Oracle Financial Services Consulting Pte. Ltd.

Directors' Report

To the Members,

Your Directors are pleased to present Annual Report on the business and operations of your Company, together with the accounts for the year ended March 31, 2013.

FINANCIAL PERFORMANCE

(Amount in Rs. million)

Particulars	**Year ended March 31, 2013**	**Year ended March 31, 2012**
Revenue from operations	-	3.53
Other (expenses), net	(16.11)	(22.15)
Total (loss)	**(16.11)**	**(18.62)**
Depreciation and amortisation	-	-
(Loss) before tax	**(16.80)**	**(23.09)**
Provision for tax	-	-
(Loss) for the year	**(16.80)**	**(23.09)**

OPERATIONS

- The amount shown as Total Income consists of IT solutions & consulting services and other (expenses) net.
- The Company's Gross Block (Fixed assets) remained unchanged at Rs 38.55 million.

DIVIDEND

Your directors do not recommend a dividend for the year ended March 31, 2013.

CAPITAL

The Issued, Paid-up & Subscribed Capital of the Company is Rs. 46.37 million

Your Company is a wholly owned subsidiary of Oracle Financial Services Software Pte. Ltd.

FIXED DEPOSITS

During the financial year 2012-13, the Company has not accepted any fixed deposits within the meaning of Section 58 A of the Companies Act, 1956, and as such no amount of principal or interest was outstanding as on the date of the Balance Sheet.

DIRECTORS RESPONSIBILITY STATEMENT:

As required under Section 217 of the Companies Act, 1956 the Directors hereby confirm that:

i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;

iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) The Directors have prepared the annual accounts on a 'going concern' basis.

ACKNOWLEDGEMENTS:

Your Directors wish to thank its strategic alliance partners, service providers, hardware and other government and regulatory authorities for their support, guidance and co-operation. Your Directors also wish to place on record their sincere appreciation of the dedicated efforts put in by the employees of the Company during the year.

For and on behalf of the Board

Vinay Ketkar
Director

May 07, 2013

Oracle Financial Services Consulting Pte. Ltd.

Balance Sheet as at March 31, 2013

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	Notes	(Amount in Rs. million) March 31, 2013	March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	46.37	46.37
Reserves and surplus	4	(216.49)	(199.69)
		(170.12)	(153.32)
Current liabilities			
Trade payable	5	3.90	3.67
Other current liabilities	5	228.17	195.08
		232.07	198.75
TOTAL		**61.95**	**45.42**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	6 (a)	-	-
Intangible assets	6 (b)	38.33	38.33
		38.33	**38.33**
Current assets			
Trade receivables	8	-	0.29
Cash and bank balances	9	23.61	6.80
Short-term loans and advances	7	0.01	0.01
		23.62	**7.10**
TOTAL		**61.95**	**45.42**
Summary of significant accounting policies	2		

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

Oracle Financial Services Consulting Pte. Ltd.

Statement of profit and loss account for the year ended March 31, 2013

	Notes	(Amount in Rs. million) Year ended March 31, 2013	2012
INCOME			
Revenue from operations	10	-	3.53
Other (expenses), net	11	(16.11)	(22.15)
Total (loss)		(16.11)	(18.62)
EXPENSES			
Cost of revenue		-	3.24
Professional fees		0.47	1.01
Other expenses	12	0.22	0.22
Total expenses		0.69	4.47
(Loss) before provision for taxes		(16.80)	(23.09)
Tax expenses		-	-
(Loss) for the year		(16.80)	(23.09)
Summary of significant accounting policies	2		

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

Oracle Financial Services Consulting Pte. Ltd.

Notes annexed to and forming part of the financial statements for the year ended March 31, 2013

Note 1: Corporate Information

Oracle Financial Services Consulting Pte. Ltd. ("OFSC" or the "Company") was incorporated in Singapore on 14 June, 2000. OFSC is a subsidiary of Oracle Financial Services Software Pte. Ltd. with 100% ownership interest in the Company as at March 31,2013 .

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, amortisation 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 capitalises 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 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.

Depreciation and amortisation

The Company computes, depreciation and amortisation 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. Individual assets

costing Rs. 5,000 or less are fully depreciated in the year of acquisition. The estimated useful life considered for depreciation of fixed assets is as follows:

Asset description	Asset life (in years)
Tangible assets	
Computer equipments	3
Intangible assets	
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 recognised 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 Indian currency, by applying to the foreign currency amount the exchange rate between the Indian currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency denominated monetary items are translated into Indian 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.

(e) Revenue recognition

Revenue is recognised as follows:

IT solutions and consulting services:

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

- Revenue from fixed price contracts is recognised using the proportionate completion method till contracts reach 90% completion. Balance revenue is recognised 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.

The Company presents revenues net of service tax and value added taxes in its statement of profit and loss.

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

Interest income

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

(f) Research and development expenses for software products

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical feasibility of project is established, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the cost can be measured reliably. Software product development costs incurred subsequent to the achievement of technical feasibility are not material and are expensed as incurred.

(g) Provisions

A provision is recognised 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.

(h) 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 recognised because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

(i) Cash and cash equivalents

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

Oracle Financial Services Consulting Pte. Ltd.

Notes annexed to and forming part of the financial statements as at March 31, 2013

	(Amount in Rs. million,except share data)	
	March 31, 2013	**March 31, 2012**
Note 3: Share capital		
Issued, subscribed and fully paid-up:		
16,185,170 (March 31, 2012- 16,185,170) equity shares of SGD 1each	46.37	46.37

(a) The Company has only one class of equity shares having a par value of SGD 1 per share. Each holder of equity shares is entittled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	March 31, 2013		**March 31, 2012**	
Name of shareholder	**No. of Equity shares**	**% holding**	**No. of Equity shares**	**% holding**
Oracle Financial Services Software Pte. Ltd.	16,185,170	100.00%	16,185,170	100.00%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares

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

	March 31, 2013		**March 31, 2012**	
	No. of Equity shares	**Amount**	**No. of Equity shares**	**Amount**
Outstanding at the beginning of year	16,185,170	46.37	16,185,170	46.37
Issued during the year	-	-	-	-
Outstanding at the end of year	16,185,170	46.37	16,185,170	46.37

	(Amount in Rs. million)	
	March 31, 2013	**March 31, 2012**
Note 4: Reserves and surplus		
Surplus in the statement of profit and loss account		
Balance, beginning of year	(199.69)	(176.60)
(Loss) for the year	(16.80)	(23.09)
Balance, end of the year	(216.49)	(199.69)
Total reserves and surplus	**(216.49)**	**(199.69)**

	(Amount in Rs. million) **March 31, 2013**		(Amount in Rs. million) **March 31, 2012**	
	Non-current	**Current**	**Non-current**	**Current**
Note 5: Trade payable and other liabilities				
Trade payable				
Amount due to subsidiaries	-	3.90	-	3.67
	-	**3.90**	**-**	**3.67**
Accrued Expenses	-	0.82	-	0.77
Other liabilities	-	1.09	-	1.03
Amount due from subsidiaries	-	226.26	-	193.28
	-	**228.17**	**-**	**195.08**
	-	**232.07**	**-**	**198.75**

Oracle Financial Services Consulting Pte. Ltd.

Notes annexed to and forming part of the financial statements as at March 31, 2013

Note 6 (a): Tangible assets

(Amount in Rs. million)

Particulars	Gross block					Depreciation				Net block	
	As at April 01, 2012	Additions	Sale/ deletions	Translation gain (loss)	As at March 31, 2013	As at April 01, 2012	For the year	Sale/ deletions	As at March 31, 2013	As at March 31,2013	As at March 31,2012
Computer equipments Owned	0.22	-	-	-	0.22	0.22	-	-	0.22	-	-
Total	**0.22**	**-**	**-**	**-**	**0.22**	**0.22**	**-**	**-**	**0.22**	**-**	**-**
As at March 31, 2012	0.44	-	0.22	-	0.22	0.18	0.03	-	0.22		

Note 6 (b): Intangible assets

(Amount in Rs. million)

Particulars	Gross block					Amortisation and impairment losses				Net block	
	As at April 01, 2012	Additions	Sale/ deletions	Translation gain (loss)	As at March 31, 2013	As at April 01, 2012	For the year	Sale/ deletions	As at March 31,2013	As at March 31,2013	As at March 31,2012
Goodwill	38.33	-	-	-	38.33	-	-	-	38.33	38.33	38.33
Total	**38.33**	**-**	**-**	**-**	**38.33**	**-**	**-**	**-**	**38.33**	**38.33**	**38.33**
As at March 31, 2012	38.33	-	-	-	38.33	-	-	-	38.33		

Oracle Financial Services Consulting Pte. Ltd.

Notes annexed to and forming part of the financial statements as at March 31, 2013

	(Amount in Rs. million) March 31, 2013		(Amount in Rs. million) March 31, 2012	
	Non-current	**Current**	**Non-current**	**Current**
Note 7: Loans and advances (unsecured, considered good)				
Advances recoverable in cash or in kind or for value to be received:				
Prepaid expenses	-	0.01	-	0.01
	-	**0.01**	**-**	**0.01**
Note 8: Trade receivables (unsecured)				
(a) Outstanding for a period exceeding six months from date they are due for payment	-	-	-	-
(b) Other receivables				
Consider good	-	-	-	0.29
Consider doubtful	-	-	-	-
	-	**-**	**-**	**0.29**
Provision for doubtful receivables	-	-	-	-
	-	**-**	**-**	**0.29**
	-	**-**	**-**	**0.29**
Note 9: Cash and bank balances				
(a) Cash and cash equivalent				
Balances with banks:				-
Current accounts	-	23.61	-	6.80
	-	**23.61**	**-**	**6.80**
(b) Other bank balances	**-**	**-**	**-**	**-**
Amount disclosed under non-current assets	-	-	-	-
Amount disclosed under current assets	**-**	**23.61**	**-**	**6.80**

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Oracle Financial Services Consulting Pte. Ltd.

Notes annexed to and forming part of the financial statements as at March 31, 2013

	(Amount in Rs. million) Year ended March 31,	
	2013	**2012**
Note 10: Revenue from operations		
IT solutions and consulting services	-	3.53
	-	**3.53**
Note 11: Other expenses (net)		
(a) Interest income		
Interest on:		
Bank deposits	0.03	0.02
	0.03	**0.02**
(b) Other (expense), net		
Foreign exchange (loss), net	(16.44)	(22.31)
Miscellaneous income	0.30	0.14
	(16.14)	**(22.17)**
	(16.11)	**(22.15)**
Note 12: Other expenses		
Provision for doubtful debts, net	-	(0.51)
Bad debts	-	0.51
Miscellaneous expenses	0.22	0.22
	0.22	**0.22**

Note 13: 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, 2013 (March 31, 2012 – Nil).

(b) Contingent Liabilities

Contingent liabilities aggregates to Rs Nil as at March 31, 2013 (March 31, 2012 – Rs Nil).

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Oracle Financial Services Consulting Pte. Ltd.

Notes annexed to and forming part of the financial statements as at March 31, 2013

Note 14: SEGMENT INFORMATION

Business segments are defined as a distinguishable component of an enterprise that is engaged in providing a group of related products or services and that is subject to differing risks and returns and about which separate financial information is available. This information is reviewed and evaluated regularly by the management in deciding how to allocate resources and in assessing the performance.

The Company is organised by business segment and geographically. For management purposes the Company is primarily organised on a worldwide basis into two business segments:

a) Product licenses and related activities ('Products') and
b) IT solutions and consulting services ('Services')

The business segments are the basis on which the Company reports its primary operational information to management. Product licenses and related activities segment deals with various banking software products. The related activities include enhancements, implementation and maintenance activities.

IT solutions and consulting services segment offers services spanning the entire lifecycle of applications used by financial service institutions. The division's portfolio includes Consulting, Application, Support and Technology Services that help institutions improve efficiency, optimise costs, meet risk and compliance mandates and implement IT solutions finely attuned to their business needs.

Year ended March 31, 2013 (Amount in Rs. million)

Particulars	Products	Services	Total
Revenue	-	-	-
Segment result	(0.09)	0.10	0.01
Unallocable expenses			(0.70)
Other (expenses), net			(16.11)
(Loss) before tax			(16.80)
Tax expenses			-
(Loss) for the year			(16.80)

Year ended March 31, 2012 (Amount in Rs. million)

Particulars	Products	Services	Total
Revenue	-	3.53	3.53
Segment result	-	0.28	0.28
Unallocable expenses			(1.21)
Other (expenses), net			(22.16)
(Loss) before tax			(23.09)
Tax expenses			-
(Loss) for the year			(23.09)

Segment revenue and expense:
Revenue is generated through licensing of software products as well as by providing software solutions to the customers including consulting services. The expenses which are not directly attributable to a business segment are classified as unallocable expenses.

Note 15 : Previous year's figures have been reclassified, where necessary to conform with current year's presentation.

Oracle Financial Services Consulting Pte. Ltd.

Statement of cash flow for the year ended March 31, 2013

	(Amount in Rs. million) Year ended March 31,	
	2013	**2012**
Cash flows from operating activities		
(Loss) before tax	(16.80)	(23.09)
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities :		
Interest income	(0.03)	(0.02)
Effect of exchange rate changes in cash and cash equivalent	(0.10)	(0.64)
Operating (loss) before Working Capital changes	**(16.93)**	**(24.26)**
Changes in assets and liabilities, net of effect of acquisition		
Increase (decrease) in trade payables	0.23	(1.41)
(Decrease) in other long term liabilities	-	(22.75)
Increase in current liabilities	33.10	44.99
Decrease in trade receivables	0.28	1.32
Decrease (increase) in long-term loans and advances	-	(0.01)
Decrease (increase) in other current assets	-	0.57
Cash from (used in) provided by operating activities	16.68	(1.55)
Payment of domestic and foreign taxes	-	-
Net cash provided by (used in) operating activities	**16.68**	**(1.55)**
Cash flows from investing activities		
Interest received	0.03	0.02
Net cash provided by operating activities	**0.03**	**0.02**
Net cash provided by financing activities	**-**	**-**
Net increase (decrease) in cash and cash equivalents	16.71	(1.53)
Cash and cash equivalents at beginning of the year	6.80	7.69
Effect of exchange rate changes in cash and cash equivalents	0.10	0.64
Cash and cash equivalents at end of the year	**23.61**	**6.80**

Component of cash and cash equivalents

Balances with banks:		
Current accounts	23.61	6.80
Total cash and cash equivalents	**23.61**	**6.80**