

HCL INSYS PTE. LTD.

(Incorporated in Singapore. Registration Number: 200923568M)

ANNUAL REPORT

For the financial period from 1 July 2015 to 31 March 2016

HCL INSYS PTE. LTD.
(Incorporated in Singapore)

ANNUAL REPORT
For the financial period from 1 July 2015 to 31 March 2016

Contents

	Page
Directors' Statement	1
Independent Auditor's Report	3
Statement of Comprehensive Income	4
Balance Sheet	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8

HCL INSYS PTE. LTD.

DIRECTORS' STATEMENT

For the financial period from 1 July 2015 to 31 March 2016

The directors present their statement to the shareholder together with the audited financial statements for the financial period from 1 July 2015 to 31 March 2016.

In the opinion of the directors,

- (a) the financial statements as set out on pages 4 to 34 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Company for the financial period covered by the financial statements; 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.

Directors

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

SundaramSridharan
Ravi Shankar Padi Subramanian (appointed on 29 May 2015)

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose object was 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.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial period had any interest in the shares or debentures of the Company or its related corporations.

Share options

No options were granted during the financial period to subscribe for unissued shares of the Company.

No shares were issued during the financial period by virtue of the exercise of option to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial period.

HCL INSYS PTE. LTD.

DIRECTORS' STATEMENT


For the financial period from 1 July 2015 to 31 March 2016

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept the appointment.



RAVI SHANKAR PADI
SUBRAMANIAN
Director



SUNDARAM SRIDHARAN
Director

30 September 2016

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF HCL INSYS PTE. LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of HCL InsysPte. Ltd. set out on pages 4 to 34, which comprise the balance sheet as at 31 March 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. 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 on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 March 2016, and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

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.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 30 September 2016

HCL INSYS PTE. LTD.**STATEMENT OF COMPREHENSIVE INCOME***For the financial period from 1 July 2015 to 31 March 2016*

	Note	Financial period from 1.7.2015 to 31.3.2016 S\$	Financial year ended 30.6.2015 S\$ (Restated)
Revenue	3	53,053,577	55,702,944
Cost of sales	5	(4,015,668)	(5,159,092)
Gross profit		49,037,909	50,543,852
Other income	4(a)	365,921	349,613
Other losses	4(b)	(2,211,068)	(326,896)
Expenses			
- Administrative	5	(44,534,756)	(44,029,302)
- Finance	7	(106,541)	(124,440)
- Other	5	(933,639)	(1,137,432)
Profit before income tax		1,617,826	5,275,395
Income tax expense	8(a)	(570,493)	(570,448)
Profit after income tax		1,047,333	4,704,947
Other comprehensive income:			
Currency translation difference arising from effect of changes in presentation currency		-	1,399,271
Total comprehensive income		1,047,333	6,104,218

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

HCL INSYS PTE. LTD.**BALANCE SHEET***As at 31 March 2016*

	Note	As at 31.3.2016 S\$	As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
ASSETS				
Current assets				
Cash and bank deposits	9	8,964,326	6,758,928	3,296,911
Trade and other receivables	10	16,666,704	22,805,042	8,014,936
Other current assets	11	501,603	534,580	154,499
		26,132,633	30,098,550	11,466,346
Non-current assets				
Investment in a subsidiary	12	18,748,527	11,538,985	8,215,013
Plant and equipment	13	1,051,512	1,293,280	659,575
Intangible assets	14	-	36,087	134,081
		19,800,039	12,868,352	9,008,669
Total assets		45,932,672	42,966,902	20,475,015
LIABILITIES				
Current liabilities				
Trade and other payables	15	10,725,664	11,517,332	2,680,452
Current income tax liabilities	8(b)	305,075	320,913	230,254
Borrowings	16	3,949,068	4,673,858	-
		14,979,807	16,512,103	2,910,706
Non-current liability				
Deferred income tax liabilities	17	150,030	199,297	107,025
Total liabilities		15,129,837	16,711,400	3,017,731
NET ASSETS		30,802,835	26,255,502	17,457,284
EQUITY				
Share capital	18	17,467,319	12,947,153	10,253,153
Retained profits		13,335,516	11,690,660	6,985,713
Currency translation reserve		-	1,617,689	218,418
Total equity		30,802,835	26,255,502	17,457,284

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

HCL INSYS PTE. LTD.

STATEMENT OF CHANGES IN EQUITY

For the financial period from 1 July 2015 to 31 March 2016

	<u>Note</u>	<u>Share capital</u> S\$	<u>Retained profits</u> S\$	<u>Currency Translation Reserve</u> S\$	<u>Total</u> S\$
31 March 2016					
Beginning of financial period		12,947,153	11,690,660	1,617,689	26,255,502
Effect of change in functional Currency		1,020,166	597,523	(1,617,689)	-
Issuance of ordinary shares	18	3,500,000	-	-	3,500,000
Total comprehensive income		-	1,047,333	-	1,047,333
End of financial period		17,467,319	13,335,516	-	30,802,835
30 June 2015 (Restated)					
Beginning of financial year		10,253,153	6,985,713	218,418	17,457,284
Issuance of ordinary shares	18	2,694,000	-	-	2,694,000
Profit for the year		-	4,704,947	-	4,704,947
Other comprehensive income		-	-	1,399,271	1,399,271
Total comprehensive income		-	4,704,947	1,399,271	6,104,218
End of financial year		12,947,153	11,690,660	1,617,689	26,255,502

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

HCL INSYS PTE. LTD.**STATEMENT OF CASH FLOWS***For the financial period from 1 July 2015 to 31 March 2016*

	Financial period from 1.7.2015 to 31.3.2016 S\$	Financial year ended 30.6.2015 S\$ (Restated)
Cash flows from operating activities		
Profit after tax	1,047,333	4,704,947
Adjustments for:		
- Amortisation of intangible asset	36,087	107,021
- Depreciation of plant and equipment	389,992	572,891
- Interest income	(98,395)	(192,545)
- Interest expense	106,541	124,440
- Impairment loss on investment in subsidiary	1,915,187	-
- Income tax expense	570,493	570,448
- Effect of change in functional currency	-	750,755
	<u>3,967,238</u>	<u>6,637,957</u>
Change in working capital		
- Trade and other receivables	6,138,338	(14,790,106)
- Other current assets	32,977	(380,081)
- Trade and other payables	(791,668)	8,836,880
Cash generated from/(used in) operations	<u>9,346,885</u>	<u>(304,650)</u>
Tax paid	(635,598)	(414,746)
Cash provided by/(used in) operating activities	<u>8,711,287</u>	<u>(110,096)</u>
Cash flows from investing activities		
Additional investment in a subsidiary	(9,124,729)	(2,701,158)
Purchase of plant and equipment	(148,224)	(1,162,692)
Net cash used in investing activities	<u>(9,272,953)</u>	<u>(3,863,850)</u>
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	3,500,000	2,694,000
Interest received	98,395	192,545
Interest paid	(106,541)	(124,440)
Proceeds from/(repayment of) bank borrowings	(724,790)	4,673,858
Net cash provided by financing activities	<u>2,767,064</u>	<u>7,435,963</u>
Net increase in cash and cash equivalents	<u>2,205,398</u>	<u>3,462,017</u>
Cash and cash equivalents at beginning of financial period/year	<u>6,758,928</u>	<u>3,296,911</u>
Cash and cash equivalents at end of financial period/year	<u>8,964,326</u>	<u>6,758,928</u>

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

HCL INSYS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2015 to 31 March 2016

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

1. General information

The Company is incorporated and domiciled in Singapore. The address of its registered office is 1, North Bridge Road, #19-04/05 High Street Centre, Singapore 179094. The address of its principal place of business is The Signature, #09-02, 51 Changi Business Park Central 2, Singapore 486066.

The principal activities of the Company are relating to IT and related activities including manufacturing of laptops, desktops and other related IT products and rendering of managed and maintenance services. The principal activities of the subsidiaries are disclosed in Note 12.

On 1 July 2015, the Company changed its financial year to coincide with the financial year of its ultimate holding corporation, HCL Infosystems Limited. The holding corporation adopts a financial period end of 31 March. Accordingly, the Company's current financial period end has changed from 30 June 2016 to 31 March 2016.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions, as disclosed in Note 12 to the financial statements.

Interpretations and amendments to published standards effective in 2016

On 1 July 2015, the Company adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

HCL INSYS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2015 to 31 March 2016

2. Significant accounting policies(continued)

2.2 Consolidation

The financial statements are the separate financial statements of the Company. The Company is exempted from the preparation of consolidated financial statements as the Company is a wholly-owned subsidiary of HCL Infosystems Ltd., a company incorporated in India, listed on the Bombay Stock Exchange which publishes consolidated financial statements available for public use. The registered office of HCL InfosystemsLtd. is 806, Siddharth, 96, Nehru Place, New Delhi - 110 019.

2.3 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities, net of goods and services tax and discounts.

Revenue from sale of goods is recognised when the Company has delivered the products to the customer, the customer has accepted the products and the collectability of the related receivables is reasonably assured.

Service revenue are recognised in the period in which services are rendered.

Interest income is recognised on a time-proportion basis using the effective interest method.

2.4 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency").

In the prior years, the Company regarded United States Dollar ("US\$") as its functional currency. Due to the increasing focus on revenue activities which are influenced by the Singapore Dollar ("S\$"), the management re-assessed that the functional currency is changed from United States Dollar to Singapore Dollar with effect from 1 July 2015.

The change in functional currency of the Company was applied prospectively from the date of change. On the date of change of functional currency, all **assets**, liabilities, issued capital and other components of equity and profit and loss account items were translated into Singapore Dollar at the exchange rate on that date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2015 to 31 March 2016

2. Significant accounting policies (continued)

2.4 Currency translation (continued)

(a) Functional and presentation currency (continued)

In conjunction with the change of functional currency, the Company changed its presentation currency from US\$ to S\$. This change was applied retrospectively using the following procedures:

- assets and liabilities of all corresponding figures presented (including opening balances from the beginning of earliest prior period presented) were translated at the closing rates of respective year end;
- income and expenses for all corresponding figures presented were translated at the average exchange rate for the financial year approximating the exchange rates at the dates of transactions; and
- all resulting exchange differences were recognised in other comprehensive income.

(b) Translations and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

2.5 Employee compensation

(a) Defined contribution plans

The Company's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due.

(b) Employee leaves entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2015 to 31 March 2016

2. Significant accounting policies (continued)

2.6 Plant and equipment

Plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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

	<u>Useful lives</u>
Furniture and fittings	4 - 6 years
Plant & equipment	6 years
Computers	3 years
Leasehold improvement	3 years or lease period whichever is lower
Software	Licence period

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.7 Intangible assets

Acquired computer software licences

Acquired computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use.

Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of three years.

The amortisation period and amortisation method of intangible assets (other than goodwill) are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

HCL INSYS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2015 to 31 March 2016

2. Significant accounting policies (continued)

2.8 Investment in a subsidiary

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

2.9 Operating lease payments

Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

2.10 Income taxes

Current income tax is recognised at the amount expected to be paid to or recovered from the tax authorities.

Deferred income tax is recognised for all temporary differences except when the deferred income tax arises from initial recognition of an asset or liability and affects neither accounting nor taxable profit or loss at the time of the transaction.

Current and deferred income tax is measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date, and are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

2.11 Impairment of non-financial assets

Plant and equipment and investment in a subsidiary are reviewed for impairment whenever there is any indication that these assets may be impaired.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and 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. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2015 to 31 March 2016

2. Significant accounting policies (continued)

2.12 Loans and receivables

Cash and bank deposits

Trade and other receivables

Other current assets (excluding prepayments)

Cash and bank deposits, trade and other receivables and other current assets (excluding prepayments) are initially recognised at their fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Company assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

These assets are presented as current assets except for those that are expected to be realised later than 12 months after the balance sheet date, which are presented as non-current assets.

2.13 Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Borrowings are initially recognised at fair values (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial period/year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

HCL INSYS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2015 to 31 March 2016

2. Significant accounting policies (continued)

2.15 Share capital

Ordinary shares are classified as equity.

2.16 Fair value estimation

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.17 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash at bank and on hand and short-term bank deposits.

2.18 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.19 Government grants

Grants from the government are recognised at their fair values when there is reasonable assurance that the grants will be received and the Company will comply with all the attached conditions.

Government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

3. Revenue

	Financial period from 1.7.2015 to 31.3.2016 S\$	Financial year ended 30.6.2015 S\$ (Restated)
Sale of goods	3,309,800	5,846,639
Rendering of services	49,743,777	49,856,305
	53,053,577	55,702,944

HCL INSYS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2015 to 31 March 2016

4. Other income and other losses

(a) Other income

	Financial period from 1.7.2015 to 31.3.2016 S\$	Financial year ended 30.6.2015 S\$ (Restated)
Interest income from:		
- short-term bank deposits	3,791	-
- a subsidiary	94,604	192,545
Government grants:		
- Wage Credit Scheme/ Special employment credit/Temporary employment credit/ Productivity and innovation Credit Scheme	267,526	157,068
	<u>365,921</u>	<u>349,613</u>

The Wage Credit Scheme ("WCS") is part of a 3-Year Transition Support Package for businesses introduced in 2013. The WCS helps business cope with rising wage costs so that they can free up resources for productivity investments. It also encourages businesses to share productivity gains with their employees.

The Special Employment Credit (SEC) was introduced as a Budget Initiative in 2011 to support employers, and to raise the employability of older low-wage Singaporeans. It was enhanced in 2012 to provide employers with continuing support to hire older Singaporean workers and Persons with Disabilities (PWDs).

The Temporary Employment Credit (TEC) was introduced as a Budget Initiative in 2014 to help employers cope with the higher wage costs arising from Central Provident Fund.

The Productivity and Innovation Credit Bonus ("PIC") is a taxable bonus introduced in the Singapore Budget 2013 to help businesses defray rising costs such as wages and rentals and encourages businesses to undertake improvements in production and innovation. The PIC bonus is determined by the amount of expenditure businesses incur on PIC-qualifying activities.

The amount a company received depends on the fulfilment of the conditions stated in the Scheme.

HCL INSYS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2015 to 31 March 2016

4. Other income and other losses(continued)

(b) Other losses

	Financial period from 1.7.2015 to 31.3.2016 S\$	Financial year ended 30.6.2015 S\$ (Restated)
Impairment loss on subsidiary	1,915,187	-
Net currency translation losses	295,881	(326,896)
	<u>2,211,068</u>	<u>(326,896)</u>

5. Expenses by nature

	Financial period from 1.7.2015 to 31.3.2016 S\$	Financial year ended 30.6.2015 S\$ (Restated)
Purchases of inventories (a)	4,015,668	5,159,092
Amortisation of intangible asset	36,087	107,021
Depreciation of plant and equipment (Note 13)	389,992	572,891
Employee compensation (Note 6)	21,274,354	22,527,810
Professional fees	143,093	304,843
Rental expense on operating leases	322,836	267,695
Bank charges	56,169	45,888
Impairment loss on trade receivables	9,882	149,540
Recruitment expenditure	37,441	49,969
Repair and maintenance	24,032	50,822
Agency facility management fees to Infocomm Development Authority of Singapore ("IDA")	22,240,870	19,952,823
Total administrative (b)	44,534,756	44,029,302
Other expenses (c)	933,639	1,137,432
Total cost of sales, administrative and other expenses (a+b+c)	<u>49,484,063</u>	<u>50,325,826</u>

HCL INSYS PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial period from 1 July 2015 to 31 March 2016*

6. Employee compensation

	Financial period from 1.7.2015 to 31.3.2016 S\$	Financial year ended 30.6.2015 S\$ (Restated)
Wages and salaries	20,293,389	21,281,397
Employer's contribution to Central Provident Fund	980,965	1,244,430
Other benefits	-	1,983
	<u>21,274,354</u>	<u>22,527,810</u>

7. Finance expenses

	Financial period from 1.7.2015 to 31.3.2016 S\$	Financial year ended 30.6.2015 S\$ (Restated)
Interest expense	<u>106,541</u>	<u>124,440</u>

8. Income taxes**(a) Income tax expense**

	Financial period from 1.7.2015 to 31.3.2016 S\$	Financial year ended 30.6.2015 S\$ (Restated)
Tax expense attributable to results is made up of:		
- Current income tax	570,722	273,079
- Deferred income tax (Note 17)	(49,267)	83,270
	<u>521,455</u>	<u>356,349</u>
Underprovision in prior financial years		
- Current income tax	49,038	214,099
	<u>570,493</u>	<u>570,448</u>

HCL INSYS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2015 to 31 March 2016

8. Income taxes (continued)

(a) Income tax expense (continued)

The tax expense on results differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Financial period from 1.7.2015 to 31.3.2016 S\$	Financial year ended 30.6.2015 S\$ (Restated)
Profit before income tax	1,617,826	5,275,395
Tax calculated at a tax rate of 17% (30.6.2015: 17%)	275,030	896,817
Effects of:		
- Statutory exempt income	(25,925)	(25,507)
- Tax rebate	(20,000)	(19,677)
- Expenses not deductible	325,582	-
- Productivity and innovation credit	(47,012)	(508,004)
- Other	13,780	12,720
	521,455	356,349

(b) Movements in current income tax liabilities

	As at 31.3.2016 S\$	As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
Beginning of financial period/year	320,913	230,254	-
Income tax paid	(635,598)	(414,746)	(3,515)
Tax payable on profit for current financial period/year	570,722	273,079	233,404
Underprovision in preceding financial years	49,038	214,099	-
Currency translation difference	-	18,227	365
End of financial period/year	305,075	320,913	230,254

HCL INSYS PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial period from 1 July 2015 to 31 March 2016*

9. Cash and bank deposits

	As at 31.3.2016 S\$	As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
Cash at bank and on hand	8,203,141	5,956,869	2,556,802
Short-term bank deposits	761,185	802,059	740,109
	<u>8,964,326</u>	<u>6,758,928</u>	<u>3,296,911</u>

The short-term bank deposits mature within 6 months (30.6.2015: 4.5 months, 30.6.2014: 6 months) from the financial period/year end. The effective interest rate of these deposits as at balance sheet date was 0.55% (30.6.2015: 0.45%, 30.6.2014: 0.45%) per annum. At the balance sheet date, the carrying amounts of cash and cash equivalents approximate their fair value.

Cash and bank deposits at the balance sheet date are denominated in the following currencies:

	As at 31.3.2016 S\$	As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
Singapore Dollar	8,203,141	5,956,870	361,377
United States Dollar	761,185	802,058	2,935,534
	<u>8,964,326</u>	<u>6,758,928</u>	<u>3,296,911</u>

HCL INSYS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2015 to 31 March 2016

10. Trade and other receivables

	As at 31.3.2016 S\$	As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
Trade receivables from:			
- third parties	10,357,470	9,987,642	3,492,062
- ultimate holding corporation	-	13,875	382,368
- related corporations	-	38,215	53,106
- a subsidiary	2,525,309	2,728,762	2,536,462
	12,882,779	12,768,494	6,463,998
Less: Allowance for impairment of trade receivables	(204,100)	(194,218)	(40,049)
	12,678,679	12,574,276	6,423,949
Unbilled receivables	1,013,233	1,880,399	1,590,987
Loan receivable from a subsidiary	2,974,792	8,350,367	-
	16,666,704	22,805,042	8,014,936

The Company had advanced a loan of S\$2,974,792 (30.6.2015: S\$8,350,367) to its subsidiary at an interest of 6 months LIBOR plus 300 BPS (30.6.2015: 6 months LIBOR plus 300 BPS). The effective interest rate on the loan at balance sheet date is 3.25% (30.6.2015: 2.3%) per annum. The loan to the subsidiary is unsecured and repayable in January 2017 (30.6.2015: January 2016).

The carrying amounts of trade and other receivables approximate their fair values.

Trade and other receivables at the balance sheet date are denominated in the following currencies:

	As at 31.3.2016 S\$	As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
Singapore Dollar	9,555,587	10,996,965	4,693,543
United States Dollar	7,080,771	11,808,077	3,321,393
Euro	30,346	-	-
	16,666,704	22,805,042	8,014,936

HCL INSYS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2015 to 31 March 2016

11. Other current assets

	As at 31.3.2016 S\$	As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
Deposits	78,541	83,534	53,064
Prepayments	423,062	451,046	101,435
	<u>501,603</u>	<u>534,580</u>	<u>154,499</u>

The carrying amounts of deposits approximate their fair values.

Deposits at the balance sheet date are denominated in United States Dollar.

12. Investment in a subsidiary

	As at 31.3.2016 S\$	As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
<i>Unquoted equity investment, at cost</i>			
Beginning of financial period/year	12,662,816	9,259,645	9,135,109
Currency translation differences	-	702,013	124,536
Additions	9,124,729	2,701,158	-
	<u>21,787,545</u>	<u>12,662,816</u>	<u>9,259,645</u>
Less : Allowance for impairment	(3,039,018)	(1,123,831)	(1,044,632)
End of financial period/year	<u>18,748,527</u>	<u>11,538,985</u>	<u>8,215,013</u>

The movements in allowance for impairment are as follows:

	As at 31.3.2016 S\$	As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
Beginning of financial period/year	1,123,831	1,044,632	1,030,583
Currency translation differences	-	79,199	14,049
Impairment charge	1,915,187	-	-
End of financial period/year	<u>3,039,018</u>	<u>1,123,831</u>	<u>1,044,632</u>

HCL INSYS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2015 to 31 March 2016

12. Investment in a subsidiary (continued)

Details of the subsidiary are as follows:

Held by the Company

<u>Name of company</u>	<u>Principal activities</u>	<u>Country of incorporation and principal place of business</u>	<u>Equity holding</u>		<u>Cost of investment</u>		
			<u>2016</u> %	<u>2015</u> %	<u>2016</u> S\$	<u>2015</u> S\$ (Restated)	<u>2014</u> S\$ (Restated)
HCL Infosystems MEA FZE	Developing and trading of software and hardware systems and IT solutions	Dubai, Airport Free Zone	100	100	<u>21,787,545</u>	12,662,816	9,259,645

Held by subsidiary

<u>Name of company</u>	<u>Principal activities</u>	<u>Country of incorporation and principal place of business</u>	<u>Equity holding</u>	
			<u>2016</u> %	<u>2015</u> %
HCL Infosystems MEA LLC Abu Dhabi	Trading of computer hardware and accessories, computer system networking and accessory trading, import and on-shore, off-shore oil and gas field and installation services	Dubai	49	49
HCL Infosystems LLC Dubai	Trading of computer software, computer and data processing requisites and computer equipment and requisites	Dubai	49	49
HCL Infosystems Qatar WLL	Trading of computers and provision of IT related services	Dubai	49	49

During the financial year, the Company performed an impairment test (value-in-use calculation) and recorded impairment charge of \$1,915,198 (2015: nil) for the investment in subsidiary in the profit or loss. The impairment charge has arisen from the negative earnings (before tax, depreciation and amortisation) for the current period and previous financial year.

The value-in-use calculation requires the use of management's assumptions and estimates. Changing the key assumptions, including the discount rate or the growth rate assumptions in the cash flow projections could materially affect the value-in-use calculation.

On 29 June 2015, HCL Infosystems MEA FZE allotted and issued 73 new ordinary shares for AED100,000 (S\$37,002.16) each. All 73 new ordinary shares were subscribed by the Company for a cash consideration of AED7,300,000 (S\$2,701,158).

On 16 December 2015, HCL Infosystems MEA FZE allotted and issued 23,800 new ordinary shares for AED1,000 (S\$383.39) each. All 23,800 new ordinary shares were subscribed by the Company for a cash consideration of AED23,800,000 (S\$9,124,729).

HCL INSYS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2015 to 31 March 2016

13. Plant and equipment

	<u>Furniture and fittings</u> S\$	<u>Plant & equipment</u> S\$	<u>Computers</u> S\$	<u>Leasehold improvement</u> S\$	<u>Software</u> S\$	<u>Capital WIP</u> S\$	<u>Total</u> S\$
As at 31.3.2016							
<i>Cost</i>							
Beginning of financial period	79,474	324,000	892,547	283,522	813,574	-	2,393,117
Additions	11,437	1,290	92,181	-	-	43,316	148,224
Reclassification	289,706	(314,133)	94,831	(18,747)	(51,657)	-	-
Written off	-	-	(79,435)	-	-	-	(79,435)
End of financial period	380,617	11,157	1,000,124	264,775	761,917	43,316	2,461,906
<i>Accumulated depreciation</i>							
Beginning of financial period	31,612	93,744	550,143	158,916	265,422	-	1,099,837
Depreciation charge	46,673	234	133,974	34,512	174,599	-	389,992
Reclassification	75,878	(84,178)	28,306	(405)	(19,601)	-	-
Written off	-	-	(79,435)	-	-	-	(79,435)
End of financial year	154,163	9,800	632,988	193,023	420,420	-	1,410,394
Net book value at end of financial period	226,454	1,357	367,136	71,752	341,497	43,316	1,051,512
As at 30.6.2015 (Restated)							
<i>Cost</i>							
Beginning of financial year	50,905	206,814	596,543	141,505	147,949	-	1,143,716
Additions	24,710	101,507	250,778	131,289	654,408	-	1,162,692
Currency translation difference	3,859	15,679	45,226	10,728	11,217	-	86,709
End of financial year	79,474	324,000	892,547	283,522	813,574	-	2,393,117
<i>Accumulated depreciation</i>							
Beginning of financial year	21,211	59,250	259,912	93,958	49,810	-	484,141
Depreciation charge	8,700	29,686	267,674	57,226	209,605	-	572,891
Currency translation difference	1,700	4,808	22,556	7,733	6,008	-	42,805
End of financial year	31,611	93,744	550,142	158,917	265,423	-	1,099,837
Net book value at end of financial year	47,863	230,256	342,405	124,605	548,151	-	1,293,280
As at 30.6.2014 (Restated)							
<i>Cost</i>							
Beginning of financial year	48,688	140,011	391,368	128,137	65,541	-	773,745
Additions	1,553	64,894	199,840	11,621	81,514	-	359,422
Currency translation difference	664	1,909	5,335	1,747	894	-	10,549
End of financial year	50,905	206,814	596,543	141,505	147,949	-	1,143,716
<i>Accumulated depreciation</i>							
Beginning of financial year	12,906	31,377	113,433	48,712	19,775	-	226,203
Depreciation charge	8,116	27,402	144,703	44,511	29,718	-	254,450
Currency translation difference	189	471	1,776	735	317	-	3,488
End of financial year	21,211	59,250	259,912	93,958	49,810	-	484,141
Net book value at end of financial year	29,694	147,564	336,631	47,547	98,139	-	659,575

HCL INSYS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2015 to 31 March 2016

14. Intangible assets

	As at 31.3.2016 S\$	As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
<u>Cost</u>			
Beginning of financial period/year	324,516	301,645	297,588
Currency translation difference	-	22,871	4,057
Beginning of financial period	<u>324,516</u>	<u>324,516</u>	<u>301,645</u>
<u>Accumulated amortisation</u>			
Beginning of financial period/year	288,429	167,564	66,123
Amortisation charge	36,087	107,021	100,379
Currency translation difference	-	13,844	1,062
End of financial period/year	<u>324,516</u>	<u>288,429</u>	<u>167,564</u>
Net book value at end of financial period/year	<u>-</u>	<u>36,087</u>	<u>134,081</u>

15. Trade and other payables

	As at 31.3.2016 S\$	As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
Trade payables to:			
- related corporation	78,036	234,517	42,659
- third parties	1,142,188	795,183	521,317
	<u>1,220,224</u>	<u>1,029,700</u>	<u>563,976</u>
Other payables to:			
- related corporation	-	543,932	505,600
- third parties	6,396,540	7,447,056	1,144,841
	<u>6,396,540</u>	<u>7,990,988</u>	<u>1,650,441</u>
Advance received from customer	-	391,721	49,028
Accrual for operating expenses	3,108,900	2,104,923	417,007
Total trade and other payables	<u>10,725,664</u>	<u>11,517,332</u>	<u>2,680,452</u>

The other payables are unsecured, interest free and repayable on demand.

The carrying amounts of trade and other payables approximate their fair values.

HCL INSYS PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial period from 1 July 2015 to 31 March 2016***15. Trade and other payables (continued)**

Trade and other payables at the balance sheet date are denominated in the following currencies:

	As at 31.3.2016 S\$	As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
Singapore Dollar	9,846,228	10,421,447	1,421,736
United States Dollar	863,595	1,095,885	1,258,716
Euro	14,063	-	-
Indian rupee	1,778	-	-
	10,725,664	11,517,332	2,680,452

16. Borrowings

	As at 31.3.2016 S\$	As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
<i>Current</i>			
Bank overdraft	3,949,068	4,673,858	-

The bank overdraft is denominated in United States Dollar and is repayable on demand and bears an effective interest rate of 3.25% (30.6.2015:3.25%) per annum.

The carrying amount of the bank overdraft approximates its fair value at 31 March 2016 and 30 June 2015.

17. Deferred income taxes liabilities

	As at 31.3.2016 S\$	As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
Beginning of financial period/ year	199,297	107,025	-
Tax (credited)/charged to profit or loss (Note 8(a))	(49,267)	83,270	106,856
Currency translation difference	-	9,002	169
End of financial period/year	150,030	199,297	107,025

HCL INSYS PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial period from 1 July 2015 to 31 March 2016***17. Deferred income taxes liabilities(continued)**

Deferred tax income tax liabilities to be settled from the balance sheet date as follows:

	As at 31.3.2016 S\$	As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
To be settled within one year	82,008	117,899	43,325
To be settled after one year	68,022	81,398	63,700
	150,030	199,297	107,025

The deferred income tax liabilities arise from accelerated tax depreciation of plant and equipment.

18. Share capital

	<u>No. of ordinary shares Issued share capital</u>	<u>Amount Share capital S\$</u>
As at 31.3.2016		
Beginning of the financial period	10,271,379	12,947,153
Effect of change in functional currency	-	1,020,166
Issuance of ordinary shares	2,500,000	3,500,000
End of the financial period	12,771,379	17,467,319
As at 30.6.2015 (Restated)		
Beginning of the financial year	8,271,379	10,253,153
Issuance of ordinary shares	2,000,000	2,694,000
End of the financial year	10,271,379	12,947,153
As at 30.6.2014 (Restated)		
Beginning and end of the financial year	8,271,379	10,253,153

All issued ordinary shares are fully paid. The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. There is no par value for these ordinary shares.

On 22 June 2015, the Company issued 2,000,000 ordinary shares, for a total consideration of S\$2,694,000 for cash to provide funds for the expansion of the Company's operations. The newly issued shares ranked pari passu in all respects with the previously issued shares.

HCL INSYS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2015 to 31 March 2016

18. Share capital (continued)

On 14 October 2015, the Company issued 2,500,000 ordinary shares, for a total consideration of S\$3,500,000 for cash to provide funds for the expansion of the Company's operations. The newly issued shares ranked pari passu in all respects with the previously issued shares.

19. Operating lease commitments

The Company leases its office premises under non-cancellable operating lease agreement. The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	As at 31.3.2016 S\$	As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
Not later than one financial year	307,680	331,282	46,717
Later than one financial year but not later than five financial years	236,460	466,264	-
	<u>544,140</u>	<u>797,546</u>	<u>46,717</u>

20. Immediate and ultimate holding corporations

The Company's immediate holding corporation is HCL Services Ltd., incorporated in India. The ultimate holding corporation is HCL Infosystems Ltd., incorporated in India.

HCL INSYS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2015 to 31 March 2016

21. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at terms agreed between the parties:

	As at 31.3.2016 S\$	As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
Sales to holding corporation	-	590,349	22,954,422
Purchases from holding corporation	214,636	172,281	-
Sales to related corporations	-	110,631	6,734,503
Interest income from a subsidiary	94,604	192,545	-

Balances with related parties at the balance sheet date are set out in Notes 10 and 15.

22. Financial risk management

Financial risk factors

The Company's activities expose it to market risk (including currency risk and interest rate risk), credit risk, liquidity risk and capital risk.

(a) Market risk

(i) *Currency risk*

The Company's business is exposed to currency risk arising from various currency exposures, primarily with respect to payables denominated in United States Dollar ("USD").

HCL INSYS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2015 to 31 March 2016

22. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Company's currency exposure based in the information provided to key management is as follows:

	SGD S\$	USD S\$	Euro S\$	INR S\$	Total S\$
As at 31.3.2016					
<u>Financial assets</u>					
Cash and bank deposits	8,203,141	761,185	-	-	8,964,326
Trade and other receivables	9,555,587	7,080,771	30,346	-	16,666,704
Deposits	-	78,541	-	-	78,541
	<u>17,758,728</u>	<u>7,920,497</u>	<u>30,346</u>	<u>-</u>	<u>25,709,571</u>
<u>Financial liabilities</u>					
Trade and other payables	(9,846,228)	(863,595)	(14,063)	(1,778)	(10,725,664)
Borrowings	-	(3,949,068)	-	-	(3,949,068)
	<u>(9,846,228)</u>	<u>(4,812,663)</u>	<u>(14,063)</u>	<u>(1,778)</u>	<u>(14,674,732)</u>
Net financial asset	7,912,500	3,107,834	16,283	(1,778)	11,034,839
Less: Balance in functional currency	(7,912,500)	-	-	-	(7,912,500)
Net exposure	<u>-</u>	<u>3,107,834</u>	<u>16,283</u>	<u>(1,778)</u>	<u>3,122,339</u>
As at 30.6.2015 (Restated)					
<u>Financial assets</u>					
Cash and bank deposits	5,956,870	802,058	-	-	6,758,928
Trade and other receivables	10,996,965	11,808,077	-	-	22,805,042
Deposits	-	83,534	-	-	83,534
	<u>16,953,835</u>	<u>12,693,669</u>	<u>-</u>	<u>-</u>	<u>29,647,504</u>
<u>Financial liabilities</u>					
Trade and other payables	(10,421,447)	(1,095,885)	-	-	(11,517,332)
Borrowings	-	(4,673,858)	-	-	(4,673,858)
	<u>(10,421,447)</u>	<u>(5,769,743)</u>	<u>-</u>	<u>-</u>	<u>(16,191,190)</u>
Net financial asset	6,532,388	6,923,926	-	-	13,456,314
Less: Balance in functional currency	(6,532,388)	-	-	-	(6,532,388)
Net exposure	<u>-</u>	<u>6,923,926</u>	<u>-</u>	<u>-</u>	<u>6,923,926</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2015 to 31 March 2016

22. Financial risk management (continued)

(a) Market risk (continued)(i) *Currency risk* (continued)

	SGD S\$	USD S\$	Euro S\$	INR S\$	Total S\$
As at 30.6.2014 (Restated)					
<u>Financial assets</u>					
Cash and bank deposits	361,377	2,935,534	-	-	3,296,911
Trade and other receivables	4,693,543	3,321,393	-	-	8,014,936
Deposits	-	53,064	-	-	53,064
	<u>5,054,920</u>	<u>6,309,991</u>	<u>-</u>	<u>-</u>	<u>11,364,911</u>
<u>Financial liability</u>					
Trade and other payables	(1,421,736)	(1,258,716)	-	-	(2,680,452)
Net financial asset	3,633,184	5,051,275	-	-	8,684,459
Less: Balance in functional currency	(3,633,184)	-	-	-	(3,633,184)
Net exposure	<u>-</u>	<u>5,051,275</u>	<u>-</u>	<u>-</u>	<u>5,051,275</u>

At 31 March 2016, if the USD had strengthened/weakened by 0.5% (30.6.2015: 0.5%; 30.6.2014: 0.5%) against the SGD with all other variables including tax rate being held constant, the Company's profit after tax for the financial period/year would have been S\$12,900 (30.6.2015: S\$28,700; 30.6.2014: S\$21,000) higher/lower as a result of currency translation gains/losses on the SGD denominated financial instruments.

(ii) *Interest rate risk*

There is no interest rate risk as at 31 March 2016.

(b) Credit risk

The Company's holding of cash and bank deposits exposes the Company to credit risk of the counterparty. The Company controls its credit risk to non-performance by its counterparty through regular review and monitoring of its credit ratings.

The trade receivables from the ultimate holding corporation, related corporations, subsidiary and third parties also expose the Company to credit risk. The Company manages the credit risk by assessing the credit quality of the counterparty, taking into account its financial position, past experience and other factors.

NOTES TO THE FINANCIAL STATEMENTS*For the financial period from 1 July 2015 to 31 March 2016***22. Financial risk management (continued)****(b) Credit risk(continued)***(i) Financial assets that are neither past due nor impaired*

Bank balances are neither past due nor impaired and are mainly deposits with banks which have good credit-ratings as determined by international credit-rating agencies.

The trade and other receivables that are neither past due nor impaired mainly comprise amounts due from the ultimate holding corporation, subsidiary and related corporations. The amounts due from the ultimate holding corporation, subsidiary and related corporations are recoverable in full.

(ii) Financial assets that are past due and/or impaired

There is no class of financial assets that is past due and/or impaired, except for trade receivables from third parties.

The age analysis of third party trade receivables past due but not impaired is as follows:

	As at 31.3.2016 S\$	As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
Current	7,432,979	6,203,764	2,860,509
Past due 0 to 3 months	554,759	3,249,635	297,517
Past due over 3 months	2,165,632	340,025	293,987
	10,153,370	9,793,424	3,452,013

The carrying amount of third party trade and other receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	As at 31.3.2016 S\$	As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
Gross amount	204,100	194,218	40,049
Less: Allowance for impairment	(204,100)	(194,218)	(40,049)
	-	-	-

HCL INSYS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2015 to 31 March 2016

22. Financial risk management (continued)

(b) Credit risk(continued)

(ii) *Financial assets that are past due and/or impaired (continued)*

	As at 31.3.2016 S\$	As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
Beginning of financial period/year	194,218	40,049	-
Allowance made	9,882	149,540	40,049
Currency translation difference	-	4,629	-
End of financial period/year	204,100	194,218	40,049

(c) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash to enable it to meet its operational requirements.

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows:

	As at 31.3.2016 S\$	<u>Less than 1 year</u> As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
Trade and other payables	10,725,664	11,517,332	2,680,452
Borrowings	4,077,412	4,825,758	-
	14,803,076	16,343,090	2,680,452

(d) Capital risk

The Company's objectives when managing capital are to ensure that the Company is adequately capitalised and to maintain an optimal capital structure by issuing or redeeming additional equity and debt instruments when necessary.

The Board of Directors monitors its capital based on net debt and total capital. Net debt is calculated as trade and other payables and borrowings less cash and bank deposits. Total capital is calculated as equity plus net debt.

HCL INSYS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2015 to 31 March 2016

22. Financial risk management (continued)

(d) Capital risk (continued)

	As at 31.3.2016 S\$	As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
Net debt	5,710,406	9,432,262	-
Total equity	30,802,835	26,255,502	17,457,284
Total capital	<u>36,513,241</u>	<u>35,687,764</u>	<u>17,457,284</u>

(e) Financial instruments by category

The aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost are as follows:

	As at 31.3.2016 S\$	As at 30.6.2015 S\$ (Restated)	As at 30.6.2014 S\$ (Restated)
Loans and receivables	25,709,571	29,647,504	11,364,911
Financial liabilities at amortised cost	<u>14,674,732</u>	<u>16,191,190</u>	<u>2,680,452</u>

23. Events occurring after balance sheet date

On 1 July 2016, the Company issued 3,047,619 ordinary shares, for a total consideration of S\$4,144,241 for cash to provide funds for the expansion of the Company's operations. The newly issued shares ranked pari passu in all respects with the previously issued shares.

24. Restatements to prior year's statutory financial statements

As described in Note 2.4(a), in the previous financial years, the Company used United States Dollar ("US\$") as the functional currency in the preparation of its financial statements. Management has re-assessed the position and concluded that Singapore Dollar ("S\$") is a more appropriate functional currency for the Company with effect from 1 July 2015 due to change in business operations where there have been increasing focus on revenue activities which are influenced by the Singapore Dollar.

HCL INSYS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2015 to 31 March 2016

24. Restatements to prior year's statutory financial statements (continued)

Had the Company used S\$ as the functional currency, the effects on the financial statements of the Company for the financial year ended 30 June 2015 would have been as follows:

	As reported in the statutory financial statements for financial year ended 30 June 2015	In S\$ translated S\$	Amounts translated in S\$ as stated in the comparative figures S\$	Effects of restatement using S\$ as functional currency S\$
	<u>In US\$</u> US\$			
Statement of Comprehensive Income				
Profit after tax	3,496,802	4,755,053	4,704,947	50,106
<u>Balance Sheet</u>				
Share capital	10,271,379	13,967,319	12,947,153	1,020,166
Total equity	9,036,565	12,288,184	11,690,660	597,524

25. Comparative information

The financial statements for the current financial period are from 1 July 2015 to 31 March 2016. The comparatives are for the financial year from 1 July 2014 to 30 June 2015. The comparative figures for the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and related notes to the financial statements are therefore not comparable.

26. New or revised accounting standards and FRS interpretations

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for the Company's accounting periods beginning on or after 1 April 2016. The Company does not expect the adoption of those accounting standards or interpretations to have a material impact on the Company's financial statements.

27. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 30 September 2016.