ADVANCED SYNERGIC PTE LTD
(Incorporated in the Republic of Singapore)
(Reg No: 199706310D)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

TABLE OF CONTENTS	PAGE

The directors are pleased to present their statement to the member together with the audited financial statements of Advanced Synergic Pte Ltd (the ''Company'') for the financial year ended 31 March 2020.

1. Opinion of the directors

In our opinion,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and

(b) at the date of this statement, having regard to the letter of undertaking of financial support from the holding company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

RABINDRA SRIKANTAN
VENKATARAMAIYER SIVARAMAKRISHNAN

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

4. Directors' interest in shares or debenture

According to the Register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interest in the shares or debentures of the Company or its related corporations, except as stated below:

	Direct interest		**Deemed interest**	
	At the beginning of financial year	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Name of directors				
Shares in immediate and ultimate holding company ASM Technologies Limited, India Shares Rs:10 each				
Rabindra Srikantan	2,103,677	2,103,677	649,724*	649,724*

*Held by director's immediate family members

Mr. Rabindra Srikantan, who by virtue of his interest is not less than 20% of the issued capital of the holding company is deemed to have an interest in the whole share capital of the Company.

5. Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under options at the end of the financial year.

6. Auditor

MGI N Rajan Associates has expressed its willingness to accept re-appointment as auditor.

The Board of Directors

RABINDRA SRIKANTAN
Director

VENKATARAMAIYER SIVARAMAKRISHNAN
Director

Date:

ADVANCED SYNERGIC PTE LTD

INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ADVANCED SYNERGIC PTE LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Advanced Synergic Pte Ltd (the "Company"), which comprise the statement of financial position as at 31 March 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 2.1 which describes going concern basis. We wish to highlight that as at 31 March 2020, the Company reported a net loss of S$ 17,834 (2019: S$ 62,964) for the financial year ended 31 March 2020 and as of that date, the Company's current liabilities exceeded current assets by S$ 481,849 (2019: S$ 458,549) and the Company's total liabilities exceeded total assets by S$ 421,953 (2019: S$ 404,119). These conditions indicate the existence of material uncertainties that may cast significant doubt on the ability of the Company to continue as a going concern. Nevertheless, for the reasons disclosed in Note 2.1 to the financial statements, the directors are of the view that it is appropriate for the financial statements of the Company to be prepared on going concern basis. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement [set out on pages 2 to 3].

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

MGI N RAJAN ASSOCIATES
Public Accountants and
Chartered Accountants

Singapore
Date

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020	2019
		S$	S$
ASSETS			
Non-current assets			
Plant and equipment	**6**	2	2
Investment in subsidiaries	**7**	-	-
Right-of-use asset	**15**	9,353	-
Financial assets through profit or loss	**8**	54,428	54,428
		63,783	54,430
Current assets			
Cash and cash equivalents	**9**	19,267	62,994
Trade and other receivables	**10**	32,413	51,185
		51,680	114,179
Total assets		115,463	168,609
LIABILITIES			
Current liabilities			
Loans and borrowings	**11**	297,713	364,491
Trade and other payables	**12**	235,816	208,237
		533,529	572,728
Non-current liabilities			
Loans and borrowings	**11**	3,887	-
		3,887	-
NET (LIABILITIES)		(421,953)	(404,119)
EQUITY			
Share capital	**14**	1,000,000	1,000,000
Reserves		(1,421,953)	(1,404,119)
TOTAL EQUITY		(421,953)	(404,119)

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 S$	2019 S$
Revenue			
Service income	**4**	208,152	348,186
Costs of services			
Staff costs	**4a**	(191,801)	337,348
Gross profit		16,351	10,838
Other income			
Exchange gain		22,518	-
Miscellaneous income		59	-
Job credit income		-	310
		22,577	310
Expenses			
Administrative and other operating expenses		(56,328)	(74,112)
Finance cost		(434)	
(Loss) before tax	**5**	(17,834)	(62,964)
Income tax expense	**13**	-	-
(Loss) for the year, representing total comprehensive income for the year		(17,834)	(62,964)

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

ADVANCED SYNERGIC PTE LTD
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Share capital S$	Accumulated (losses) S$	Total S$
At 1 April 2018	1,000,000	(1,341,155)	(341,155)
Effect of adopting FRS 109 and 115	-	-	-
At 1 April 2018 (restated)	1,000,000	(1,341,155)	(341,155)
(Loss) for the year, representing total comprehensive income for the year	-	(62,964)	(62,964)
At 31 March 2019	1,000,000	(1,404,119)	(404,119)
At 1 April 2019	1,000,000	(1,404,119)	(404,119)
Effect of adopting FRS 116 *Leases*	-	-	-
At 1 April 2019 (restated)	1,000,000	(1,404,119)	(404,119)
(Loss) for the year, representing total comprehensive income for the year	-	(17,834)	(17,834)
At 31 March 2020	1,000,000	(1,421,953)	(421,953)

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

ADVANCED SYNERGIC PTE LTD
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 S$	2019 S$
Cash flows from operating activities			
(Loss) before tax		(17,834)	(62,964)
Adjustments for:			
Amortization		6,424	-
Interest expense		434	-
Unrealized exchange difference		(22,518)	-
		(33,494)	(62,964)
Change in working capital:			
Trade and other receivables		18,772	366,491
Trade and other payables		31,460	29,747
Cash generated from operations		16,738	333,274
Income tax paid (net of refund)		-	-
Net cash flows generated from operating activities		16,738	333,274
Cash flows from investing activities			
Financial asset through profit or loss	**8**	-	(54,428)
Net cash flows (used in) investing activities		-	(54,428)
Cash flows from financing activities			
Repayment of borrowings		(54,468)	(324,645)
Lease liabilities		(5,953)	-
Net cash flows (used in) financing activities		(60,421)	(324,645)
Net (decrease) in cash and cash equivalents		(43,683)	(45,799)
Effect of exchange rate changes on cash and cash equivalents		(44)	
Cash and cash equivalents at beginning of the year		62,994	108,793
Cash and cash equivalents at end of the year	**9**	19,267	62,994

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

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Advanced Synergic Pte Ltd (''the Company'') is incorporated as a private limited liability Company and domiciled in Singapore.

The Company's registered office & principal place of business is located at 2 Venture Drive, #24-01 Vision Exchange, Singapore - 608526.

The principal activities of the Company are to carry on the business of developing software and provide services according to the requirements of the clients.

The immediate and ultimate holding company is ASM Technologies Limited, which is incorporated in India.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been drawn up in accordance with Financial Reporting Standards in Singapore (FRSs). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (S$), which is the Company's functional currency.

Going concern

The Company reported a net loss of S$ 17,834 (2019: S$ 62,964) for the financial year ended 31 March 2020 and as of that date, the Company's current liabilities exceeded its current assets by S$ 481,849 (2019: S$ 458,549) and the total liabilities exceeds total assets by S$ 421,953 (2019: S$ 404,119). These conditions indicate the existence of material uncertainties that may cast significant doubt on the ability of the Company to continue as a going concern.

The ability of the Company to continue as a going concern is dependent on the undertaking of its holding company to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due.

If the Company were unable to continue in operational existence for the foreseeable future, the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that the assets may need to be realized other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. No such adjustments have been made to these financial statements.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2019 Except for the adoption of FRS 116 Leases described below, the adoption of these standards did not have any material effect on the financial performance or position of the Company.

2. Summary of significant accounting policies (Continued)

2.2 Adoption of new and amended standards and interpretations (Continued)

FRS 116 *Leases*

FRS 116 supersedes FRS 17 Leases, INT FRS 104 Determining whether an Arrangement contains a Lease, INT FRS 15 Operating Leases-Incentives and INT FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

The Company adopted FRS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of retained earnings. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application.

The Company has lease contract for office space and storage space. Before the adoption of FRS 116, the Company classified its leases (as lessee) at the inception date as operating lease. The accounting policy prior to 1 April 2019 is disclosed in Note 2.15.

Upon adoption of FRS 116, the Company applied a single recognition and measurement approach for its leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 April 2019 is disclosed in Note2.15. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for the leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for the leases were recognised based on the carrying amount as if the standard had always been applied, using the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The effect of adopting FRS 116 as at 1 April 2019 was as follows:

	Increase/(decrease)
	S$
Right-of-use asset	15,777
Loans and borrowings	15,777
Reserves	NIL

2. Summary of significant accounting policies (Continued)

2.3 Standards issued but not yet effective

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendment to FRS 1 and FRS 8 *Definition of Material*	1 January 2020
Amendments to FRS 10 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or joint Venture*	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognized when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

Rendering of services

Revenue from rendering of the consultancy services is recognized when the services have been performed and rendered.

2.5 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

2.6 Plant and Equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

2. Summary of significant accounting policies (Continued)

2.6 Plant and Equipment (Continued)

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

Computers & accessories	1 year
Office Equipment	3 years

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.7 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.8 Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

2. Summary of significant accounting policies (Continued)

2.8 Financial instruments (Continued)

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognized in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Investment in equity instruments

On initial recognition of an investment in equity instrument that his not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognized in profit or loss when the Company's right to receive payment is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognized in profit or loss.

De-recognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (and, where applicable, any cumulative gain or loss that has been recognised in other comprehensive income) is recognised in profit or loss.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2. Summary of significant accounting policies (Continued)

2.8 Financial instruments (Continued)

b) Financial liabilities (Continued)

De recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.9 Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward- looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks which are subject to an insignificant risk of changes in value.

2.11 Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

2. Summary of significant accounting policies (Continued)

2.11 Provisions (Continued)

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.12 Employee benefits

a) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.13 Taxes

a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. Summary of significant accounting policies (Continued)

2.13 Taxes (Continued)

c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.14 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.15 Leases

These accounting policies are applied on and after the initial application date of FRS 116, 1 April 2019:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.7.

The Company's right-of-use assets are presented in Note 15.

2. Summary of significant accounting policies (Continued)

2.15 Leases (Continued)

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in borrowings (Note 11).

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of storage space (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of the storage space that is considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

These accounting policies are applied before the initial application date of FRS 116, 1 April 2019:

As Lessee

Finance leases which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2. Summary of significant accounting policies (Continued)

2.16 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual installments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

2.17 Related party

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Charity if that person:

- (i) has control or joint control of the charity;
- (ii) has significant influence over the charity; or
- (iii) is a member of the key management personnel of the charity or of a parent of the charity

(b) An entity is related to a charity if any of the following conditions applies:

- (i) The entity and the charity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint Venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the charity or an entity related to the charity. If the charity is itself such a plan, the sponsoring employers are also related to the charity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the charity or to the parent of the charity.

2. Summary of significant accounting policies (Continued)

2.18 Investments in subsidiaries

A subsidiary is a company, in which the company, directly or indirectly, holds more than half of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors. Investments in the subsidiaries are stated in the financial statements of the Company at cost less impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Investment in subsidiary is carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investment in subsidiary the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

The consolidation for the subsidiary has not been done by the Company as the Company is a wholly owned subsidiary of its ultimate holding Company, ASM Technologies Ltd, a company incorporated in India which publishes consolidated financial statements.

The ultimate holding company produces the consolidated financial statements that are available to the general public. The website address for accessing the consolidated financial statement is https://www.asmltd.com/

3. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

Determination of functional currency

In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

Determination of lease term of contract with extension options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Company reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend.

3. Significant accounting judgements and estimates (Continued)

3.1 Judgments made in applying accounting policies (Continued)

Determination of lease term of contract with extension options (Continued)

The Company included the extension option in the lease term for leases of office space because of the significant costs that would arise to replace the assets.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses of trade and other receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 16.

The carrying amount of the Company's trade and other receivables is disclosed in Note 10.

4. Service income

	2020	2019
	S$	S$
Timing of transfer of services		
Support services – at a point in time	208,152	348,186

4a. Staff costs

	2020	2019
	S$	S$
Staff salaries & bonus	189,191	305,823
Staff allowance	-	25,032
Employer Central Provident Fund	2,040	2,040
Others	570	4,453
	191,801	337,348

5. (Loss) before tax

(Loss) before tax has been arrived after charging:

	2020	2019
	S$	S$
Rent – short term	2,687,	8,385
Professional fees	13,120	24,428
Travelling expenses	14,025	1,544
Exchange (gain)/loss non-trade	(22,518)	11,972

6. Plant and equipment

	Computers & accessories	Office Equipment	Total
Cost	**S$**	**S$**	**S$**
At 1 April 2018	87,595	2,062	89,657
Additions	-	-	-
At 31 March 2019 and 1 April 2019	87,595	2,062	89,657
Additions	-	-	-
At 31 March 2020	87,595	2,062	89,657
Accumulated depreciation			
At 1 April 2018	87,594	2,061	89,655
Depreciation charge for the year	-	-	-
At 31 March 2019 and 1 April 2019	87,594	2,061	89,655
Depreciation charge for the year	-	-	-
At 31 March 2020	87,594	2,061	89,655
Net carrying amount:			
At 31 March 2019	1	1	2
At 31 March 2020	1	1	2

7. Investment in subsidiaries

	2020	2019
	S$	S$
Unquoted shares at cost	145,050	145,050
Impairment provision on investment	(145,050)	(145,050)
	-	-

7. Investment in subsidiaries (Continued)

Particulars of the Subsidiary are as follows:

Subsidiary	Principal Activities	Country of Incorporation	Effective Percentage of equity held		Cost of Investment	
			2020	**2019**	**2020**	**2019**
			%	%	**S$**	**S$**
ESR Associates, Inc	Software consulting	United States of America	100	100	145,050	145,050

Subsidiaries accounts are unaudited as there is no requirement for audit in the country of incorporation.

Impairment provision on investment

	2020	2019
	S$	**S$**
Beginning of financial year	145,050	145,050
Current year provision	-	-
End of financial year	145,050	145,050

8. Financial asset through profit or loss

	2020	2019
	S$	**S$**
Equity securities	54,428	54,428
	54,428	54,428

The financial asset through profit or loss is an unquoted equity security. The carrying value of the investment is an approximate estimate of fair value.

9. Cash and cash equivalents

	2020	2019
	S$	**S$**
Cash at bank	19,267	62,994

Cash and cash equivalents are denominated the following currencies:

	2020	2019
	S$	**S$**
United States dollars	-	3,310
Singapore dollars	19,267	59,684
	19,267	62,994

10. Trade and other receivables

	2020	2019
	S$	**S$**
Trade Receivables		
Non-related parties	26,087	42,601

10. Trade and other receivables (Continued)

	2020	2019
	S$	S$
Other Receivables		
Deposits	2,053	1,552
Prepaid expenses	4,273	7,032
	6,326	8,584
Total trade and other receivables	32,413	51,185

Trade receivables are non-interest bearing and are generally on 30 days' term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Receivables that are past due but not impaired

The Company has trade receivables amounting to S$ 8,656 (2019: S$ 26,187) that are past due at the reporting date but not impaired. These receivables are unsecured and the analysis of their aging at the reporting date is as follows:

	2020	2019
	S$	S$
0-30 days	8,656	18,066
31-60 days	-	8,121
	8,656	26,187

There is no other class of financial asset that is past due except for trade receivables. The Company's trade receivables as at 31 March 2020 and 2019 were not impaired.

No movement in allowance for expected credit losses (ECL) of trade receivables has been presented as there is no expected credit loss computed based on lifetime ECL.

Trade and other receivables are denominated in Singapore dollars.

11. Loans and borrowings

	2020	2019
	S$	S$
Current liabilities		
Other borrowings - related party	291,342	364,491
Lease liability	6,371	-
	297,713	364,491
Non-current liabilities		
Lease liability	3,887	-

* This is unsecured, interest-free related party loan and is repayable within 12 months.

Loans and borrowings are denominated the following currencies:

	2020	2019
	S$	S$
United States dollars	291,342	364,491
Singapore dollars	10,258	-
	301,600	364,491

12. Trade and other payables

	2020	2019
Trade payables	**S$**	**S$**
GST Payable	3,251	3,146
	3,251	3,146
Other Payables		
Other creditors	1,572	2,141
Due to holding company	132,588	132,289
Accrued liabilities	33,230	17,530
Due to a related company	65,175	53,131
	232,565	205,091
Total trade and other payables	235,816	208,237

Due to holding company and related company are unsecured, non-trade interest free and are repayable within 12 months.

Trade and other payables are denominated in the following currencies

	2020	2019
	S$	**S$**
United States Dollars	65,175	53,131
Indian Rupee	132,588	132,289
Singapore Dollars	38,053	22,817
	235,816	208,237

13. Tax expense

Current year's income tax expense	**2020**	**2019**
	S$	**S$**
Current year's income tax provision	-	-
Under provision of prior year's income tax	-	-
Income tax expense recognized in profit or loss	-	-

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on company's (loss) as a result of the following:

	2020	2019
	S$	**S$**
(Loss) before taxation	(17,834)	(62,964)
Tax @ statutory rate of 17% (2018:@17%)	(3,032)	(10,704)
Non-deductible expenses	1,092	2,035
Income not subject to tax	(3,821)	-
Deferred tax asset not recognised	5,761	8,669
Income tax expense recognized in profit or loss	-	-

As at 31 March 2020, the Company has unutilized tax losses amounting to approximately S$220,312 (2019: S$186,428) which are available for setoff against future taxable income, subject to the provisions of Singapore Income Tax and agreement with Singapore Tax Authorities.

14. Share capital

The Company's share capital comprises fully paid-up 1,000,000 (2019:1,000,000) ordinary shares with no par value, amounting to a total of S$ 1,000,000 (2019: S$ 1,000,000).

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction

15. Right-of-use asset

The Company has lease contract for office building. The Company's obligation under this lease is secured by the lessor's title to the leased asset. The Company is restricted from assigning and subleasing the leased asset.

a) Carrying amount of right-of-use asset

	Office building
	S$
At 1 April 2019	15,777
Amortization	(6,424)
At 31 March 2020	9,353

b) Lease liabilities

The carrying amounts of lease liabilities (included under borrowings) are disclosed in Note 11 and the maturity analysis of lease liabilities are disclosed in Note 17.

c) Amount recognized in profit or loss

	2020
	S$
Depreciation of right of use asset	6,424
Interest expense on lease liabilities	434
Total amount recognized in profit or loss	6,858

d) Total cash outflow

The Company had total cash outflows for leases of S$ 5,953 in 2020

The Company has finance lease for office premises.

Future minimum lease payments under finance lease together with the present value of the net minimum lease payments are as follows:

	2020	**2019**
	S$	**S$**
Not later than one year	6,667	-
Later than one year but not later than five years	3,939	-
Total minimum lease payments	10,606	-
Less: Amounts representing finance charges	(348)	-
Present value of minimum lease payments	10,258	**-**

e) Extension options

Lease contract include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset and align with the Company's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (Note 3.1).

16. Capital management

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for its shareholder and benefits for other stakeholders and to maintain an optional capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including trade and other payables as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as total equity, as shown in the statement of financial position, plus net debts.

No specific gearing ratio has been determined by management with the overall objective to keep the ratio as low as possible and such policy has not been changed since the previous financial year.

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged.

The gearing ratios at 31 March 2020 and 2019 were as follows:

	2020	2019
	S$	S$
Net debt	518,149	509,734
Total equity	-	-
Total capital	518,159	509,734

17. Financial risk management

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash at bank) the Company minimizes credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties financial condition and generally do not require a collateral.

17. Financial risk management (Continued)

a) Credit risk (Continued)

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial re-organisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 365 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
III	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

17. Financial risk management (Continued)

a) Credit risk (Continued)

The table below details the credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	Category	12-month or lifetime ECL	Gross carrying amount (SS)	Loss allowance (S$)	Net carrying amount (S$)
31 March 2020						
Trade receivables	10	Note 1	Lifetime ECL (simplified)	26,087	-	26,087
Other receivables	10	1	12-month ECL	2,053	-	2,053
					-	
31 March 2019						
Trade receivables	10	Note 1	Lifetime ECL (simplified)	42,601	-	42,601
Other receivables	10	1	12-month ECL	1,552	-	1,552
					-	

Trade receivables (Note 1)

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. The Company has not provided any lifetime expected credit losses ("ECL") for trade receivables as based on the Company's historical trend and forward looking analysis as ECL loss is not material.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

The Company has no significant concentration of credit risk except that the balances comprising 100% (2019: 100%) of trade receivables are receivable from 2 (2019: 2) debtors. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

17. Financial risk management (Continued)

a) Credit risk (Continued)

Other receivables

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

b) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company does not expect any significant effect on the statement of profit or loss and other comprehensive income arising from the effects of reasonable possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

ii. Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company has transactional currency exposures arising from trade and other receivables, cash at bank and borrowings that are denominated in a currency other than the functional currency of the Company, primarily United States Dollar (USD)

The Company's currency exposures to the USD and INR at the reporting date are as follows:

	2020		2019	
	USD	**INR**	**USD**	**INR**
Financial assets	*(equivalent to SGD)*		*(equivalent to SGD)*	
Cash at bank	-	-	3,310	-
Trade and other receivables	-	-	-	-
	-	-	3,310	-

17. Financial risk management (Continued)

b) Market risk (Continued)

	2020		2019	
	USD	**INR**	**USD**	**INR**
Financial liabilities	*(equivalent to SGD)*		*(equivalent to SGD)*	
Loans and borrowings	(291,342)	-	(364,491)	-
Other payables	(65,175)	(132,588)	(53,131)	(132,289)
	(356,517)	(132,588)	(417,622)	(132,289)
Net currency exposure	(356,517)	(132,588)	(414,312)	(132,289)

Sensitivity analysis for foreign currency risk

The following table demonstrate the sensitivity of the Company's profit net of tax to a reasonably possible change in USD and INR exchange rates against the functional currency of the Company, with all other variables held constant.

	Profit or loss (after tax)	
	2020	**2019**
	S$	**S$**
United States Dollar	14,795	17,194
Indian Rupee	5,502	5,490

A 5% strengthening of Singapore dollar against the foreign currency denominated balances as at the reporting date would increase profit or loss by the amounts shown below. A 5% weakening of Singapore dollar against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above.

c) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company obtains continued financial support from their holding company to meet its operational requirements.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2020			
Financial assets	**Carrying amount**	**Contractual carrying amount**	**One year or less**	**One to five years**
	S$	**S$**	**S$**	**S$**
Trade receivables	26,087	26,087	26,087	-
Other receivables	2,053	2,053	2,053	-
Cash and cash equivalents	19,267	19,267	19,267	-
Total undiscounted financial assets	47,407	47,407	47,407	-

17. Financial risk management (Continued)

c) Liquidity risk (Continued)

	2020			
Financial liabilities	**Carrying amount**	**Contractual carrying amount**	**One year or less**	**One to five years**
	S$	**S$**	**S$**	**S$**
Trade and other payables	232,565	232,565	232,565	-
Loans and borrowings (excluding lease liability)	291,342	291,342	291,342	-
Lease liability	10,258	10,606	6,667	3,939
Total undiscounted financial liabilities	534,165	534,513	530,574	3,939
Total undiscounted financial (liabilities)	(486,758)	(487,106)	(483,167)	(3,939)

	2019			
Financial assets	**Carrying amount**	**Contractual carrying amount**	**One year or less**	**One to five years**
	S$	**S$**	**S$**	**S$**
Trade receivables	42,601	42,601	42,601	-
Other receivables	1,552	1,552	1,552	-
Cash and cash equivalents	62,994	62,994	62,994	-
Total undiscounted financial assets	107,147	107,147	107,147	-
Financial liabilities				
Trade and other payables	205,091	205,091	205,091	-
Loans and borrowings	364,491	364,491	364,491	-
Total undiscounted financial liabilities	569,582	569,582	569,582	-
Total undiscounted financial (liabilities)	(462,435)	(462,435)	(462,435)	-

18. Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivables and other payables (including non-trade balances due to related parties)

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and payables

The carrying amounts of these receivables and payables (including trade balances due from holding company) approximate their fair values as they are subject to normal trade credit terms.

18. Fair values (Continued)

Fair value hierarchy

The following table presents assets and liabilities measured at fair value level of the following fair value measurement hierarchy:

(a) quoted prices in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

2020

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Assets				
Financial asset through profit or loss (Note 8)	-	-	54,428	-
	-	-	54,428	-

2019

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Assets				
Financial asset through profit or loss (Note 8)	-	-	54,428	54,428
	-	-	54,428	54,428

19. Financial instruments by category

The carrying amounts of the different categories of financial instruments are as follows:

	2020 S$	2019 S$
Financial assets measured at amortised cost		
Trade and other receivables (note 10)	32,413	51,185
Cash and cash equivalents (note 9)	19,267	62,994
	51,680	114,179
Less: Prepayments	(4,273)	(7,032)
Total financial assets measured at amortised cost	47,407	107,147
Financial assets at FVTPL	54,428	54,428
Financial liabilities measured at amortised cost		
Loans and borrowings (note 11)	301,600	364,491
Trade and other payables (note 12)	235,816	208,237
	537,416	572,728
Less: GST payable	(3,251)	(3,146)
Total financial liabilities measured at amortized cost	534,201	569,582

20. Related party transactions

In addition to those related party information disclosed elsewhere in the financial statements, the following significant transactions between the company and related parties took place during the year at terms agreed between the parties:

		Amount of transaction	
Nature of transaction	**Nature of Relationship**	**2020**	**2019**
		S$	**S$**
Loan repaid	Related parties	54,468	324,645
Loan received	Related parties (net)	16,224	53,131

21. Operating lease commitments

The Company leases storage space under non-cancellable operating lease agreements. The lease have varying terms.

The future minimum rental payable under non-cancellable operating leases contracted for at the reporting date but not recognized as liabilities, are as follows:

	2020	**2019**
	S$	**S$**
Not later than one year	320	557
	320	557

Minimum lease payments recognized as an expense in profit or loss for the financial year ended 31 March 2020 amounted to S$ 2,687 (2019: S$ 8,385).

As disclosed in Note 2.2, the Company has adopted FRS 116 on 1 April 2019. Except for short-term and low-value leases, the lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 31 March 2020.

22. Authorization of financial statements for issue

The financial statements for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on the date of directors' statement.

23. Events after the financial year

In light of the adverse impact on the Company's activities from the current COVID-19 pandemic, which is difficult to assess at this point with regard to its severity and duration, given that economic activity has largely been disrupted in most parts of the world and may remain weak in the near term, the Company will continue to monitor closely the situation and continue to improve its financial position and conserve liquidity to withstand the current economy.

****

ADVANCED SYNERGIC PTE LTD
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

(This does not part form of audited financial statements)

	2020 S$	2019 S$
Revenue		
Sale of service	208,152	348,186
Cost of service		
CPF contribution	2,040	2,040
Project allowance	-	25,032
Reimbursement expenses	570	4,453
Staff salaries	189,191	305,823
Total cost of sales	191,801	337,348
Gross profit	16,351	10,838
Other income		
Exchange gain	22,518	-
Miscellaneous income	59	-
Job credit income	-	310
	22,577	310
	38,928	11,148
Expenses		
Audit fee	10,500	12,000
Bank charges	120	230
Business development expenses	-	5,568
Amortization	6,424	-
Exchange loss non-trade	-	11,972
Insurance paid	3,068	5,726
Local conveyance	-	86
Late fee penalty	250	-
Professional fee	13,120	24,428
Rent	2,687	8,385
Subscription & membership charges	3,900	1,700
Skills development levy	300	572
Telephone charges	1,214	1,601
Travelling charges	14,025	1,544
Visa charges	720	300
	56,328	74,112
Finance cost		
Interests paid	434	-
(Loss) for the year	(17,834)	(62,964)

ASM TECHNOLOGIES KK
Balance Sheet as at March 31, 2020

(Rs, in Millions)

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
	ASSETS			
(1)	**Non-current assets**			-
(2)	**Current assets**			
(a)	Financial Assets			
	(i) Cash and cash equivalents	3	1.27	0.25
(b)	Other Current assets	4	0.02	-
	Total Assets		**1.29**	**0.25**
	EQUITY AND LIABILITIES			
(1)	**Equity**			
(a)	Equity Share Capital	5	0.63	0.63
(b)	Other Equity	6	(7.02)	(1.88)
	Total Equity		(6.39)	**(1.25)**
(2)	**Liabilities**			
(a)	Non- Current Liabilities			
(b)	Current Liabilities			
	Trade Payables	7	7.43	1.50
	Other current liabilitiees	8	0.25	-
	Total Current Liablities		**7.68**	**1.50**
	Total Equity and Liabilities		**1.29**	**0.25**
			-	

In accordance with our report attached
for BK Ramadhyani & Co. LLP
Chartered Accountants
Firm Registration No.: 0028785/ S200021

For and on behalf of Board of Directors of ASM

(CA C R Deepak)
Partner
Membership No.: 215398

(Karun Malhotra)
Director

Place: Bangalore
Date: 02 June, 2020

ADVANCED SYNERGIC PTE LTD
(Incorporated in the Republic of Singapore)
(Reg No: 199706310D)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

TABLE OF CONTENTS	**PAGE**

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

The directors are pleased to present their statement to the member together with the audited financial statements of Advanced Synergic Pte Ltd (the ''Company'') for the financial year ended 31 March 2020.

1. Opinion of the directors

In our opinion,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and

(b) at the date of this statement, having regard to the letter of undertaking of financial support from the holding company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

RABINDRA SRIKANTAN
VENKATARAMAIYER SIVARAMAKRISHNAN

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

4. Directors' interest in shares or debenture

According to the Register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interest in the shares or debentures of the Company or its related corporations, except as stated below:

	Direct interest		**Deemed interest**	
	At the beginning of financial year	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Name of directors				
Shares in immediate and ultimate holding company ASM Technologies Limited, India Shares Rs:10 each				
Rabindra Srikantan	2,103,677	2,103,677	649,724*	649,724*

*Held by director's immediate family members

Mr. Rabindra Srikantan, who by virtue of his interest is not less than 20% of the issued capital of the holding company is deemed to have an interest in the whole share capital of the Company.

5. Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under options at the end of the financial year.

6. Auditor

MGI N Rajan Associates has expressed its willingness to accept re-appointment as auditor.

The Board of Directors

RABINDRA SRIKANTAN
Director

VENKATARAMAIYER SIVARAMAKRISHNAN
Director

Date:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ADVANCED SYNERGIC PTE LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Advanced Synergic Pte Ltd (the "Company"), which comprise the statement of financial position as at 31 March 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 2.1 which describes going concern basis. We wish to highlight that as at 31 March 2020, the Company reported a net loss of S$ 17,834 (2019: S$ 62,964) for the financial year ended 31 March 2020 and as of that date, the Company's current liabilities exceeded current assets by S$ 481,849 (2019: S$ 458,549) and the Company's total liabilities exceeded total assets by S$ 421,953 (2019: S$ 404,119). These conditions indicate the existence of material uncertainties that may cast significant doubt on the ability of the Company to continue as a going concern. Nevertheless, for the reasons disclosed in Note 2.1 to the financial statements, the directors are of the view that it is appropriate for the financial statements of the Company to be prepared on going concern basis. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement [set out on pages 2 to 3].

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

MGI N RAJAN ASSOCIATES
Public Accountants and
Chartered Accountants

Singapore
Date

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 S$	2019 S$
ASSETS			
Non-current assets			
Plant and equipment	**6**	2	2
Investment in subsidiaries	**7**	-	-
Right-of-use asset	**15**	9,353	-
Financial assets through profit or loss	**8**	54,428	54,428
		63,783	54,430
Current assets			
Cash and cash equivalents	**9**	19,267	62,994
Trade and other receivables	**10**	32,413	51,185
		51,680	114,179
Total assets		115,463	168,609
LIABILITIES			
Current liabilities			
Loans and borrowings	**11**	297,713	364,491
Trade and other payables	**12**	235,816	208,237
		533,529	572,728
Non-current liabilities			
Loans and borrowings	**11**	3,887	-
		3,887	-
NET (LIABILITIES)		(421,953)	(404,119)
EQUITY			
Share capital	**14**	1,000,000	1,000,000
Reserves		(1,421,953)	(1,404,119)
TOTAL EQUITY		(421,953)	(404,119)

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 S$	2019 S$
Revenue			
Service income	**4**	208,152	348,186
Costs of services			
Staff costs	**4a**	(191,801)	337,348
Gross profit		16,351	10,838
Other income			
Exchange gain		22,518	-
Miscellaneous income		59	-
Job credit income		-	310
		22,577	310
Expenses			
Administrative and other operating expenses		(56,328)	(74,112)
Finance cost		(434)	
(Loss) before tax	**5**	(17,834)	(62,964)
Income tax expense	**13**	-	-
(Loss) for the year, representing total comprehensive income for the year		(17,834)	(62,964)

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Share capital S$	Accumulated (losses) S$	Total S$
At 1 April 2018	1,000,000	(1,341,155)	(341,155)
Effect of adopting FRS 109 and 115	-	-	-
At 1 April 2018 (restated)	1,000,000	(1,341,155)	(341,155)
(Loss) for the year, representing total comprehensive income for the year	-	(62,964)	(62,964)
At 31 March 2019	1,000,000	(1,404,119)	(404,119)
At 1 April 2019	1,000,000	(1,404,119)	(404,119)
Effect of adopting FRS 116 *Leases*	-	-	-
At 1 April 2019 (restated)	1,000,000	(1,404,119)	(404,119)
(Loss) for the year, representing total comprehensive income for the year	-	(17,834)	(17,834)
At 31 March 2020	1,000,000	(1,421,953)	(421,953)

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

ADVANCED SYNERGIC PTE LTD
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 S$	2019 S$
Cash flows from operating activities			
(Loss) before tax		(17,834)	(62,964)
Adjustments for:			
Amortization		6,424	-
Interest expense		434	-
Unrealized exchange difference		(22,518)	-
		(33,494)	(62,964)
Change in working capital:			
Trade and other receivables		18,772	366,491
Trade and other payables		31,460	29,747
Cash generated from operations		16,738	333,274
Income tax paid (net of refund)		-	-
Net cash flows generated from operating activities		16,738	333,274
Cash flows from investing activities			
Financial asset through profit or loss	**8**	-	(54,428)
Net cash flows (used in) investing activities		-	(54,428)
Cash flows from financing activities			
Repayment of borrowings		(54,468)	(324,645)
Lease liabilities		(5,953)	-
Net cash flows (used in) financing activities		(60,421)	(324,645)
Net (decrease) in cash and cash equivalents		(43,683)	(45,799)
Effect of exchange rate changes on cash and cash equivalents		(44)	
Cash and cash equivalents at beginning of the year		62,994	108,793
Cash and cash equivalents at end of the year	**9**	19,267	62,994

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

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Advanced Synergic Pte Ltd (''the Company'') is incorporated as a private limited liability Company and domiciled in Singapore.

The Company's registered office & principal place of business is located at 2 Venture Drive, #24-01 Vision Exchange, Singapore - 608526.

The principal activities of the Company are to carry on the business of developing software and provide services according to the requirements of the clients.

The immediate and ultimate holding company is ASM Technologies Limited, which is incorporated in India.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been drawn up in accordance with Financial Reporting Standards in Singapore (FRSs). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (S$), which is the Company's functional currency.

Going concern

The Company reported a net loss of S$ 17,834 (2019: S$ 62,964) for the financial year ended 31 March 2020 and as of that date, the Company's current liabilities exceeded its current assets by S$ 481,849 (2019: S$ 458,549) and the total liabilities exceeds total assets by S$ 421,953 (2019: S$ 404,119). These conditions indicate the existence of material uncertainties that may cast significant doubt on the ability of the Company to continue as a going concern.

The ability of the Company to continue as a going concern is dependent on the undertaking of its holding company to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due.

If the Company were unable to continue in operational existence for the foreseeable future, the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that the assets may need to be realized other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. No such adjustments have been made to these financial statements.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2019 Except for the adoption of FRS 116 Leases described below, the adoption of these standards did not have any material effect on the financial performance or position of the Company.

2. Summary of significant accounting policies (Continued)

2.2 Adoption of new and amended standards and interpretations (Continued)

FRS 116 *Leases*

FRS 116 supersedes FRS 17 Leases, INT FRS 104 Determining whether an Arrangement contains a Lease, INT FRS 15 Operating Leases-Incentives and INT FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

The Company adopted FRS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of retained earnings. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application.

The Company has lease contract for office space and storage space. Before the adoption of FRS 116, the Company classified its leases (as lessee) at the inception date as operating lease. The accounting policy prior to 1 April 2019 is disclosed in Note 2.15.

Upon adoption of FRS 116, the Company applied a single recognition and measurement approach for its leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 April 2019 is disclosed in Note2.15. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for the leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for the leases were recognised based on the carrying amount as if the standard had always been applied, using the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The effect of adopting FRS 116 as at 1 April 2019 was as follows:

	Increase/(decrease)
	S$
Right-of-use asset	15,777
Loans and borrowings	15,777
Reserves	NIL

2. Summary of significant accounting policies (Continued)

2.3 Standards issued but not yet effective

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendment to FRS 1 and FRS 8 *Definition of Material*	1 January 2020
Amendments to FRS 10 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or joint Venture*	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognized when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

Rendering of services

Revenue from rendering of the consultancy services is recognized when the services have been performed and rendered.

2.5 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

2.6 Plant and Equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

2. Summary of significant accounting policies (Continued)

2.6 Plant and Equipment (Continued)

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

Computers & accessories	1 year
Office Equipment	3 years

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.7 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.8 Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

2. Summary of significant accounting policies (Continued)

2.8 Financial instruments (Continued)

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognized in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Investment in equity instruments

On initial recognition of an investment in equity instrument that his not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognized in profit or loss when the Company's right to receive payment is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognized in profit or loss.

De-recognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (and, where applicable, any cumulative gain or loss that has been recognised in other comprehensive income) is recognised in profit or loss.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2. Summary of significant accounting policies (Continued)

2.8 Financial instruments (Continued)

b) Financial liabilities (Continued)

De recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.9 Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward- looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks which are subject to an insignificant risk of changes in value.

2.11 Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

2. Summary of significant accounting policies (Continued)

2.11 Provisions (Continued)

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.12 Employee benefits

a) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.13 Taxes

a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. Summary of significant accounting policies (Continued)

2.13 Taxes (Continued)

c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.14 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.15 Leases

These accounting policies are applied on and after the initial application date of FRS 116, 1 April 2019:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.7.

The Company's right-of-use assets are presented in Note 15.

2. Summary of significant accounting policies (Continued)

2.15 Leases (Continued)

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in borrowings (Note 11).

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of storage space (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of the storage space that is considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

These accounting policies are applied before the initial application date of FRS 116, 1 April 2019:

As Lessee

Finance leases which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2. Summary of significant accounting policies (Continued)

2.16 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual installments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

2.17 Related party

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Charity if that person:

- (i) has control or joint control of the charity;
- (ii) has significant influence over the charity; or
- (iii) is a member of the key management personnel of the charity or of a parent of the charity

(b) An entity is related to a charity if any of the following conditions applies:

- (i) The entity and the charity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint Venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the charity or an entity related to the charity. If the charity is itself such a plan, the sponsoring employers are also related to the charity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the charity or to the parent of the charity.

2. Summary of significant accounting policies (Continued)

2.18 Investments in subsidiaries

A subsidiary is a company, in which the company, directly or indirectly, holds more than half of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors. Investments in the subsidiaries are stated in the financial statements of the Company at cost less impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Investment in subsidiary is carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investment in subsidiary the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

The consolidation for the subsidiary has not been done by the Company as the Company is a wholly owned subsidiary of its ultimate holding Company, ASM Technologies Ltd, a company incorporated in India which publishes consolidated financial statements.

The ultimate holding company produces the consolidated financial statements that are available to the general public. The website address for accessing the consolidated financial statement is https://www.asmltd.com/

3. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

Determination of functional currency

In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

Determination of lease term of contract with extension options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Company reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend.

3. Significant accounting judgements and estimates (Continued)

3.1 Judgments made in applying accounting policies (Continued)

Determination of lease term of contract with extension options (Continued)

The Company included the extension option in the lease term for leases of office space because of the significant costs that would arise to replace the assets.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses of trade and other receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 16.

The carrying amount of the Company's trade and other receivables is disclosed in Note 10.

4. Service income

	2020	2019
	S$	S$
Timing of transfer of services		
Support services – at a point in time	208,152	348,186

4a. Staff costs

	2020	2019
	S$	S$
Staff salaries & bonus	189,191	305,823
Staff allowance	-	25,032
Employer Central Provident Fund	2,040	2,040
Others	570	4,453
	191,801	337,348

5. (Loss) before tax

(Loss) before tax has been arrived after charging:

	2020	2019
	S$	S$
Rent – short term	2,687,	8,385
Professional fees	13,120	24,428
Travelling expenses	14,025	1,544
Exchange (gain)/loss non-trade	(22,518)	11,972

6. Plant and equipment

	Computers & accessories	Office Equipment	Total
Cost	S$	S$	S$
At 1 April 2018	87,595	2,062	89,657
Additions	-	-	-
At 31 March 2019 and 1 April 2019	87,595	2,062	89,657
Additions	-	-	-
At 31 March 2020	87,595	2,062	89,657
Accumulated depreciation			
At 1 April 2018	87,594	2,061	89,655
Depreciation charge for the year	-	-	-
At 31 March 2019 and 1 April 2019	87,594	2,061	89,655
Depreciation charge for the year	-	-	-
At 31 March 2020	87,594	2,061	89,655
Net carrying amount:			
At 31 March 2019	1	1	2
At 31 March 2020	1	1	2

7. Investment in subsidiaries

	2020	2019
	S$	S$
Unquoted shares at cost	145,050	145,050
Impairment provision on investment	(145,050)	(145,050)
	-	-

7. Investment in subsidiaries (Continued)

Particulars of the Subsidiary are as follows:

Subsidiary	Principal Activities	Country of Incorporation	Effective Percentage of equity held		Cost of Investment	
			2020	2019	2020	2019
			%	%	S$	S$
ESR Associates, Inc	Software consulting	United States of America	100	100	145,050	145,050

Subsidiaries accounts are unaudited as there is no requirement for audit in the country of incorporation.

Impairment provision on investment

	2020	2019
	S$	S$
Beginning of financial year	145,050	145,050
Current year provision	-	-
End of financial year	145,050	145,050

8. Financial asset through profit or loss

	2020	2019
	S$	S$
Equity securities	54,428	54,428
	54,428	54,428

The financial asset through profit or loss is an unquoted equity security. The carrying value of the investment is an approximate estimate of fair value.

9. Cash and cash equivalents

	2020	2019
	S$	S$
Cash at bank	19,267	62,994

Cash and cash equivalents are denominated the following currencies:

	2020	2019
	S$	S$
United States dollars	-	3,310
Singapore dollars	19,267	59,684
	19,267	62,994

10. Trade and other receivables

	2020	2019
	S$	S$
Trade Receivables		
Non-related parties	26,087	42,601

10. Trade and other receivables (Continued)

	2020 S$	2019 S$
Other Receivables		
Deposits	2,053	1,552
Prepaid expenses	4,273	7,032
	6,326	8,584
Total trade and other receivables	32,413	51,185

Trade receivables are non-interest bearing and are generally on 30 days' term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Receivables that are past due but not impaired

The Company has trade receivables amounting to S$ 8,656 (2019: S$ 26,187) that are past due at the reporting date but not impaired. These receivables are unsecured and the analysis of their aging at the reporting date is as follows:

	2020 S$	2019 S$
0-30 days	8,656	18,066
31-60 days	-	8,121
	8,656	26,187

There is no other class of financial asset that is past due except for trade receivables. The Company's trade receivables as at 31 March 2020 and 2019 were not impaired.

No movement in allowance for expected credit losses (ECL) of trade receivables has been presented as there is no expected credit loss computed based on lifetime ECL.

Trade and other receivables are denominated in Singapore dollars.

11. Loans and borrowings

	2020 S$	2019 S$
Current liabilities		
Other borrowings - related party	291,342	364,491
Lease liability	6,371	-
	297,713	364,491
Non-current liabilities		
Lease liability	3,887	-

* This is unsecured, interest-free related party loan and is repayable within 12 months.

Loans and borrowings are denominated the following currencies:

	2020 S$	2019 S$
United States dollars	291,342	364,491
Singapore dollars	10,258	-
	301,600	364,491

12. Trade and other payables

	2020	2019
Trade payables	**S$**	**S$**
GST Payable	3,251	3,146
	3,251	3,146
Other Payables		
Other creditors	1,572	2,141
Due to holding company	132,588	132,289
Accrued liabilities	33,230	17,530
Due to a related company	65,175	53,131
	232,565	205,091
Total trade and other payables	235,816	208,237

Due to holding company and related company are unsecured, non-trade interest free and are repayable within 12 months.

Trade and other payables are denominated in the following currencies

	2020	2019
	S$	**S$**
United States Dollars	65,175	53,131
Indian Rupee	132,588	132,289
Singapore Dollars	38,053	22,817
	235,816	208,237

13. Tax expense

Current year's income tax expense	**2020**	**2019**
	S$	**S$**
Current year's income tax provision	-	-
Under provision of prior year's income tax	-	-
Income tax expense recognized in profit or loss	-	-

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on company's (loss) as a result of the following:

	2020	2019
	S$	**S$**
(Loss) before taxation	(17,834)	(62,964)
Tax @ statutory rate of 17% (2018:@17%)	(3,032)	(10,704)
Non-deductible expenses	1,092	2,035
Income not subject to tax	(3,821)	-
Deferred tax asset not recognised	5,761	8,669
Income tax expense recognized in profit or loss	-	-

As at 31 March 2020, the Company has unutilized tax losses amounting to approximately S$220,312 (2019: S$186,428) which are available for setoff against future taxable income, subject to the provisions of Singapore Income Tax and agreement with Singapore Tax Authorities.

14. Share capital

The Company's share capital comprises fully paid-up 1,000,000 (2019:1,000,000) ordinary shares with no par value, amounting to a total of S$ 1,000,000 (2019: S$ 1,000,000).

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction

15. Right-of-use asset

The Company has lease contract for office building. The Company's obligation under this lease is secured by the lessor's title to the leased asset. The Company is restricted from assigning and subleasing the leased asset.

a) Carrying amount of right-of-use asset

	Office building
	S$
At 1 April 2019	15,777
Amortization	(6,424)
At 31 March 2020	9,353

b) Lease liabilities

The carrying amounts of lease liabilities (included under borrowings) are disclosed in Note 11 and the maturity analysis of lease liabilities are disclosed in Note 17.

c) Amount recognized in profit or loss

	2020
	S$
Depreciation of right of use asset	6,424
Interest expense on lease liabilities	434
Total amount recognized in profit or loss	6,858

d) Total cash outflow

The Company had total cash outflows for leases of S$ 5,953 in 2020

The Company has finance lease for office premises.

Future minimum lease payments under finance lease together with the present value of the net minimum lease payments are as follows:

	2020	**2019**
	S$	**S$**
Not later than one year	6,667	-
Later than one year but not later than five years	3,939	-
Total minimum lease payments	10,606	-
Less: Amounts representing finance charges	(348)	-
Present value of minimum lease payments	10,258	**-**

e) Extension options

Lease contract include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset and align with the Company's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (Note 3.1).

16. Capital management

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for its shareholder and benefits for other stakeholders and to maintain an optional capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including trade and other payables as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as total equity, as shown in the statement of financial position, plus net debts.

No specific gearing ratio has been determined by management with the overall objective to keep the ratio as low as possible and such policy has not been changed since the previous financial year.

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged.

The gearing ratios at 31 March 2020 and 2019 were as follows:

	2020	2019
	S$	S$
Net debt	518,149	509,734
Total equity	-	-
Total capital	518,159	509,734

17. Financial risk management

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash at bank) the Company minimizes credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties financial condition and generally do not require a collateral.

17. Financial risk management (Continued)

a) Credit risk (Continued)

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial re-organisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 365 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
III	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

17. Financial risk management (Continued)

a) Credit risk (Continued)

The table below details the credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	Category	12-month or lifetime ECL	Gross carrying amount (SS)	Loss allowance (S$)	Net carrying amount (S$)
31 March 2020						
Trade receivables	10	Note 1	Lifetime ECL (simplified)	26,087	-	26,087
Other receivables	10	1	12-month ECL	2,053	-	2,053
					-	
31 March 2019						
Trade receivables	10	Note 1	Lifetime ECL (simplified)	42,601	-	42,601
Other receivables	10	1	12-month ECL	1,552	-	1,552
					-	

Trade receivables (Note 1)

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. The Company has not provided any lifetime expected credit losses ("ECL") for trade receivables as based on the Company's historical trend and forward looking analysis as ECL loss is not material.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

The Company has no significant concentration of credit risk except that the balances comprising 100% (2019: 100%) of trade receivables are receivable from 2 (2019: 2) debtors. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

17. Financial risk management (Continued)

a) Credit risk (Continued)

Other receivables

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

b) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company does not expect any significant effect on the statement of profit or loss and other comprehensive income arising from the effects of reasonable possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

ii. Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company has transactional currency exposures arising from trade and other receivables, cash at bank and borrowings that are denominated in a currency other than the functional currency of the Company, primarily United States Dollar (USD)

The Company's currency exposures to the USD and INR at the reporting date are as follows:

	2020		2019	
	USD	**INR**	**USD**	**INR**
Financial assets	*(equivalent to SGD)*		*(equivalent to SGD)*	
Cash at bank	-	-	3,310	-
Trade and other receivables	-	-	-	-
	-	-	3,310	-

17. Financial risk management (Continued)

b) Market risk (Continued)

	2020		2019	
	USD	**INR**	**USD**	**INR**
Financial liabilities	*(equivalent to SGD)*		*(equivalent to SGD)*	
Loans and borrowings	(291,342)	-	(364,491)	-
Other payables	(65,175)	(132,588)	(53,131)	(132,289)
	(356,517)	(132,588)	(417,622)	(132,289)
Net currency exposure	(356,517)	(132,588)	(414,312)	(132,289)

Sensitivity analysis for foreign currency risk

The following table demonstrate the sensitivity of the Company's profit net of tax to a reasonably possible change in USD and INR exchange rates against the functional currency of the Company, with all other variables held constant.

	Profit or loss (after tax)	
	2020	**2019**
	S$	**S$**
United States Dollar	14,795	17,194
Indian Rupee	5,502	5,490

A 5% strengthening of Singapore dollar against the foreign currency denominated balances as at the reporting date would increase profit or loss by the amounts shown below. A 5% weakening of Singapore dollar against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above.

c) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company obtains continued financial support from their holding company to meet its operational requirements.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2020			
Financial assets	**Carrying amount**	**Contractual carrying amount**	**One year or less**	**One to five years**
	S$	**S$**	**S$**	**S$**
Trade receivables	26,087	26,087	26,087	-
Other receivables	2,053	2,053	2,053	-
Cash and cash equivalents	19,267	19,267	19,267	-
Total undiscounted financial assets	47,407	47,407	47,407	-

17. Financial risk management (Continued)

c) Liquidity risk (Continued)

	2020			
Financial liabilities	**Carrying amount**	**Contractual carrying amount**	**One year or less**	**One to five years**
	S$	**S$**	**S$**	**S$**
Trade and other payables	232,565	232,565	232,565	-
Loans and borrowings (excluding lease liability)	291,342	291,342	291,342	-
Lease liability	10,258	10,606	6,667	3,939
Total undiscounted financial liabilities	534,165	534,513	530,574	3,939
Total undiscounted financial (liabilities)	(486,758)	(487,106)	(483,167)	(3,939)

	2019			
Financial assets	**Carrying amount**	**Contractual carrying amount**	**One year or less**	**One to five years**
	S$	**S$**	**S$**	**S$**
Trade receivables	42,601	42,601	42,601	-
Other receivables	1,552	1,552	1,552	-
Cash and cash equivalents	62,994	62,994	62,994	-
Total undiscounted financial assets	107,147	107,147	107,147	-
Financial liabilities				
Trade and other payables	205,091	205,091	205,091	-
Loans and borrowings	364,491	364,491	364,491	-
Total undiscounted financial liabilities	569,582	569,582	569,582	-
Total undiscounted financial (liabilities)	(462,435)	(462,435)	(462,435)	-

18. Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivables and other payables (including non-trade balances due to related parties)

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and payables

The carrying amounts of these receivables and payables (including trade balances due from holding company) approximate their fair values as they are subject to normal trade credit terms.

18. Fair values (Continued)

Fair value hierarchy

The following table presents assets and liabilities measured at fair value level of the following fair value measurement hierarchy:

(a) quoted prices in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

2020

	Level 1	Level 2	Level 3	Total
	US$	US$	US$	US$
Assets				
Financial asset through profit or loss (Note 8)	-	-	54,428	-
	-	-	54,428	-

2019

	Level 1	Level 2	Level 3	Total
	US$	US$	US$	US$
Assets				
Financial asset through profit or loss (Note 8)	-	-	54,428	54,428
	-	-	54,428	54,428

19. Financial instruments by category

The carrying amounts of the different categories of financial instruments are as follows:

	2020	2019
Financial assets measured at amortised cost	S$	S$
Trade and other receivables (note 10)	32,413	51,185
Cash and cash equivalents (note 9)	19,267	62,994
	51,680	114,179
Less: Prepayments	(4,273)	(7,032)
Total financial assets measured at amortised cost	47,407	107,147
Financial assets at FVTPL	54,428	54,428
Financial liabilities measured at amortised cost		
Loans and borrowings (note 11)	301,600	364,491
Trade and other payables (note 12)	235,816	208,237
	537,416	572,728
Less: GST payable	(3,251)	(3,146)
Total financial liabilities measured at amortized cost	534,201	569,582

20. Related party transactions

In addition to those related party information disclosed elsewhere in the financial statements, the following significant transactions between the company and related parties took place during the year at terms agreed between the parties:

		Amount of transaction	
Nature of transaction	**Nature of Relationship**	**2020**	**2019**
		S$	**S$**
Loan repaid	Related parties	54,468	324,645
Loan received	Related parties (net)	16,224	53,131

21. Operating lease commitments

The Company leases storage space under non-cancellable operating lease agreements. The lease have varying terms.

The future minimum rental payable under non-cancellable operating leases contracted for at the reporting date but not recognized as liabilities, are as follows:

	2020	**2019**
	S$	**S$**
Not later than one year	320	557
	320	557

Minimum lease payments recognized as an expense in profit or loss for the financial year ended 31 March 2020 amounted to S$ 2,687 (2019: S$ 8,385).

As disclosed in Note 2.2, the Company has adopted FRS 116 on 1 April 2019. Except for short-term and low-value leases, the lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 31 March 2020.

22. Authorization of financial statements for issue

The financial statements for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on the date of directors' statement.

23. Events after the financial year

In light of the adverse impact on the Company's activities from the current COVID-19 pandemic, which is difficult to assess at this point with regard to its severity and duration, given that economic activity has largely been disrupted in most parts of the world and may remain weak in the near term, the Company will continue to monitor closely the situation and continue to improve its financial position and conserve liquidity to withstand the current economy.

****

ADVANCED SYNERGIC PTE LTD
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

(This does not part form of audited financial statements)

	2020 S$	2019 S$
Revenue		
Sale of service	208,152	348,186
Cost of service		
CPF contribution	2,040	2,040
Project allowance	-	25,032
Reimbursement expenses	570	4,453
Staff salaries	189,191	305,823
Total cost of sales	191,801	337,348
Gross profit	16,351	10,838
Other income		
Exchange gain	22,518	-
Miscellaneous income	59	-
Job credit income	-	310
	22,577	310
	38,928	11,148
Expenses		
Audit fee	10,500	12,000
Bank charges	120	230
Business development expenses	-	5,568
Amortization	6,424	-
Exchange loss non-trade	-	11,972
Insurance paid	3,068	5,726
Local conveyance	-	86
Late fee penalty	250	-
Professional fee	13,120	24,428
Rent	2,687	8,385
Subscription & membership charges	3,900	1,700
Skills development levy	300	572
Telephone charges	1,214	1,601
Travelling charges	14,025	1,544
Visa charges	720	300
	56,328	74,112
Finance cost		
Interests paid	434	-
(Loss) for the year	(17,834)	(62,964)

ASM TECHNOLOGIES KK
Profit and Loss Account for the year ended March 31, 2020

(Rs, in Millions)

Particulars	Note No.	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Income			
Revenue from operations	9	2.89	-
Other Income	10	0.24	-
Total Revenue		**3.13**	**-**
Expense			
Employee Benefit expenses	11	3.67	
Other Expenses	12	4.01	1.89
Total Expenses		**7.68**	**1.89**
Profit/(Loss) before tax		(4.55)	(1.89)
Tax expenses			
(i) Current tax		-	-
(ii) Deferred tax		-	-
Total tax expense		-	-
Profit/(Loss) for the year		(4.55)	(1.89)
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		(4.55)	(1.89)

In accordance with our report attached
for BK Ramadhyani & Co. LLP
Chartered Accountants
Firm Registration No.: 0028785/ S200021

For and on behalf of
Board of Directors of
ASM Technologies

(CA C R Deepak)
Partner
Membership No.: 215398

(Karun Malhotra)
Director

Place: Bangalore
Date: 02 June, 2020

ASM TECHNOLOGIES KK
Cash Flow Statement for the year ended March 31, 2020

(Rs. In million)

	Particulars	Current Year	Previous Year
(A)	**Cash flows from operating activities**		
	Profit / (loss) before tax	(4.55)	(1.89)
	Changes in FCTR	(0.60)	0.02
	Adjustment to reconcile profit before tax to net cash flows:		-
	Operating profit before working capital changes	**(5.15)**	**(1.87)**
	Movements in working capital :		
	Increase/ (decrease) in trade payables	5.94	**1.50**
	Increase / (decrease) in other current liabilities	0.25	
	Increase / (decrease) in Other current asstes	(0.02)	
	Cash generated from /(used in) operations	**1.02**	**(0.37)**
	Direct taxes paid, net		-
	Net cash flow from/ (used in) operating activities (A)	**1.02**	**(0.37)**
(B)	**Cash flows from investing activities**		
	Net cash flow from/ (used in) investing activities (B)	**-**	**-**
(C)	**Cash flows from financing activities**		
	Introduction of Capital		**0.63**
	Net cash flow from/ (used in) in financing activities (C)	**-**	**0.63**
(D)	Net increase/(decrease) in cash and cash equivalents (A + B + C)	1.02	**0.25**
(E)	Cash and cash equivalents at the beginning of the year	0.25	**-**
(F)	**Cash and cash equivalents at the end of the year**	**1.27**	**0.25**

The Company has followed indirect cashflow method as per IND AS-7

In Accordance with our Report Attached
for BK Ramadhyani & Co. LLP
Chartered Accountants
Firm Registration No.: 0028785/ S200021

For and on behalf of
Board of Directors of
ASM Technologies KK

(CA C R Deepak)
Partner
Membership No.: 215398

(Karun Malhotra)
Director

Place: Bangalore
Date: 02 June, 2020

ASM TECHNOLOGIES KK
Statement of Changes in Equity for the year ended March 31, 2020

a. Equity Share Capital (Rs. In million)

Particulars	Equity Share Capital
Issued during the year	0.63
Effect of share based payments	-
As at March 31, 2019	**0.63**
Issued during the year	
Effect of share based payments	
As at March 31, 2020	**0.63**

b. Other Equity (Rs. In million)

Particulars	Foreign Currency Translation Reserve	Retained earnings	Total
As at April 01, 2018	-	-	-
Profit/(loss) for the year	0.02	(1.89)	(1.87)
Dividend declared during the year	-	-	-
Other Comprehensive income	-	-	-
As at March 31, 2019	**0.02**	**(1.89)**	**(1.87)**
Profit/(loss) for the year	(0.60)	(4.55)	(5.15)
Dividend declared during the year		-	-
Other Comprehensive income	-	-	-
Net changes during the year		-	-
As at March 31, 2020	**(0.58)**	**(6.44)**	**(7.02)**

ASM TECHNOLOGIES KK
Notes to Financial Statement for the year ended March 31, 2020

1 CORPORATE INFORMATION

ASM Technologies KK (“the Company), is a Company incorporated in Japan and is a wholly owned subsidiary of ASM Technologies Limited. The Company is in the business of development of software and allied services.

2.1 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (‘Ind AS’) notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. The financial statements of the Company are prepared and presented in accordance with Ind AS.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

b) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Example of such estimates include provision for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable property, plant and equipment and provision for impairment.

i) Significant accounting judgements, estimates and assumptions
The preparation of the Company’s standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements
In the process of applying the Company’s accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:
b) Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.
a) *Defined benefit plans – Gratuity*
The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in

i) Current versus non-current classification:
The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purposes of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.
A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purposes of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has evaluated and considered its operating cycle as One year and accordingly has reclassified its assets and liabilities into current and non-current:
Assets and liabilities, other than those discussed above, are classified as current to the extent they are expected to be realized/ are contractually repayable within 12 months from the Balance sheet date and as non-current, in other cases.
Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

c) Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at the cost of acquisition less accumulated depreciation and write down for, impairment if any. Direct costs are capitalised until the assets are ready to be put to use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, which do not meet the definition of PPE as per Ind AS 16 are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of PPE and are recognized in the statement of profit and loss when the PPE is derecognized.

d) Depreciation on PPE

Depreciation is provided on straight-line method as per the rates specified in schedule II of the Companies Act, 2013 ("the Act"). Depreciation for the assets purchased/sold during the year is proportionately charged. The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for revision, and adjusted prospectively.

e) Investment Property

Investment property represents properties held for rental yields and/or for capital appreciation or both rather than for:

(a) use in the production or supply of services or for administrative purposes; or

(b) sale in the ordinary course of business.

Investment property is stated at the cost of acquisition less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, which do not meet the definition of Investment Property as per Ind AS 40 are charged to the statement of profit and loss for the period during which such expenses are incurred.

f) Leases

Operating Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except where the increase in lease outgoings are in line with expected general inflation to compensate the lessor's expected inflationary cost increases.

g) Employee Benefits

(i) Retirement benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund authorities. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due.

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on projected unit credit method as at the balance sheet date. Gains and losses through re-measurements of the net defined benefit obligation are recognized in other comprehensive income and are not subsequently reclassified to profit or loss. The defined benefit scheme for gratuity is currently unfunded.

(ii) Other employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave, overseas social security contributions and performance incentives.

h) Revenue recognition

The Company derives revenues primarily from IT related services. Effective April 01, 2018, the Company has adopted Ind AS 115, "Revenue from Contracts with Customers". Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in for those services.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Dividend is recorded when the right to receive payment is established. Interest income is recognized on effective interest method taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

i) Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in statement of profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled. Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the assets will fructify.

Deferred income tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

j) Foreign currency transactions

Functional currency

The functional currency of the Company is the Indian rupee.

Transactions and translations

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the statement of profit and loss.

k) Provisions, Contingent liabilities and Contingent assets

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting obligations under a contract exceed the economic benefits expected to be received, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. A contingent asset is never recognised but only disclosed in the financial statements.

l) Segment reporting policies

Identification of segments

Operating Segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision maker (CODM) in order to allocate resources to the segments and to assess their performance in accordance with Ind AS 108, Operating Segments. Since CODM evaluates Company's performance at a geographic segment level, operating segment information is accordingly given at geographic level.

m) Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. However, investments in subsidiaries are carried at cost as required by Ind AS 27.

(i) Cash and cash equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) **Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

n) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

o) Impairment

i) Financial Assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

Tangible and Intangible assets: PPE, intangible assets and investment property with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

ASM TECHNOLOGIES KK
Notes to Financial Statement for the year ended March 31, 2020

3 Financial Assets

Particulars	As at March 31, 2020 Rs. In Millions	As at March 31, 2019 Rs. In Millions
Cash and Cash Equivalents		
i) Balance with Banks		
- On current accounts	1.25	0.25
-Short term deposit	0.02	-
Total	**1.27**	**0.25**

4 Other current assets

Particulars	As at March 31, 2020 Rs. In Millions	As at March 31, 2019 Rs. In Millions
Prepaid expenses	0.02	-
Total	**0.02**	**-**

5 Equity Share Capital (refer statement of changes in equity)

Particulars	As at March 31, 2020 Rs. In Millions	As at March 31, 2019 Rs. In Millions
Authorised		
10,000 Equity shares of Rs 62.51 each	0.63	0.63
Issued, Subscribed & Paid up		
10,000 equity shares of Rs 62.51 each	0.63	0.63
Total issued, subscribed and fully paid-up share capital	**0.63**	**0.63**

(a) Rights, preferences and restrictions attached to shares
The company has only one class of equity shares having par value of Rs.62.51 per share.Each holder of equity is entitled to one vote per share.

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

Equity shares	As at March 31, 2020	
	Nos.	Rs. In Millions
At the beginning of the year	10,000	0.63
Add:-Issued during the year		
Outstanding at the end of the year	**10,000.00**	**0.63**

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

Particulars	As at March 31, 2020	
	Nos.	% holding in class
ASM Technologies Limited	10,000	100%
	10,000	**100%**

6 **Other Equity**

Particulars	As at March 31, 2020 Rs. in Millions	As at March 31, 2019 Rs. in Millions
a) Foreign Currency Translation Reserve		
Opening balance	0.02	-
Add:- Addition during year	(0.60)	0.02
Closing at end of year	(0.58)	0.02
b) Retained Earning		
Opening balance	(1.89)	-
Add:- Addition during year	(4.55)	(1.89)
Closing at end of year	(6.44)	(1.89)
Closing at end of year	**(7.02)**	**(1.87)**

7 **Financial liabilities:-**

a) Trade Payables

Particulars	As at March 31, 2020 Rs. In Millions	As at March 31, 2019 Rs. In Millions
i) Due from Micro small and medium enterprises		
ii) Others	7.43	1.50
Total	**7.43**	**1.50**

8 **Other Current Liabilities**

Particulars	As at March 31, 2020 Rs. In Millions	As at March 31, 2019 Rs. In Millions
(i) Employee Benefit Expenses liability	0.09	-
(ii) Statutory Dues CL	(0.06)	-
(iii) Interest Payable	0.18	-
(iv) Provision for Expenses	0.04	-
Total	**0.25**	**-**

9 **Revenue from operations**

Particulars	As at March 31, 2020 Rs. In Millions	As at March 31, 2019 Rs. In Millions
Sale of services	2.89	-
Total	**2.89**	**-**

10 **Other Income**

Particulars	As at March 31, 2020 Rs. In Millions	As at March 31, 2019 Rs. In Millions
Sale of services	0.24	-
Total	**0.24**	**-**

11 **Employee Benefit Expenses**

Particulars	As at March 31, 2020 Rs. In Millions	As at March 31, 2019 Rs. In Millions
Salaries and wages	3.12	-
Staff welfare expenses	0.55	-
Total	**3.67**	**-**

12 **Other Expenses**

Particulars	As at March 31, 2020 Rs. In Millions	As at March 31, 2019 Rs. In Millions
Travelling and conveyance expenses	0.14	-

Communication expenses	0.07	-
Legal and Professional fees	2.83	1.45
other interest expenses	0.17	0.001
Rent expenses	0.16	-
Repair and Maintenance	0.01	-
Advertisement and Business Promotions	0.50	-
Office Maintenance	0.002	-
Rates & Taxes	0.08	-
Miscellaneous expenses	0.04	0.43
Total	**4.00**	**1.88**

ASM TECHNOLOGIES KK
Notes to financial statements for the year ended March 31, 2020

13 Related Party disclosures (Rs. In Millions)

i) Names of related parties and related party relationship

Name of entity	Relationship
ASM Technologies Limited	Holding Company
ESR Associated Inc Advanced Synergic Pte Limited Pinnacle Talent Inc. RV Forms and Gears LLP	Fellow Subsidiary
Rabindra Srikantan	Director
Sundar Ramanathan	Key Managerial Personnel

ii) Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Particulars	For the year ended March 31, 2020
Introduction of Capital	
ASM Technologies Limited	0.63

The following table provides the closing balances of related parties as at the relevant financial year-end:

Particulars	March 31, 2020
ASM Technologies Limited (Payable)	(0.63)

14 Segment reporting

i) Managing Director of the company has been identified as the Chief Operations Decision Maker("CODM") as defined in Ind AS 108, Operating Segments. The company is engaged in the business of software development. The CODM reviews the performance of the Company as one entity. Accordingly, the Company has not identified any different segments. the company has not yet earned from the business of software development during the current financial year.

ii) The company operates only in Japan, hence no geographical segments has been disclosed.

15 The company doesn't have any income tax expenses as it has incurred losses.

16 Approval of Financial Statements:

The financial statements were approved for the issue by the Board of Directors on June 02, 2020.

In Accordance with our Report Attached
for BK Ramadhyani & Co. LLP
Chartered Accountants
Firm Registration No.: 0028785/ S200021

For and on behalf of Board of Directors of ASM Technologies KK

(CA C R Deepak)
Partner
Membership No.: 215398

(Karun Malhotra)
Director

Place: Bangalore
Date: June 02, 2020

ASM Technologies KK (Japan)

Statutory Audit for the year ended 31st March, 2020

Trial Balance

(01st Apr,2019 to 31st March,2020)

Particulars	Debit Amount	Credit Amount
Capital Account		
Share capital		6,36,600
Profit and loss acocunt	18,87,678	
Current Liabilities		
Creditor for expenses		6,81,374
Employee Benefit Expenses liability	-	86,434
Statutory Dues CL	78,630	17,008
Interest Payable	-	1,79,679
Provision for Expenses	-	41,788
Current assets		
Bank Balance in current account	12,52,203	-
Short term Deposit with bank	20,894	-
Advances to supplier/creditors	-	67,59,189
Prepaid expenses	20,894	-
Income		
Sale of services	-	28,89,944
Miscellenous income	-	2,40,446
Expenses		
Salaries and wages	31,19,122	-
Staff welfare expenses	5,52,680	-
other interest expenses	1,70,471	-
Travelling and conveyance expenses	1,39,084	-
Communication expenses	73,394	-
Legal and Professional fees	28,27,972	-
Rent expenses	1,58,585	-
Repair and Maintenance	7,929	-
Exchange fluctuation gain/loss	5,95,091	4,119
Advertisement and Business Promotions	5,02,251	-
Office Maintenance	1,453	-
Rates & Taxes	84,579	-
Miscellaneous expenses	43,670	-
Total	115,36,580	115,36,580

INDEPENDENT AUDITOR'S REPORT

To the Members of ASM Technologies KK

Report on the Financial Statements:

Opinion:

We have audited the standalone Ind AS financial statements of ASM Technologies KK ("the Company") which comprise of balance sheet as at March 31, 2020, the statement of profit & loss, statement of changes in equity and the cash flow statement for the year then ended, notes to Ind AS financial statements including a summary of significant accounting policies and other explanatory information for limited purpose of verifying the compliance with Schedule III required for consolidation.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 of the Company as at March 31, 2020, and losses, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

There were no key audit matters that need to be reported.

Other Matters:

The management has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information to assess the expected future performance of the company. The company has internally performed sensitivity analysis on the assumptions used and based on the current estimates, the company expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2020, are fully recoverable. The management has also estimated the future cashflows for the company with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on its ability to continue as going concern and in meeting its liabilities as and when they fall due. The actual impact of the COVID-19 pandemic may be different from the estimated as at the date of approval of these financial statements.

Management's Responsibility for Ind AS Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements:

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism through the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements:

1. The Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, is not applicable in case of foreign company.

2. 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e) The company is a foreign company and hence the provisions of section 164(2) with regard to disqualifications of directors under the Companies Act, 2013 is not applicable.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, it is not applicable to a foreign company.

g) 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 as required under the applicable law or accounting standards, and also not entered into any derivative contracts, accordingly no provision is required to be made in respect of material foreseeable losses.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B.K.RAMADHYANI & CO LLP
Chartered Accountants
Firm Registration No. 002878S/S200021

CA C R Deepak
(Partner)
Membership No. 215398
UDIN:

Date: June 2, 2020
Place: Bangalore

PINNACLE TALENT INC
Balance Sheet as at March 31, 2020

(Rs. In Millions)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	-	-
(b) Investment Property	-	-	-
(c) Financial Assets			
(i) Loans	4	0.14	0.33
(ii) Others		-	-
(d) Deferred tax assets (net)	-	-	-
Total		**0.14**	**0.33**
(2) Current assets			
(a) Inventories		-	-
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	5	74.72	68.97
(iii) Cash and cash equivalents	6	0.39	0.72
(c) Current tax assets (Net)		-	
(d) Other current assets	7	17.72	18.96
Total		**92.83**	**88.65**
Total Assets		**92.97**	**88.98**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	8	10.40	10.40
(b) Other Equity	9	(77.03)	(70.41)
Total		**(66.63)**	**(60.01)**
LIABILITIES			
(1) Non-current liabilities			
Total		**-**	**-**
(2) Current liabilities			
(a) Financial Liabilities	10		
(i) Borrowings		-	-
(ii) Trade payables		159.45	148.57
(b) Provisions	11	0.15	0.42
(c) Current Tax Liabilities (Net)		-	-
Total		**159.60**	**148.99**
TOTAL EQUITY AND LIABILITY		**92.97**	**88.98**
		-	

In Accordance with our Report Attached
for BK Ramadhyani & Co. LLP
Chartered Accountants
Firm Registration No.: 0028785/ S200021

For and on behalf of Board of Directors of
Pinnacle Talent Inc.

(CA C R Deepak)
Partner
Membership No.: 215398

(Rabindra Srikantan)
President

Place: Bangalore
Date: June 02, 2020

PINNACLE TALENT INC
Statement of profit and loss for the year ended March 31, 2020

(Rs. In Millions)

Particulars	Notes	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Income			
Revenue from operations	12	29.16	30.06
Other income		-	-
Total Income (i)		**29.16**	**30.06**
Expenses			
Employee benefits expense	13	7.16	22.55
Finance costs	14	0.00	0.01
Depreciation and amortization expense	-	0.09	-
Other expenses	15	7.86	10.65
Total expenses (ii)		**15.11**	**33.21**
Profit/(Loss) before tax [(i)- (ii)]		**14.05**	**(3.15)**
Tax expenses			
(i) Current tax		-	-
(ii) Deferred tax		-	-
Total tax expense		-	-
Profit/(Loss) for the year		**14.05**	**(3.15)**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss			
Deferred tax on remeasurement of defined benefit plans		-	-
B (i) Items that will be reclassified to profit or loss			
Changes in fair value of investments in equity instruments			
(ii) Income tax relating to items that will not be reclassified to profit or loss			
Deferred tax on remeasurement of defined benefit plans		-	-
Total Comprehensive Income for the year		**14.05**	**(3.15)**
Earnings per equity share [nominal value of share Rs.10 (March 31, 2019: Rs.10)]			
Basic and Diluted (in Rs.)		0.88	(3.03)

In Accordance with our Report Attached
for BK Ramadhyani & Co. LLP
Chartered Accountants
Firm Registration No.: 0028785/ S200021

For and on behalf of Board of Directors of
Pinnacle Talent Inc.

(CA C R Deepak)
Partner
Membership No.: 215398

(Rabindra Srikantan)
President

Place: Bangalore
Date: June 02, 2020

PINNACLE TALENT INC.
Cash Flow Statement for the year ended March 31, 2020

	Particulars	Current Year	Previous Year
		(Rs. In million)	
(A)	**Cash flows from operating activities**		
	Profit / (loss) before tax	**14.05**	**(3.15)**
	Adjustment to reconcile profit before tax to net cash flows:		
	Depreciation and amortization expense	**0.28**	
	Finance costs	**-**	**0.01**
	Exchange Fluctuation	**(20.66)**	(3.61)
	Dividend income	**-**	
	Fair valuation of mutual fund	**-**	
	Share of profit in LLP	**-**	
	(Profit)/ loss on sale of Property, Plant & Equipment	**-**	-
	Operating profit before working capital changes	**(6.34)**	**(6.75)**
	Movements in working capital :		
	Increase/ (decrease) in trade payables	**10.88**	(5.60)
	Decrease / (increase) in trade receivables	**(5.75)**	(4.39)
	Decrease / (increase) in other non current assets	**0.19**	(0.02)
	Decrease / (increase) in other current assets	**1.24**	16.89
	Increase / (decrease) in provisions	**(0.27)**	0.03
	Cash generated from /(used in) operations	**(0.05)**	**0.16**
	Direct taxes paid, net	**-**	
	Net cash flow from/ (used in) operating activities (A)	**(0.05)**	**0.16**
(B)	**Cash flows from investing activities**		
	Purchase of Property, plant & equipment (including capital work in progress and capital advances)	**(0.28)**	
	Net cash flow from/ (used in) investing activities (B)	**(0.28)**	**-**
(C)	**Cash flows from financing activities**		
	Interest paid	**-**	(0.01)
	Net cash flow from/ (used in) in financing activities (C)	**-**	**(0.01)**
(D)	Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(0.33)**	0.15
(E)	Cash and cash equivalents at the beginning of the year	**0.72**	0.57
(F)	**Cash and cash equivalents at the end of the year**	**0.39**	**0.72**

The Company has followed indirect cashflow method as per Ind AS 7.

In Accordance with our Report Attached
for BK Ramadhyani & Co. LLP
Chartered Accountants
Firm Registration No.: 0028785/ S200021

For and on behalf of Board of Directors of
Pinnacle Talent Inc.

(CA C R Deepak)
Partner
Membership No.: 215398

(Rabindra Srikantan)
President

Place: Bangalore
Date: June 02, 2020

PINNACLE TALENT INC
Statement of Changes in Equity for the year ended March 31, 2020

a. Equity Share Capital

Particulars	Equity Share Capital
As at April 1, 2018	**10.40**
Increase in share capital on issue	-
Effect of share based payments	-
As at March 31, 2019	**10.40**
Increase in share capital on issue	-
Effect of share based payments	-
As at March 31, 2020	**10.40**

b. Other Equity

Particulars	Retained earnings	Foreign Currency translation reserve	Total
As at April 1, 2018	**(63.65)**	-3.61	**(67.26)**
Profit/(loss) for the year	(3.15)	-20.66	**(23.81)**
Dividend declared during the year	-		**-**
Other Comprehensive income	-		**-**
Net changes during the year	-		**-**
As at March 31, 2019	**(66.80)**	**(24.27)**	**(91.07)**
Profit/(loss) for the year	14.04		**14.04**
Dividend declared during the year	-		-
Other Comprehensive income	-		-
Net changes during the year	-		-
As at March 31, 2020	**(52.76)**	**(24.27)**	**(77.03)**

PINNACLE TALENT INC
Notes to financial statements for the year ended March 31, 2020

3. Property, Plant and Equipment

(Rs. In Millions)

	Computers	Machinery & Systems	Office Equipment	Software	Total
Cost					
As at April 1, 2018	1.18	0.76	0.04	12.87	14.86
Additions	-	-			-
Disposals	-	-	-	-	-
At March 31, 2019	**1.18**	**0.76**	**0.04**	**12.87**	**14.86**
Additions	0.28	-	-	-	0.28
Disposals	-	-	-	-	-
Other Adjustments	-	-	-	-	-
At March 31, 2020	**1.46**	**0.76**	**0.04**	**12.87**	**15.14**
Depreciation/Amortisation					
As at April 1, 2018	1.18	0.76	0.04	12.87	**14.86**
Charge for the year	-	-	-	-	-
Disposals	-		-	-	-
At March 31, 2019	**1.18**	**0.76**	**0.04**	**12.87**	**14.86**
Charge for the year	**0.28**	-	-	-	0.28
Disposals	-	-	-	-	-
Other Adjustment		-	-	-	-
At March 31, 2020	**1.46**	**0.76**	**0.04**	**12.87**	**15.14**
Net Block					
At March 31, 2019	-	-	-	-	-
At March 31, 2020	-	-	-	-	-

PINNACLE TALENT INC

Notes to financial statements for the year ended March 31, 2020

4 Financial Assets- Non Current Assets

Particulars	March 31, 2020 Rs. In Millions	March 31, 2019 Rs. In Millions
ii) Loans (Unsecured, considered good)		
Security deposit	0.14	0.33
Total	**0.14**	**0.33**

Financial Assets- Current Assets

5 Trade Receivables

Particulars	March 31, 2020 Rs. In Millions	March 31, 2019 Rs. In Millions
Unsecured considered good	74.72	68.96
Unsecured Considered Doubtful	-	-
	74.72	68.96
Less:- Provision for doubtful debt		
Total	**74.72**	**68.97**
The above amount includes:		
- debts due by directors or other officers of the Company		
- debts due by firms/private companies in which a director is a partner or a director or a member	62.31	57.51

6 Cash and Bank Balance

Particulars	March 31, 2020 Rs. In Millions	March 31, 2019 Rs. In Millions
a) Cash and cash equivalents:-		
i) Balance with Banks		
- On current accounts	0.39	0.72
- Cash in Hand		
	0.39	**0.72**
b) Other Bank Balance		
- in short term deposit	-	-
Total	**0.39**	**0.72**

7 Other Current Assets

Particulars	March 31, 2020 Rs. In Millions	March 31, 2019 Rs. In Millions
i) Prepaid Expenses	0.54	0.08
ii) Capital Advances		
iii) Advances other than capital advances		
(a) Advance to Related Parties (considered good) (net)	17.18	18.63
(b)Advance to Employee	-	0.25
Total	**17.72**	**18.96**

PINNACLE TALENT INC
Notes to financial statements for the year ended March 31, 2020

8 Equity Share Capital (refer statement of changes in equity)

(Rs. In Millions)

Particulars	March 31, 2020	March 31, 2019
Authorised		
1,60,00,000 Equity shares of USD 0.01 each	10.40	10.40
Issued, Subscribed & Paid up		
1,60,00,000 Equity shares of USD 0.01 each	10.40	10.40
Total issued, subscribed and fully paid-up share capital	**10.40**	**10.40**

(a) Rights, preferences and restrictions attached to shares

The company has only one class of equity shares having par value of Rs.10 per share.Each holder of equity is entitled to one vote per share.

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

Equity shares	March 31, 2020		March 31, 2019	
	Nos.	**Rs. In Millions**	**Nos.**	**Rs. In Millions**
At the beginning of the year	160,00,000	10.40	160,00,000	10.40
Add:-Issued during the year	-	-	-	-
Outstanding at the end of the year	**160,00,000**	**10.40**	160,00,000	10.40

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

Particulars	March 31, 2020		March 31, 2019	
	Nos.	**% holding in class**	**Nos.**	**% holding in class**
ASM Technoogies Limited	160,00,000	100.00%	160,00,000	100.00%
	160,00,000	**100%**	160,00,000	100%

PINNACLE TALENT INC
Notes to financial statements for the year ended March 31, 2020

9 Other Equity

Particulars	March 31, 2020 Rs. in Millions	March 31, 2019 Rs. in Millions
(i) Foreign currency translation reserve		
Opening balance	(3.61)	-
Add:- Addition during year	(20.66)	(3.61)
Closing at end of year	(24.27)	(3.61)
Retained Earning		
Opening balance	(66.80)	(63.65)
Add:- Addition during year	14.04	(3.15)
	(52.76)	(66.80)
Less:- Appropriations		
Interim dividend on equity shares	-	-
Proposed final dividend on equity shares	-	-
Tax on dividend	-	-
Transfer to Fair valuation reserve	-	-
Total	**(52.76)**	**(66.80)**
Closing at end of year	**(77.03)**	**(70.41)**

Current liabilities and provisions:-

10 Financial liabilities:-

Particulars	March 31, 2020 Rs. in Millions	March 31, 2019 Rs. in Millions
Trade Payables:-		
Due from Micro small and medium enterprise		
Others	159.46	148.57
Total	**159.45**	**148.57**

11 Provisions

Particulars	March 31, 2020 Rs. in Millions	March 31, 2019 Rs. in Millions
Provision for expenses	0.15	0.42
Total	**0.15**	**0.42**

PINNACLE TALENT INC
Notes to financial statements for the year ended March 31, 2020

12 Revenue from operations

Particular	Current Year Rs. In Millions	Previous Year Rs. In Millions
Sale of services	29.16	30.06
Total	**29.16**	**30.06**

13 Employee Benefit Expenses

Particular	Current Year Rs. In Millions	Previous Year Rs. In Millions
Salaries and wages	-	16.33
Staff welfare expenses	5.93	5.09
Contribution to:		
ADP Tax	1.23	1.13
Total	**7.16**	**22.55**

14 Finance Cost

Particular	Current Year Rs. In Millions	Previous Year Rs. In Millions
Other interest	-	-
Bank charges	0.00	0.01
Totall	**0.00**	**0.01**

15 Other Expenses

Particulars	Current Year Rs. In Millions	Previous Year Rs. In Millions
Business Development- Advertising	0.87	0.56
Professional Charges	0.01	1.02
Rates and Taxes	0.05	0.05
Communication expenses	1.16	1.09
Travelling Expenses	1.96	1.84
Rent	1.43	1.05
Repair and Maintenance	0.02	0.03
State Income Tax	-	1.06
Storage Rent	0.15	0.10
Insurance charges	1.91	2.87
Membership & subscription	0.29	0.96
Office Expenses	0.01	0.02
Total	**7.86**	**10.65**

16 Related Party disclosures (Rs. In Millions)

i) Names of related parties and related party relationship

Name of entity	Relationship
ASM Technologies Limited	Holding Company
ESR Associates Inc	Fellow Subsidiary
Advanced Synergic Pte Limited	Fellow Subsidiary
ASM Technologies KK	Fellow Subsidiary
RV Forms and Gears LLP	Fellow Subsidiary
Rabindra Srikantan	Director
Sundar Ramanathan	Key Managerial Personnel

ii) Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of services		
ASM Technologies Limited	29.16	30.06

The following table provides the closing balances of related parties as at the relevant financial year-end:

Particulars	March 31, 2020	March 31, 2019
ASM Technologies Limited- Receivable	12.43	11.46
ASM Technologies Limited (Payable)	(145.73)	(135.86)
Net Amount (Payable)	(133.31)	(124.40)
ESR Associates-Receivable	62.31	57.51

iii) Key Managerial Personnel:

Particulars	Relationship	March 31, 2020	March 31, 2019
Rabindra Srikantan	Director	4.33	4.02
Sundar Ramanathan	Key Managerial Personnel	10.73	12.31

*The remuneration to the key managerial personnel does not include the provisions made the gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

Terms and conditions of transactions with related parties

The sales of services to and purchases from related parties are made on terms equivalent to those that prevail in arm’s length transactions.

PINNACLE TALENT INC
Notes to financial statements for the year ended March 31, 2020

17 Segment reporting

i) Managing Director of the company has been identified as the Chief Operations Decision Maker("CODM") as defined in Ind AS 108, Operating Segments. The company is engaged in the business of software development. The CODM reviews the performance of the Company as one entity. Accordingly, the Company has not identified any different segments. the company has earned Rs. 29.16 Millions (Previous year Rs. 30.06 Millions) from the business of software development.

ii) The company operates only in USA, hence no geographical segments has been disclosed.

iii) The company earns its 100% (Previous Year- 100%) of revenue from a single customer.

18 The company doesn’t have any income tax expenses as it has incurred losses.

19 The company's net worth has been completely eroded as at the end of year. The Companies current liabilities exceed by Rs. 60.00 million as compared to its to total assets. However, the company's holding company is authorized by its Board to infuse further funds as and when required. And the management has drawn up actions plan which would reduce the company's operating costs in the ensuing years. Based on this, the management is of the opinion that the going concern assumption in preparation of financial

20 Approval of Financial Statements:
The financial statements were approved for the issue by the Board of Directors on June 02, 2020.

21 Impact of COVID-19 on Business:
The management has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information to assess the expected future performance of the company. The company has internally performed sensitivity analysis on the assumptions used and based on the current estimates, the company expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2020, are fully recoverable. The management has also estimated the future cashflows for the company with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on its ability to continue as going concern and in meeting its liabilities as and when they fall due. The actual impact of the COVID-19 pandemic may be different from the estimated as at the date of approval of these financial statements.

In Accordance with our Report Attached
for BK Ramadhyani & Co. LLP
Chartered Accountants
Firm Registration No.: 0028785/ S200021

For and on behalf of Board of
Directors of Pinnacle Talent Inc.

(CA C R Deepak)
Partner
Membership No.: 215398

(Rabindra Srikantan)
President

Place: Bangalore
Date: June 02, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of PINNACLE TALENT INC

Report on the Financial Statements:

Opinion:

We have audited the standalone Ind AS financial statements of Pinnacle Talent Inc ("the Company") which comprise of balance sheet as at March 31, 2020, the statement of profit & loss, statement of changes in equity and the cash flow statement for the year then ended, notes to Ind AS financial statements including a summary of significant accounting policies and other explanatory information for limited purpose of verifying the compliance with Schedule III required for consolidation.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 of the Company as at March 31, 2020, and profits, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

There were no key audit matters that need to be reported.

Material Uncertainty Related to Going Concern:

We draw attention to note-19 of the financial statements which indicate that the Company's networth is completely eroded and the Company's current liabilities exceeds its total assets by Rs. 66.63 million. These events or conditions, along with matters stated in note-19, indicate that a material uncertainty exists that may cast significant doubt on Company's ability to continue as going concern. We are unable to express any independent opinion on this matter.

Other Matters:

The management has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information to assess the expected future performance of the company. The company has internally performed sensitivity analysis on the assumptions used and based on the current estimates, the company expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2020, are fully recoverable. The management has also estimated the future cashflows for the company with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on its ability to continue as going concern and in meeting its liabilities as and when they fall due. The actual impact of the COVID-19 pandemic may be different from the estimated as at the date of approval of these financial statements.

Management's Responsibility for Ind AS Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements:

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism through the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements:

1. The Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, is not applicable in case of foreign company.

2. 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e) The company is a foreign company and hence the provisions of section 164(2) with regard to disqualifications of directors under the Companies Act, 2013 is not applicable.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, it is not applicable to a foreign company.

g) 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 as required under the applicable law or accounting standards, and also not entered into any derivative contracts, accordingly no provision is required to be made in respect of material foreseeable losses.

   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B.K.RAMADHYANI & CO LLP
Chartered Accountants
Firm Registration No. 002878S/S200021

CA C R Deepak
(Partner)
Membership No. 215398
UDIN:20215398AAAACF5468

Date: June 2, 2020
Place: Bangalore