ASM TECHNOLOGIES KK
Balance Sheet as at March 31, 2019

(Rs, in Millions)

Particulars		Note No.	As at March 31, 2019
	ASSETS		
(1)	**Non-current assets**		-
(2)	**Current assets**		
(a)	Financial Assets		
	(i) Cash and cash equivalents	4	0.25
	Total Assets		**0.25**
	EQUITY AND LIABILITIES		
(1)	**Equity**		
(a)	Equity Share Capital	5	0.63
(b)	Other Equity	6	(1.88)
	Total Equity		**(1.25)**
(2)	**Liabilities**		
(a)	Non- Current Liabilities		
(b)	Current Liabilities		
	Trade Payables	7	1.50
	Total Equity and Liabilities		**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 Technologies KK

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

(Karun Malhotra)
Director

Place: Bangalore
Date: May 18, 2019

ASM TECHNOLOGIES KK

Profit and Loss Account for the year ended March 31, 2019

(Rs, in Millions)

Particulars	Note No.	For the Year ended March 31, 2019
Income		
Revenue from operations		-
Other Income		-
Total Revenue		**-**
Expense		
Other Expenses	8	1.90
Total Expenses		**1.90**
Profit/(Loss) before tax		(1.90)
Tax expenses		
(i) Current tax		-
(ii) Deferred tax		-
Total tax expense		-
Profit/(Loss) for the year		(1.90)
Other Comprehensive Income		-
Total Comprehensive Income for the year		(1.90)

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: May 18, 2019

ASM TECHNOLOGIES KK
Cash Flow Statement for the year ended March 31, 2019

(Rs. In million)

	Particulars	Current Year
(A)	**Cash flows from operating activities**	
	Profit / (loss) before tax	**(1.89)**
	Adjustment to reconcile profit before tax to net cash flows:	**-**
	Operating profit before working capital changes	**(1.89)**
	Movements in working capital :	
	Increase/ (decrease) in trade payables	**1.51**
	Cash generated from /(used in) operations	**(0.38)**
	Direct taxes paid, net	**-**
	Net cash flow from/ (used in) operating activities (A)	**(0.38)**
(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)	**0.25**
(E)	Cash and cash equivalents at the beginning of the year	**-**
(F)	**Cash and cash equivalents at the end of the year**	**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: May 18, 2019

ASM TECHNOLOGIES KK
Notes to Financial Statement for the year ended March 31, 2019

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
Statement of Changes in Equity for the year ended March 31, 2019

a. Equity Share Capital

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

b. Other Equity

Particulars	Foreign Currency Translation Reserve	Retained earnings	Total
Profit/(loss) for the year	0.02	(1.90)	(1.88)
Dividend declared during the year	-	-	-
Other Comprehensive income	-	-	-
As at March 31, 2019	**0.02**	**(1.90)**	**(1.88)**

ASM TECHNOLOGIES KK
Notes to Financial Statement for the year ended March 31, 2019

4 Financial Assets

Particulars	As at March 31, 2019 Rs. In Millions
Cash and Cash Equivalents	
i) Balance with Banks	
- On current accounts	0.25
Total	**0.25**

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

Particulars	As at March 31, 2019 Rs. In Millions
Authorised	
10,000 Equity shares of Rs 62.51 each	0.63
Issued, Subscribed & Paid up	
10,000 equity shares of Rs 62.51 each	0.63
Total issued, subscribed and fully paid-up share capital	**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, 2019	
	Nos.	Rs. In Millions
At the beginning of the year		
Add:-Issued during the year	10,000	0.63
Outstanding at the end of the year	**10,000**	**0.63**

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

Particulars	As at March 31, 2019	
	Nos.	% holding in class
ASM Technologies Limited	10,000	100.00%
	10,000	**100.00%**

6 Other Equity

Particulars	March 31, 2019 Rs. in Millions
a) Foreign Currency Translation Reserve	
Opening balance	-
Add:- Addition during year	0.02
Closing at end of year	0.02
b) Retained Earning	
Opening balance	-
Add:- Addition during year	(1.90)
Closing at end of year	(1.90)
Closing at end of year	**(1.88)**

7 Financial liabilities:-

a) Trade Payables

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

8 Other Expenses

Particulars	Current Year Rs. In Millions
Bank Charges	0.00
Legal and Professional Charges	1.45
Reimbursement of Expenses	0.45
Total	**1.90**

ASM TECHNOLOGIES KK
Notes to financial statements for the year ended March 31, 2019

9 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, 2018
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, 2019
ASM Technologies Limited (Payable)	(0.63)

10 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.

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

12 The Company was incorporated during te year . Accordingly previous years figures have not been furnished.

13 Approval of Financial Statements:

The financial statements were approved for the issue by the Board of Directors on May 18, 2019.

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: May 18, 2019

PINNACLE TALENT INC
Balance Sheet as at March 31, 2019

(Rs. In Millions)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	-	-
(b) Investment Property	-	-	-
(c) Financial Assets			
(i) Loans	4	0.33	0.31
(ii) Others		-	-
(d) Deferred tax assets (net)	-	-	-
Total		**0.33**	**0.31**
(2) Current assets			
(a) Inventories		-	-
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	5	68.97	64.58
(iii) Cash and cash equivalents	6	0.72	0.57
(c) Current tax assets (Net)		-	
(d) Other current assets	7	18.97	35.86
Total		**88.66**	**101.01**
Total Assets		**88.99**	**101.32**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	8	10.40	10.40
(b) Other Equity	9	(70.40)	(63.64)
Total		**(60.00)**	**(53.24)**
LIABILITIES			
(1) Non-current liabilities			
Total		**-**	**-**
(2) Current liabilities			
(a) Financial Liabilities	10		
(i) Borrowings		-	-
(ii) Trade payables		148.57	154.17
(b) Provisions	11	0.42	0.39
(c) Current Tax Liabilities (Net)		-	-
Total		**148.99**	**154.56**
TOTAL EQUITY AND LIABILITY		**88.99**	**101.32**

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: May 18, 2019

PINNACLE TALENT INC

Statement of profit and loss for the year ended March 31, 2019

(Rs. In Millions)

Particulars	Notes	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Income			
Revenue from operations	12	30.06	30.50
Other income		-	-
Total Income (i)		**30.06**	**30.50**
Expenses			
Employee benefits expense	13	22.55	25.99
Finance costs	14	0.01	0.07
Other expenses	15	14.26	9.31
Total expenses (ii)		**36.82**	**35.37**
Profit/(Loss) before tax [(i)- (ii)]		**(6.76)**	**(4.87)**
Tax expenses			
(i) Current tax		-	-
(ii) Deferred tax		-	-
Total tax expense		-	-
Profit/(Loss) for the year		**(6.76)**	**(4.87)**
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		**(6.76)**	**(4.87)**
Earnings per equity share [nominal value of share Rs.10 (March 31, 2018: Rs.10)]			
Basic and Diluted (in Rs.)		(0.42)	(0.30)

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: May 18, 2019

PINNACLE TALENT INC.
Cash Flow Statement for the year ended March 31, 2019

(Rs. In million)

	Particulars	Current Year	Previous Year
(A)	**Cash flows from operating activities**		
	Profit / (loss) before tax	**(6.76)**	(4.87)
	Adjustment to reconcile profit before tax to net cash flows:		
	Depreciation and amortization expense	**-**	
	Finance costs	**0.01**	0.07
	Exchange Fluctuation	**-**	0.04
	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	**(6.75)**	**(4.76)**
	Movements in working capital :		
	Increase/ (decrease) in trade payables	**(5.60)**	5.67
	Decrease / (increase) in trade receivables	**(4.39)**	(11.14)
	Decrease / (increase) in other non current assets	**(0.02)**	(0.19)
	Decrease / (increase) in other current assets	**16.89**	11.18
	Increase / (decrease) in provisions	**0.03**	(0.66)
	Cash generated from /(used in) operations	**0.16**	**0.10**
	Direct taxes paid, net	**-**	
	Net cash flow from/ (used in) operating activities (A)	**0.16**	**0.10**
(B)	**Cash flows from investing activities**		
	Net cash flow from/ (used in) investing activities (B)	**-**	**-**
(C)	**Cash flows from financing activities**		
	Proceeds from long-term borrowings	**-**	
	Repayment of long-term borrowings	**-**	
	Increase/(decrease) of short-term borrowings, net	**-**	
	Interest paid	**(0.01)**	(0.07)
	Dividends paid (including tax on dividend)	**-**	
	Net cash flow from/ (used in) in financing activities (C)	**(0.01)**	**(0.07)**
(D)	Net increase/(decrease) in cash and cash equivalents (A + B + C)	**0.15**	0.03
(E)	Cash and cash equivalents at the beginning of the year	**0.57**	0.54
(F)	**Cash and cash equivalents at the end of the year**	**0.72**	**0.57**

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: May 18, 2019

PINNACLE TALENT INC
Statement of Changes in Equity for the year ended March 31, 2019

a. Equity Share Capital

Particulars	Equity Share Capital
As at April 1, 2017	**10.40**
Increase in share capital on issue	-
Effect of share based payments	-
As at March 31, 2018	**10.40**
Increase in share capital on issue	-
Effect of share based payments	-
As at March 31, 2019	**10.40**

b. Other Equity

Particulars	General Reserve	Security premium reserve	Capital Reserve	Retained earnings	Total
As at April 1, 2017	**-**	**-**	**-**	**(58.77)**	**(58.77)**
Profit/(loss) for the year	-	-	-	(4.87)	(4.87)
Dividend declared during the year	-	-	-	-	-
Other Comprehensive income	-	-	-	-	-
Net changes during the year	-	-	-	-	-
As at March 31, 2018	**-**	**-**	**-**	**(63.64)**	**(63.64)**
Profit/(loss) for the year	-	-	-	(6.76)	(6.76)
Dividend declared during the year	-	-	-	-	-
Other Comprehensive income	-	-	-	-	-
Net changes during the year	-	-	-	-	-
As at March 31, 2019	**-**	**-**	**-**	**(70.40)**	**(70.40)**

PINNACLE TALENT INC
Notes to financial statements for the year ended March 31, 2019

3. Property, Plant and Equipment (Rs. In Millions)

	Computers	Machinery & Systems	Office Equipment	Software	Total
Cost					
As at April 1, 2017	1.18	0.76	0.04	12.87	14.86
Additions	-	-			-
Disposals	-	-	-	-	-
At March 31, 2018	**1.18**	**0.76**	**0.04**	**12.87**	**14.86**
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Other Adjustments	-	-	-	-	-
At March 31, 2019	**1.18**	**0.76**	**0.04**	**12.87**	**14.86**
Depreciation/Amortisation					
As at April 1, 2017	1.18	0.76	0.04	12.87	**14.86**
Charge for the year	-	-	-	-	-
Disposals	-		-	-	-
At March 31, 2018	**1.18**	**0.76**	**0.04**	**12.87**	**14.86**
Charge for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Other Adjustment		-	-	-	-
At March 31, 2019	**1.18**	**0.76**	**0.04**	**12.87**	**14.86**
Net Block					
At March 31, 2018	-	-	-	-	-
At March 31, 2019	-	-	-	-	-

PINNACLE TALENT INC
Notes to financial statements for the year ended March 31, 2019

4 Financial Assets- Non Current Assets

Particulars	March 31, 2019 Rs. In Millions	March 31, 2018 Rs. In Millions
ii) Loans (Unsecured, considered good)		
Security deposit	0.33	0.31
Total	**0.33**	**0.31**

Financial Assets- Current Assets
5 Trade Receivables

Particulars	March 31, 2019 Rs. In Millions	March 31, 2018 Rs. In Millions
Unsecured considered good	68.97	64.58
Unsecured Considered Doubtful	-	-
	68.97	64.58
Less:- Provision for doubtful debt		
Total	**68.97**	**64.58**
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	57.51	53.83

6 Cash and Bank Balance

Particulars	March 31, 2019 Rs. In Millions	March 31, 2018 Rs. In Millions
a) Cash and cash equivalents:-		
i) Balance with Banks		
- On current accounts	0.72	0.57
- Cash in Hand		
	0.72	**0.57**
b) Other Bank Balance		
- in short term deposit	-	-
Total	**0.72**	**0.57**

7 Other Current Assets

Particulars	March 31, 2019 Rs. In Millions	March 31, 2018 Rs. In Millions
i) Prepaid Expenses	0.08	1.69
ii) Capital Advances		
iii) Advances other than capital advances		
(a) Advance to Related Parties (not considered good) (net)	18.63	34.07
(b)Advance to Employee	0.26	0.10
Total	**18.97**	**35.86**

PINNACLE TALENT INC
Notes to financial statements for the year ended March 31, 2019

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

(Rs. In Millions)

Particulars	March 31, 2019	March 31, 2018
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, 2019		March 31, 2018	
	Nos.	Rs. In Millions	Nos.	Rs. In Millions
At the beginning of the year	1,60,00,000	10.40	1,60,00,000	10.40
Add:-Issued during the year	-	-	-	-
Outstanding at the end of the year	**1,60,00,000**	**10.40**	1,60,00,000	10.40

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

Particulars	March 31, 2019		March 31, 2018	
	Nos.	% holding in class	Nos.	% holding in class
ASM Technoogies Limited	1,60,00,000	100.00%	1,60,00,000	100.00%
	1,60,00,000	**100%**	1,60,00,000	100%

PINNACLE TALENT INC
Notes to financial statements for the year ended March 31, 2019

9 Other Equity

Particulars	March 31, 2019 Rs. in Millions	March 31, 2018 Rs. in Millions
Retained Earning		
Opening balance	(63.64)	(58.77)
Add:- Addition during year	(6.76)	(4.87)
	(70.40)	(63.64)
Less:- Appropriations		
Interim dividend on equity shares	-	-
Proposed final dividend on equity shares	-	-
Tax on dividend	-	-
Transfer to Fair valuation reserve	-	-
Total	**(70.40)**	**(63.64)**
Closing at end of year	**(70.40)**	**(63.64)**

Current liabilities and provisions:-
10 Financial liabilities:-

Particulars	March 31, 2019 Rs. in Millions	March 31, 2018 Rs. in Millions
Trade Payables:-		
Due from Micro small and medium enterprise		
Others	148.57	154.17
Total	**148.57**	**154.17**

11 Provisions

Particulars	March 31, 2019 Rs. in Millions	March 31, 2018 Rs. in Millions
Provision for expenses	0.42	0.39
Total	**0.42**	**0.39**

PINNACLE TALENT INC
Notes to financial statements for the year ended March 31, 2019

12 Revenue from operations

Particular	Current Year Rs. In Millions	Previous Year Rs. In Millions
Sale of services	30.06	30.50
Total	**30.06**	**30.50**

13 Employee Benefit Expenses

Particular	Current Year Rs. In Millions	Previous Year Rs. In Millions
Salaries and wages	16.33	21.21
Staff welfare expenses	5.09	4.78
Contribution to:		
ADP Tax	1.13	-
Total	**22.55**	**25.99**

14 Finance Cost

Particular	Current Year Rs. In Millions	Previous Year Rs. In Millions
Other interest	-	0.04
Bank charges	0.01	0.03
Totall	**0.01**	**0.07**

15 Other Expenses

Particulars	Current Year Rs. In Millions	Previous Year Rs. In Millions
Business Development- Advertising	0.56	0.20
Professional Charges	1.02	0.24
Rates and Taxes	0.05	0.27
Communication expenses	1.09	1.03
Travelling Expenses	1.84	2.19
Rent	1.05	1.64
Repair and Maintenance	0.03	0.13
Exchange fluctuation Gain/loss	3.61	0.19
State Income Tax	1.06	-
Storage Rent	0.10	-
Insurance charges	2.87	2.74
Membership & subscription	0.96	0.68
Office Expenses	0.02	-
Total	**14.26**	**9.31**

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, 2019	For the year ended March 31, 2018
Sale of services		
ASM Technologies Limited	30.06	30.50

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

Particulars	March 31, 2019	March 31, 2018
ASM Technologies Limited- Receivable	11.46	10.75
ASM Technologies Limited (Payable)	(135.86)	(152.82)
Net Amount (Payable)	(124.40)	(142.07)
ESR Associates-Receivable	57.51	53.83

iii) Key Managerial Personnel:

Particulars	Relationship	March 31, 2019	March 31, 2018
Rabindra Srikantan	Director	4.02	3.90
Sundar Ramanathan	Key Managerial Personnel	12.31	17.02

*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, 2019

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. 30.06 Millions (Previous year Rs. 30.50 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 May 18, 2019.

21 Previous year figures have been regrouped wherever necessary to conform with current year presentation.

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: May 18, 2019

RV Forms and Gears LLP
LLPIN: AAM-6918
Balance sheet as at March 31, 2019

Particulars	Notes	As at March 31, 2019
ASSETS		
Non-current assets :		
Property, plant and equipment	3	4.40
Other Intangible assets	4	43.47
Product Under Development	-	2.85
Deferred tax assets (net)	5	-
		50.72
Current assets :		
Inventories	6	24.85
Financial assets		
Trade receivables	7	19.47
Cash and cash equivalent	8	2.47
Other current financial assets	9	29.55
Other Current Assets	10	2.71
		79.05
Total assets		**129.77**
EQUITY AND LIABILITIES		
Capital:		
Partner's Capital	11	18.10
Current Account	12	31.91
Total Capital		**50.01**
Non-current liabilities :		
Long term provisions	13	0.68
Deferred tax liabilities (net)	5	0.78
		1.46
Current liabilities :		
Financial Liabilities		
Borrowings		38.16
Trade payables	14	18.42
Other current liabilities	16	18.72
Provisions	17	3.00
		78.30
Total equity and liabilities		**129.77**

In accordance with our report of attached

For B K Ramadhyani & Co. LLP
Chartered Accountants

For and on behalf of RV Forms & Gears LLP

(CA Deepak C R)
Partner
Membership No.: 215398
Place: Bengaluru
Date: May 18, 2019

Rabindra Srikantan
Nominee of ASM Technologies Limited
DPIN: 00024584

Reji Varghese
Partner
DPIN: 08099673

RV Forms and Gears LLP
LLPIN: AAM-6918
Statement of Profit and Loss for the period ended March 31, 2019

Particulars	Notes	Current Year
Income:		
Revenue from operations	18	108.42
Other income	19	0.55
Total income		**108.97**
Expenses:		
Cost of raw material and components consumed	20	78.54
Changes in Inventory	21	(24.85)
Finance Cost	22	0.72
Employee benefits expense	23	17.06
Depreciation and amortization expense	3 & 4	2.30
Other expenses	24	32.69
Total expense		**106.46**
Profit before share of profit of an associate and a joint venture, exceptional items and tax		**2.50**
Share of (profit)/loss of an associate and a joint venture		-
Profit before tax		**2.50**
Tax Expense:		
(1) Current tax		-
(2) Adjustment of tax relating to earlier periods		-
(3) Deferred tax		0.78
Current Tax Liability(Net)		**0.78**
Profit for the year		**1.72**
Other comprehensive income		
Re-measurement gains/ (losses) on defined benefit plans		-
Income tax effect		-
		-
Total comprehensive income for the year, net of tax attributable to Partners		**1.72**
Attributable to Partners:		
ASM Technologies Ltd		1.21
Reji Varghese		0.52
Susan Varghese		0.00

In accordance with our report of attached

For B K Ramadhyani & Co. LLP
Chartered Accountants

(CA Deepak C R)

Partner
Membership No.: 215398
Place: Bengaluru
Date: May 18, 2019

For and on behalf of RV Forms & Gears LLP

Rabindra Srikantan
Nominee of ASM Technologies Limited
DPIN: 00024584

Reji Varghese
Partner
DPIN: 08099673

RV Forms and Gears LLP
Statement of Cash Flows

Particulars	Current Year 31-Mar-19
Operating activities	
Profit before tax from continuing operations	2.50
Profit/(loss) before tax from discontinued operations	
Profit before tax	**2.50**
Adjustments to reconcile profit before tax to net cash flows:	
Depreciation and impairment of property, plant and equipment	0.47
Amortization and impairment of intangible assets	1.83
Working capital adjustments:	
Movements in provisions, gratuity and other provisions	3.69
(Increase)/ Decrease in trade and other receivables and prepayments	(51.73)
(Increase)/Decrease in inventories	(24.85)
Increase/(Decrease) in trade and other payables	37.14
	(30.94)
Income tax paid	-
Net cash flows from operating activities	**(30.94)**
Investing activities	
Purchase of property, plant and equipment	(53.03)
Net cash flows used in investing activities	**(53.03)**
Financing activities	
Capital Contribution	18.10
Advances from partners of the firm	55.82
Paid to partners of the firm	(25.64)
Proceeds from short term borrowings	38.16
Net cash flows from/(used in) financing activities	**86.44**
Net increase in cash and cash equivalents	2.47
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at year end	**2.47**

In accordance with our report of attached

For B K Ramadhyani & Co. LLP
Chartered Accountants

(CA Deepak C R)

Partner
Membership No.: 215398
Place: Bengaluru
Date: May 18, 2019

For and on behalf of RV Forms & Gears LLP

Rabindra Srikantan
Nominee of ASM Technologies Limited
DPIN: 00024584

Reji Varghese
Partner
DPIN: 08099673

1 BACKGROUND:

RV Forms and Gears LLP ("the Firm") was incorporated as a limited liability partnership, the firm was incorporated on May 05,2018 and started its operations from July 05,2018. The Firm carries on the business of manufacturing of jigs, fixtures, welding jigs, machinery center fixtures, assembly fixtures and gauges etc. The Firm is a subsidiary of ASM Limited.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of Preparation:

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.

2.2 Summary of significant accounting policies:

a) Use of estimates:

The preparation of financial statements in conformity with Ind AS requires the 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 the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Any revision to accounting estimates is recognized prospectively.

b) Current versus non-current classification:

the Firm 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 purpose 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 treated as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose 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.

Defferred tax assets/ liabilities are classified as non-current assets/ liabilities.

c) Property, Plant and Equipment:

(i) Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

(ii) Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Firm depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in income statement as and when incurred.

(iii) Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the income statement for the period during which such expenses are incurred.

(iv) An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is de-recognized.

(v) Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the income statement.

(vi) Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

(vii) Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

e) Depreciation:

Depreciation is calculated on straight line method using the following useful lives estimated by the management, as specified in Schedule II to the Companies Act, 2013 or estimated useful life which is as under:

Nature of Asset	**Useful life**
Plant & Machinery	12 years
Intellectual Property	10 years
Computers & Software	2 Years
Furniture & Fittings	7 years

f) Intangible Asset:

(i) Intangible Assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors(such as stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The cost which can be capitalized include the cost of material, direct labour, Overhead costs that are directly attributable to preparing the asset for its intended use.

g) Impairment :

1) *Financial Asset:*

the Firm 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 Firm 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.

2) *Non-financial asset:*

the Firm assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Firm estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

h) Leases:

Where the Firm is Lessee:

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 recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Firm is Lessor:

Lease income from operating lease is recognized on a straight-line basis over the term of the relevant lease including lease income on fair value of refundable security deposits, unless the lease agreement explicitly states that increase is on account of inflation. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

i) Inventories:

Inventories are valued at cost determined on weighted average basis or net realizable values whichever is lower.

j) Revenue Recognition:

Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The Company collects taxes such as goods and service tax etc on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from the aforesaid revenue/ income.

The following specific recognition criteria must also be met before revenue is recognized:

(i) Sale of Goods:

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

(i) - The Company has transferred to the buyer the significant risks and rewards of ownership of goods;

- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

(ii) Income from services is recognised on rendering of services.

(ii) Interest is accounted as per effective interest method.

k) Employee Benefits:

(i) Short term employee benefits:

The employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, leave travel allowance, short term compensated absences etc. and the expected cost of bonus are recognised in the period in which the employee renders the related service.

(ii) Long term employee benefits:

(a) Defined Contribution Plans:

the Firm has contributed to state governed provident fund scheme, employee's state insurance scheme and employee pension scheme which are defined contribution plans. The contribution paid/ payable under the schemes is recognised during the period in which employee renders the related service.

(b) Defined Benefit Plans:

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. the Firm recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Firm recognizes re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. the Firm measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

the Firm treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method, made at the end of each financial year. Actuarial gains/losses are immediately taken to the statement of profit and loss. the Firm presents the accumulated leave liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

l) Income Taxes:

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 the statement of profit and 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.

i) Current Income Tax:

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

ii) Deferred Income Tax:

Deferred income tax is recognised using the balance sheet approach, deferred 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.

m) Segment reporting:

i) Indentification of segments:

the Firm's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Firm operate.

ii) Unallocated items

Unallocated items include general corporate asset, liability, income and expense items which are not allocated to any business segment.

iii) Segment accounting policies

the Firm prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Firm as a whole.

n) Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Provisions and Contingent liabilities:

A provision is recognized when the Firm has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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 recognized as a finance cost.

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 Firm 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 Firm does not recognize a contingent liability but discloses its existence in the financial statements.

p) Financial Instruments:

Financial assets and liabilities are recognized when the Firm 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.

i) Cash & Cash equivalents:

the Firm 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 assets at fair value through other comprehensive income:

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

iv) Financial assets at fair value through profit or loss:

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

v) 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 or 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.

vi) De-recognition of financial instruments:

the Firm derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

vii) Fair value of financial instruments:

In determining the fair value of its financial instruments, the Firm 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 Firm 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.

2.3 Significant accounting judgements, estimates and assumptions:

The preparation of the Firm'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 Firm'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 Firm 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 Firm. Such changes are reflected in the assumptions when they occur.

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 India, the management considers the interest rates of government bonds

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates and expected salary increase thereon.

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Notes forming part of financial statements

3 **Property, Plant and Equipment**

Particulars	Plant & Machinery	Computers	Furniture & Fittings	Total
Cost	**-**	**-**	**-**	**-**
Additions	2.39	1.35	1.13	4.87
Disposals	-	-	-	-
At March 31, 2019	**2.39**	**1.35**	**1.13**	**4.87**
Depreciation	**-**	**-**	**-**	**-**
Charge for the period	0.11	0.25	0.11	0.47
Disposals	-	-	-	
At March 31, 2019	**0.11**	**0.25**	**0.11**	**0.47**
Net book value				
As at March 31, 2019	**2.28**	**1.09**	**1.02**	**4.40**

4 **Intangible Assets:**

Particulars	Goodwill	Intellectual Property	Total
Cost			
Additions	20.35	24.95	45.30
Disposals	-	-	
At March 31, 2019	**20.35**	**24.95**	**45.30**
Amortization			
Charge for the period	-	1.83	1.83
Disposals	-	-	-
At March 31, 2019	**-**	**1.83**	**1.83**
Net book value			
As at March 31, 2019	**20.35**	**23.12**	**43.47**

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Notes forming part of financial statements

5	Income Tax	March 31, 2019 Rs.
	a) Deferred tax	
	Deferred tax liabilities	
	Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	3.05
	Others	-
	Gross deferred tax liabilities	***3.05***
	Deferred tax assets	
	Impact on difference in depreciation between books and income tax	-
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years	0.47
	Impact on Unabsorbed Depreciation	1.80
	Gross deferred tax assets	***2.27***
	Net deferred tax assets/ (liability)	**(0.78)**

6	Inventories	March 31, 2019 Rs.
	Work In Progress	24.85
		24.85

7	Trade receivables	March 31, 2019 Rs.
	Unsecured and considered good	19.47
		19.47

8	Cash and cash equivalents	March 31, 2019 Rs.
	Cash on hand	0.09
	Balance with banks in current accounts	2.38
		2.47

9	Other current financial assets	March 31, 2019 Rs.
	Security deposit	29.55
		29.55

RV Forms and Gears LLP
Notes forming part of financial statements

10 **Other Current Assets**	**March 31, 2019 Rs.**
Advance to Suppliers	0.62
Prepaid expenses	0.23
Others	1.86
	2.71

DETAILS OF PARTNERS CAPITAL ACCOUNT	**March 31, 2019 Rs.**
11 **ASM Technologies Ltd**	
Opening Balance	-
Add: Additions during the year	18.00
Less: Payment during the Year	-
Closing Balance	**18.00**
Reji Varghese	
Opening Balance	-
Add: Additions during the year	0.08
Less: Payment during the Year	-
Closing Balance	**0.08**
Susan Varghese	
Opening Balance	-
Add: Additions during the year	0.02
Less: Payment during the Year	-
Closing Balance	**0.02**
Total	**18.10**

DETAILS OF PARTNERS CURRENT ACCOUNT	**March 31, 2019 Rs.**
12 **ASM Technologies Ltd**	
Opening Balance	-
Add: Profit for the year	1.21
Add: Additions during the year	24.89
Less: Payment during the Year	(3.00)
Closing Balance	**23.10**
Reji Varghese	
Opening Balance	-
Add: Profit for the year	0.52
Add: Additions during the year	30.94
Less: Payment during the Year	(22.64)
Closing Balance	**8.81**
Susan Varghese	
Opening Balance	
Add: Additions during the year	
Add: Profit for the year	0.00
Less: Payment during the Year	
Closing Balance	**0.00**
Total	**31.91**

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Notes forming part of financial statements

13 Long Term Provisions	March 31, 2019 Rs.
Provision for Gratuity- Non Current	0.68
Total	**0.68**

14 Short Term Borrowings	Rs.
Secured Loan:	
Demand loan from Bank	38.16
	38.16

Details of security for secured loans from banks:

a. Hypothecation charge on Receivables and stocks of the company.

b. Further lien is created on the fixed deposits of Rs. 1.50 crores held by the Holding Company ("ASM Technologies Limited").

c. Loan carries at an interest of MCLR+4% per annum

Interest Rate:

Cash credit facility from State Bank of India repayable on demand and carries an interest rate of MCLR + 4%

15 Trade payables	March 31, 2019 Rs.
Sundry Creditors	18.42
	18.42

a. Includes amount payable to holding company (ASM Technologies Limited) amounting to Rs. 28,51,465

b. The firm is in the process of obtaining confirmation from its suppliers regarding their registration under the Micro Small and Medium Enterprises Act,2006. The suppliers are registered wherever confirmations are received . In other cases , the Company is not aware of their registration. Hence, based on the information available outstanding balance is reported as Nil and relied upon by auditors.

16 Other current liabilities	March 31, 2019 Rs.
Accrued expenses	0.19
Statutory liabilities	2.22
Advance from customers	14.92
Deferred Revenue- Ind AS	1.39
	18.72

17 Provisions	March 31, 2019 Rs.
Provision for employee benefits	2.20
Provision for Gratuity- Current	0.80
	3.00

RV Forms and Gears LLP
Notes forming part of financial statements

18	**Revenue from operations**	**March 31, 2019**
		Rs.
	Sale of Fixtures	
	-Interstate	103.72
	-Local	4.38
	Scrap Sales	0.32
		108.42

19	**Other income**	**March 31, 2019**
		Rs.
	Freight Charges	0.06
	Packing Charges	0.24
	Service Charges	0.04
	Exchange Fluctutation	0.21
		0.55

20	**Cost of raw material and components consumed**	**March 31, 2019**
		Rs.
	Import Purchases	24.79
	Interstate Purchases	8.79
	Local Purchases	44.96
		78.54

21	**Changes in Inventory**	**March 31, 2019**
		Rs.
	Closing Inventory	(24.85)
	Net change	**(24.85)**

22	**Finance Cost**	**March 31, 2019**
		Rs.
	Bank Interest	0.72
		0.72

23	**Employee benefits expense**	**March 31, 2019**
		Rs.
	Salaries, wages & other allowances	11.65
	Contribution to provident & other funds	0.98
	Staff welfare expenses	2.94
	Gratuity	1.49
		17.06

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Notes forming part of financial statements

24 Other expenses	**March 31, 2019**
	Rs.
Power & fuel	1.00
Clearing & Forwarding Charges	0.66
Freight	0.88
Bank Charges	0.33
Repairs & Maintainance	1.56
Insurance	0.51
Rent	2.21
Audit fees	0.13
Professional charges	10.89
Selling expenses	0.23
Security & Housekeeping expenses	0.22
Contract Labour Charges	7.09
Packing Charges	0.46
Communication expenses	0.16
Printing & Stationery	0.33
Conveyance	0.25
Licence and Renewal	0.50
Transportation Charges	3.99
Miscellaneous Expenses	1.29
	32.69

RV Forms and Gears LLP
Notes to Financial Statement

21 Related Party Disclosure:

a) List of Related Parties;

Sl No.	Name of the Related Parties	Nature of Relation Ship
1	ASM Technologies Ltd	Holding Company
2	Reji Varghese	Designated Partner
3	Susan Varghese	Partner
4	Rabindra Srikantan	Key Managerial Personnel ("KMP")

b) Transactions with related parties:

Particulars	Relationship	Current Year
Capital Contribution - ASM Technolgies Limited	Holding Company	18.00
Capital Contribution - Reji Varghese	Designated Partner	0.08
Capital Contribution - Susan Varghese	Partner	0.02
Engineering Services received from ASM Technoligies Limited	Holding Company	5.51
Rent paid to Reji Varghese	Designated Partner	2.25
Engineering Services received from Reji Varghese	Designated Partner	2.21

c) Balance outstanding at the end of the year:

Particulars	Relationship	As at March 31, 2019
Balance due to Reji Varghese	Designated Partner	0.27
Balance due from Reji Varghese- rent advance	Designated Partner	1.50
Balance due to ASM Technologies Ltd (including capital)	Holding Company	41.10

22 (ii) The Firm has entered into operating lease agreement with Reji Varghese for office premises that is renewable on a periodic basis, and cancelable at its option. Rental expenses for operating leases included in the financial statements for the year are Rs. 2.2 Millions

23 Confirmation of balance from sundry debtors, with whom the Firm has transactions and creditors have been called for and awaited. The Firm does not expect to have any material effect on the operating results pending receipt of confirmation of balance and reconciliation with the books of account.

24 Segment Information:

i) Managing Partner of the Firm has been identified as the Chief Operating Decision Maker ("CODM") as defined in Ind AS 108, Operating Segments. The Firm is engaged in the business of selling of machine fixtures. The CODM reviewes the performance of the Firm as one entity. Accordingly, the Firm has not identified any different segments. The Firm has earned Rs. 10.84 Millions from the business of selling of fixtures.

ii) The Firm operates only in India, hence no geographical segments has been disclosed.

(All amounts in Indian Rupees except as otherwise stated)

25 Gratuity and other post-employment benefits

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to gratuity of 15 days salary (last drawn salary) for each completed year of service. The scheme is not funded.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the gratuity plan:

Statement of Profit and Loss
Net employee benefit expenses recognised in the employee cost:

Particulars	March 31, 2019 Rs.
Current service cost	5.32
Past service cost	-
Interest cost	-
Net Benefit Expense	**5.32**

Balance Sheet
Benefit Asset/ Liability:

Particulars	March 31, 2019 Rs.
Present value of defined benefit obligation	5.32
Fair value of plan assets	(3.83)
Plan asset/(liability)	**1.49**

Changes in the fair value of defined benefit obligation are as follows:

Particulars	March 31, 2019 Rs.
Opening defined benefit obligation	-
Current service cost	5.32
Past service cost	-
Interest cost	-
Liability transferred out/divestments	-
Benefits paid directly by employer	-
Remeasurements	-
Actuarial loss/(gain) from changes in demographic assumptions	-
Actuarial loss/(gain) from changes in financial assumptions	-
Actuarial loss/(gain) from experience over the past period	-
Closing defined benefit obligation	**5.32**

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Particulars	March 31, 2019
Discount rate	7.54%
Employee turnover rate	5.00%
Salary escalation rate	7.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Sensitivity Analysis of significant actuarial assumptions

Particulars		March 31, 2019
Discount rate	Increases 1%	(0.34)
	Decreases 1%	0.39
Employee turnover	Increases 1%	0.01
	Decreases 1%	(0.01)
Salary escalation rate	Increases 1%	0.39
	Decreases 1%	(0.35)

Description of funding arrangements and funding policy that affect future contributions
The plan is unfunded and the status is unlikely to change over the next few years.

Maturity profile

Projected Benefits Payable in Future Years From the Date of Reporting	March 31, 2019
1st following year	0.39
2nd following year	0.69
3rd following year	0.28
4th following year	0.36
5th following year	0.76
Sum of years 6 to 10	2.72

26 The firm was incorporated on May 05,2018 and started its operations from July 05,2018. Accordingly previous years figures have not been furnished.

In accordance with our report of attached		
For B K Ramadhyani & Co. LLP	**For and on behalf of RV Forms & Gears LLP**	
Chartered Accountants		
(CA Deepak C R)	Rabindra Srikantan	Reji Varghese
Partner	Nominee of ASM Technologies Ltd	Designated partner
Membership No.: 215398	DPIN:00024584	DPIN:08099673
Place: Bengaluru		
Date: May 18, 2019		

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

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

CONTENTS	PAGE

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

The directors are pleased to present their statement to the members together with the audited financial statements of Advanced Synergic Pte Ltd (the "Company") for the financial year ended 31 March 2019.

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 2019 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 financial support from the creditors, 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 has 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: May18, 2019

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

Report on the Financial Statements

Opinion

We have audited the financial statements of Advanced Synergic Pte Ltd (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company 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 2019 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 2019, the Company reported a net loss of S$ 62,964 (2018: S$ 712,876) for the financial year ended 31 March 2019 and as of that date, the Company's current liabilities exceeded current assets by S$ 458,549 (2018: S$ 341,157) and the Company's total liabilities exceeded total assets by S$ 404,119 (2018: S$ 341,155). 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.

• 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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 : May 18, 2019

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 S$	2018 S$
ASSETS			
Non-current assets			
Plant and equipment	6	2	2
Investment in subsidiaries	7	-	-
Financial assets through profit or loss	8	54,428	-
		54,430	**2**
Current assets			
Cash and cash equivalents	9	62,994	108,793
Trade and other receivables	10	51,185	417,676
		114,179	**526,469**
Total assets		**168,609**	**526,471**
LIABILITIES			
Current liabilities			
Loans and borrowings	11	364,491	689,136
Trade and other payables	12	208,237	178,490
Provision for taxation	13	-	-
		572,728	**867,626**
NET (LIABILITIES)		**(404,119)**	**(341,155)**
EQUITY			
Share capital	14	1,000,000	1,000,000
Reserves		(1,404,119)	(1,341,155)
TOTAL EQUITY		**(404,119)**	**(341,155)**

(The annexed notes form an integral part of and should be read in conjunction with these accompanying financial statements.)

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019	2018
		S$	S$
Revenue: Service income	4	348,186	1,417,128
		348,186	**1,417,128**
Costs of services			
Staff costs	4a	337,348	1,034,083
Technical consultancy charges		-	370,915
		337,348	**1,404,998**
Gross profit		**10,838**	**12,130**
Other income			
Exchange gain		-	42,407
Miscellaneous income		-	217
Job credit income		310	1,203
		310	**43,827**
Expenses			
Administrative and other operating expenses		(74,112)	(762,885)
(Loss) before tax	5	**(62,964)**	**(706,928)**
Income tax expense	13	-	(5,948)
(Loss) for the year, representing total comprehensive income for the year		**(62,964)**	**(712,876)**

(The annexed notes form an integral part of and should be read in conjunction with these accompanying financial statements.)

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Share capital S$	Accumulated (losses) S$	Total S$
At 1 April 2017	**1,000,000**	**(628,279)**	**371,721**
(Loss) for the year, representing total comprehensive income for the year	-	(712,876)	(712,876)
At 31 March 2018 and 1 April 2018	**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)**

(The annexed notes form an integral part of and should be read in conjunction with these accompanying financial statements.)

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 S$	2018 S$
Cash flows from operating activities			
(Loss) before tax		(62,964)	(706,928)
Adjustments for:			
Bad debts written off on other receivables		-	553,872
Impairment provision on investment	7	-	145,050
		(62,964)	**(8,006)**
Change in working capital:			
Trade and other receivables		366,491	466,404
Trade and other payables		29,747	(90,686)
Cash generated from operations		**333,274**	**367,712**
Income tax paid (net of refund)		-	(141,597)
Net cash flows generated from operating activities		**333,274**	**226,515**
Cash flows from investing activities			
Financial asset through profit or loss		(54,428)	-
Net cash flows (used in) investing activities		**(54,428)**	**-**
Cash flows from financing activities			
Repayment of borrowings		(324,645)	(280,343)
Net cash flows (used in) financing activities		**(324,645)**	**(280,343)**
Net (decrease) in cash and cash equivalents		(45,799)	(54,228)
Cash and cash equivalents at beginning of the year		108,793	163,021
Cash and cash equivalents at end of the year	9	**62,994**	**108,793**

(The annexed notes form an integral part of and should be read in conjunction with these accompanying financial statements.)

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

1. GENERAL INFORMATION

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

The Company's registered office & principal place of business is located at 8, Jurong Town Hall Road, # 24-05, The JTC Summit, Singapore – 609434.

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 LTD.**, 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 Singapore Financial Reporting Standards ("FRS"). 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$ 62,964 (2018: S$ 712,876) for the financial year ended 31 March 2019 and as of that date, the Company's current liabilities exceeded its current assets by S$ 458,549 (2018: S$ 341,157) and the total liabilities exceeds total assets by S$ 404,119 (2018: S$ 341,155). 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. Notwithstanding the above, these financial statements have been prepared on a going concern on the basis of letter of undertaking of financial support from the creditors to procure the necessary finance and support for a period of not less than twelve months from the end of the reporting date. The Company is able to generate sufficient cash flows from its operations to meet its current and future obligations.

2.2 Adoption of new and revised standards

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 revised standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2018 Except for the adoption of FRS 109 Financial instruments and FRS 115 Revenue from Contracts with Customers described below the adoption of these standards did not have any material effect on the financial performance or position of the Company.

<u>FRS 109 Financial Instruments</u>

FRS 109 replaces FRS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 April 2018, bringing together all three aspects of the accounting for financial instruments; classification and measurement; impairment and hedging accounting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

2.2 Adoption of new and revised standards cont'd...

The Company applied FRS 109 retrospectively, with an initial application date of 1 April 2018. The Company has not restated comparative information which continues to be reported under FRS 39 and the disclosure requirements of FRS 107 Financial Instruments: Disclosures relating to items within the scope of FRS 39. The impact arising from FRS 109 adoption was included in the opening retained earnings and other components of equity at the date of initial application.

(i) Classification and measurement

Under FRS 109, debt instruments are subsequently measured either at fair value through profit or loss (FVPL), amortised cost or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Company's business model was made as of the date of initial application, 1 January 2018. The assessment of whether contractual cash flows on debt instruments solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of FRS 109 did not have a significant impact to the Company. The Company continued measuring at fair value all financial assets previously held at fair value under FRS 39. The following are the changes in the classification and measurement of the Company's financial assets:

Trade and other receivables as at 31 March 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These were classified and measured as debt instruments at amortised cost beginning 1 April 2018.

The Company has not designated any financial liabilities at FVPL. There are no changes in classification and measurement for the Company's financial liabilities.

In summary, upon the adoption of FRS 109, the Company had the following required or elected reclassifications as at 1 January 2018:

		FRS 109 measurement category		
		FVPL	FVOCI	Amortised cost
FRS 39 measurement category	**US$**	**US$**	**US$**	**US$**
Loans and receivables				
Trade receivables	121,713	-	-	121,713
Other receivables	295,963	-	-	295,963
				417,676

(ii) Impairment

The adoption of FRS 109 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing FRS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. FRS 109 requires the Company to recognise an allowance for ECLs for all debt instruments not held at FVPL.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

2.2 Adoption of new and revised standards cont'd...

Upon adoption of FRS 109, the Company assessed that there is no material allowance for credit losses required to be made as at 1 April 2018 on the trade and other receivables.

FRS 115 Revenue from Contracts with Customers

FRS 115 supersedes FRS 11 Construction Contracts, FRS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. FRS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflect the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

FRS 115 requires entities to exercise judgement, taking into consideration all of the relevant and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contact. In addition, the standard requires extensive disclosures.

The Company adopted FRS 115 using the modified retrospective method of adoption with the date of initial application of 1 January 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2018.

The cumulative effect of initially applying FRS 115 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings.

The Company assessed that the adoption of FRS 115 did not have a material impact on the Company and have no adjustments were made in the opening balance.

2.3 Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are issued but not yet effective for annual periods beginning on or after 1 January 2018, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards.

Description	Effective for annual periods beginning on or after
FRS 116 Leases	01-Jan-19
INT FRS 123 Uncertainty over Income Tax Treatments	01-Jan-19
Amendments to FRS 109 Prepayment Features with Negative Compensation	01-Jan-19
Amendments to FRS 28 Long-Term Interests in Associates and Joint Ventures	01-Jan-19
Annual Improvements to FRSs (March 2018)	01-Jan-19
Amendments to FRS 110 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 period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 is described below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on the statement of financial position. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. FRS 116 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The directors also expect that the adoption of FRS 116 leases will have no material impact on the financial statements beginning the period of 1 April 2019.

2.4 Revenue recognition

These accounting policies are applied on and after the initial application date of FRS 115, 1 January 2018:

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.

These accounting policies are applied before the initial application date of FRS 115, 1January 2018:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Service income

Revenue from services rendered is recognised on percentage completion method.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

2.5 Foreign currency transactions and balances cont'd...

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.

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 carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

2.8 Financial instruments

These accounting policies are applied on and after the initial application date of FRS 109, 1 January 2018:

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

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.

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.

These accounting policies are applied before the initial application date of FRS 109, 1 January 2018.

a) Financial assets

Initial recognition and measurement

Financial assets 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 assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables comprise due from related parties, trade and other receivables, and cash and cash equivalents.

Cash and cash equivalents comprise cash at banks.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

2.8 Financial instruments cont'd....

a) Financial assets cont'd...

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 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.

Such financial liabilities comprise trade and other payables, due to related parties and loans and borrowings.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.9 Impairment of financial assets

These accounting policies are applied on and after the initial application date of FRS 109, 1 January 2018:

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

2.9 Impairment of financial assets cont'd...

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.

These accounting policies are applied before the initial application date of FRS 109, 1 January 2018:

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D...

2.9 Impairment of financial assets cont'd...

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D...

2.13 Taxes cont'd...

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 are recognised for all deductible temporary differences, the 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 utilised.

Deferred tax asset is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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.

c) Sales tax

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

Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax 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 sales tax included.

The net amount of sales tax 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D...

2.15 Operating leases as lessee

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.

2.16 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 party is considered to be related to the Company if:-

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

(i) has control or joint control of the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company.

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

(i) The entity and the Company 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 Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(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 Company or to the parent of the Company.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D...

2.18 Investments in subsidiaries cont'd...

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.

Consolidated financial statements are prepared and published for public use by the Company's ultimate holding company, ASM Technologies Ltd, a company incorporated in India. Therefore, the Company is exempted from preparing consolidated financial statements.

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.

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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Provision for expected credit losses of trade and other receivables cont'd...

The carrying amount of the Company's trade and other receivables as at 31 March 2019 was S$44,153 (2018: S$412,719).

4. SERVICE INCOME

	2019	2018
	S$	S$
Timing of transfer of goods or services		
Sale of services-Point in time	348,186	1,417,128
	348,186	**1,417,128**

4a. STAFF COSTS

	2019	2018
	S$	S$
Staff salaries & bonus	305,823	919,519
Staff allowance	25,032	94,527
Employer Central Provident Fund	2,040	18,528
Others	4,453	1,509
	337,348	**1,034,083**

5. (LOSS) BEFORE TAX

(Loss) before tax has been arrived after charging:

	2019	2018
	S$	S$
Rent	8,385	9,262
Professional fees	24,428	20,000
Impairment provision on subsidiary investment`	-	145,050
Bad debts written off (non-trade)	-	553,872
Exchange loss non-trade	11,972	-

6. PLANT AND EQUIPMENT

2019	Computers & accessories	Office Equipment	Total
At cost	**S$**	**S$**	**S$**
At beginning of the year	87,595	2,062	89,657
Additions	-	-	-
At end of year	**87,595**	**2,062**	**89,657**
Accumulated depreciation			
At beginning of the year	87,594	2,061	89,655
Charge for the year	-	-	-
At end of year	**87,594**	**2,061**	**89,655**
Net carrying value at the end of the year	**1**	**1**	**2**

6. PLANT AND EQUIPMENT CONT'D...

2018	Computers & accessories	Office Equipment	Total
At cost	**S$**	**S$**	**S$**
At beginning of the year	87,595	2,062	89,657
Additions	-	-	-
At end of year	**87,595**	**2,062**	**89,657**
Accumulated depreciation			
At beginning of the year	87,594	2,061	89,655
Charge for the year	-	-	-
At end of year	**87,594**	**2,061**	**89,655**
Net carrying value at the end of the year	**1**	**1**	**2**

7. INVESTMENT IN SUBSIDIARIES

	2019	2018
	S$	S$
Unquoted shares at cost	145,050	145,050
Impairment provision on investment	(145,050)	(145,050)
	-	-

Particulars of the Subsidiary are as follows:

Subsidiary	Principal Activities	Country of Incorporation	Effective Percentage of equity held		Cost of Investment	
			2019	2018	2019	2018
			%	%	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

	2019	2018
	S$	S$
Beginning of financial year	145,050	-
Current year provision	-	145,050
	145,050	**145,050**

8. FINANCIAL ASSET THROUGH PROFIT OR LOSS

	2019	2018
Financial instruments as at 31 March 2019	S$	S$
At fair value through profit or loss	54,428	-
	54,428	**-**

9. CASH AND CASH EQUIVALENTS

	2019	2018
	S$	S$
Cash at bank	62,994	108,793

Cash and cash equivalents are denominated the following currencies:

	2019	2018
	S$	S$
United States dollars	3,310	3,674
Singapore dollars	59,684	105,119
	62,994	**108,793**

10. TRADE AND OTHER RECEIVABLES

	2019	2018
	S$	S$
Trade Receivables		
Non-related parties	42,601	119,317
Due from holding company*	-	2,396
	42,601	**121,713**
Other Receivables (current)		
Deposits	1,552	1,552
Amount due from sale of a subsidiary and EAS business ^	-	289,454
Prepaid expenses	7,032	4,957
	8,584	**295,963**
Total trade and other receivables	**51,185**	**417,676**

Due from holding company is interest-free, unsecured and is receivable on demand.

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.

There is no other class of financial asset that is past due and/or impaired except for trade receivables.

Receivables that are past due but not impaired

The Company has trade receivables amounting to S$ 26,187 (2018: S$ 44,906) 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:-

10. TRADE AND OTHER RECEIVABLES CONT'D...

	2019	2018
	S$	S$
0-30 days	18,066	20,709
31-60 days	8,121	16,159
61-90 days	-	8,038
	26,187	**44,906**

There were no trade receivables that were impaired as at 31 March 2019 and 2018

Expected credit losses

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 the following currencies

	2019	2018
	S$	S$
United States dollars	-	291,850
Singapore dollars	51,185	125,826
	51,185	**417,676**

11. LOANS AND BORROWINGS

	2019	2018
Term Loan	S$	S$
Related party **	364,491	689,136
	364,491	**689,136**

Related party loans are unsecured, interest free and are repayable within 12 months.

These loans are denominated in United States Dollars

12. TRADE AND OTHER PAYABLES

	2019	2018
Trade payables	S$	S$
GST Payable	3,146	14,117
	3,146	**14,117**
Other Payables		
Other creditors	2,141	12,400
Due to holding company	132,289	132,289
Salaries payable	-	3,600
Accrued liabilities	17,530	16,084
Due to a related company	53,131	-
	208,237	**178,490**

12. TRADE AND OTHER PAYABLES CONT'D...

Due to a 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

	2019	2018
	S$	S$
United States dollars	53,131	-
Singapore dollars	155,106	178,490
	208,237	**178,490**

13. TAX EXPENSE

Current year's income tax expense

	2019	2018
	S$	S$
Current year's income tax provision	-	-
Under provision of prior year's income tax	-	5,948
Income tax expense recognized in profit or loss	-	**5,948**

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:

	2019	2018
	S$	S$
(Loss) before taxation	**(62,964)**	**(706,928)**
Tax @ statutory rate of 17% (2018:@17%)	(10,704)	(120,178)
Tax on disallowable	2,035	111,607
Deferred tax asset not recognised	8,669	8,571
Under provision	-	5,948
Income tax expense recognized in profit or loss	-	**5,948**

Movement in taxation

	2019	2018
	S$	S$
Balance brought forward	-	135,649
Tax (paid) during the year	-	(141,597)
Under provision in prior years	-	5,948
	-	-

14. SHARE CAPITAL

The Company's share capital comprises fully paid-up 1,000,000 (2018:1,000,000) ordinary shares with no par value, amounting to a total of S$ 1,000,000 (2018: 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. 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 tis 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 from 2018.

	2019 S$	2018 S$
Trade and other payables and borrowings	572,728	867,626
Less Cash and cash equivalents	(62,994)	(108,793)
Net debt	509,734	758,833
Total equity	-	-
Total capital	**509,734**	**758,833**

16. 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.

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.

16. FINANCIAL RISK MANAGEMENT CONT'D...

a) Credit risk cont'd...

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'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

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:

16. FINANCIAL RISK MANAGEMENT CONT'D...

a) Credit risk cont'd...

	Note	Category	12-month or lifetime ECL	Gross carrying amount USD	Loss allowance USD	Net carrying amount USD
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
					-	
1 April 2018						
Trade receivables	10	Note 1	Lifetime ECL (simplified)	121,713	-	121,713
Other receivables	10	1	12-month ECL	291,006	-	291,006
					-	

Trade receivables

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% (2018: 96%) of trade receivables are receivable from 2 (2018: 4) debtors. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

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.

16. FINANCIAL RISK MANAGEMENT CONT'D...

b) 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 has no interest-bearing financial instruments, hence, is not exposed to any movements in market interest rates.

c) 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 at the reporting date are as follows:

c) Foreign currency risk

	2019	2018
Financial assets	**S$**	**S$**
Cash at bank	3,310	3,674
Trade and other receivables	-	291,850
	3,310	**295,524**
Financial liabilities		
Loans and borrowings	(364,491)	(689,136)
Other payables	(53,131)	-
Currency exposures	**(414,312)**	**(393,612)**

A 5% strengthening of Singapore dollar against the foreign currencies denominated balances as at the reporting date would (increase)/decrease profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss (after tax)	
	2019	**2018**
	S$	**S$**
United States dollar	(17,194)	(16,335)

A 5% strengthening of Singapore dollar against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

16. FINANCIAL RISK MANAGEMENT CONT'D...

d) 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.

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

		2018	
Financial assets	**Contractual carrying amount**	**One year or less**	**Two to five years**
	S$	S$	S$
Trade receivables	121,713	121,713	-
Other receivables	291,006	291,006	-
Cash and cash equivalents	108,793	108,793	-
Total undiscounted financial assets	521,512	521,512	-
Financial liabilities			
Trade and other payables	164,373	164,373	-
Loans and borrowings	689,136	689,136	-
Total undiscounted financial liabilities	853,509	853,509	-
Total undiscounted financial (liabilities)	(331,997)	(331,997)	-

17. 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.

17. FAIR VALUES CONT'D...

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. 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:

Nature of transaction	Nature of Relationship	Amount of transaction 2019 S$	2018 S$
Sale of services	Holding company	-	75,602
Loan repaid	Related parties	324,645	232,525
Loan received	Related parties (net)	53,131	-

19. FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of loans and receivables and financial liabilities at amortized cost were as follows:

	2019 S$	2018 S$
Financial assets measured at amortised cost		
Trade and other receivables (note 10)	51,185	417,676
Cash and cash equivalents (note 9)	62,994	108,793
	114,179	526,469
Less: Prepayments	(7,032)	(4,957)
Total financial assets measured at amortised cost	**107,147**	**521,512**
Financial liabilities measured at amortised cost		
Loans and borrowings (note 11)	364,491	689,136
Trade and other payables (note 12)	208,237	178,490
	572,728	867,626
Less: GST payable	(3,146)	(14,117)
Total financial liabilities measured at amortized cost	**569,582**	**853,509**

20. OPERATING LEASE COMMITMENTS

The Company leases office and house premises under non-cancellable operating lease agreements. These leases have varying terms, escalation clauses and renewal rights.

20. OPERATING LEASE COMMITMENTS CONT'D...

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

	2019	2017
	S$	S$
Not later than one year	557	3,156
	557	**3,156**

Minimum lease payments recognized as an expense in profit or loss for the financial year ended 31 March 2019 amounted to S$ 8,385 (2018: S$ 9,262)

21. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the Board of Directors of the Company.

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

(This does not part form of audited financial statements)

DETAILED PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	2019 S$	2018 S$
Revenue		
Sale of service	348,186	1,417,128
	348,186	1,417,128
Cost of service		
CPF contribution	2,040	18,528
Project allowance	25,032	94,527
Reimbursement expenses	4,453	429
Special allowances	-	1,080
Staff salaries	305,823	919,519
Technical consultancy charges	-	370,915
Total cost of sales	337,348	1,404,998
Gross profit	10,838	12,130
Other income		
Exchange gain	-	42,407
Miscellaneous income	-	217
Job credit income	310	1,203
	310	43,827
	11,148	55,957
Expenses		
Audit fee	12,000	9,000
Bank charges	230	320
Business development expenses	5,568	-
Non trade receivables written off	-	553,872
Exchange loss non-trade	11,972	-
Postage and courier charges	-	9
Insurance paid	5,726	14,064
Impairment allowance on subsidiary investment	-	145,050
Local conveyance	86	24
Office maintenance	-	426
Professional fee	24,428	20,000
Rates & taxes	-	550
Rent	8,385	9,262
Repair and maintenance	-	550
Subscription & membership charges	1,700	-
Skills development levy	572	161
Telephone charges	1,601	3,116
Travelling charges	1,544	3,581
Visa charges	300	2,900
	74,112	762,885
(Loss) for the year	(62,964)	(706,928)