

August 28, 2024

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| To, Asst. Vice President Listing & Compliance National Stock Exchange of India Limited Exchange Plaza Bandra-Kurla Complex Bandra (East) Mumbai 400 051 Scrip Code – OFSS | To, Asst. General Manager Listing & Compliance BSE Ltd. 1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 Scrip Code – 532466 |
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Dear Sir,

Sub: Transcript of the 35th Annual General Meeting held on Thursday, July 25, 2024

Please find enclosed the transcript of the 35th Annual General Meeting (AGM) of the Company held on Thursday, July 25, 2024 at 3:00 P.M. IST.

This is for your reference and records.

The above document will also be uploaded on the Company's website.

Yours sincerely,

For Oracle Financial Services Software Limited**Onkarnath Banerjee
Company Secretary & Compliance Officer
Membership No. ACS8547**

Encl: a/a

TRANSCRIPT

35th Annual General Meeting of
Oracle Financial Services Software Limited

Thursday, July 25, 2024, 3:00 PM IST

Through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')

Moderator:

Welcome to the 35th Annual General Meeting of Oracle Financial Services Software Limited.

My name is Shalaka Apte, and I am your moderator for the meeting.

This meeting is now live.

Let me now request Mr. Sridhar Srinivasan, the Chairperson of the Board, to commence the meeting.

Sridhar Srinivasan:

Good afternoon, dear shareholders.

It is my pleasure to welcome you to this 35th Annual General Meeting of Oracle Financial Services Software Limited.

My name is Sridhar Srinivasan. We have met earlier, but this is my first meeting as the Chairperson of the Board. I am also the Chairperson of the Risk Management Committee and ESOP Allotment Committee, and a Member of the Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

I am joining this meeting from Mumbai.

Now, I will call upon my fellow directors to introduce themselves.

Makarand Padalkar:

Good afternoon, I am Makarand Padalkar, Managing Director and Chief Executive Officer of your Company. I have met you in earlier meetings, but as the CFO and it is my pleasure to be here as the Managing Director. I am also the Chairperson of the Business Responsibility Committee and a Member of Stakeholders' Relationship, Risk Management, CSR & ESOP Allotment Committees.

I am joining the meeting from Mumbai. Thank you.

Mrugank Paranjape:

Hello, my name is Mrugank Paranjape, Independent Director and Chairperson of the Audit Committee. I am also a Member of the Risk Management Committee and ESOP Allotment Committee of the Board. I joined the Board recently, and it is my pleasure to meet you virtually for the first time.

I have joined this meeting from Mumbai.

Harinderjit Singh:

Good afternoon to all of you. I am Harinderjit Singh and I am a non-executive, non-independent director of your Company. I am also the Chairperson of the Corporate Social Responsibility Committee and a Member of the Nomination and Remuneration Committee.

I have joined the meeting from Mumbai.

Jane Murphy:

Thank you Sridhar. Hello and welcome everybody.

I am Jane Murphy, Independent Director of your Company. I am also the Chairperson of the Nomination and Remuneration Committee and of the Stakeholders' Relationship Committee and I am a Member of Audit Committee of your Company.

I have joined the meeting from Mumbai.

Kimberly Woolley:

Good afternoon. I am Kimberly Woolley. I am a non-executive, non-independent director of your Company. I am a member of the Corporate Social Responsibility Committee and the Stakeholders' Relationship Committee.

I have joined this meeting from Mumbai and it is my pleasure to be here. Thank you.

Yong Meng Kau:

Good afternoon. My name is Yong Meng Kau. I am a non-executive, non-independent director of the Company. I am joining the meeting from Mumbai.

Gopala Ramanan Balasubramaniam:

Good afternoon, everyone. I am Gopala Ramanan. I am a non-executive, non-independent director of your Company and I am a member of ESOP Allotment Committee of the Board.

I have joined the meeting from Mumbai. Thank you.

Vincent Grelli:

Good afternoon. I am Vincent Grelli. I am a non-independent, non-executive director and a member of the Audit Committee. I am joining the meeting from San Francisco, California.

Thank you.

Avadhut Ketkar:

Good afternoon shareholders. I am Avadhut Ketkar. Also known as Vinay. I am the Chief Financial Officer of your Company. I am also the Member of the Risk Management Committee of the Company.

I have joined the meeting from Mumbai. Thank you.

Sridhar Srinivasan: And finally Onkar, our Company Secretary, and I request him to confirm the quorum for the meeting after introducing himself.

Onkarnath Banerjee:

Good afternoon, dear shareholders. I am Onkarnath Banerjee, Company Secretary and Compliance Officer of your Company.

I have joined the meeting from Mumbai.

Further, I confirm that the necessary quorum for the meeting is present. Thank you.

Sridhar Srinivasan:

Thank you, all my fellow directors and officers. We shall now commence the proceedings of the meeting.

Quorum being present, I call the meeting to order and declare this 35th Annual General Meeting (AGM) of Oracle Financial Services Software Limited open.

This meeting is being conducted virtually in compliance with the regulatory guidelines. The members can electronically participate and vote on the resolutions being considered at this AGM. The Company has received a resolution from a corporate shareholder holding 72.71% of the paid-up equity capital of the Company, appointing and authorizing a representative under section 113 of the Companies Act, 2013. The Statutory Auditors, the Secretarial Auditor and the Scrutinizer are attending this meeting.

Dear Shareholders, it's my pleasure to extend to all of you a very warm welcome to the 35th Annual General Meeting of Oracle Financial Services Software Limited. It is my privilege to speak to you today as the Chairperson of the Company.

On behalf of all my fellow Board members and the management, I would like to thank you all for your continued trust, encouragement, and support to the Company. I also take this opportunity to welcome Mr. Padalkar, our new MD & CEO of your Company and Mr. Ketkar, our new CFO. Also, I would like to welcome our new directors, Mr. Paranjape and Mr. Ramanan.

Chairperson's Address

Dear Shareholders, I am pleased to report that your Company delivered outstanding results for the financial year 2023-24.

- We posted a 23% increase in the consolidated net profits to ₹ 22.2 billion.
- Consolidated revenue for the fiscal year was ₹ 63.7 billion, which was 12% higher than the previous financial year. Notably, we posted double digit growth across all the lines of business.

On the strength of this performance, the Board was pleased to declare an interim dividend of ₹ 240 per share for the financial year.

You should be proud that your Company has maintained a track record of consistently delivering highest profitability metrics in the industry.

In fiscal year 2024, the business environment was uncertain and challenging. There were large bank failures, economic slowdowns, geo-political instabilities leading to uncertain investment environment. And then there were newer forms of risks that we and our customers are exposed to technology shifts and increasing usage of Generative Artificial Intelligence also known as 'GenAI' and machine learning 'ML'. Our customers are facing demands from their customer base for greater choice and delightful digital experience. They demand solutions on architecture that is adaptable to rapid changes, available on the cloud, and overall is cost effective.

I am happy to note that in such an environment, your Company continued to win several pathbreaking deals in the last financial year backed by its strong suite of banking products. Your Company won a landmark deal with The Navy Federal Credit Union, in the US to modernize their retail systems on Oracle Banking Cloud offering. A number of other customers across Asia, Europe and Americas began or expanded their journey with our solutions. In the financial year 2023-24, your Company signed license contracts worth \$137M – the highest ever for the Company, registering a 44% growth over the last fiscal. These wins reaffirm the excellence of our products achieved by continuous R&D, and our ability to deliver high quality implementations and provide reliable support.

Your Company's portfolio is one of the most advanced suite of products that caters to very broad set of financial institutions across the world. We continue to invest in the next-generation cloud native solutions, domain driven componentized architecture with the capability to integrate easily with external ecosystem. Our solutions also leverage the transformative technological breakthroughs in GenAI, memory grids, graph analytics, natural language interactions, etc. With such a foundation, along with recent wins that establish our strength, I am confident that your Company is set for a long-term success in multiple jurisdictions. Our products and services continued to

receive awards and recognition from industry. Our customers have also received recognition for the effective deployment of our solutions.

On behalf of the Board of Directors and Management of Oracle Financial Services Software, I would like to thank the OFSS team who demonstrated agility and achieved outstanding results. I would also like to thank all our valued stakeholders, including customers, vendors, bankers and regulators for their cooperation and trust.

I seek your support to all the resolutions at the meeting and we look forward to marching together to achieve greater heights in the future.

Thank you.

Sridhar Srinivasan:

It's my privilege once again to invite Sonny Singh. As you know, Sonny is an EVP and heads the Financial Services Global Industry Unit in Oracle. He is a globe trotter and a thought leader in the banking industry.

Sonny, could I request you to share your perspective on the state of the Global banking industry, and the key trends that are shaping the technology and business?

Harinderjit Singh:

Thank you Sridhar.

Appreciate the opportunity of sharing my perspectives with the shareholders. I thought it might be useful to break up this conversation into two pieces. One is what are some of the business imperatives that we hear from our customers and their management teams and boards across the globe. And secondarily, how that is influencing the demand for technological innovation in the banking industry. And, as you heard Sridhar talk about it, this is really what's driving our investment strategy for your Company.

So, let's focus first on some of the business imperatives. As long ago as 2008, when we experienced the global financial crisis, one of the things that we saw was the birth of a new generation of financial services companies that we called 'Fintechs'. These Fintechs were born in the cloud. They did not have any legacy infrastructure or legacy software. They were born taking advantage of modern transformation technologies, things as simple as mobility and social technologies to things like the blockchain capabilities of Hyperledger, the Internet of Things, Artificial Intelligence and Machine Learning. These companies started out by completely re-inventing the customer experience.

What we saw happening in the banking industry as a result was a huge reaction to counter the movement of customers from traditional banks to these modern Fintech companies. And one of the primary focuses to this date that we see, is the ongoing

focus on digitization of the customer experience - the pure focus on customer experience. As we went through the pandemic, we saw a similar set of pressures emerge, because everybody was trapped at home and was sheltering in place. We saw a 3x growth of digital customers and a 6x growth in digital transactions. With the increase in digital customers and transactions, there was a tremendous amount of pressure on the infrastructure, the technology infrastructure of the traditional banks. And this is an area which continues to get very serious attention from executive management as well as boards for financial institutions.

While initially this pressure was for the retail banking component of the bank, which is the focus on consumers, now, we are continuing to see over the last three years an increasing shift to the corporate and institutional banking side where there has been a tremendous amount of inefficiencies because of the lack of digitization. There is a lot of friction in the processes of, say, acquiring credit or driving supply chain and trade finance, managing liquidity for global banks, etc. So now we are seeing an increased focus on digitization of the corporate and institutional banking segment in financial institutions.

So, the first thing that we have to think about is the focus on customer, making sure that they have the right product at the right time, the right service every time, a complete elimination of friction from the customer interaction, and basically the delivery of customer delight.

The second area that I will focus on is the continuous increase in the regulatory regimes around the globe. Regardless of which jurisdiction you go to, we see more and more regulations come out. And just about a year ago, the spring of last year, we saw a number of bank failures and you saw very big names like Silicon Valley Bank, First Republic Bank or Credit Suisse in Europe, completely fail in a matter of days. And this has increased scrutiny on things like capital adequacy and other regulatory requirements of say, reverse scenario testing.

You add to this the increase in cyber events. So, if you compare the number of cyber events three years ago to the number of cyber events in the last three years, you will see an exponential increase. So, there is a tremendous amount of focus on not only data security, but data privacy and an increased focus on data sovereignty or data residency. So, you seeing a lot of regulations grow and banks are spending upwards of 15 cents of their technology dollars taking care of things like regulatory as well as security.

The third area I will focus on is financial crime. So, financial crime continues to be a huge problem, not only for financial institutions, but for law enforcement as well as for society as a whole. It is estimated that roughly 2 to 5% of the global GDP, which now stands around a hundred trillion dollars, is siphoned off through money laundering. And then, this money finds its way into pretty much all the social evils in the world, things like illegal arms trade, the drug trade, human trafficking and even terrorism.

So, this is a huge focus not only for law enforcement and governments, but also financial institutions, which are the place where the bad actors actually leverage weaknesses in the systems to launder money. This can create a huge amount of reputational damage for the bank and also can result in fines and other types of damage to trust in the banking system.

So these are the three major things that I would talk about in terms of business trends that I see. Now, let me focus on the implications of that on technology.

Your Company focuses on building modern transformational technology for the banking sector. So, it's important for us to use that context to think about what is really happening and what is driving the investment strategy for your Company. So, I would once again highlight on three things.

The first is this notion of modernization of architecture. Sridhar referred to it in his address. What we have seen is that banking technology is shifting from its old monolithic architectures to highly componentized architectures, things that we call micro services. We are starting to take various banking domains and break them down into very small micro services based capabilities that banks can absorb in a very systematic fashion. What this allows banks to do is to progressively modernize. They cannot do a very large project to wholesale replace all the systems in the bank, but with these modern componentized architectures, they are able to progressively modernize one small piece at a time and start a journey from moving away from the legacy systems that were built in the 70s and 80s and maybe in the 90s, and move to the next generation systems of today that your Company is building. So, componentization of architectures, making sure that they can interplay with the other ecosystem of applications in the bank is one key driver that results from these business factors.

The second thing that I will focus on is artificial intelligence. Today, you cannot have a conversation with the executive management of a financial institution or their board without explaining what the strategy is around artificial intelligence. Now, your Company has already been in the business of doing this for quite a bit of time. We have been building capabilities into our software solutions that leverage predictive AI, traditional machine learning, supervisory machine learning, and now the GenAI based machine learning, the generative AI, and we have a number of examples. We have been using this in financial crime not only to detect patterns that bad actors use to launder money, but also to increase the efficacy of the investigation process. We are seeing AI being used in a variety of use cases in improving the customer experience, in providing the right advice and to increase automation so that the bank can deliver in its operations in a much more effective and efficient fashion. And so, we expect that AI will be a huge transformational power and we are investing aggressively in the solutions of your Company to make sure that we are attacking the most important use cases that deliver a lot of value to the customers.

The last area I will mention in technology is Cloud. The movement of financial institutions to the cloud has been fairly steady for things like test dev loads or back-office systems, but for their core operating technologies, things like the core banking system, banks have been reticent and in fact, many a times they have had regulatory obstacles to overcome before they can move their core capabilities to the cloud. We are seeing a tremendous progression happening. The regulators are getting much more progressive. While they are scrutinizing these moves, they are allowing for banks to start looking at the core part of their operations to move to the cloud. Your Company is very well positioned to take advantage of that trend. As you heard Sridhar, we actually closed our first large transformation of the retail systems core banking for the Navy Federal Credit Union, which is a fairly large bank. It's about 180 billion in assets and has, you know, upwards of 13 million customers. So, this is a large bank that is using the cloud capabilities of your Company to modernize their systems. We expect to see additional banks step into this transformative journey.

So, quick summary, we talked about the focus on the customer and the implications on the digitization of the business capabilities for both the retail and the corporate banking sector. We talked about the focus on regulations and cybersecurity, and we talked about financial crime as three key business imperatives facing banks today. And we also spoke about three major technology transformations:

- One is the componentization and modernization of the architecture of all the business capabilities that run the bank;
- the advent of artificial intelligence as a force multiplier of driving intelligence in all these applications; and,
- the move to cloud as an ability for banks to take advantage of large-scale computing for things like artificial intelligence.

So these are some of the things that we see Sridhar, and it was a pleasure sharing this perspective with the shareholders. Back to you.

Sridhar Srinivasan:

Thank you very much, Sonny.

I think that was such a good summary of everything that's going on in the industry and it's really insightful and gives me so much comfort that our Company is at the cutting edge of all these changes and in some cases actually driving these. So, thank you very much, Sonny. I think our shareholders would have also found this very insightful.

Let me now turn to the business of the meeting.

The Statutory Registers are open and accessible electronically during the continuance of the meeting to any member attending the meeting.

The Annual report of the Company for the financial year 2023-24, including the Notice of the AGM, was sent on 26th of June 2024 to all the shareholders at their registered email addresses.

The Notice of the Meeting is taken as read. There are no qualifications in the Statutory Auditor's report and the Secretarial Auditor's report, and these reports are also now taken as read.

Pursuant to the notice of the AGM, there are four resolutions under Ordinary Business for this meeting.

Resolution no. 1 is for adoption of the Company's audited standalone and consolidated financial statements for the financial year ended March 31, 2024, and the Reports of the Board of Directors and the Auditors thereon.

Resolution no. 2 is for appointment of a Director in place of Ms. Kimberly Woolley, who retires by rotation, and being eligible, offers herself for re-appointment.

Resolution no. 3 is for appointment of a Director in place of Mr. Vincent Grelli, who retires by rotation, and being eligible, offers himself for re-appointment.

Resolution no. 4 is for the confirmation of interim dividend of Rs. 240 per equity share, already paid, as the final dividend for the financial year ended on 31st of March 2024.

Most shareholders have already voted on these resolutions through remote e-voting facility which closed yesterday. Any shareholder, who has not voted yet, can vote during this meeting till 15 minutes after the conclusion of this meeting.

We will now move to the next part of the AGM.

We have received questions and speaker requests from shareholders.

I now request the Moderator to provide the guidelines for the Q&A session and then have the speakers online.

Moderator:

Thank you, Sir.

All the speakers are requested to adhere to the following guidelines:

- Please re-check that your audio and video have been setup as per the guidelines provided in the email sent to you earlier.
- We will call the speakers in the order that has been communicated to each of you in our email.

- Once your name is announced, you will be receiving an unmute audio request. You are requested to accept the request and join by switching 'on' the audio/video button at the center of your screen.
- Each speaker shall be given 2 minutes.
- Speakers are requested to be brief and to the point. We request you to avoid reading the questions, if you have already sent them to us. Also, please avoid repetition in case any earlier speaker has asked the same question or made the same point.

The Board will respond to your queries after all the speakers have spoken.

All the speakers are requested to state their full name and location first.

I now call the first speaker Ms. Meenal Varun Bang.

Ma'am, your audio has been enabled. Kindly unmute your yourself and then then you may proceed.

Ms. Meenal Bang: Hi, I am audible?

Moderator: Yes, Ma'am.

Ms. Meenal Bang: Yeah. Yes. Thanks for the opportunity. I have submitted my list of questions. Do you want me to read them?

Moderator: Ma'am, if you have already submitted them, I think we can move ahead.

Ms. Meenal Bang: But you have the list na?

Moderator: Yes, Ma'am. We have received your questions.

Ms. Meenal Bang: Okay. Yeah, then just answer. I requested to answer it one by one. Thank you.

Moderator:

Thank you Ma'am.

Inviting the next speaker shareholder, Mr. Anuj Sharma.

Hello, Sir. We have enabled your audio. Please proceed.

Mr. Anuj Sharma: Yeah, thank you, and first of all, congratulations to the management and team for a good performance in FY 24, and I also appreciate the quality of interactions have been improving at the AGM. So, congratulations again for that and thank you. I too have sent in my list of questions. The questions pertain to the good performance last year. The reasons for the same and sustainability of the same. Our

market share as to how they have improved. The third would be related to the cloud related offerings, if you can just quantify some of them. Next would be how would our competencies and capabilities evolved in the past three, five years? And which areas do we see ourselves evolving in the next three, five years? Some little bit understanding on the domestic market share will be helpful. Last two points would be, I think we have consciously de-grown or let's suppose kept our services revenue flat, which have made them insignificant. Can this be a fair base now or if there is any opportunistic possibility, can we grow them? And the last would be, what risk can we envisage over the next three years and what could impact the growth trajectory? Thank you, and I will await my answers.

Moderator: Thank you Sir.

Inviting the next speaker, Ms. Celestine Elizabeth Mascarenhas.

Ma'am, we have enabled your audio. You may unmute yourself and then proceed.

Ms. Celestine Elizabeth Mascarenhas: Hello, am I audible?

Moderator: Yes, Ma'am, you are.

Ms. Celestine Elizabeth Mascarenhas: I am visible also, I think, you know.. Respected Chairman, Mr. Sridhar Srinivasan, MD and CEO, Mr. Makarand Padalkar, other members of the board and my fellow shareholders in this VC meet. I am Mrs. C. E. Mascarenhas. I am speaking from Mumbai. First of all, I thank the Company Secretary, Mr. Onkarnath Banerjee and his team for sending me an annual report and also registering me as a speaker at my request and giving me this platform, which was quite easy to operate. Thank you so much.

Our annual report is very simple, but has got full of information and self-explanatory, adhering to all the norms of the corporate governance. Our revenues working is very good. Revenues are up. PBT PAT is up and a very, very handsome dividend of Rupees 240 per share. And also not to miss the good market capitalization. We are the darling of the stock exchange, you know, keep it up. Now very good CSR work. I appreciate.

Now my queries, my first one, whether ESG, which is so much talked about, is listed on which dedicated ESG platform and what is our score? My next question is, we have a strong R&D. How many employees are in the R&D and the average age and attrition, and have they developed some, any AI, Generic AI products? Lastly, but not the least, future roadmap for the next five years and which vertical will be the growth drivers?

I have supported all the resolutions. I wish my Company all the best, and specially, sir, you and the entire team and the entire OFSS staff, best of health, as health is wealth, thank you so much. May God bless our Company. Namaskaram.

Moderator:

Thank you Ma'am.

Inviting the next speaker, Mr. Hardik Indramal Jain.

Sir, we have enabled your audio. Kindly unmute yourself and then proceed.

Mr. Hardik Indramal Jain: Thank you, Sir. Am I audible Ma'am?

Moderator: Yes, Sir, you are.

Mr. Hardik Indramal Jain: Yeah. Thanks for the opportunity. I have few questions. My first question is regarding, you have mentioned in the annual report that the license wins for the year is \$137 million, which is around roughly 1,150 crore. But we have booked revenue from licenses of Rs. 850 crore in the current year. Should we expect balance 300 crore of revenue to be booked in first half of current year? What is a typical timeline to implement this license?

My next question is, we have booked maintenance fees of Rs. 1,940 crore. Is this a kind of recurring revenue that we expect every year and should we expect it to grow as we implement more licenses?

My next question is, we have booked consulting fees of Rs. 2,995 crores. What is the nature of this income? And is this kind of an annual recurring revenue, or this can be lumpy based on our license wins?

Another question is, do we expense out the cost incurred on software development or cloud infra as we cannot see any significant addition to the gross block in fixed asset? Another question is on, so my understanding is that, the Indian listed entity caters to the demand from VFSI segment and their other group Companies will cater to the demand from other sectors, is my understanding correct?

Sir and my last question is, what do you think is the opportunity size for the listed entity and how is the demand in general for BFSI sector and what are the major trends that you want to share in our target market? That's it, thank you.

Moderator:

Thank you Sir.

Inviting the next speaker, Mr. Rishikesh Chopra.

Mr. Rishikesh Chopra: Hello?

Moderator: Yes, Sir. Please proceed.

Mr. Rishikesh Chopra: Yeah. Many, thanks for the opportunity first of all. I just wanted to learn the risk factors as some of them are not mentioned clearly in the annual report for the next financial year or for two or three years vision.

And I wanted to learn from the board of directors means, what can be the revenue growth for means in the opening speech the Chairman has said that despite the challenges, despite this thing, means some of the.... not means, what you say means, not a current good environment for the business. So, I just wanted to learn, is the business environment or the business thing for the economy or for the, sorry for the set industry or for the Company has improved over a period of time and how long this will continue because if we have performed so well in the last year in the challenging situation, how much we can grow over two or three year period.

And I request the CS to send me the recording of this particular thing, because I missed, I was not able to log in earlier. If they can send me the recording as soon as possible of this particular thing by link or by YouTube link, that would be great.

And we need a top 300 shareholder list, which I have requested, which we have not brought as per the Companies Act. And what are the new areas in which the Company is growing? If we can throw some light means just like Mr. Sonny has described and I have got some list of questions which we have sent, if we can reply that or can we do one-to-one with the CFO sometime over a period of time. And last year also, I have requested that you, apart from this AGM platform, if, to the old shareholders like us, means if you can create a platform within a middle of the year after December to learn the change in the dynamics, you can do some conference call only with the existing shareholders who are at least three or 5-year-old with you. At least please give a regard to them. I will be really grateful in that sense, if the management can think on those lines. And I again, repeat the Company Secretary to send me the recording. Yeah, just thank you. Thank you.

Moderator: Sir, I am sorry to interrupt.

Mr. Rishikesh Chopra: Finished, finished.

Moderator:

Thank you Sir.

Inviting the next shareholder, Ms. Vasudha Vikas Dakwe.

Ma'am, we have enabled your audio. Kindly unmute yourself and then proceed.

Ms. Dakwe, are you there? It appears we are experiencing a technical difficulty with Ms. Dakwe. <pause>

Moving on to inviting the next registered speaker shareholder, Ms. Hutokshi Sam Patel.

Ms. Vasudha Vikas Dakwe: Hello. Hello.

Moderator: Hi Ma'am. You are audible. Please proceed.

Ms. Vasudha Vikas Dakwe: Yeah, Good afternoon, I would like to congrats our company secretarial team for sending me the soft copy of the report, well in advance, which itself is clear and transparent. The opening speech given by the Chairperson is also very excellent and informative.

I would like to ask, what is our attrition rate? What is our next two to three years plan to improve the unemployment in the Maharashtra?

With this, I support all the resolution. Thank you very much and wish the Company all the best for coming financial year. And my best wishes for coming all the festivals during the month of Shravan and Bhadrapad. Thank you very much Sir.

Moderator:

Thank you Ma'am.

Thank you all, that concludes the speaker shareholder query session.

There will now be a **short break** after which the responses to your questions will be provided. Thank you.

After the break...

Moderator:

Thank you for waiting and welcome back.

I now request the Managing Director and Chief Executive Officer, Mr. Makarand Padalkar to lead the answers to shareholder queries.

Makarand Padalkar:

Thank you, and good afternoon to all of you. I hope you are all doing well. I want to thank the members who spoke appreciatively about the Company.

I thank Sridhar for his stewardship as the Chairperson of the Board and giving us an excellent synopsis of FY24, and special thanks to Sonny for providing the great perspective on the market and technology, which I am sure has answered several of your questions, which were about growth and you know, market opportunities.

Now let's turn to the questions. We have received several questions over email ahead of the meeting and thank you all of you for sending those. Additional questions were also raised by the shareholders today, and some of the speakers requested for an individualized answer. I note the request, however, given that there was significant

commonality across the questions, I have grouped them to avoid repetition and provide a more coherent perspective. This way, we can address the common & related questions more effectively.

So, there were questions around growth outlook over short & medium term, on opportunities, challenges, on risks, on technology trends, cloud, artificial intelligence, business environment, domestic market, etc. There were also questions related to financial statements, capex, balance sheet different captions and I am actually quite happy to see that people are reading our financial statements in such great details. These questions cover a good range of areas.

Sonny's address has already provided a great overview of the how the markets are and our investments over last few years have positioned us as a leading provider in the cloud solutions, the banking area, far surpassing the competitors who claim cloud availability. Our offerings deliver significantly better performance, leading to unmatched scalability and functional depth.

Our global footprint in the financial services industry is quite comprehensive. It covers Retail Banking, Corporate Banking, Digital Enablement, Asset Management, Lending, Payments, Risk, Profitability, Balance Sheet Management, Crime, Fraud Prevention, Compliance Management, and several such areas, and all of them are available on the cloud. I don't want to go on & on, because otherwise it will be a long list.

So, we have seen steady growth across all these segments. There were questions around which segments are growing opportunities. The opportunities vary by country. Banks look for replacing their systems, enable digital readiness, implement product processors, adopt specialized lending, compliance & risk solutions, deploy AI in some areas, try and get into cloud deployment, cloud migrations, etc.

Sonny did touch upon many of these areas. We believe we are very well-positioned to address these markets globally and increase our market share.

There were some questions on email about Services business. I think what we do there is we enable financial enterprises to drive simplicity through technology and offer personalized and frictionless customer engagement. We also facilitate transformation of on-premises applications to cloud, drive digital innovation, and AI-led insights for decision support, etc.

Then there were questions about market changes, how the demand is shifting, how our capabilities are evolving.

So, our industry is undergoing disruption driven by emerging technologies, competition, changing customer needs, preferences, regulations, etc. Transformations are necessary to address the limitations of the legacy solutions, and deal with the accumulated technology debt over a period of time.

Banks are also sitting on reams of valuable data that can help them prospect business, offer better customer service, manage their risks, detect & prevent frauds, etc. The applications are many. But some of the older banks especially are limited by their technology to take full advantage of their assets.

Unlocking data silos and applying AI-based analytics to gain insight into what the customers need will give banks a competitive edge in the areas relevant to their customers. Generative AI can boost productivity, improve customer service. The Cloud offerings support higher efficiency, performance, resilience, and enable the institutions to stay competitive. New regulations are coming in many of these emerging areas as regulators are trying catch up, and our solutions help the financial institutions stay ahead of all of this.

We have a strong portfolio of product solutions and services which are robust, proven, and scalable to meet the needs of this very diverse range of Financial Institution. We serve customers in over 160 countries, which includes many blue-chip names that rely on our software to support their leadership in their marketplace. Our ability to engage with prospects and deliver complete range of solutions is unique.

With the thrust on the R&D spend, your Company is able to rapidly adopt innovations in technology like AI, Cloud Computing, and you know, offering security, scale. The architectural constructs like microservices, are all internalized and are led by a very strong domain expertise that we have.

So just one comment I want to make before I hand it over to Vinay to take up some of the questions related to financial statement. Just the last year when we met at the annual shareholders meeting, your company's market cap was around \$4 billion. And today, as we speak, it is over \$11 billion. This remarkable growth is a testament to our focus and the drive to excel in our business. I would add a cautionary note that we cannot and we will not predict what the share price will be, how the markets will behave. We focus on growing our business, continuing profits, and continue growing shareholder value.

With this, I would now request Vinay to take up questions related to the financial statements.

Avadhut Ketkar:

Thank you, Mak, for the extensive insight into the overall strategy and operations of the Company and Good afternoon to all our shareholders.

Now I will take some questions relating to the financial statements.

And while doing that, I will reiterate that as a policy, we do not offer any guidance or make any forward-looking statements and would regret such questions, and apologies in advance.

There was a question on what percentage of the revenues are from Cloud related offerings and our Traditional offerings?

Well, at present the Company does not report Cloud as a separate reportable segment. And whenever we would do that we will of course publish that. Detailed segmental disclosures are currently available in the Annual Report. I would request you to please refer page number 117 for details.

Then there were questions on the amount of license wins vs revenue recognized, and the nature of other buckets of revenue such as maintenance, consulting etc.

So, for perpetual license, the revenue is recognized when the license is made available to the customers. So, if a license delivery takes place in the same period as the license signing, the revenue can be recognized in the same period. Otherwise, of course, it flows through in the following quarters. Product maintenance revenue is recognized ratably over the period of the contract. Consulting services revenue includes Product implementation and enhancements. It can also include IT consulting, application support, technology services, etc. So, in simplistic terms, revenue is recognized based on the percentage completion, and wherever it's a time and material basis kind of revenue, the revenue is recognized when the services are performed.

Then there was a question on the treatment of our research and development spend?

So firstly, our R&D involves new product development, upgrades to our existing products, research on new technologies, which are required to maintain leadership. And the entire R&D spend is expensed out as it is incurred. So therefore, the balance sheet of your Company is actually very strong, and no deferred expenses are sitting there.

There was then a question on the segment to which OFSS India and its subsidiaries cater to. So clearly OFSS and subsidiaries, they cater to the banking and financial services industries globally.

There was a question on operating margin comparatives, and I am happy to inform you that our operating margins for couple of years, FY2023 and then FY2024 were 42% - one of the highest in the industry.

Then, there was a question on dividend policy. The dividend policy of your Company is available on our website and the Company distributes the dividend in line with the dividend policy.

Question on risks envisaged over the next 3 years. So, I would encourage our shareholders to refer to Page number 50 of the Annual Report of this year, FY24, where we have narrated the Risks associated with our global operations as also please refer our MD&A of the last years report as well. They also have respective risks that we face in those financial years.

There are data questions. Some people have asked questions about data points like attrition rate, head counts and all. So, this information is available in our annual report already. Also, the quarterly information is available in our press releases that we make and then which has the operating metrics therein.

So, with that, I thank you everybody for joining this shareholder meeting and back to you Sridhar. Thank you.

Sridhar Srinivasan:

Thank you, Mak and Vinay. We are now at the conclusion of this meeting.

On behalf of all my fellow board members and myself, I thank you all for attending the meeting.

I now declare the 35th Annual General Meeting of Oracle Financial Services Software Limited closed.

Take good care of yourself. Thank you.

Moderator:

Please note - Members attending the AGM today who have not already cast their votes by remote e-voting may cast their votes on the e-voting platform, which will be open for the next 15 minutes.

The results of the remote e-voting, including e-voting done today, will be posted on the website of the Company, website of NSDL and the stock exchanges within the next two working days.

Thank you.

The meeting concluded at 04:21 p.m. (IST) (including the time allowed for e-voting after the AGM).
