INDEPENDENT AUDITOR'S REPORT

To the Members of
PINNACLE TALENT INC

Report on the Financial Statements

We have audited the accompanying financial statements of **PINNACLE TALENT INC** ('the Company'), which comprise the Balance Sheet as at 31st March 2017, the statement of Profit and Loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2017;

(b) In the case of the Statement of Profit and Loss, of the Profit of the Company for the Period ended on that date.

1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2 As required by section 143(3) of the Act, we further report that:

a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014

e. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act

f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:

(i) The Company does not have any pending litigations which would impact its financial position

(ii) The Company did not have any long-term contracts including derivative contracts; as the question of commenting on any material foreseeable losses thereon does not arise

(iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

(iv) The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of accounts maintained by the company and as produced to us by the management.

Place: Bangalore.
Date: 6th May 2017

For Sudhakar Pai Associates,
Chartered Accountants,

(CA Mallesh B Hullatti)
Partner
Membership No.027908
Firm No: 004171S

Annexure - A to the Auditors' Report

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

1. In respect of its fixed assets:

    (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

    (b) As explained to us, the fixed assets have been physically verified by the management during the year in phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

2. In respect of its inventories:

    (a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.

    (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

    (c) The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed and physical verification of inventory as compared to the book records.

3. The company has not granted any loans, secured or unsecured during the year to companies, firms or other parties covered in the register maintained under section 189 of companies' act 2013.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

5. The Company has not accepted any deposits from the public

6. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.

7. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, , Employees' State Insurance,

Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India
(b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
c) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise.

8. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, bank or debenture holders.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and based on our examination of the records of the Company, there are transactions with the related parties. Accordingly, paragraph 3(xiii) of the Order is applicable.

14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-

cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Bangalore.
Date: 6th May 2017

For Sudhakar Pai Associates,
Chartered Accountants,

(CA Mallesh B Hullatti)
Partner
Membership No.027908
Firm No: 004171S

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **PINNACLE TALENT INC** ("the Company") as of 31 March 2017 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on
Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Bangalore.
Date: 6th May 2017

For Sudhakar Pai Associates,
Chartered Accountants,

(CA Mallesh B Hullatti)
Partner
Membership No.027908
Firm No: 004171S

M/s Pinnacle Talent Inc,
Balance Sheet

Amount in Rs.

	Particulars	Note	As At March 31, 2017	As At March 31, 2016
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	1	10,374,176	10,612,800
	(b) Reserves and surplus	2	(58,784,298)	(57,240,038)
	(c) Money received against share warrants			
2	**Share application money pending allotment**			
3	**Non-current liabilities**			
	(a) Long-term borrowings		-	-
	(b) Deferred tax liabilities (net)		-	-
	(c) Other long-term liabilities		-	-
	(d) Long-term provisions		-	-
4	**Current liabilities**			
	(a) Short-term borrowings			
	(b) Trade payables	3	148,513,436	142,033,944
	(c) Short-term provisions	5	1,037,418	1,966,964
	TOTAL		**101,140,732**	**97,373,670**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	6	74	76
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(v) Fixed assets held for sale		-	-
	(b) Non-current investments			
	(c) Deferred tax assets (net)			
	(d) Long-term loans and advances	7	118,914	121,649
	(e) Other non-current assets			
2	**Current assets**			
	(a) Current investments		-	-
	(b) Inventories		-	-
	(c) Trade receivables	8	53,435,269	54,266,393
	(d) Cash and cash equivalents	9	538,184	253,948
	(e) Short-term loans and advances	10	47,048,290	42,731,604
	(f) Other current assets			
	TOTAL		**101,140,732**	**97,373,670**

As per our report of even date
for SUDHAKAR PAI ASSOCIATES
Chartered Accountants
Firm's Registration No. 004171S

Rabindra Srikantan
President

CA. Mallesh B Hullatti
Partner
Membership No.027908

Place : Bangalore
Date : 06.05.2017

M/s Pinnacle Talent Inc,

Statement of Profit & Loss Account

Amount in Rs

	Particulars	Note	For the year ended March 31, 2017	2016
A	**CONTINUING OPERATIONS**			
1	Revenue from operations (gross)		48,709,249	49,957,757
2	Other income	11	255,476	2,623,578
3	**Total revenue (1+2)**		**48,964,725**	**52,581,336**
4	**Expenses**			
	(a) Employee benefits expense	12	41,080,665	42,675,737
	(b) Finance costs	14	46,895	44,909
	(c) Depreciation and amortisation expense	6	-	-
	(d) Other expenses	13	10,668,429	8,436,150
	Total expenses		**51,795,988**	**51,156,796**
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		(2,831,263)	1,424,540
6	Exceptional items		-	-
7	Profit / (Loss) before extraordinary items and tax (5 + 6)		(2,831,263)	1,424,540
8	Extraordinary items		-	-
9	Profit / (Loss) before tax (7 + 8)		(2,831,263)	1,424,540
10	Tax expense:			
	(a) Current tax expense for current year		-	-
	(b) (Less): MAT credit (where applicable)		-	-
	(c) Current tax expense relating to prior years		-	-
	(d) Net current tax expense		-	-
	(e) Deferred tax		-	-
11	**Profit / (Loss) from continuing operations (9 +10)**		**(2,831,263)**	**1,424,540**
B	**DISCONTINUING OPERATIONS**			
12.i	Profit / (Loss) from discontinuing operations (before tax)		-	-
12.ii	Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
12.iii	Add / (Less): Tax expense of discontinuing operations		-	-
	(a) on ordinary activities attributable to the discontinuing operations			
	(b) on gain / (loss) on disposal of assets / settlement of liabilities			
13	**Profit / (Loss) from discontinuing operations (12.i + 12.ii + 12.iii)**		-	-
C	**TOTAL OPERATIONS**			
14	**Profit / (Loss) for the year (11 + 13)**		**(2,831,263)**	**1,424,540**

Statement of Profit & Loss Account Amount in Rs

Particulars		Note	For the year ended March 31, 2017	2016
15.i	**Earnings per share (of Rs.10/- each):**			
	(a) Basic			
	(i) Continuing operations		(0.18)	0.09
	(ii) Total operations		(0.18)	0.09
	(b) Diluted			
	(i) Continuing operations		(0.18)	0.09
	(ii) Total operations		(0.18)	0.09
15.ii	**Earnings per share (excluding extraordinary items) (of Rs.10/- each):**			
	(a) Basic			
	(i) Continuing operations		(0.18)	0.09
	(ii) Total operations		(0.18)	0.09
	(b) Diluted			
	(i) Continuing operations		(0.18)	0.09
	(ii) Total operations		(0.18)	0.09

As per our report of even date
for SUDHAKAR PAI ASSOCIATES
Chartered Accountants
Firm's Registration No. 004171S

Rabindra Srikantan
President

CA. Mallesh B Hullatti
Partner
Membership No.027908

Place : Bangalore
Date : 06.05.2017

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2017

Amount in Rs

	Particulars	As At March 31, 2017	As At March 31, 2016
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/ (Loss) after tax & extraordinary items	(2,831,263)	1,424,540
	Adjustments for :		
	Depreciation	-	-
	Profit on sale of fixed asset	-	-
	Interest Income	-	-
	Finance cost	46,895	44,909
	Effect of exchange differences on translation of foreign currency Cash & Cash equivalent	-	-
	Operating profit before working Capital changes		
	Adjustment for		
	Trade payables	5,549,946	(73,081,232)
	Trade & other receivables	(3,485,562)	76,704,183
	Working capital finance	-	-
	Net cash from operating activites - A	**(719,986)**	**5,092,400**
B	**CASH FLOW FROM INVESTING ACTIVITES**		
	Purchase of Fixed assets	-	-
	Investment in Subsidiary	-	-
	Proceeds on Disposal of Fixed Asset	-	-
	Interest Income	-	-
	Net cash from Investing activities - B	**-**	**-**
C	**CASH FLOW FROM FINANCING ACTIVITES**		
	Long term advance	2,735	
	Finance Cost	(46,895)	(44,909)
	Net cash from Finance activities - C	**(44,159)**	**(44,909)**
	Effect of exchange differences on translation of foreign currency Cash & Cash equivalent	1,048,347	-
	Fair value Reserve	-	(6,562,889)
	Net increase in cash and cash equivalents (A+B+C)	284,202	(1,515,398)
	Cash & cash equivalents as at 31st March 2016	253,982	1,769,380
	Cash & Cash equivalents as at 31st March 2017	538,185	253,982

As per our report of even date
for SUDHAKAR PAI ASSOCIATES
Chartered Accountants
Firm's Registration No. 004171S

Rabindra Srikantan
President

CA. Mallesh B Hullatti
Partner
Membership No.027908

Date : 06.05.2017

M/s Pinnacle Talent Inc,

SCHEDULES TO THE BALANCE SHEET Amount in Rs

Particulars	As At March 31, 2017	As At March 31, 2016
SCHEDULE - 1 : SHARE CAPITAL		
Authorised :		
16000000 Equity shares of USD 0.01 each	10,374,176	10,612,800
Issued, Subscribed & Paid up		
16000000 Equity shares of USD 0.01 each	10,374,176	10,612,800
Total	**10,374,176**	**10,612,800**
SCHEDULE - 2 : RESERVES & SURPLUS		
a. Capital reserve		
Profit on reissue of forfeited shares		
Share Premium Account		
b. General Reserve		
c. Surplus in statement of profit and loss		
(i) Opening Balance	(55,953,035)	(52,101,689)
(ii) Add : Profit for the Year	(2,831,263)	1,424,540
Foreign Currency translation Reserve		
(iii) Less : Appropriations		
(a) Interim dividends on equity shares		
(b) Proposed final dividend on equity shares		
(c) Dividend on redeemable preference shares		
(d) Tax on dividend		
(e) General reserve		
3105 d. Fair Value Reserve	-	(6,562,889)
Total	(58,784,298)	(57,240,038)
SCHEDULE - 3 : TRADE PAYABLES		
Sundry Creditors	148,513,436	142,033,944
Total	**148,513,436**	**142,033,944**
SCHEDULE - 5 : SHORT TERM PROVISIONS		
Provision for Salary	1,037,418	1,966,964
Provision for Employee Incentives		-
Provision for Expenses		-
Provision for Taxation		
Total	**1,037,418**	**1,966,964**

M/s Pinnacle Talent Inc,

SCHEDULES TO THE BALANCE SHEET

Amount in Rs

Particulars	As At March 31,	
	2017	**2016**
SCHEDULE - 7 : LONG TERM LOANS & ADVANCES		
(a) Security deposits		
Secured, considered good	118,914	121,649
Unsecured, considered good		
Doubtful		
		-
Total	118,914	121,649
SCHEDULE - 8 : TRADE RECEIVABLES		
Over Six months	-	54,266,393
Unsecured considered good	-	-
Unsecured considered Doubtful	-	-
	-	54,266,393
Less: Provision for bad debt		-
	-	54,266,393
Others		
Unsecured considered good	53,435,269	-
Unsecured considered Doubtful		
	53,435,269	-
Less: Provision for bad debt		
	53,435,269	-
Total	**53,435,269**	**54,266,393**
SCHEDULE -9 : CASH AND CASH EQUIVALENTS		
Cash on hand		
Balance with Scheduled banks:		
1. In current account	538,184	253,948
2. In deposit account		
(Maturing within 12 months and same is held as margin money deposit against loans)		
	538,184	**253,948**
SCHEDULE - 10 : SHORT TERM LOANS & ADVANCES		
(Unsecured, Considered good -advances recoverable in cash or in kind or for the value to be received)		
Advance to Employees	383,471	198,990
Prepaid Expenses	1,681,151	1,906,646
Advance to related parties, considered good	44,983,667	40,625,968
Vendor Advances		
Total	**47,048,290**	**42,731,604**

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT

Amount in Rs

Particulars	As At March 31,	
	2017	2016
SCHEDULE - 11 : OTHER INCOME		
Miscellaneous Income	255,476	2,623,550
	255,476	**2,623,550**
SCHEDULE - 12 : EMPLOYEE BENEFIT EXPENSES		
Salaries and Incentives	34,449,447	39,419,747
Insurance and Other Benefits	6,631,217	3,255,990
Staff Welfare		-
Total	**41,080,665**	**42,675,737**
SCHEDULE - 13 : OPERATION AND OTHER EXPENSES		
Travelling and conveyance expenses	2,623,621	2,507,492
Services rendered by business associates and others	-	-
Communication expenses	1,158,735	1,253,642
Legal and Professional Fee	186,411	120,840
Rent	899,647	920,330
Repair and Maintenance	298,991	225,237
Advertisement and Business Promotions	175,412	204,286
Insurance charges	4,801,775	2,882,827
Membership & subscription	320,530	219,999
Printing & stationary	16,647	1,255
Rates & Taxes	148,869	100,241
Other Expense		
Total	**10,630,637**	**8,436,150**
SCHEDULE -14: FINANCIAL CHARGES		
Bank charges	46,895	44,909
Total	**46,895**	**44,909**

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

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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 2017.

1. Opinion of the directors

In the opinion of the directors,

(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 2017 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 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 -:06.05.2017

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:

Shares in Ultimate Holding Company

	Share of Rupees 10/- each	
Name of the Director	**At the beginning of the year**	**At the end of the year**
Rabindra Srikantan	**2,102,543**	**2,102,543**

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:06.05.2017

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 2017, 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, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, 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 2017 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.

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 abiity 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.

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 :06.05.2017

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	2017 S$	2016 S$
ASSETS			
Non-current assets			
Plant and equipment	**7**	2	2
Investment in subsidiaries	**8**	145,050	145,050
Trade and other receivables	**11**	-	1,240,290
		145,052	**1,385,342**
Current assets			
Cash and cash equivalents	**10**	163,021	423,203
Trade and other receivables	**11**	1,437,952	3,227,841
		1,600,973	**3,651,044**
Total assets		**1,746,025**	**5,036,386**
LIABILITIES			
Current liabilities			
Loans and borrowings	**12**	969,479	1,941,662
Trade and other payables	**13**	269,176	369,896
Due to related parties	**14**	-	1,178,718
Bank overdraft		-	19
Provision for taxation	**15**	135,649	135,649
		1,374,304	**3,625,944**
NET ASSETS		**371,721**	**1,410,442**
EQUITY			
Share capital	**16**	1,000,000	1,000,000
Reserves		(628,279)	410,442
TOTAL EQUITY		**371,721**	**1,410,442**

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	2017	2016 S$ (Re-stated)
Revenue			
Service income		1,600,843	3,193,941
		1,600,843	**3,193,941**
Costs of services			
Staff costs	**4**	1,435,512	1,283,453
Technical consultancy charges		63,579	162,590
		1,499,091	**1,446,043**
Gross profit		**101,752**	**1,747,898**
Other income			
Exchange gain		14,281	-
Interest income		-	1,196
Miscellaneous income		1,914	-
Profit on disposal of business	**9**	-	2,067,187
		16,195	**3,920,146**
Expenses			
Administrative and other operating expenses		(1,133,061)	(1,564,006)
Loss on sale of investment in a subsidiary	**8**	-	(3,828,212)
Finance costs	**5**	(20)	(191,952)
(Loss) before tax	**6**	**(1,015,134)**	**(1,664,024)**
Income Tax expense	**15**	(23,587)	(159,612)
(Loss) for the year		**(1,038,721)**	**(1,823,636)**
Other comprehensive income		**-**	**-**
Total comprehensive income for the year		**(1,038,721)**	**(1,927,501)**

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Share capital S$	Retained profits/(Loss) S$	Other reserve S$	Total S$
Balance as at 1 April 2015	**1,000,000**	**2,100,444**	**237,499**	**3,337,943**
Total comprehensive income for the year	-	(1,927,501)	-	(1,927,501)
Transfer from other reserves	-	103,865	(103,865)	-
Balance as at 31 March 2016 and as at 1 April 2016	**1,000,000**	**276,808**	**133,634**	**1,410,442**
Total comprehensive income for the year	**-**	**(1,038,721)**	**-**	**(1,038,721)**
Transfer from other reserves	**-**	**133,634**	**(133,634)**	**-**
Balance as at 31 March 2017	**1,000,000**	**(628,279)**	**-**	**371,721**

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	2017 S$	2016 S$
Cash flows from operating activities			
(Loss) before tax		(1,015,134)	(1,664,024)
Adjustments for:			
Bad debts written off		889,728	-
Interest income		-	(1,196)
Exchange loss-net		-	51,210
Interest expense		20	148,216
Loss on sale of investment	**8**	-	3,828,212
Finance cost-on interest free loan		-	43,736
Due from subsidiary written off		-	980,000
Profit on disposal of business	**9**	-	(2,067,187)
Operating/(loss) profit before working capital changes		**(125,386)**	**1,215,102**
Change in working capital:			
Trade and other receivables		2,131,489	(3,784,897)
Due to related parties		(1,178,718)	(586,200)
Trade and other payables		(100,720)	158,627
Cash generated/(used in) from operations		**726,665**	**(2,997,368)**
Income tax paid		(14,625)	(66,716)
Net cash flows from/(used in) operating activities		**712,040**	**(3,064,084)**
Cash flows from investing activities			
Interest income		-	1,196
Proceeds from disposal of investment in subsidiary and business	**8/9**	-	8,820,000
Loan to subsidiary		-	(980,000)
Net cash flows from investing activities		**-**	**7,841,196**
Cash flows from financing activities			
Decrease in bank overdraft		(19)	(975,539)
Repayment of borrowings		(972,183)	(3,392,006)
Exchange loss		-	(51,210)
Fixed deposits(Pledged)		-	209,897
Interest paid		(20)	(148,216)
Net cash flows (used in) financing activities		**(972,222)**	**(4,357,074)**
Net (decrease)/ increase in cash and cash equivalents		(260,182)	420,038
Cash and cash equivalents at beginning of the year		423,203	3,165
Cash and cash equivalents at end of the year		**163,021**	**423,203**

(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.

There have been no changes in these activities of the business during the year.

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.

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except 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 January 2016. The adoption of these standards did not have any material effect on the financial statements.

2.3 Foreign currency transactions and balances

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

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

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

2.4 Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards.

The following standards which are relevant to the Company have been issued but not yet effective are as follows:

Description		Effective Date (Annual periods beginning on or after)
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 109	Financial Instruments	1 January 2018
Amendments to FRS 7 :	Disclosure Initiative	1 January 2017
Amendments to FRS 12:	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to FRS 115:	Clarification to FRS115 Revenue from Contracts with Customers	1 January 2018
FRS 116	Leases	1 January 2019
Amendments to FRS 102:	Classification and Measurement of Share-Based Payment Transactions	1 January 2018

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.

2.5 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONT'D…

2.6 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.

2.7 Financial instruments

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 and on hand.

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.

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

2.7 Financial instruments, 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.

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.

2.8 Impairment of financial assets

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.

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

2.8 Impairment of financial assets, Cont'd…

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.

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.

2.9 Cash and cash equivalents

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

2.10 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.

2.11 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONT'D…

2.12 Revenue recognition

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.

2.13 Taxes

a) Current income tax

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

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

b) Deferred tax

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

Deferred tax assets 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.

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

2.13 Taxes, Cont'd…

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.

2.15 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 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONT'D…

2.17 Unbilled Receivables

Unbilled Receivables are stated based on revenue recognised using the percentage completion method for uncompleted projects. Costs include sub-contractor fees and salaries directly attributable to project activities. When it is probable that the total contract costs will exceed the total contract revenue, the expected loss is recognised as an expense immediately.

2.18 Investments in subsidiaries

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

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

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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES, CONT'D…

3.2 Key sources of estimation uncertainty

Allowance for trade and other receivables

The allowance for doubtful debts of the Company is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amounts of the Company's trade and other receivables as at 31 March 2017 were $1,427,206 (20165: $4,440,478).

4. STAFF COSTS

	2017	2016
	S$	S$
Staff salaries & bonus	1,281,970	1,171,994
Staff allowance	100,260	26,439
Employer Central Provident Fund	39,016	63,984
Others	14,266	21,036
	1,435,512	**1,283,453**

5. FINANCE COSTS

	2017	2016
	S$	S$
Interest on term loan and overdraft	20	148,216
Notional interest to related parties on loan	-	43,736
	20	**191,952**

6. (LOSS) BEFORE TAX

This is arrived after charging

	2017	2016
	S$	S$
Exchange loss(net)	-	51,210
Rent	9,082	20,205
Professional fees	159,212	469,214
Due from subsidiary written off	-	980,000
Bad debts written off	889,728	-

7. PLANT AND EQUIPMENT

2017	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**

2016	Computers & accessories	Office Equipment	Total
At cost	**S$**	**S$**	**S$**
At beginning of the year	87,595	2,062	89,657
Additions	-	-	-
At end of year	**87,595**	**2,062**	**89,657**
Accumulated depreciation	**S$**	**S$**	**S$**
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**

8. INVESTMENT IN SUBSIDIARIES

	2017	2016
	S$	**S$**
Unquoted shares at cost	145,050	145,050
	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	
			2017	2016	2017	2016
			%	%	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.

8. INVESTMENT IN SUBSIDIARIES, CONT'D…

During the Previous Financial year, the Company disposed of its investment in Abacus Business Solutions for a consideration of S$ 6,752,813.

	2016
	S$
Carrying value of subsidiary	10,581,025
Less: Sale proceeds	(6,752,813)
Loss on disposal of investment in subsidiary	**3,828,212**

9. PROFIT ON SALE OF BUSINESS

During the Previous Financial year the Company has sold segment of its business (Enterprise Application Solution) to Alten Calsoft Labs (Singapore) Pte. Ltd which included transfer of employees and future contracts for a price of S$ 2,067,187 (US$ 1,500,000) which resulted in a profit of the S$ 2,067,187. As there was no value assigned for this sale in Company's assets total proceeds has been recorded as profits.

10. CASH AND CASH EQUIVALENTS

	2017	2016
	S$	S$
Cash at bank	163,021	423,203

Cash and cash equivalents are denominated the following currencies:

	2017	2016
	S$	S$
United States dollars	3,903	65,293
Singapore dollars	159,118	357,910
	163,021	**423,203**

11. TRADE AND OTHER RECEIVABLES

	2017	2016
	S$	S$
Trade Receivables		
Non-related parties	144,592	243,294
Unbilled receivables	-	13,433
	144,592	**256,727**
Other Receivables (current)		
Advance tax	-	8,962
Deposits	1,552	1,552
Amount due from sale of a subsidiary and EAS business	1,257,660	2,737,371
Due from holding company	23,402	-
Other debtor	-	195,538
Prepaid expenses	8,692	14,191
Staff advances	2,054	4,500
Travel advances	-	9,000
	1,293,360	**2,971,114**
Other Receivables (non -current)		
Amount due from sale of a subsidiary and EAS business^ (retained until August, 2017)	-	1,240,290
	1,437,952	**4,468,131**

^This represents amount due in respect of sale of subsidiary and Enterprise Application Solution business. The terms of sale is such that this amount is recoverable subject to meeting the committed EBIT.

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

Receivables that are past due but not impaired

The Company has trade receivables amounting to **S$ 7,744 (2016: NIL)** that are past due at the statement of financial position date but not impaired. These receivables are unsecured and the analysis of their aging at the statement of financial position date is as follows:-

Trade receivables past due:	2017	2016
	S$	S$
0 - 30 days	-	-
60-180 days	7,744	-
	7,744	**-**

Trade and other receivables are denominated in the following currencies

	2017	2016
	S$	S$
United States dollars	1,281,062	4,222,722
Singapore dollars	156,890	245,409
	1,437,952	**4,468,131**

12. LOANS AND BORROWINGS

	2017	2016
Term Loan	**S$**	**S$**
Related party **	969,479	1,941,662
	969,479	**1,941,662**
Due within 12 months	969,479	1,941,662
Fair value reserve on interest free loan	**-**	**133,634**

** These are unsecured, interest free and are repayable within 12 months. During the financial year notional interest of NIL (2016: S$ 43,736) is included in finance cost.

Interest bearing loans and borrowings are denominated in the following currencies:

	2017	2016
	S$	**S$**
United States dollars	969,479	1,941,662
	969,479	**1,941,662**

13. TRADE AND OTHER PAYABLES

	2017	2016
Trade payables	**S$**	**S$**
GST Payable	24,495	29,481
	24,495	**29,481**
Other Payables		
Other creditors	147,331	184,944
Salaries payable	19,158	128,180
Accrued liabilities	14,613	27,291
Consultancy charges payable	63,579	-
	269,176	**369,896**

14. DUE TO RELATED PARTIES

Represents net amount due to the Holding Company and a related Company for trade and non-trade purposes, interest free, unsecured, and arm's length transactions on trade dues and were repayable on demand.

	2017	2016
	S$	**S$**
Due to Holding company (Non-trade)	-	1,073,591
Due to a related Company (trade)	-	105,127
Net Due to Related parties	**-**	**1,178,718**

The above related parties payables were denominated in United States Dollars.

15. TAX EXPENSE

Current year's income tax expense	2017 S$	2016 S$
Current year's income tax provision	-	135,649
Under provision of prior year's income tax	23,587	23,963
Tax expense reported in profit or loss	**23,587**	**159,612**

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:

	2017 S$	2016 S$
Profit before taxation	**(1,015,134)**	**(1,664,024)**
Tax @ statutory rate of 17% (2016:@17%)	(172,573)	(282,884)
Tax on disallowable	151,279	833,537
Income not subject to tax	-	(369,079)
Tax effect on exemption	-	(25,925)
Deferred tax asset unrecognised	21,294	-
Under provision	23,587	23,963
Tax rebate	-	(20,000)
Tax expense reported in profit or loss	**23,587**	**159,612**
Movement in taxation		
Balance brought forward	135,649	33,792
Tax (paid) during the year	(21,710)	(66,717)
	113,939	(32,925)
Under/(over provision) in prior years	21,710	23,963
Current year provision	-	135,649
Refund to be receivable from IRAS	-	8,962
	135,649	**135,649**

16. SHARE CAPITAL

The Company's share capital comprise fully paid-up 1,000,000 (2016: 1,000,000) ordinary shares with no par value, amounting to a total of S$1,000,000/- (2016: 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 with no par value.

16. SHARE CAPITAL, CONT'D…

CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development by issuing or redeeming equity and debts instruments when necessary.

The Board of Director's monitors its capital based on gearing ratio. Gearing ratio is computed as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and bank deposits. Total capital is calculated as equity plus net debt.

The Company is not subject to any externally imposed capital requirements.

	2017 S$	2016 S$
Net debt	1,075,634	3,067,092
Total equity	371,721	1,410,442
Total capital	**1,447,355**	**4,477,534**
Gearing ratio	**0.74 times**	**0.68 times**

17. OTHER RESERVE

This pertains to notional interest on loan from related party accounted as per effective interest rate method earlier, settled and paid in full during the year.

18. FINANCIAL RISK MANAGEMENT

The Company does not have any written financial risk management policies and guidelines. The company does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange. The company's exposures to financial risks associated with financial instruments held in the ordinary course of business include:

a) Price risk

i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company transacted in foreign currencies including United States Dollars.

The Company's exposure to foreign currency risk is as follows:
US$ accounts

	2017	2016
Assets	**S$**	**S$**
Cash at bank	3,903	65,293
Trade and other receivables	1,281,062	4,222,722
	1,284,965	**4,288,015**
Liabilities – Due to holding company	-	(1,073,591)
Due to related parties	-	(105,127)
Interest bearing loans and borrowings	(969,479)	(1,941,662)
Net Assets	**315,486**	**1,167,635**

18. FINANCIAL RISK MANAGEMENT, CONT'D…

a) Price risk, Cont'd…

i) Currency risk, Cont'd…

Sensitivity analysis for foreign currency risk

	2017	2016
	S$	S$
USD		**Profit/(loss) net of tax**
Strengthened 5% (2015:5%)	13,093	48,457
Weakened 5% (2015:5%)	(13,093)	(48,457)

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company has interest-bearing financial instruments; hence, it is exposed to movements in market interest rates. The interest rates are disclosed in the respective notes. At 31 March 2016, if the SGD interest rates had increased/decreased by 1% with all other variables including tax rate being held constant, the profit after tax for the year would have been lower/higher by S$ Nil(2015: S$ 16,661/-) as a result of higher/lower interest expense on these borrowings.

(iii) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The Company does not hold any quoted or marketable financial instrument, hence, is not exposed to any movements in market prices.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company has no significant concentration of credit risk other than those balances with other debtors. The Company has credit policies and procedures in place to minimize and mitigate its credit risk exposure.

Information regarding financial assets that are either past due or impaired is disclosed in Note 11.

Cash is held with financial institutions of good standing/ established financial institutions/ reputable financial institutions.

c) Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The company ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

The Company has credit facilities with a bank and any short fall in the working capital funds will be funded by Holding Company.

18. FINANCIAL RISK MANAGEMENT, CONT'D…

c) Liquidity risk, Cont'd…

The table below analyses the maturity profile of the Company's financial liabilities.

2017	Less than 1 year S$	Between 1 & 2 years S$	Between 2 & 5 years S$
Trade and other creditors and related parties	269,176	-	-
Borrowings	969,479	-	-
Bank overdraft	-	-	-
	1,238,655	**-**	**-**

2016	Less than 1 year S$	Between 1 & 2 years S$	Between 2 & 5 years S$
Trade and other creditors and related parties	1,548,614	-	-
Borrowings	1,941,662	-	-
Bank overdraft	19	-	-
	3,490,295	**-**	**-**

d) Fair value instruments by category

	2017 S$	2016 S$
Loans and receivables	1,592,281	4,877,143
Financial liabilities at amortized cost	1,214,160	3,460,814

19. 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	
			2016 S$
Sale of services	Subsidiaries	-	1,475,792
Sale of services	Holding company	104,658	336,072

Outstanding related party balances at 31 March 2017 arising from sale/purchase of services, is unsecured and receivable/payable within 12 months from statement of financial position date.

20. OPERATING LEASE COMMITMENTS

At the statement of financial position date, the company was committed to making the following office rental payments under operating lease for the enclosed space:-

	2017 S$	2016 S$
Not later than one year	4,510	4,134

21. COMPARATIVE INFORMATION

Certain corresponding figures for the year ended 31 March 2016 in the Statement of Profit or Loss and Other Comprehensive Income has been reclassified in order to confirm to the presentation for the current year. These changes have been made to improve the quality of information presented. Such reclassification does not affect previously reported profit, total comprehensive income, total equity or any other balance sheet amounts.

The table below summarizes the restatements for the line items affected in the Statement of Profit or Loss and Other Comprehensive Income

	As stated earlier S$	Adjustment S$	As restated S$
Other income	103,865	(103865)	-
Other comprehensive income	(103,865)	103,865	-

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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 2017

	2017 S$	2016 S$
Revenue		
Sale of service	1,600,843	3,193,941
	1,600,843	**3,193,941**
Cost of service		
CPF contribution	39,016	63,984
Project allowance	100,260	26,439
Reimbursement expenses	709	5,868
Special allowances	12,497	14,379
Staff welfare expenses	1,060	789
Staff salaries	1,281,970	1,171,994
Technical consultancy charges	63,579	162,590
Total cost of sales	**1,499,091**	**1,446,043**
Gross profit	**101,752**	**1,747,898**
Other income		
Exchange gain	14,281	-
Interest on fixed deposits	-	1,196
Miscellaneous income	1,914	-
Profit on disposal of business	-	2,067,187
	16,195	**2,172,248**
	117,947	**3,920,146**
Expenses		
Audit fee	12,000	10,500
Bank charges	1,692	1,180
Due from subsidiary written off	889,728	980,000
Postage and courier charges	31	25
EP processing charges	-	360
Exchange loss non trade	-	51,210
Hire charges	15,871	1,680
Insurance paid	4,382	1,984
Local conveyance	1,569	1,441
Miscellaneous expenses	-	763
Office maintenance	92	5,008
Late fee, penalty & interest	149	-
Professional fee	159,212	469,124
Rates & taxes	2,188	-
Rent	9,082	20,205
Repair and maintenance	-	1,100
Subscription & membership charges	800	400
Telephone charges	3,796	6,553
Travelling charges	28,819	9,048
Utilities	-	955
Visa charges	3,650	2,470
Loss on sale of investment	-	3,828,212
	1,133,061	**5,392,218**
Finance cost		
Interest paid	20	148,216
Interest to related parties	-	43,736
	20	**191,952**
Total expenses	**1,133,081**	**5,584,170**
Profit for the year	**(1,015,134)**	**(1,664,024)**