total equity	0.42	1.21	-65%	Note 5
(i) Debt service coverage ratio (in times)	Profit for the year + non-cash operating expenses + finance cost + Other non-cash	Lease payments (repayment of lease liability + repayment of borrowings+)	2.08	1.64	27%	Note 6

Note 1  
Current ratio increased due to increase in cash and bank balance and repayments of borrowings.

Note 2  
Return on equity decreased due to increase in retained earnings.

Note 3  
Net capital turnover ratio has decreased mainly due to increase in average working capital.

Note 4  
Net profit ratio decreased due to tax credits recorded in previous year.

Note 5  
Debt equity ratio decreased due to increase in retained earnings and repayment of borrowings.

Note 6  
Debt service coverage ratio increase due to decrease in lease liability and borrowings.

**Note 36: Other Statutory Information**

- a) The Company does not have any Capital Work In Progress, whose completion is overdue or has exceeded its cost compared to its original plan.
- b) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding the intermediary shall:
  - (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- c) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
  - (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- d) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

**Note 37: Corporate Social responsibility**

- a) There are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.
- b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

## Oracle (OFSS) BPO Services Limited

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

	(Amounts in ₹ thousand)	
	Year ended	
	March 31,2022	March 31,2021
<b>Note 38: Earnings in foreign currency (on accrual basis)</b>		
Service revenue	209,207	153,536
	<b>209,207</b>	<b>153,536</b>
<b>Note 39: Auditors remuneration (including GST)</b>		
As auditor		
Audit fees	1,237	1,111
Tax audit	153	153
Out-of-pocket expenses	11	-
	<b>1,401</b>	<b>1,264</b>

\*Payment to auditors is included under 'Professional fees' in the statement of profit and loss.

#### **Note 40: Disaggregate revenue information**

The Company has only BPO segment and all the contracts are in the nature of time and material. The table below presents disaggregated revenues from contracts with end customers for the period ended March 31, 2022 and March 31, 2021 by geography.

	(Amounts in ₹ thousand)	
	Year ended	
	March 31,2022	March 31,2021
<b>Revenue by Geography</b>		
India	185,258	212,749
United States of America	209,207	153,536
	<b>394,465</b>	<b>366,285</b>

As at beginning of the period there is deferred revenue of ₹ 1,910 thousand. Further, there is no revenue recognised during the year ended from performance obligations satisfied (or partially satisfied) in previous periods.

During the year ended March 31, 2022 and March 31, 2021, the amount of revenue recognized in the statement of profit and loss is same as contracted price and there is no adjustment made to the contract price.

As at March 31, 2022 and March 31, 2021 the Company does not have assets recognised from the cost incurred to obtain or fulfil a contract with a customer.

#### **Remaining performance obligation**

The Company has applied the practical expedient as provided in Ind AS 115 and excluded the disclosure relating to remaining performance obligation for contracts where the revenue recognised corresponds to the value transferred to the customer. Typically this involves those contracts where invoicing is on time and material basis.

As the contracts entered by the Company are covered under the above practical expedient, no disclosures are made for remaining performance obligations

#### **Note 41: Segment information**

##### *Business segments*

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Segments are reported in a manner consistent with the internal reporting provided to the Board of Directors i.e. Chief Operating Decision Maker (CODM) who evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by reportable segments. The Company operates under a single reportable segment which is providing business process outsourcing services. Accordingly, the amounts appearing in these financial statements relate to this primary business segment.

##### *Geographical segments*

Geographical segment disclosures based on location of the Company's customers are summarised below:

#### **Geographical segments**

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

Segment Revenue based on location	Year ended			
	March 31, 2022		March 31, 2021	
	Amounts in ₹ thousand	%	Amounts in ₹ thousand	%
India	185,258	47%	212,749	58%
United States of America	209,207	53%	153,536	42%
<b>Total</b>	<b>394,465</b>	<b>100%</b>	<b>366,285</b>	<b>100%</b>

Revenue of ₹394,465 thousand (March 31, 2021 ₹ 366,285 thousand) is derived from a single customer (all the group companies are considered as a single customer).

**Oracle (OFSS) BPO Services Limited**  
**Notes annexed to and forming part of the financial statements for the year ended March 31, 2022**

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

Regions	As at March 31, 2022		As at March 31, 2021	
	Amounts in ₹ thousand	%	Amounts in ₹ thousand	%
India	154,041	100%	219,229	100%
<b>Total</b>	<b>154,041</b>	<b>100%</b>	<b>219,229</b>	<b>100%</b>

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

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

For and on behalf of the Board of Directors of  
Oracle (OFSS) BPO Services Limited

per Govind Ahuja  
Partner  
Membership No. 048966

Priyanshu Bhatt                      Manish Bhandari  
Director                                      Director  
DIN 08445621                              DIN 03583180

Bijal Makwana  
Company Secretary  
ACS 60438

Mumbai, India  
May 4, 2022

Mumbai, India  
May 4, 2022