

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 liabilities	8	0.25	-
Total Current Liabilities		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

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
<i>Adjustment to reconcile profit before tax to net cash flows:</i>		-
Operating profit before working capital changes	(5.15)	(1.87)
<i>Movements in working capital :</i>		
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.

Investment

e) 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 lifetime 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	As at March 31, 2019
	Rs. In Millions	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	As at March 31, 2019
	Rs. In Millions	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	As at March 31, 2019
	Rs. In Millions	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 account	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
Miscellaneous 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

(Rs. In million)

Particulars	Current Year	Previous Year
(A) Cash flows from operating activities		
Profit / (loss) before tax	14.05	(3.15)
<i>Adjustment to reconcile profit before tax to net cash flows:</i>		
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)
<i>Movements in working capital :</i>		
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 Ramadhyan & 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

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

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 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 Ramadhyan & 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