

## Unaudited Balance sheet as at March 31, 2016

	Notes	(Amounts in EUR)	
		March 31, 2016	March 31, 2015
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
Share capital	3	60,000	60,000
Reserves and surplus	4	4,923,686	5,398,211
		<b>4,983,686</b>	<b>5,458,211</b>
<b>Non-current liabilities</b>			
Other long-term liabilities	5	208,378	384,287
		<b>208,378</b>	<b>384,287</b>
<b>Current liabilities</b>			
Trade payables	5	57,931	15,483
Other current liabilities	5	1,139,256	1,177,458
Short-term provisions	6	8,418	9,461
		<b>1,205,604</b>	<b>1,202,402</b>
<b>TOTAL</b>		<b>6,397,669</b>	<b>7,044,900</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	7	20,935	40,808
Capital work-in-progress	7	(312)	1,428
Deferred tax assets	8	72,879	72,879
Long-term loans and advances	9	210,704	89,215
		<b>304,206</b>	<b>204,330</b>
<b>Current assets</b>			
Trade receivables	11	534,262	782,612
Cash and bank balances	12	3,876,154	2,711,603
Short-term loans and advances	9	158,530	114,603
Other current assets	10	1,524,517	3,231,752
		<b>6,093,462.40</b>	<b>6,840,570</b>
<b>TOTAL</b>		<b>6,397,669</b>	<b>7,044,900</b>
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

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

		(Amounts in EUR)	
		Year ended March 31,	
Notes		2016	2015
<b>INCOME</b>			
Revenue from operations	13	2,948,599	3,774,194
Other income, net	14	(29,362)	118,066
<b>Total income</b>		<b>2,919,237</b>	<b>3,892,260</b>
<b>EXPENSES</b>			
Cost of revenue		2,007,294	3,242,489
Employee costs	15	806,834	688,763
Travel related expenses (net of recoveries)		200,394	57,014
Professional fees		135,478	185,114
Other expenses	16	163,667	117,429
Depreciation and amortization	7	20,096	47,664
<b>Total expenses</b>		<b>3,333,762</b>	<b>4,338,473</b>
<b>Profit before tax</b>		<b>(414,525)</b>	<b>(446,212)</b>
Tax expenses			
Current tax			
Foreign taxes		60,000	62,500
<b>Profit for the year</b>		<b>(474,525)</b>	<b>(508,712)</b>
Earnings per equity share of par value EUR 1 (March 31, 2015 EUR 1) €	17		
Basic		(8)	(8)
Summary of significant accounting policies	2		

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

# Oracle Financial Services Software SA

**Schedules annexed to and forming part of the unaudited accounts for the year ended March 31, 2016**  
(Amount in EUR)

## **Note 1: Corporate Information**

Oracle Financial Services Software SA (“OFSS” or the “Company”) was incorporated in Greece on May 16, 2007. OFSS is a subsidiary of Oracle Financial Services Software B.V. (“Oracle”) with Oracle holding 100% ownership interest in the Company as at March 31, 2016. The Company is principally engaged in the business of providing information technology solutions to the financial services industry worldwide.

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

### **(a) Basis of presentation**

The financial statements are prepared in accordance with accounting principles generally accepted in India under the historical cost convention on the accrual basis of accounting and complying in all material respects with the notified Accounting Standards by Companies (Accounting Standards) Rules, 2006. The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years.

The significant accounting policies adopted by the Company, in respect of the financial statements are set out 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) Fixed assets including intangibles, depreciation, amortization and Impairment**

*Fixed assets including intangibles and capital work-in-progress*

Fixed assets including assets under finance lease arrangements are stated at cost less accumulated depreciation. The Company capitalizes all direct costs relating to the acquisition and installation of fixed assets. The cost of fixed assets not ready to use balance sheet date are disclosed under ‘Capital work-in-progress’. The Company records the difference between considerations paid and the fair value of assets and liabilities acquired as goodwill.

The Company purchases certain specific use application software, which is in ready to use condition, for internal use. It is estimated that such software has a relatively short useful life, usually less than one year. The Company, therefore, charges to income the cost of acquiring such software.

## Oracle Financial Services Software SA

Schedules annexed to and forming part of the unaudited accounts for the year ended March 31, 2016  
(Amount in EUR)

### *Depreciation and Amortizations*

The Company computes, depreciation and amortization using straight-line method, at the rates specified in Schedule XIV to the Act or based on the estimated useful life of assets, whichever is higher. The estimated useful life considered for depreciation of fixed assets is as follows:

<u>Asset description</u>	<u>Asset life (in years)</u>
<b>Tangible assets</b>	
Improvement of leasehold premises	Lesser of 7 years or lease term
Computer equipments	3
Electrical and office equipments	2-7
Furniture and fixtures	2-7
<b>Intangible assets</b>	
Goodwill	3 to 5

### *Impairment*

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and 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 risk specific to assets. After impairment, depreciation is provided on a revised carrying amount of assets over its remaining useful life

### **(d) Foreign currency transactions**

#### *Initial recognition*

- Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### *Conversion*

- Foreign currency denominated monetary items is translated into reporting currency at the closing rates of exchange prevailing at the date of the balance sheet. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

#### *Exchange differences*

- Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded or reported in previous financial statement, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations

## Oracle Financial Services Software SA

Schedules annexed to and forming part of the unaudited accounts for the year ended March 31, 2016  
(Amount in EUR)

### (e) Revenue recognition

Revenue is recognized as follows:

#### *Product licenses and related revenue:*

- License fees are recognized, on delivery and subsequent milestone schedule as per the terms of the contract with the end user.
- Implementation and customization services are recognized as services are provided, when arrangements are on a time and material basis. Revenue for fixed price contracts is recognized using the proportionate completion method till contracts reach 90% completion. Balance revenue is recognized at the time of receipt of customer acceptance. Proportionate completion is measured based upon the efforts incurred to date in relation to the total estimated efforts to complete the contract. The Company monitors estimates of total contract revenue and cost on a routine basis throughout the delivery period. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.
- Customization services are recognized based on the acceptance received from the customer for the milestone achieved.
- Product maintenance revenue is recognized, over the period of the maintenance contract.

#### *IT solutions and consulting services:*

Revenue from IT solutions and consulting services are recognized as services are provided, when arrangements are on a time and material basis.

Revenue from fixed price contracts is recognized using the proportionate completion method till contracts reach 90% completion. Balance revenue is recognized at the time of receipt of customer acceptance. Proportionate completion is measured based upon the efforts incurred to date in relation to the total estimated efforts to complete the contract. The Company monitors estimates of total contract revenue and cost on a routine basis throughout the delivery period. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

#### *Interest income*

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable

### (f) Research and development expenses for software products

Research and development costs are expensed as incurred. Software product development costs are expensed as incurred until technological feasibility is established. Software product development costs incurred subsequent to the achievement of technological feasibility are not material and are expensed as incurred.

### (g) Employee benefits

The Company's employee benefits primarily cover superannuation.

Superannuation fund are defined contribution schemes and the Group has no further obligation beyond the contributions made to the fund. Contributions are charged to profit and loss account in the year in which they accrue.

Indemnity is payable to those employees who are terminated or who retire on the attaining the age of 65.

## Oracle Financial Services Software SA

### Schedules annexed to and forming part of the unaudited accounts for the year ended March 31, 2016 (Amount in EUR)

#### **(h) Leases**

*Where the Company is the lessee*

Lease of assets under which substantially all the risks and benefits incidental to ownership are transferred to the Company are classified as finance leases. These assets are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as an expense on a straight-line basis over the lease term.

#### **(h) Income-tax**

Tax expense comprises of current and deferred tax. Current income tax for the Company is measured at the amount expected to be paid to the tax authorities in accordance with the Greek Tax Authorities. 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. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit and loss account using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the company does not have a legal right to do so. 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. In situations where there are carry forward losses, deferred tax asset is recognized only if there is virtual certainty supported by convincing evidence that future taxable income will be available against which deferred tax asset can be realized. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain or virtually certain that future taxable income will be available against which deferred tax assets can be realized.

Tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction and enterprise.

#### **(I) Provision**

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.

#### **(J) 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.

#### **(K) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short terms investments with an original maturity of three months or less.

**Oracle Financial Services Software S.A.**

**Notes annexed to and forming part of financial statements as at March 31, 2016 (Unaudited)**

**Note 3: Share capital**

	(Amounts in EUR)	
	March 31, 2016	March 31, 2015
Authorized:		
60000 (March 31, 2012 - 60000) equity shares of EUR 1 each	60,000.00	60,000.00
Issued, subscribed and fully paid up:		
60000 (March 31, 2012 - 60000) equity shares of EUR 1 each	60,000.00	60,000.00

(a) The Company has only one class of equity shares having a par value of ` EUR 100 per share. Each holder of equity shares is entitled to one vote p

**(b) Details of shareholders holding more than 5% shares in the company**

Name of shareholder	March 31, 2016		March 31, 2015	
	Number of equity shares	% of equity shares	Number of equity shares	% of equity shares
<b>Oracle Financial Services Software America</b>	<b>60,000.00</b>	<b>1</b>	<b>60,000.00</b>	<b>1</b>

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

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

**Note 4: Reserves and surplus**

	(Amounts in EUR)	
	March 31, 2016	March 31, 2015
<b>Securities premium</b>		
Balance, beginning of the year	170,000	170,000
Received during the year	-	-
Balance, end of the year	170,000	170,000
<b>General reserve</b>	(0)	(0)
Surplus in the statement of profit and loss		
Balance, beginning of the year	5,228,211	5,736,923
Profit for the year	(474,525)	(508,712)
Less : Appropriations	-	-
Balance, end of the year	<b>4,753,686</b>	<b>5,228,211</b>
<b>Total reserves and surplus</b>	<b>4,923,686</b>	<b>5,398,211</b>

**Oracle Financial Services Software S.A.**

**Notes annexed to and forming part of financial statements as at March 31, 2016 (Unaudited)**

	(Amounts in EUR)		(Amounts in EUR)	
	March 31, 2016		March 31, 2015	
	Non-current	Current	Non-current	Current
<b>Note 5: Liabilities</b>				
<b>Trade Payables</b>				
- Others	-	57,931	-	15,483
Accrued expenses		324,958		409,301
Intercompany payable		125,576		15,870
Deferred revenues	208,378	-	384,287	-
Other liabilities				
- Withholding and other taxes	-	574,723	-	592,843
- Other statutory dues	-	113,998	-	159,444
	208,378	1,139,256	384,287	1,177,458
	<b>208,378</b>	<b>1,197,187</b>	<b>384,287</b>	<b>1,192,941</b>

**Note 6: Provisions**

For employee benefits				
Compensated absence	-	8,418	-	9,461
	-	<b>8,418</b>	-	<b>9,461</b>



Oracle Financial Services Software S.A.

Notes annexed to and forming part of financial statements as at March 31, 2016 (Unaudited)

**Note 7 : Tangible assets**

(Amounts in EUR)

Particulars	Gross block				Depreciation				Net block	
	As at April 01, 2015	Additions	Sale/deletions	As at March 31, 2016	As at April 01, 2015	For the year	Sale/deletions	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Freehold land	-	-	-	-	-	-	-	-	-	-
Improvement to leasehold premises	-	-	-	-	-	-	-	-	-	-
Buildings [Refer note below]	-	-	-	-	-	-	-	-	-	-
Computer equipments	30,421	-	-	30,421	6,135	10,141	-	16,276	14,145	24,286
Office equipments	44,628	218	-	44,846	29,116	8,940	-	38,056	6,790	15,512
Electricals and other installations	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures	26,961	-	26,961	-	25,951	1,010	26,961	0	(0)	1,010
Vehicles under finance lease	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>102,010</b>	<b>218</b>	<b>26,961</b>	<b>75,267</b>	<b>61,202</b>	<b>20,091</b>	<b>26,961</b>	<b>54,332</b>	<b>20,935</b>	<b>40,808</b>
<b>As at March 31, 2015</b>	<b>307,690</b>	<b>39,293</b>	<b>244,973</b>	<b>102,011</b>	<b>209,345</b>	<b>47,664</b>	<b>195,807</b>	<b>61,202</b>		
Capital work-in-progress		1,428		(312)						

**Note 8: Deferred tax assets**

Losses for the past years

(Amounts in EUR)	
March 31, 2016	March 31, 2015

72,879 -

**72,879 -**

(Amounts in EUR)		(Amounts in EUR)	
March 31, 2016		March 31, 2015	
Non-current	Current	Non-current	Current

**Note 9: Loans and advances (unsecured, considered good)**

Advances recoverable in cash or in kind or for value to be received:

Deposits for premises and others	(0)	0	-	2,108
Prepaid expenses	-	2,545	-	389
Other advances	-	155,985	-	112,106
Advance tax, net of provision for taxes	210,704	-	89,215	-
	<b>210,704</b>	<b>158,530</b>	<b>89,215</b>	<b>114,603</b>

**Note 10: Other assets**

Unbilled revenue	-	66,349	-	61,831
Amount receivable towards intercompany transactions	-	1,458,168	-	3,169,921
	-	1,524,517	-	3,231,752
	-	<b>1,524,517</b>	-	<b>3,231,752</b>

**Note 11: Trade receivables [unsecured]**

Other receivables:

Considered good	-	534,262	-	782,612
	-	<b>534,262</b>	-	<b>782,612</b>

**Note 12: Cash and bank balances**

(a) Cash and cash equivalents

Balances with banks:

Current accounts	-	3,876,154	-	2,711,603
Amount disclosed under current assets	-	<b>3,876,154</b>	-	<b>2,711,603</b>

**Oracle Financial Services Software S.A.**

**Notes annexed to and forming part of financial statements as at March 31, 2016 (Unaudited)**

	(Amounts in EUR)	
	Year ended March 31,	
	2016	2015
<b>Note 13: Revenue from operations</b>		
Product licenses and related activities	2,948,599	3,604,247
IT solutions and consulting services	-	169,947
	<b>2,948,599</b>	<b>3,774,194</b>
<b>Note 14: Other income, net</b>		
Other income, net		
Foreign exchange gain, net	(29,362)	156,622
Profit (loss) on sale of fixed assets, net	-	(38,556)
	(29,362)	118,066
	<b>(29,362)</b>	<b>118,066</b>
Provision for taxes		
Foreign taxes	60,000	62,500
	<b>60,000</b>	<b>62,500</b>
<b>Note 15: Employee costs</b>		
Salaries and bonus	719,725	616,059
Staff welfare expenses	32,861	64,250
Contribution to provident and other funds	54,248	8,455
	<b>806,834</b>	<b>688,763</b>
<b>Note 16: Other expenses</b>		
Communication expenses	24,234	36,784
Rent	90,191	87,747
Advertising expenses	1,080	-
Buildings and leasehold premises	-	280
Computer equipments	786	5,687
Others	1,309	2,066
Rates and taxes	826	240
Provision for doubtful debts, net	-	(9,225)
Bad debts	-	(38,409)
Audit Fees	44,219	(5,052)
Miscellaneous expenses	1,022	37,312
	<b>163,667</b>	<b>117,429</b>
<b>Note 17: Reconciliation of basic and diluted equity shares used in computing earnings per share</b>		
	(Number of equity shares)	
	Year ended March 31,	
	2016	2015
Weighted average shares outstanding for basic earnings per share	60,000	60,000

## Oracle Financial Services Software SA

Schedules annexed to and forming part of the unaudited accounts for the year ended March 31, 2016  
(Amount in EUR)

### Note 18: Commitments and contingent liabilities

#### (a) Capital commitments

Contracts remaining to be executed on capital account and not provided for (net of advances) aggregates to Nil as at March 31, 2016 (March 31, 2015 – Nil).

#### (b) Contingent Liabilities

Financial bank guarantees given to banks aggregates to EUR NIL as at March 31, 2016 (March 31, 2015 – EUR NIL).

### Note 19: Leases

#### (a) Where Company is lessee

##### Operating lease

The Group has taken certain office premises and residential premises for employees under operating lease, which expire at various dates through year 2022. Some of these lease agreements have a price escalation clause. Gross rental expenses for the year ended March 31, 2016 aggregated to EUR 90191.40 (March 31, 2015 – EUR 87746.64). The minimum rental payments to be made in future in respect of these leases are as follows:

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>(EUR)</b>	<b>(EUR)</b>
Not later than one year	90,192	35,316
Later than one year but not later than five years	77,916	66,414
Later than five years	00,000	00,000
	<b>1,68,108</b>	<b>101,730</b>

**Oracle Financial Services Software S.A.**

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

	<b>(Amounts in EUR)</b>	
	<b>Year ended March 31,</b>	
	<b>2016</b>	<b>2015</b>
Cash flows from operating activities		
<b>Profit before tax</b>	<b>(414,525)</b>	<b>(446,212.31)</b>
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities :		
Depreciation and amortization	20,096	47,664
(Profit) loss on sale of fixed assets, net	-	38,556
Effect of exchange rate changes in cash and cash equivalent	29,362	(156,622)
Unrealised exchange (gain) loss, net	1,299	10,611
Provision for doubtful debts, net	-	(9,225)
Bad debts	-	(38,409)
<b>Operating Profit before Working Capital changes</b>	<b>(363,768)</b>	<b>(553,638)</b>
Movements in working capital		
Decrease (Increase) in trade receivables	248,350	726,354
(Increase) in other current assets	1,707,235	(3,046,321)
(Increase) in short-term loans and advances	(46,034)	(76,863)
(Decrease) increase in trade payables	42,448	(41,417)
(Decrease) increase in other current liabilities	(38,202)	(212,569)
Increase (decrease) in other long-term liabilities	(175,909)	126,157
Increase in other short-term provisions	(1,043)	1,257
<b>Cash from operating activities</b>	<b>1,373,076</b>	<b>(3,077,040)</b>
Payment of domestic and foreign taxes	(181,489)	40,281
<b>Net cash provided by operating activities</b>	<b>1,191,587</b>	<b>(3,036,759)</b>
<b>Cash flows from investing activities</b>		
Additions to fixed assets including capital work-in-progress and advances	218	(40,721)
Refund of deposits for premises and others	2,108	14,733
<b>Net cash (used) in investing activities</b>	<b>2,326</b>	<b>(25,988)</b>
<b>Cash flows from financing activities</b>		
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase /(decrease) in cash and cash equivalents</b>	<b>1,193,913</b>	<b>(3,062,747)</b>
Cash and cash equivalents at beginning of the year	2,711,603	5,617,728
Effect of exchange rate changes	(29,362)	156,622
<b>Cash and cash equivalents at end of the year</b>	<b>3,876,154</b>	<b>2,711,603</b>
<b>Component of cash and cash equivalents</b>		
Balances with banks:		
Current accounts	3,876,154	2,711,603
<b>Total cash and cash equivalents [Refer note 12(a)]</b>	<b>3,876,154</b>	<b>2,711,603</b>