

# K B J & ASSOCIATES

CHARTERED ACCOUNTANTS

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## Independent Auditor's Report

### To the members of PT Financial Network Services, Indonesia.

We have audited the accompanying financial statements of **PT Financial Network Services Indonesia** ("the company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information. This audit has been conducted only for the purpose of complying with the section 129 (3) of the Companies Act 2013 relating to the presenting the information of the subsidiary company.

#### 1. Managements Responsibility for the Financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### 2. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.



We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **3. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs as at 31<sup>st</sup> March, 2015, and its Loss and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The provisions of Section 164(2) the Act are not applicable to the foreign company.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. Requirement relating to creation of Investor Education and Protection Fund is not applicable.

**K B J & ASSOCIATES**  
**(Chartered Accountants)**  
**(Firm Registration No. 114934W)**



**Kaushik B. Joshi**  
**Proprietor**  
**(Membership No.48889)**

**Date: 09<sup>th</sup> April, 2015.**  
**PLACE: Mumbai**



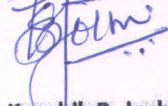
**PT Financial Network Services**  
Balance sheet as at March 31, 2015

		As at March 31, 2015	As at March 31, 2014
		Note	INR
		INR	INR
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholders' funds</b>		
(a)	Share capital	3	2,710,128
(b)	Reserves and surplus	4	(11,425,269)
<b>2</b>	<b>Current liabilities</b>		
(a)	Short Term Borrowings	5	11,467,973
(b)	Trade payables	6	-
			<u>11,467,973</u>
	<b>TOTAL</b>		<u><u>10,482,328</u></u>
			<u><u>2,752,832</u></u>
<b>II.</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	Long-term loans and advances	7	-
<b>2</b>	<b>Current assets</b>		
(a)	Cash and bank balances	8	2,752,832
(b)	Short-term loans and advances	9	-
			<u>2,752,832</u>
	<b>TOTAL</b>		<u><u>10,482,328</u></u>

III. Notes forming part of the financial statements 1-14

As per our report attached

For KBJ & Associates  
Chartered Accountants  
(Firm registration No.114934W)



**Kaushik B. Joshi**  
Proprietor  
Mem No. : 48889  
Mumbai 9th April, 2015

For and on behalf of the board

  
**FNS**  
Parag Wagle Financial Network Services  
Official Liquidator




**PT Financial Network Services**  
**Statement of profit and loss for the year ended March 31, 2015**

	Note	For the year ended March 31, 2015 INR	For the year ended March 31, 2014 INR
I. Revenue from operations		-	-
II. Other income		-	-
<b>Total Revenue</b>		<u>-</u>	<u>-</u>
III. Expenses:			
Other expenses	10	<u>7,996,452</u>	<u>257,887</u>
<b>Total expenses</b>		<u>7,996,452</u>	<u>257,887</u>
IV Profit before tax		(7,996,452)	(257,887)
V Tax expense		-	-
<b>VI Profit (Loss) for the year</b>		<u>(7,996,452)</u>	<u>(257,887)</u>

Notes forming part of the financial statements 1-14

As per our report attached

For KBJ & Associates  
Chartered Accountants  
(Firm registration No.114934W)

  
**Kaushik B. Joshi**  
Proprietor  
Mem No. : 48889  
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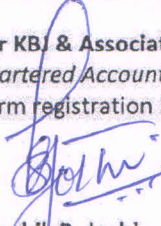



**PT Financial Network Services**  
**Cash Flow Statement for the year ended March 31, 2015**

	For the year ended March 31, 2015 INR	For the year ended March 31, 2014 INR
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxes	(7,996,452)	(257,887)
Adjustments for:		
Depreciation and amortization expense	-	-
<b>Operating profit before working capital changes</b>	<b>(7,996,452)</b>	<b>(257,887)</b>
Trade receivables	-	-
Loans and advances (Short term & Long term)	7,835,229	(274,524)
Trade payables	-	(524,926)
Other liabilities and Provisions (Short term & Long term)	461,232	(9,815,376)
Adjustment of translation differences on working capital	(194,276)	(1,308,726)
<b>Cash generated from operations</b>	<b>105,733</b>	<b>(12,181,439)</b>
Taxes paid	-	-
<b>Net Cash Provided By Operating Activities</b>	<b>105,733</b>	<b>(12,181,439)</b>
<b>Net increase in cash and cash equivalents</b>	<b>105,733</b>	<b>(12,181,439)</b>
Cash and cash equivalents at beginning of the year	2,647,099	13,270,588
Exchange difference on translation of foreign currency cash and cash equivalents	-	1,557,950
<b>Cash and cash equivalents at end of the period</b>	<b>2,752,832</b>	<b>2,647,099</b>
Short term bank deposits	-	-
Earmarked balances with banks	-	-
Investments in the nature of cash and cash equivalent	-	-
<b>Cash and Bank balance at the end of the period as per Note 8</b>	<b>2,752,832</b>	<b>2,647,099</b>
Notes forming part of the financial statements	1-14	

As per our report attached

For KBJ & Associates  
Chartered Accountants  
(Firm registration No.114934W)

  
**Kaushik B. Joshi**  
Proprietor  
Mem No. : 48889  
Mumbai 9th April, 2015

For and on behalf of the board

  
**Parag Wagle**  
Official Liquidator





**PT Financial Network Services**  
**Notes forming part of the financial statements**

**1) Business Overview**

PT Financial Network Services is an Indonesian based company primarily engaged in the sale and implementation of banking software.

**2) Significant Accounting Policies**

**a) Basis of Preparation**

This financial statements have been prepared to comply with the Sec129 (3) of The Companies Act,2013 and comply in all material respect with accounting standard specified under section 133 of The Companies Act,2013 read with rule 7 of Companies (Accounts) Rules, 2014 to the extent applicale to the company incorporated outside India.

As a result of the shareholders' approval of the liquidation plan effective December 23, 2009, the Company adopted the liquidation basis of accounting for preparation of its financial statements. Under this basis of accounting, assets are valued at their net realizable values and liabilities are stated at their estimated settlement amounts. The conversion from going concern to liquidation basis of accounting requires the management to make significant estimates and judgment to record assets at estimated net realizable value and liabilities at estimated settlement amounts. However actual results may vary from these estimates under different assumptions or conditions. Pursuant to the Plan of liquidation, since December 23, 2009 the Company's operations have been limited to wind down the business affairs, selling remaining assets and discharging known liabilities. The Company plans to distribute its remaining assets to the shareholders in accordance with the Plan of liquidation.

**b) Taxation**

The company is under liquidation and has stopped all its commercial activity. It does not have any profit during the year hence there is no tax liability for the company.

**c) Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

**d) Foreign currency transactions & Translation of financial statements**

Income and expenses in foreign currencies (other are Functional Currency) are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the balance sheet date and exchange gain and loss are recognised in the statement of profit and loss. The company being a non integral operations of Tata Consultancy Services Ltd, ultimate holding Company, the financial statements of the Company in functional currency (USD) have been translated into reporting currency (Indian Rupee) by translating all the items of income and expenses by using average exchange rate during the year and assets and liabilities, except Shareholder's funds, at the rate prevailing on the balance sheet date. The difference arising on the translation is transferred to translation reserve.



**PT Financial Network Services**  
Notes forming part of the financial statements

	As at March 31, 2015 INR	As at March 31, 2014 INR																								
<b>NOTE 3</b>																										
<b>SHARE CAPITAL</b>																										
<b>(a) Authorised :</b>																										
Equity share capital 60000 equity shares of 1 USD each (Previous Year: 60000 equity shares of 1 USD each)	2,710,128	2,710,128																								
	<b>2,710,128</b>	<b>2,710,128</b>																								
<b>(b) Issued, Subscribed and Paid up:</b>																										
Opening Equity Share Capital 60000 equity shares of 1 USD each (Previous Year: 60000 equity shares of 1 USD each)	2,710,128	2,710,128																								
	<b>2,710,128</b>	<b>2,710,128</b>																								
<b>a) Reconciliation of number of shares</b>																										
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">As at March 31, 2015</th> <th colspan="2" style="text-align: center;">As at March 31, 2014</th> </tr> <tr> <th style="text-align: center;">Number of Shares</th> <th style="text-align: center;">Amount</th> <th style="text-align: center;">Number of Shares</th> <th style="text-align: center;">Amount</th> </tr> </thead> <tbody> <tr> <td>Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Opening Balance</td> <td style="text-align: right;">60,000</td> <td style="text-align: right;">60,000</td> <td style="text-align: right;">2,710,128</td> </tr> <tr> <td>Changes during the year</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Closing Balance</td> <td style="text-align: right; border-top: 1px solid black;"><b>2,710,128</b></td> <td style="text-align: right; border-top: 1px solid black;"><b>2,710,128</b></td> <td></td> </tr> </tbody> </table>		As at March 31, 2015		As at March 31, 2014		Number of Shares	Amount	Number of Shares	Amount	Equity Shares				Opening Balance	60,000	60,000	2,710,128	Changes during the year	-	-	-	Closing Balance	<b>2,710,128</b>	<b>2,710,128</b>	
As at March 31, 2015		As at March 31, 2014																								
Number of Shares	Amount	Number of Shares	Amount																							
Equity Shares																										
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Changes during the year	-	-	-																							
Closing Balance	<b>2,710,128</b>	<b>2,710,128</b>																								
<b>b) Shares held by holding company, its subsidiaries and associates</b>																										
Equity shares	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">As at March, 31 2015</th> <th style="width: 20%; text-align: center;">As at March 31, 2014</th> </tr> </thead> <tbody> <tr> <td><b>Holding Company</b> 60000 equity shares (March 31, 2013 : 60000 equity shares) are held by TCS FNS Australia Holdings Pty Ltd)</td> <td style="text-align: right;">2,710,128</td> <td style="text-align: right;">2,710,128</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;"><b>2,710,128</b></td> <td style="text-align: right; border-top: 1px solid black;"><b>2,710,128</b></td> </tr> </tbody> </table>			As at March, 31 2015	As at March 31, 2014	<b>Holding Company</b> 60000 equity shares (March 31, 2013 : 60000 equity shares) are held by TCS FNS Australia Holdings Pty Ltd)	2,710,128	2,710,128		<b>2,710,128</b>	<b>2,710,128</b>															
	As at March, 31 2015	As at March 31, 2014																								
<b>Holding Company</b> 60000 equity shares (March 31, 2013 : 60000 equity shares) are held by TCS FNS Australia Holdings Pty Ltd)	2,710,128	2,710,128																								
	<b>2,710,128</b>	<b>2,710,128</b>																								
<b>c) Rights, preferences and restrictions attached to shares</b>																										
The company has one class of equity shares having par value of USD 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.																										





	As at March 31, 2015	As at March 31, 2014
	INR	INR
<b>NOTE 4</b>		
<b>RESERVES AND SURPLUS</b>		
(a) Balance in Profit and Loss Account		
Opening balance	(3,420,944)	(3,163,057)
Add : Profit/(Loss) for the year	(7,996,452)	(257,887)
	<u>(11,417,396)</u>	<u>(3,420,944)</u>
(b) Foreign Currency Translation reserve		
i) Opening balance	186,403	(62,821)
ii) Additions during the year	(194,276)	249,224
	<u>(7,873)</u>	<u>186,403</u>
	<u>(11,425,269)</u>	<u>(3,234,541)</u>

	As at March 31, 2015	As at March 31, 2014
	INR	INR
<b>NOTE 5</b>		
<b>SHORT TERM BORROWING</b>		
Unsecured Loan		
Loans and advances from related Party	11,467,973	11,006,741
	<u>11,467,973</u>	<u>11,006,741</u>

	As at March 31, 2015	As at March 31, 2014
	INR	INR
<b>NOTE 6</b>		
<b>TRADE PAYABLES</b>		
(a) Sundry Creditors	-	-
(b) Accrued Expenses	-	-
	<u>-</u>	<u>-</u>



**PT Financial Network Services**  
**Notes forming part of the financial statements**

	As at March 31, 2015 INR	As at March 31, 2014 INR
<b>NOTE 7</b>		
<b>LONG TERM LOANS &amp; ADVANCES</b>		
<b>Unsecured, Considered good</b>		
(a) Security Deposits	-	-
(b) Advance tax (including refunds receivable) (net)	-	1,844,721
	<u>-</u>	<u>1,844,721</u>

	As at March 31, 2015 INR	As at March 31, 2014 INR
<b>NOTE 8</b>		
<b>CASH AND BANK BALANCES</b>		
Balances with banks In current accounts	2,752,832	2,647,099
	<u>2,752,832</u>	<u>2,647,099</u>

	As at March 31, 2014 INR	As at March 31, 2013 INR
<b>NOTE 9</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b>		
<b>Unsecured, Considered good</b>		
Indirect Tax Recoverable	-	5,990,508
	<u>-</u>	<u>5,990,508</u>



**PT Financial Network Services**  
**Notes forming part of the financial statements**

	For the year ended March 31, 2015 INR	For the year ended March 31, 2014 INR
<b>NOTE 10</b>		
<b>OTHER EXPENSES</b>		
(a) Bank Charges	5,085	11,381
(b) Rates and Taxes	7,991,367	-
(c) Miscellaneous Expenses	-	246,506
	<b>7,996,452</b>	<b>257,887</b>



**PT Financial Network Services**  
Notes forming part of the financial statements

**Note 11**

The company is under the liquidation as stated in Note 2 a above and has not carried out any business during the year. Hence, Segment Reporting does not become applicable.

**Note 12**

**Balances with related parties**

Particulars	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Key Management Personnel	Total
<b>As at March 31, 2015</b>					
Short term Borrowings	-	-	11,467,973	-	11,467,973
	-	-	11,006,741	-	11,006,741

*Previous years' figures are in italics.*

13. As per the local laws applicable to the company in Indonesia, the company under liquidation is not required to have any directors and the company is managed and controlled by official liquidator. Hence, these financial statements have been signed by Official Liquidator of the company.

14. These financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956. Previous years' figures have been recast/restated to make them comparable with the current year.

