

**VAMA TECHNOLOGIES PTE. LTD.**  
**(Incorporated in Singapore)**  
**Registration No: 201613944W**

**AUDITED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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**VAMA TECHNOLOGIES PTE. LTD.**  
**(Incorporated in Singapore)**

**DIRECTORS' STATEMENT**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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The directors are pleased to present their statement to the members together with the audited financial statements of Vama Technologies Pte. Ltd. (the "Company") for the financial year ended 31 March 2023.

**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 2023 and the financial performance, changes in equity and cash flows of the Company for the year then ended;
- (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:

**VEGESNA ATCHYUTA RAMA RAJU**  
**KALASEGARAN S/O GENKATHARAN**

**3. Arrangements to enable directors to acquire shares or debentures**

Neither at the end of nor at any time during the financial year 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.

**4. Directors' interest in shares or debentures**

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, 1967 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

Name of the director	Direct interest		Deemed interest	
	At the beginning of the financial year	At the end of the financial year	At the beginning of the financial year	At the end of the financial year
<b>Ordinary shares at Rupees 2 each of the ultimate holding company – Vama Industries Limited, India</b>				
<b>Vegesna Atchyuta Rama Raju</b>	12,555,120	12,555,120	774,500*	774,500

VAMA TECHNOLOGIES PTE. LTD.  
(Incorporated in Singapore)

**DIRECTORS' STATEMENT (Continued)**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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**4. Directors' interest in shares or debentures (Cont'd)**

None of the directors of the Company holding office at the reporting date had any interest in the shares or debentures of the Company either at the beginning or end of financial year. Mr. Vegesna Atchyuta Rama Raju, who by virtue of his interest of not less than 20% of the issued capital of the holding company, is deemed to have an interest in the whole of the share capital of the Company.

\* - Shares are held by his spouse.

**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 option at the end of the financial year.

**6. Auditor**

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

The Board of Directors,



VEGESNA ATCHYUTA RAMA RAJU  
Director

DATE: 24 MAY 2023



KALASEGARAN S/O GENKATHARAN  
Director



## MGI N RAJAN ASSOCIATES

PUBLIC ACCOUNTANTS AND  
CHARTERED ACCOUNTANTS SINGAPORE

### INDEPENDENT AUDITOR'S REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF VAMA TECHNOLOGIES PTE. LTD.

##### Report on the Audit of the Financial Statements

##### *Opinion*

We have audited the financial statements of Vama Technologies Pte. Ltd, (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1967(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 2023 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease, or has no realistic alternative but to do so.

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

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G. Natarajan, P.S. Somasekharan, D. Govindaraj

**INDEPENDENT AUDITOR'S REPORT (Continued)**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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***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.

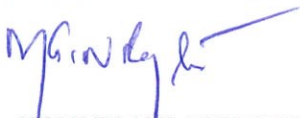
As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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: **24 MAY 2023**

**VAMA TECHNOLOGIES PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023**

<b>ASSETS</b>	<b>Note</b>	<b>2023 US\$</b>	<b>2022 US\$</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	7	8,903	94,275
		<b>8,903</b>	<b>94,275</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	22,229	11,006
Trade and other receivables	7	432,673	308,621
		<b>454,902</b>	<b>319,627</b>
<b>TOTAL ASSETS</b>		<b>463,805</b>	<b>413,902</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	97,962	147,861
Provision for taxation	5b	6,912	-
		<b>104,874</b>	<b>147,861</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>358,931</b>	<b>266,041</b>
<b>CAPITAL AND RESERVES</b>			
Share capital	9	6,000	6,000
Retained Earnings		352,931	260,041
<b>TOTAL EQUITY</b>		<b>358,931</b>	<b>266,041</b>

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

**VAMA TECHNOLOGIES PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	Note	2023 US\$	2022 US\$
Revenue	10	158,623	153,599
Cost of sales		(117,605)	(150,974)
<b>Gross profit</b>		<b>41,018</b>	<b>2,625</b>
Other income		75,850	-
		<b>116,868</b>	<b>2,625</b>
Administrative and other expenses		(17,066)	(17,221)
<b>Profit/(loss) before tax</b>	<b>4</b>	<b>99,802</b>	<b>(14,596)</b>
Taxation	5a	(6,912)	(1,202)
<b>Profit / (loss) for the year representing total comprehensive income for the year</b>		<b>92,890</b>	<b>(15,798)</b>

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

**VAMA TECHNOLOGIES PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	Share Capital	Retained Earnings	Total
	US\$	US\$	US\$
<b>Balance as at 1 April 2021</b>	6,000	275,839	281,839
Total comprehensive income for the year	-	(15,798)	(15,798)
<b>Balance as at 31 March 2022</b>	6,000	260,041	266,041
Total comprehensive income for the year	-	92,890	92,890
<b>Balance as at 31 March 2023</b>	6,000	352,931	358,931

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

**VAMA TECHNOLOGIES PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 US\$	2022 US\$
<b>Cash flows from operating activities</b>			
Profit / (loss) for the year before tax		99,802	(14,596)
<b>Adjustment for:</b>			
Liability written back		75,850	-
Operating profit before working capital changes		99,802	(14,596)
<b>Changes in working capital:</b>			
Decrease / (increase) in trade and other receivables		(38,680)	(18,345)
(Decrease) / increase in trade and other payables		(49,899)	37,878
<b>Cash generated from operations</b>		11,223	4,937
Tax (paid)	5b	-	(10,092)
<b>Net cash flows from operating activities</b>		11,223	(5,155)
Net increase in cash and cash equivalents		11,223	(5,155)
Cash and cash equivalents at the beginning of the year		11,006	16,161
<b>Cash and cash equivalents at the end of the year</b>	6	22,229	11,006

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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

**1. GENERAL INFORMATION**

Vama Technologies Pte. Ltd. (the "Company") is incorporated and domiciled in Singapore with its registered office and principal place of business at 10 Jalan Besar, # 10-03, Sim Lim Tower, Singapore 208787.

The principal activity of the Company is that of providing information technology and computer service activities (Ex. disaster recovery services).

The immediate and ultimate holding company is Vama Industries Limited, a company 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 under the historical cost convention except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollar (US\$), 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 that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and effective for financial periods beginning on April 1, 2022. The adoption of these Standards did not have material effect on the financial performance or position of the Company.

**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.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023  
(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	01-Jan-2023
Amendments to FRS 1 <i>Presentation of Financial Statements</i> and FRS Practice Statement 2: Disclosure of Accounting Policies	01-Jan-2023
Amendments to FRS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> : Definition of Accounting Estimates	01-Jan-2023
Amendments to FRS 12 <i>Income Taxes</i> : Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01-Jan-2023
Amendments to FRS 116 <i>Leases</i> : Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 110 <i>Consolidated Financial Statements</i> and FRS 28 <i>Investments in Associates and Joint Ventures</i> : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The adoption of these standards did not have any material effect on the financial performance or position of the Company.

2.5 Financial instruments

(i) Financial assets

Initial recognition and measurement

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023  
(Continued)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Financial instruments (Continued)

Subsequent measurement

*Investments in debt instruments*

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

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

**Derecognition**

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition 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 had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(ii) 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 FVPL, directly attributable transaction costs

**Subsequent measurement**

After initial recognition, financial liabilities that are not carried at FVPL 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.

**Derecognition**

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

2.6 Impairment of financial assets

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**2.6 Impairment of financial assets (Cont'd)**

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

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

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

**2.7 Cash and cash equivalents**

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

**2.8 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.

**Warranty provisions**

Provisions for warranty-related costs are not recognised as the warranty costs are covered by holding company and an arrangement with a third party.

**2.9 Inventory**

Inventories were stated at the lower of cost and net realisable value. Cost was determined on a first-in first-out basis.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2.10 Revenue recognition**

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

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

**a) Sale of goods**

Revenue from sale of goods is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

The amount of revenue recognised is based on the transaction price, which comprises the contractual price.

**b) Installation works**

Installation is a quick and simple process and revenue from rendering of the installation services is recognised when the services have been performed and rendered.

**Accounting for non-current retention amounts**

The Company has assessed that there is no significant financing component present as the payment terms is an industry practice to protect the customers from the performing entities' failure to adequately complete some or all of its obligations under the contract. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

**2.11 Tax**

**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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**  
**(Continued)**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2.12 Tax (Continued)**

**b) Deferred tax**

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

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

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

A related party is an entity or person that directly or indirectly through one or more intermediary controls, is controlled by, or is under common or joint control with, the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. The transactions are entered on terms agreed by the parties concerned.

**2.12 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.

**2.13 Related parties**

A related party is an entity or person that directly or indirectly through one or more intermediary controls, is controlled by, or is under common or joint control with the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. The transactions are entered on terms agreed by the parties concerned.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023  
(Continued)

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**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

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

**3.1 Judgments made in applying accounting policies**

**Determination of functional currency**

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

**3.2 Key sources of estimation uncertainty**

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

**Provision for expected credit losses of trade receivables and contract assets**

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

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables and contract assets is disclosed in Note 7.

The carrying amount of the Company's trade receivables and other receivables as at 31 March 2023 was US\$ 427,963 (31 March 2022: US\$ 398,512).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023  
(Continued)

4. PROFIT/(LOSS) BEFORE TAX

	2023 US\$	2022 US\$
Profit/(loss) before tax has been arrived at after charging/(crediting):		
Warranty charges	92,380	150,974
Freight charges	25,225	-

5. TAXATION

a) Income tax expense

The major components of income tax expense recognized in profit or loss for the years ended 31 March 2023 and 2022 were:

	2023 US\$	2022 US\$
Current year's income tax	6,912	-
Under provision in respect of prior years	-	1,202
<b>Income tax expense recognized in profit or loss</b>	<b>6,912</b>	<b>1,202</b>

Relationship between tax expense and accounting profit/(loss)

A reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the financial years ended 31 March 2023 and 2022 were as follows:

	2023 US\$	2022 US\$
(Loss) / profit before taxation	99,802	(14,596)
Tax @ statutory rate of 17% (2022: 17%)	16,966	(2,481)
Partial tax exemption	(7,573)	-
Under provision of prior year	-	1,202
Deferred tax asset	-	2,481
Benefit from deferred tax asset not recognized previously	(2,481)	-
<b>Income tax expense recognized in profit or loss</b>	<b>6,912</b>	<b>1,202</b>

b) Movements in income tax liabilities during the financial year were as follows:

	2023 US\$	2022 US\$
Balance at the beginning of the year	-	8,890
Income tax paid	-	(10,092)
Under provision of prior year	-	1,202
Tax expense for the current year	6,912	-
<b>Balance at the year end</b>	<b>6,912</b>	<b>-</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023  
(Continued)

6. CASH AND CASH EQUIVALENTS

	2023 US\$	2022 US\$
Cash at bank	22,229	11,006
	<u>22,229</u>	<u>11,006</u>

7. TRADE AND OTHER RECEIVABLES

	2023 US\$	2022 US\$
<b>Non-Current</b>		
Contract assets – retention monies	8,903	94,275
	<u>8,903</u>	<u>94,275</u>
<b>Current</b>		
Contract assets – retention monies	109,159	137,159
Trade receivables	119,259	38,400
Contract asset *	28,317	27,353
Total Current assets	256,735	202,912
<b>Due from Holding company- Trade advance</b>	162,325	101,325
<b>Other receivables</b>		
Prepaid warranty cost	9,229	-
Deposit	4,384	4,384
	<u>432,673</u>	<u>308,621</u>
<b>Total trade and other receivables</b>	<u>441,576</u>	<u>402,896</u>

Trade receivables are generally on 30 to 60 days terms. They are non-interest bearing and are recognised at their original invoice amounts which represent their fair values on initial recognition.

\*This pertains to the Annual maintenance contract services performed and invoice not raised as on the year end.

**Expected credit losses**

- The Company does not have any allowance for expected credit losses on its trade receivables and contract assets as at year end because they are assessed to be fully recoverable.

Information regarding trade receivables that are past due is disclosed in Note 11.

Retention receivables are recognised as a contract asset. Retention sums are classified as non-current as they are expected to be received between two to three years from the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023  
(Continued)

8. TRADE AND OTHER PAYABLES

	2023 US\$	2022 US\$
<b>Trade payables:</b>		
Trade creditors	87,265	139,499
	<u>87,265</u>	<u>139,449</u>
<b>Other payables:</b>		
Accruals	10,697	8,362
	<u>97,962</u>	<u>147,861</u>

Trade payables are non-interest bearing and are normally settled on 30-60 days' terms.

9. SHARE CAPITAL

The Company's share capital comprises fully paid-up 8,680 (2022: 8,680) ordinary shares amounting to a total of US\$ 6,000 (2022: US\$ 6,000). 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 restrictions. The ordinary shares have no par value.

The ordinary shares are denominated in Singapore Dollars and are converted to United States Dollars at historical rates.

10. REVENUE

	2023 US\$	2022 US\$
<b>Disaggregation of revenue</b>		
Service income	158,623	153,599
	<u>158,623</u>	<u>153,599</u>
<u>Timing of transfer of good or service</u>		
Services transferred at over time	158,623	153,599
	<u>158,623</u>	<u>153,599</u>

Information about trade receivables and contract assets from contracts with customers is disclosed at Note 7.

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed 10% of contract amount at the reporting date due to warranty period. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Company invoices the customer after the completion of warranty period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023  
(Continued)

11. FINANCIAL RISK MANAGEMENT

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

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

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

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

a) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The financial statements have been prepared on a going concern basis as the holding company has given an undertaking that it will provide continuing financial support to the Company to enable them to continue their operations (Note 2.2). The directors are satisfied that funds are available to finance the operations of the Company.

Analysis of financial instruments by remaining contractual maturities

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

	Carrying amount	Contractual cash flows	One year or less	After one year to five years
31 March 2023	US\$	US\$	US\$	US\$
<b>Financial assets</b>				
Trade receivables	119,259	119,259	119,259	-
Contract assets – unbilled revenue	28,317	28,317	28,317	-
Contract assets – retention monies	118,062	118,062	118,062	-
Deposit	4,384	4,384	4,384	-
Cash and cash equivalents	22,229	22,229	22,229	-
<b>Total undiscounted financial assets</b>	<b>292,251</b>	<b>292,251</b>	<b>292,251</b>	<b>-</b>
<b>Financial liabilities</b>				
Trade payables - third parties	87,265	87,265	87,265	-
Accruals	10,697	10,697	10,697	-
<b>Total undiscounted financial liabilities</b>	<b>97,962</b>	<b>97,962</b>	<b>97,962</b>	<b>-</b>
<b>Total net undiscounted financial assets/(liabilities)</b>	<b>194,289</b>	<b>194,289</b>	<b>194,289</b>	<b>-</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023  
(Continued)

11. FINANCIAL RISK MANAGEMENT (Cont'd)

31 March 2022	Carrying amount US\$	Contractual cash flows US\$	One year or less US\$	After one year to five years US\$
<b>Financial assets</b>				
Trade receivable	38,400	38,400	38,400	-
Contract assets – Unbilled revenue	27,353	27,353	27,353	-
Contract assets – retention monies	231,434	231,434	231,434	-
Deposit	4,384	4,384	4,384	-
Cash and cash equivalents	11,006	11,006	11,006	-
<b>Total undiscounted financial assets</b>	<b>312,577</b>	<b>312,577</b>	<b>312,577</b>	<b>-</b>
<b>Financial liabilities</b>				
Trade payables - third parties	139,499	139,499	139,499	-
Accruals	8,362	8,362	8,362	-
<b>Total undiscounted financial liabilities</b>	<b>147,861</b>	<b>147,861</b>	<b>147,861</b>	<b>-</b>
<b>Total net undiscounted financial assets/(liabilities)</b>	<b>164,716</b>	<b>164,716</b>	<b>164,716</b>	<b>-</b>

b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. For cash and cash equivalents, the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

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

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

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

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

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023  
(Continued)

11. FINANCIAL RISK MANAGEMENT (Cont'd)

b) Credit risk (Continued)

- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is past due beyond the credit period and based on the history of the payments received in making contractual payment.

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

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

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

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

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023  
(Continued)

11. FINANCIAL RISK MANAGEMENT (Cont'd)

b) Credit risk (Continued)

	Note	Category	12-month or lifetime ECL	Gross carrying amount US\$	Loss allowance US\$	Net carrying amount US\$
<b>31 March 2023</b>						
Trade receivables	7	Note 1	Lifetime ECL (simplified)	119,259	-	119,259
Contract asset	7	Note 1	Lifetime ECL (simplified)	28,317	-	28,317
Due from Holding Company	7	Note 1	Lifetime ECL (simplified)	162,325	-	162,325
Contract assets – retention monies	7	Note 1	Lifetime ECL (simplified)	118,062	-	118,062
Deposit	7	I	12-month ECL	4,384	-	4,384
				<b>432,347</b>		<b>432,347</b>
<b>31 March 2022</b>						
Trade receivables	7	Note 1	Lifetime ECL (simplified)	38,400	-	38,400
Contract asset	7	Note 1	Lifetime ECL (simplified)	27,353	-	27,353
Due from Holding Company	7	Note 1	Lifetime ECL (simplified)	101,325	-	101,325
Contract assets – retention monies	7	Note 1	Lifetime ECL (simplified)	231,434	-	231,434
Deposit	7	I	12-month ECL	4,384	-	4,384
				<b>402,896</b>		<b>402,896</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023  
(Continued)

11. FINANCIAL RISK MANAGEMENT (Cont'd)

b) Credit risk (Continued)

Trade receivables (Note1)

For trade receivables and contract assets, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables and contract assets is presented based on their past due status in terms of the provision matrix.

31 MARCH 2023	Trade receivables		
	Not Past due	< 30 days	Total
ECL rate	0.0%	0.0%	US\$
Estimated total gross carrying amount at default	-	119,259	119,259
ECL	-	-	-
	-	<b>119,259</b>	<b>119,259</b>

31 MARCH 2022	Trade receivables		
	Not Past due	< 30 days	Total
ECL rate	0.0%	0.0%	US\$
Estimated total gross carrying amount at default	-	38,400	38,400
ECL	-	-	-
	-	<b>38,400</b>	<b>38,400</b>

Due from holding company- trade advance

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023  
(Continued)

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11. FINANCIAL RISK MANAGEMENT (Cont'd)

c) Credit risk (Continued)

**Excessive risk concentration**

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

**Exposure to credit risk**

The Company has significant concentration of credit risk as follows;

Trade receivables 27%(2022:10%), contract assets 25% (2022: 34%), loan to Holding company 37% (2022: 25%). The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

d) Market risk

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

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company does not have any loans or debt obligations which are affected by changes in interest rates. The Company adopts a conservative approach in interest risk management by avoiding interest bearing borrowings and relying on its non-interest bearing creditors.

ii) Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. The Company does not have any significant foreign currency denominated financial instruments. Management does not expect changes in foreign exchange rates to have significant impact on the Company's profit or loss before tax from its operations as all of the financial assets and financial liabilities are denominated in United States Dollar.

12. FAIR VALUE OF ASSETS AND LIABILITIES

**Assets and liabilities approximate their fair values at the reporting date as follows:**

*Cash and cash equivalents, deposit, amount due to holding company and accruals*

The carrying amounts of these balances (including amount due to holding company) approximate their fair values due to either they are short-term in nature or they are repayable on demand.

*Trade receivables, contract assets and trade payables*

The carrying amounts of these receivables and payables (including trade payables to holding company) approximate their fair values as they are subject to normal trade credit terms and there is no significant financing component included.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023  
(Continued)

13. FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	2023 US\$	2022 US\$
<b><u>Financial assets measured at amortised cost</u></b>		
Trade and other receivables (Note 7)	432,347	402,896
Cash and cash equivalents (Note 6)	22,229	11,006
	<u>454,576</u>	<u>413,902</u>
<b><u>Financial liabilities measured at amortised cost</u></b>		
Trade and other payables (Note 8)	97,962	147,861
	<u>97,962</u>	<u>147,861</u>

14. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made to the objectives, policies or processes during the financial years ended 31 March 2023 and 31 March 2022.

15. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following are significant related parties trading transactions during the financial year ended 31 March 2023 and 2022 and were at terms and rates agreed between the parties:

	2023 US\$	2022 US\$
Due from holding company	<u>(162,325)</u>	<u>(101,325)</u>

16. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2023 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on the date of the Directors' Statement.

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**VAMA TECHNOLOGIES PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

*(This does not form part of audited financial statements)*

**DETAILED STATEMENT OF PROFIT OR LOSS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	<b>2023</b>	<b>2022</b>
	<b>US\$</b>	<b>US\$</b>
<b>Revenue</b>		
Sales	-	-
Service income	158,623	153,599
	<u>158,623</u>	<u>153,699</u>
<b>Less: Cost of sales</b>		
Warranty charges	(92,380)	(150,974)
	<u>(92,380)</u>	<u>(150,974)</u>
<b>Less: Direct expenses</b>		
Freight Charges	(25,225)	-
<b>Gross profit</b>	<b>41,018</b>	<b>2,625</b>
<b>Other income</b>		
Liability written back	75,850	-
	<u>75,850</u>	<u>-</u>
<b>Less: Expenditure</b>		
Audit Fees	(8,230)	(8,186)
Bank charges	(1,180)	(1,494)
Professional charges	(5,081)	(5,281)
Secretarial fees	(2,014)	(1,691)
Taxation fees	(561)	(569)
	<u>(17,066)</u>	<u>(17,221)</u>
<b>Profit / (loss) before tax</b>	<b>99,802</b>	<b>(14,596)</b>