

Oracle Financial Services Software America, Inc.

Unaudited Balance sheet as at March 31, 2016

		(Amounts in USD)	
	<u>Notes</u>	<u>March 31, 2016</u>	<u>March 31, 2015</u>
<u>EQUITY AND LIABILITIES</u>			
Shareholders' funds			
Share capital	3	1	1
Reserves and surplus	4	124,031,152	124,146,572
		124,031,153	124,146,573
Current liabilities			
Short-term borrowings	5	10,000,000	10,000,000
Other current liabilities	6	3,887,794	3,785,115
		13,887,794	13,785,115
TOTAL		137,918,947	137,931,688
<u>ASSETS</u>			
Non-current assets			
Non-current investments	7	137,734,736	137,734,736
		137,734,736	137,734,736
Current assets			
Cash and bank balances	8	60,433	61,974
Short-term loans and advances	9	123,778	134,978
		184,211	196,952
TOTAL		137,918,947	137,931,688
Summary of significant accounting policies	2		

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

Oracle Financial Services Software America, Inc.

Unaudited Statement of profit and loss for the year ended March 31, 2016

	<u>Notes</u>	(Amounts in USD, except share data)	
		<u>Year ended March 31,</u>	
		<u>2016</u>	<u>2015</u>
<u>INCOME</u>			
Other income, net	10	-	-
Total income		-	-
<u>EXPENSES</u>			
Other expenses	11	1,541	1,430
Interest expenses		102,679	84,139
Total expenses		104,220	85,569
(Loss) before tax		(104,220)	(85,569)
Tax expenses			
Current tax		11,200	22,944
Total tax expenses		11,200	22,944
(Loss) for the year		(115,420)	(108,513)
Basic and diluted earnings per equity share of par value USD 0.01 (March 31, 2015 USD 0.01) each (in USD)		(115,420)	(108,513)
Weighted average number of shares used in computing earnings per share		1	1
Summary of significant accounting policies	2		

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

Oracle Financial Services Software America, Inc.

Notes annexed to and forming part of financial statements for the year ended March 31, 2016

Note 1: Corporate information

Oracle Financial Services Software America Inc (“OFSS” or the “Company”) was incorporated in United States of America with limited liability on December 5, 2003. OFSS is a subsidiary of Oracle Financial Services Software Limited (“Oracle”) with Oracle holding 100% ownership interest in the Company as at March 31, 2016.

Note 2: Summary of significant accounting policies

(a) Basis of presentation

The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in India (Indian GAAP) and are presented complying in all material respects with the Accounting Standards notified under section 133 of the Indian Companies Act, 2013 (the ‘Act’), read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared under the historical cost convention on an accrual and going concern basis.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years.

However, as these financial statements are not statutory financial statements, full compliance with the above Act, is not required and so they do not reflect all the disclosures required under the Act.

The significant accounting policies adopted by the Company, in respect of the financial statements are set out as below:

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates.

(c) Investments

Long term investments are stated at cost less provision for diminution on account of other than temporary decline in the value of the investment (if any).

(d) Income-tax

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with income tax act and tax laws prevailing in the respective jurisdiction where the Company operates. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions. Deferred income taxes are recognized for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become virtually certain that future taxable income will be available against which deferred tax assets can be realized. The carrying value of assets is reviewed at each balance sheet date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realized.

Oracle Financial Services Software America, Inc.

Notes annexed to and forming part of financial statements for the year ended March 31, 2016

(e) 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.

(f) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

(g) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(h) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Oracle Financial Services Software America, Inc.

Notes annexed to and forming part of unaudited financial statements as at March 31, 2016

(Amounts in USD)
March 31, 2016 **March 31, 2015**

Note 3: Share capital

Authorized:

4,000 (March 31, 2015 - 4,000) equity shares of \$ 0.01 each	40	40
1,000 (March 31, 2015 - 1,000) preference shares of \$ 0.01 each	10	10

Issued, subscribed and fully paid-up:

1 (March 31, 2015 - 1) equity share of \$ 0.01 each	0.01	0.01
100 (March 31, 2015 - 100) Series A convertible participating preference shares of \$ 0.01 each	1	1

(a) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of \$ 0.01 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) Terms of conversion/ redemption of Series A convertible participating preference shares (" Series A preference shares")

The Company has only one class of Series A preference shares having a par value of \$ 0.01 per share. These shares are not entitled for any dividend. Each holder of series A preference share can opt to convert at any time its series A preference shares into fully paid and non-assessable equity shares on a one-for-one basis.

In the event of liquidation of the Company, the holders of series A preference shares will be entitled to receive \$ 615,000 per shares as adjusted for stock splits, stock dividends, combinations or other recapitalisation of the Series A preference shares, out of, but only to the extent of the assets of the company legally available for distribution to its shareholders before any payment or distribution is made to equity shareholders. The distribution will be in proportion to the number of Series A preference shares held by the shareholders.

(c) Details of shareholders holding more than 5% equity shares in the company

Name of shareholder	March 31, 2016		March 31, 2015	
	No. of equity shares	% of equity shares	No. of equity shares	% of equity shares
Oracle Financial Services Software Limited	1	100%	1	100.0%

(d) Details of shareholders holding more than 5% Series A preference shares in the company

Name of shareholder	March 31, 2016		March 31, 2015	
	No. of preference shares	% of preference shares	No. of preference shares	% of preference shares
Oracle Financial Services Software Limited	100	100%	100	100.0%

As per records of the Company, the above shareholding represents both legal and beneficial ownerships of equity shares and Series A preference shares

(e) There is no movement in the shares outstanding at the beginning and at the end of the year.

(Amounts in USD)
March 31, 2016 **March 31, 2015**

Note 4: Reserves and surplus

Securities premium	138,164,484	138,164,484
Surplus in the statement of profit and loss		
Balance, beginning of year	(14,017,912)	(13,909,399)
(Loss) for the year	(115,420)	(108,513)
Balance, end of the year	(14,133,332)	(14,017,912)
Total reserves and surplus	124,031,152	124,146,572

Note 5: Short-term borrowings

Loan from Holding company (Unsecured) (Refer note 12)	10,000,000	10,000,000
	10,000,000	10,000,000

The above Loan bears an annual interest at the rate of six months libor plus 50 basis points and has no fixed repayment term.

Oracle Financial Services Software America, Inc.

Notes annexed to and forming part of unaudited financial statements as at March 31, 2016

	(Amounts in USD) March 31, 2016		(Amounts in USD) March 31, 2015	
	Non-current	Current	Non-current	Current
Note 6: Liabilities				
Amount due to subsidiaries (Refer note 12)	-	744,999	-	744,999
Amount due to holding company (Refer note 12)	-	247,066	-	247,066
Interest accrued on loan from Holding company	-	2,895,729	-	2,793,050
	-	3,887,794	-	3,785,115

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

	(Amounts in USD) March 31, 2016		(Amounts in USD) March 31, 2015	
	Note 7: Non-current investments (trade) (unquoted) (at cost, unless otherwise stated)			
Oracle Financial Services Software, Inc. 100 (March 31, 2015 - 100) equity share of \$ 0.01 each, fully paid-up			14,717,760	14,717,760
Mantas Inc. 100 (March 31, 2015 - 100) equity share of \$ 0.01 each, fully paid-up			123,016,976	123,016,976
			137,734,736	137,734,736

	(Amounts in USD) March 31, 2016		(Amounts in USD) March 31, 2015	
	Non-current	Current	Non-current	Current
Note 8: Cash and cash equivalents				
Balances with banks:				
Current accounts	-	60,433	-	61,974
	-	60,433	-	61,974

Note 9: Loans and advances (unsecured, considered good)				
Advance tax, net of provision for taxes \$ 36,507 (March 31, 2015 \$ 25,307)		123,778	-	134,978
	-	123,778	-	134,978

	(Amounts in USD) Year ended March 31,	
	2016	2015
Note 10: Other income, net		
Miscellaneous income	-	-
Note 11: Other expenses		
Miscellaneous expenses	1,541	1,430
	1,541	1,430

Oracle Financial Services Software America, Inc.

Notes annexed to and forming part of unaudited financial statements for the year ended March 31, 2016

Note 12: Names of Related Parties and description of relationship:

Relationship	Names of related parties
Related parties where control exists	
Ultimate Holding Company	Oracle Corporation
Holding Company	Oracle Financial Services Software Limited
Direct Subsidiaries	Oracle Financial Services Software, Inc. Mantas Inc.
Subsidiaries of Subsidiaries	Subsidiaries of Mantas Inc. - Sotas Inc. Subsidiaries of Sotas Inc. - Mantas India Private Limited

Transactions and balances outstanding with these parties are described below: (Amounts in USD)

	Transaction		Amount receivable (payable)	
	Year ended		As at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Loan outstanding				
<i>Holding Company</i>				
Oracle Financial Services Software Limited	-	-	(10,000,000)	(10,000,000)
Interest on loan taken				
<i>Holding Company</i>				
Oracle Financial Services Software Limited	(102,679)	(84,139)	(2,895,729)	(2,793,050)
Reimbursement of expenses				
<i>Holding Company</i>				
Oracle Financial Services Software Limited	-	-	(247,066)	(247,066)
<i>Subsidiaries</i>				
Oracle Financial Services Software, Inc.	-	(11,926)	(699,915)	(699,915)
Mantas Inc.	-	-	(45,084)	(45,084)

Note 13: Previous year's figures have been regrouped/ reclassified, where necessary, to conform with the current year's presentation, whenever applicable.

Oracle Financial Services Software America, Inc.

Unaudited Statement of cash flow for the year ended March 31, 2016

	(Amounts in USD)	
	Year ended March 31,	
	2016	2015
Cash flows from operating activities		
(Loss) before tax	(104,220)	(85,569)
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities :		
Interest Expense	102,679	84,139
Operating (Loss)/ Profit before Working Capital changes	(1,541)	(1,430)
Movements in working capital		
(Decrease) increase in trade payables	-	(526)
Increase in current liabilities	-	11,926
Cash from operating activities	(1,541)	9,970
Payment of domestic and foreign taxes	-	(11,400)
Net cash (used in) operating activities	(1,541)	(1,430)
Net cash provided by (used in) investing activities	-	-
Net cash provided by (used in) financing activities	-	-
Net (decrease) in cash and cash equivalents	(1,541)	(1,430)
Cash and cash equivalents at beginning of the year	61,974	63,404
Cash and cash equivalents at end of the year	60,433	61,974
Component of cash and cash equivalents		
Balances with banks:		
Current accounts	60,433	61,974
Total cash and cash equivalents [Refer note 8]	60,433	61,974