Oracle Financial Services Software Chile Limitada

Unaudited Balance sheet as at March 31, 2016

	Notes	(Amounts in CLP) March 31, 2016	March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	795,139,398	795,139,398
Reserves and surplus	4	1,338,766,389	715,064,486
		2,133,905,787	**1,510,203,884**
Non-current liabilities			
Other long-term liabilities	5	1,183,886,021	810,189,253
		1,183,886,021	**810,189,253**
Current liabilities			
Trade payables	5	28,894,721	229,997,192
Other current liabilities	5	1,262,359,431	1,373,028,303
Short-term provisions	6	837,923,804	619,379,608
		2,129,177,956	**2,222,405,103**
TOTAL		**5,446,969,764**	**4,542,798,240**
ASSETS			
Non-current assets			
Fixed assets	7	8,817,698	13,277,858
		8,817,698	**13,277,858**
Current assets			
Trade receivables	10	2,847,078,408	2,311,868,873
Cash and bank balances	11	1,438,287,726	906,188,595
Short-term loans and advances	8	198,470,331	151,774,618
Other current assets	9	954,315,601	1,159,688,296
		5,438,152,066	**4,529,520,382**
TOTAL		**5,446,969,764**	**4,542,798,240**
Summary of significant accounting policies	2	-	-

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

Oracle Financial Services Software Chile Limitada

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

<div align="right">(Amounts in CLP, except share data)</div>

	Notes	Year ended March 31,	
		2016	**2015**
INCOME			
Revenue from operations	12	4,888,125,916	5,497,999,337
Other income, net	13	(584,348,595)	(196,898,569)
Total income		4,303,777,321	5,301,100,768
EXPENSES			
Cost of revenue		1,193,721,058	1,530,300,776
Employee costs	14	1,944,731,906	2,292,887,404
Travel related expenses (net of recoveries)		52,121,086	58,970,825
Professional fees		70,432,476	60,614,852
Other expenses	15	178,083,125	286,654,303
Depreciation and amortization	7	9,025,986	9,427,082
Total expenses		3,448,115,637	4,238,855,242
Profit before tax		855,661,684	1,062,245,526
Tax expenses			
Current tax		231,959,781	356,152,289
Profit for the year		623,701,903	706,093,237
Summary of significant accounting policies	2		

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

Oracle Financial Services Software Chile Limitada
Notes annexed to and forming part of unaudited financial statements for the year ended March 31, 2016

Note 1: Corporate information

Oracle Financial Services Software Chile Limitada ("the Company") was incorporated in Chile with limited liability on July 28, 2010. The Company is a subsidiary of Oracle Financial Services Software Ltd. ("OFSSL") with holding 99.9996% ownership interest in the Company as at March 31, 2016. Oracle Financial Services Software B.V. holds 0.0004% 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 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, except for the change in accounting policy described in note (c) below.

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) Change in accounting policy for depreciation on fixed assets.

Till year ended 31 March 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Company was charging 100% depreciation on assets costing less than Rs.5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the Company has changed its accounting policy for depreciation of assets costing less than Rs. 5,000/-. As per the revised policy, the Company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014.

The change in accounting for depreciation of assets costing less than Rs. 5,000/- did not have any material impact on financial statements of the company for the current year.

Oracle Financial Services Software Chile Limitada
Notes annexed to and forming part of unaudited financial statements for the year ended March 31, 2016

(d) Fixed assets including intangibles and capital work-in-progress, 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 before balance sheet date are disclosed under 'Capital work-in-progress'.

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.

Depreciation and amortization

Depreciation and amortization are computed as per the straight-line method using the rates arrived at based on the useful lives estimated by the management. The estimated useful life considered for depreciation of fixed assets is as follows:

Asset description	Asset life (in years)
Computer equipments	3

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.
- The useful lives of furniture and fixtures and electrical and other installations estimated at 2-7 years. These lives are lower than those indicated in schedule II.

(e) Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in 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 are 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 monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expenses in the year in which they arise.

(f) 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.

  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.

- Product maintenance revenue is recognized, over the period of the maintenance contract on a straight line basis.

Cost and revenue in excess of billings is classified as unbilled revenue while billing in excess of revenue is classified as deferred revenue.

(g) 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..

(h) 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.

(i) 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.

(l) 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 Chile Limitada

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

	(Amounts in CLP)	
	March 31, 2016	**March 31, 2015**
Note 3: Share capital		
Issued, subscribed and fully paid up:		
	795,139,398	**795,139,398**

	(Amounts in CLP)	
	March 31, 2016	**March 31, 2015**
Note 4: Reserves and surplus		
Surplus in the statement of profit and loss		
Balance, beginning of the year	715,064,486	8,971,249
Profit for the year	623,701,903	706,093,237
Less : Appropriations	-	-
Total reserves and surplus	**1,338,766,389**	**715,064,486**

Oracle Financial Services Software Chile Limitada

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

	(Amounts in CLP) March 31, 2016		(Amounts in CLP) March 31, 2015	
	Non-current	**Current**	**Non-current**	**Current**
Note 5: Liabilities				
Trade Payables				
- Others	-	28,894,721	-	229,997,192
	-	**28,894,721**	**-**	**229,997,192**
Accrued expenses		517,044,059		311,451,308
Intercompany payable		618,049,148		758,855,896
Deferred revenues	1,183,886,021	-	810,189,253	-
Other liabilities				
- Withholding and other taxes	-	98,175,544	-	264,942,665
- Other statutory dues	-	29,090,680	-	37,778,434
	1,183,886,021	**1,262,359,431**	**810,189,253**	**1,373,028,303**
	1,183,886,021	**1,291,254,152**	**810,189,253**	**1,603,025,495**
Note 6: Provisions				
For employee benefits				
Compensated absence	-	289,041,977	-	288,022,074
Other Provision				
Taxation, net of advance tax	-	548,881,827	-	331,357,534
	-	**837,923,804**	**-**	**619,379,608**

Oracle Financial Services Software Chile Limitada

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

Note 7: Fixed Assets

(Amounts in CLP)

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
Computer equipments	53,355,083	4,565,826		57,920,909	40,077,225	9,025,986		49,103,211	8,817,698	13,277,858
Total	**53,355,083**	**4,565,826**	**-**	**57,920,909**	**40,077,225**	**9,025,986**	**-**	**49,103,211**	**8,817,698**	**13,277,858**
As at March 31, 2015	66,463,453	10,607,308	23,715,678	53,355,083	54,365,821	9,427,082	23,715,678	40,077,225		

Oracle Financial Services Software Chile Limitada

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

	(Amounts in CLP) March 31, 2016		(Amounts in CLP) March 31, 2015	
	Non-current	Current	Non-current	Current
Note 8: Loans and advances (unsecured, considered good)				
Advances recoverable in cash or in kind or for value to be received:				
Prepaid expenses	-	-	-	-
Other advances	-	8,090,295	-	956,586
Advance tax, net of provision for taxes	-	190,380,036	-	150,818,032
	-	**198,470,331**	**-**	**151,774,618**
Note 9: Other assets				
Unbilled revenue	-	954,315,601	-	1,159,688,296
	-	**954,315,601**	**-**	**1,159,688,296**
Note 10: Trade receivables [unsecured]				
(a) Outstanding for a period exceeding six months from the date they are due for payment:				
Considered good	-	13,424,873	-	159,911,490
Considered doubtful		-		72,720,145
	-	13,424,873	-	232,631,635
Provision for doubtful receivables	-	-	-	(72,720,145)
	-	**13,424,873**	**-**	**159,911,490**
(b) Other receivables:				
Considered good	-	2,833,653,535	-	2,151,957,383
Considered doubtful	-	13,424,873	-	-
	-	2,847,078,408	-	2,151,957,383
Provision for doubtful receivables	-	(13,424,873)	-	-
	-	**2,833,653,535**	**-**	**2,151,957,383**
	-	**2,847,078,408**	**-**	**2,311,868,873**
Note 11: Cash and bank balances				
Cash and cash equivalents				
Balances with banks:				
Current accounts	-	1,438,287,726	-	906,188,595
	-	**1,438,287,726**	**-**	**906,188,595**
(b) Other bank balances				
Balances with banks:				
Deposit accounts with original maturity of more than 3 months but less than 12 months	-	-	-	-
	-	**-**	**-**	**-**
Amount disclosed under current assets	**-**	**1,438,287,726**	**-**	**906,188,595**

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

	(Amounts in CLP)	
	Year ended March 31,	
	2016	**2015**
Note 12: Revenue from operations		
Product licenses and related activities	4,888,125,916	5,497,999,337
	4,888,125,916	**5,497,999,337**
Note 13: Other income, net		
(a) Interest income		
Interest on:		
Bank deposits	-	41,319
	-	**41,319**
(b) Other income, net		
Foreign exchange gain, net	(584,348,595)	(197,620,871)
Miscellaneous income	-	680,983
	(584,348,595)	**(196,939,888)**
	(584,348,595)	**(196,898,569)**
Note 14: Employee costs		
Salaries and bonus	1,864,350,989	2,227,974,196
Staff welfare expenses	40,693,798	17,911,293
Contribution to provident and other funds	39,687,119	47,001,915
	1,944,731,906	**2,292,887,404**
Note 15: Other expenses		
Application software	-	192,332,139
Communication expenses	59,431,320	33,404,935
Rent	75,765,297	114,611,809
Advertising expenses	(18,408)	18,408
Repairs and maintenance:		
Computer equipments	143,566	876,715
Rates and taxes	23,040,708	43,020,771
Provision for doubtful debts, net	(14,396,446)	(36,765,597)
Miscellaneous expenses	34,117,088	(60,844,877)
	178,083,125	**286,654,303**

Note 16: Capital commitments and Contingent liabilities

(Amounts in CLP)

Particulars	March 31, 2016	March 31, 2015
Capital Commitments	Nil	Nil
Contingent liabilities	Nil	Nil

Oracle Financial Services Software Chile Limitada

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

	(Amounts in CLP) Year ended March 31,	
	2016	2015
Cash flows from operating activities		
Profit before tax	855,661,684	1,062,245,526
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities :		
Depreciation and amortization	9,025,986	9,427,082
Interest income	-	(41,319)
Effect of exchange rate changes in cash and cash equivalent	584,348,595	197,620,871
Provision for doubtful debts, net	(14,396,446)	(36,765,597)
Operating Profit before Working Capital changes	1,434,639,819	1,232,486,563
Movements in working capital		
Decrease (Increase) in trade receivables	(520,813,089)	615,092,198
(Increase) in other current assets	205,372,695	(189,760,340)
(Increase) in short-term loans and advances	(7,133,709)	6,032,836
(Decrease) increase in trade payables	(201,102,471)	96,839,294
(Decrease) increase in other current liabilities	(110,668,872)	(1,576,352,503)
Increase (decrease) in other long-term liabilities	373,696,768	(604,417,956)
Increase in other short-term provisions	1,019,903	31,608,418
Cash from operating activities	1,175,011,044	(388,471,490)
Payment of domestic and foreign taxes	(53,997,492)	(466,613,474)
Net cash provided by operating activities	**1,121,013,552**	**(855,084,964)**
Cash flows from investing activities		
Additions to fixed assets including capital work-in-progress and advances	(4,565,826)	(10,607,308)
Interest received	-	41,319
Net cash (used) in investing activities	**(4,565,826)**	**(10,565,989)**
Net Increase /(decrease) in cash and cash equivalents	1,116,447,726	(865,650,953)
Cash and cash equivalents at beginning of the year	906,188,595	1,969,460,419
Effect of exchange rate changes	(584,348,595)	(197,620,871)
Cash and cash equivalents at end of the year	**1,438,287,726**	**906,188,595**

	(Amounts in CLP) Year ended March 31,	
	2016	2015
Component of cash and cash equivalents		
Balances with banks:		
Current accounts	1,438,287,726	906,188,595
Total cash and cash equivalents [Refer note 11]	**1,438,287,726**	**906,188,595**