**INSPIRA TECH ASIA PTE.LTD.**
**(FORMERLY KNOWN AS INSPIRA IT PRODUCTS SINGAPORE PTE.LTD.)**
**(Incorporated in the Republic of Singapore)**
**Reg. No: 201227224Z**

# AUDITED FINANCIAL STATEMENTS - 31 MARCH 2021

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**INSPIRA TECH ASIA PTE.LTD.**
**(Incorporated in the Republic of Singapore)**

**DIRECTORS' STATEMENT**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

The directors are pleased to present their statement to the member together with the audited financial statements of Inspira Tech Asia Pte.Ltd. (the Company) for financial the year ended 31 March 2021.

**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 2021 and the financial performance, changes in equity and cash flows of the Company for the financial year then ended; and

(b) at the date of this statement, having regard to financial support from holding company, 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 of the Company in office at the date of this report are:-

**Vishal Prakash Jain**
**Chetan Prakash Jain**
**John Josef Figueroa**

**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 objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

**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, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial period had no interests in the shares or debentures of the Company and its related corporations except as stated below:

| | Number of Shares | |
|---|---|---|
| **Name of Directors and Companies** | **At the beginning of the year** | **At the end of the year** |
| **Chetan Prakash Jain** | | |
| **Infiway Landmark Projects Pvt Ltd** | **2,500** | **-** |
| **Inspira Enterprise India Private Limited** | **50,000** | **50,000** |
| **Inspira IT Solutions & Services Pvt Ltd** | **-** | **1** |
| **Inspira IT Products Pvt Ltd** | **5,000** | **5,000** |
| **Inspira Services Pvt Ltd** | **100** | **100** |
| **Inspira Tech Philippines Corporation** | **-** | **1** |
| **PT Inspira Infotech Indonesia** | **-** | **1** |

INSPIRA TECH ASIA PTE.LTD.
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Directors' interest in shares or debentures cont'd...

| Name of Directors and Companies | Number of Shares At the beginning of the year | At the end of the year |
|---|---|---|
| Vishal Prakash Jain | | |
| Infiway Landmark Projects Pvt Ltd | 2,500 | - |
| Inspira Tech Philippines Corporation | - | 1 |

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

Auditors

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

On behalf of the board of directors

Chetan Prakash Jain
Director

Vishal Prakash Jain
Director

Date: 16 JUL 2021

**INDEPENDENT AUDITOR'S REPORT**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF INSPIRA TECH ASIA PTE.LTD (FORMERLY KNOWN AS INSPIRA IT PRODUCTS SINGAPORE PTE.LTD.)

## Report on the Audit of the Financial Statements

*Opinion*

We have audited the financial statements of Inspira Tech Asia Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2021 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 Matter

The financial statements of the Company for the year ended 31 March 2020 were audited by another firm of auditors who expressed an unmodified opinion on those statements on 15 March 2021 by UHY Lee Seng Chan & Co.

*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.


10, JALAN BESAR #10-12, SIM LIM TOWER, SINGAPORE 208787.
TEL: (065) 6293 8089/6293 8370 / 6293 8047 / 6293 0732 FAX: (065) 6293 5756 Email: soma@nra.com.sg Web: www.nra.com.sg

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

*Responsibilities of Management and Directors for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's abiity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

*Auditor's Responsibilities for the Audit of the Financial Statements.*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional 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.

**INSPIRA TECH ASIA PTE.LTD.**
**(Incorporated in the Republic of Singapore)**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

*Auditor's Responsibilities for the Audit of the Financial Statements cont'd...*

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 Assoc

**MGI N RAJAN ASSOCIATES**
**PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS**

**Singapore**
**Date:** 16 JUL 2021

**INSPIRA TECH ASIA PTE.LTD.**
**(Incorporated in the Republic of Singapore)**

**STATEMENT OF FINANCIAL POSITION**
**AS AT 31 MARCH 2021**

| | Note | 2021 | 2020 (restated) | 1.4.19 (restated) |
|---|---|---|---|---|
| | | US$ | US$ | US$ |
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Plant and equipment | 9 | 16,028 | - | - |
| Investment in subsidiaries | 10 | 15,096 | 10,981 | - |
| Investment in associate | 11 | 658,810 | 658,810 | 658,810 |
| | | **689,934** | **669,791** | **658,810** |
| **Current assets** | | | | |
| Cash and cash equivalents | 12 | 29,806 | 36,125 | 119,710 |
| Trade and other receivables | 13 | 537,973 | 97,460 | 331,656 |
| Inventories | 14 | - | 50,630 | - |
| | | **567,779** | **184,215** | **451,366** |
| **Total assets** | | **1,257,713** | **854,006** | **1,110,176** |
| **LIABILITIES** | | | | |
| **Current liabilities** | | | | |
| Trade and other payables | 15 | 588,379 | 83,863 | 36,683 |
| Contract liabilities | 16 | 195,677 | 47,637 | |
| Income tax payable | | - | - | 8,827 |
| **Total liabilities** | | **784,056** | **131,500** | **45,510** |
| **NET ASSETS** | | **473,657** | **722,506** | **1,064,666** |
| **EQUITY** | | | | |
| Share capital | 17 | 82 | 82 | 82 |
| Reserves | | 473,575 | 722,424 | 1,064,584 |
| **Total equity** | | **473,657** | **722,506** | **1,064,666** |

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

**INSPIRA TECH ASIA PTE.LTD.**
**(Incorporated in the Republic of Singapore)**

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

| | Note | 2021 | 2020 (restated) |
|---|---|---|---|
| | | US$ | US$ |
| Revenue | 4 | 119,866 | 489,764 |
| Cost of sales | 5 | (95,136) | (377,850) |
| **Gross profit** | | **24,730** | **111,914** |
| Other income | 6 | 8,676 | 1,182 |
| Share of associate profit | | - | - |
| | | **33,406** | **113,096** |
| **Expenses** | | | |
| Finance cost | 6a | (14,341) | - |
| Administrative and other operative expenses | | (267,693) | (455,256) |
| **(Loss) before tax** | 7 | **(248,628)** | **(342,160)** |
| Income tax expense | 8 | (221) | - |
| **(Loss) for the year, representing total comprehensive income for the year** | | **(248,849)** | **(342,160)** |

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

INSPIRA TECH ASIA PTE.LTD.
(Incorporated in the Republic of Singapore)

## STATEMENT OF CHANGES IN EQUITY
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

| | Share capital US$ | Reserves US$ | Total US$ |
|---|---|---|---|
| At 31 March 2019 | 82 | 1,068,358 | 1,068,440 |
| Effect of reinstatement (Note 22) | - | (3,774) | (3,774) |
| **Balance restated at 1 April 2019** | **82** | **1,064,584** | **1,064,666** |
| (Loss) for the year, representing total comprehensive income for the year | - | (342,160) | (342,160) |
| **At 31 March 2020 and 1 April 2020 (restated)** | **82** | **722,424** | **722,506** |
| (Loss) for the year, representing total comprehensive income for the year | - | (248,849) | (248,849) |
| **At 31 March 2021** | **82** | **473,575** | **473,657** |

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

**INSPIRA TECH ASIA PTE.LTD.**
**(Incorporated in the Republic of Singapore)**

**STATEMENT OF CASH FLOWS**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

| | Note | 2021 | 2020 (restated) |
|---|---|---|---|
| | | US$ | US$ |
| **Cash flows from operating activities** | | | |
| (Loss) before tax | | (248,628) | (342,160) |
| **Adjustment for** | | | |
| Allowance for impairment doubtful debts | | - | 6,409 |
| Allowance for impairment on investment | | 10,000 | - |
| Allowance for information on subsidiary receivables | | 8,500 | - |
| Depreciation | | 1,005 | |
| Interest income | | (3,747) | (158) |
| Interest expense | | 14,341 | - |
| | | **(218,529)** | **(335,909)** |
| **Changes in working capital** | | | |
| Trade and other receivables | | (383,801) | 269,336 |
| Inventories | | 50,630 | (50,630) |
| Contract liabilities | | 148,040 | 47,637 |
| Trade and other payables | | 153,306 | 47,180 |
| **Cash flows (used in) operations** | | **(250,354)** | **(22,386)** |
| Tax (paid) | | 339 | (8,827) |
| Foreign tax paid | | (560) | - |
| Interest received/(paid) | | 8 | 158 |
| **Net cash flows (used in) operating activities** | | **(250,567)** | **(31,055)** |
| | | | |
| **Cash flows from investing activities** | | | |
| Investment in subsidiaries | | - | (10,981) |
| Loan to subsidiaries | | (61,473) | (41,549) |
| Purchase of plant and equipment | | (17,033) | |
| **Net cash flows from/(used in) investing activities** | | **(78,506)** | **(52,530)** |
| | | | |
| **Cash flows from financing activities** | | | |
| Loan from related companies | | 322,754 | - |
| **Net cash flows from financing activities** | | **322,754** | **-** |
| | | | |
| Net changes in cash and cash equivalents | | (6,319) | (83,585) |
| Cash and cash equivalents at beginning of the year | | 36,125 | 119,710 |
| **Cash and cash equivalents at end of the year** | 12 | **29,806** | **36,125** |

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

## 1. GENERAL INFORMATION

Inspira Tech Asia Pte Ltd. (the "Company") is incorporated and domiciled in Singapore with its registered office at 8 Marina View, #42-01 Asia Square Tower 1, Singapore 018960

The principal activities of the Company are those of importers and exporters of information technology ("IT") and telecommunication equipment and hardware and provision of IT consultancy services. There have been no significant changes in the nature of these activities during the financial year.

During the year the Company has changed its name as Inspira Tech Asia Pte Ltd.

The immediate and ultimate holding Company is **INSPIRA ENTERPRISE INDIA PRIVATE LIMITED**, which is incorporated in India.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The financial statements of the Company have been drawn up in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars (US$), which is the Company's functional currency.

**Going concern**

As at 31 March 2021, the Company's current liabilities exceeded its current assets by US$ 216,277 (31 March 2020: US$ Nil) and had net cash outflows from operating activities of US$ 250,567 (31 March 2020: US$ 31,055) for the financial period ended 31 March 2021.

These conditions indicate the existence of a material uncertainty which may cast doubts about the Company's ability to continue as a going concern. Notwithstanding the above, the Company's financial statements have been prepared on a going concern basis as Company's holding company have given an undertaking to provide financial support to the Company to pay their debts as and when they fall due.

If the going concern assumption is no longer appropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which may differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Company may have to reclassify non-current assets as current assets. Such adjustments have not been made to these financial statements.

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

### 2.1 Basis of preparation cont'd...

**Covid-19 Impact**

Since January 2020, the outbreak of Novel Coronavirus ("COVID-19") has impacted the global business environment. Up to the date of these financial statements, COVID-19 has not resulted in any impact to the Company and the Directors also believe that the outbreak will have no material impact on the Company's performances on the coming financial year. The management will continue to monitor the development of COVID-19 and react actively to its impact on the financial position and operating results of the Company.

### 2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

### 2.3 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 |
|---|---|
| Amendment to FRS 109 Financial Instruments, FRS 39 Financial Instruments: Recognition and Measurement, FRS 107 Financial Instruments: Disclosures, FRS 104 Insurance Contracts, FRS 116 Leases: Interest Rate Benchmark Reform-Phase 2 | 1 January 2021 |
| Amendment to FRS 16 Property, Plant and equipment | 1 January 2022 |
| Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between and Investor and its Associate or Joint Venture | Date to be determined |
| Amendments to FRS 37 Provisions, Contingent liabilities and Contingent Assets: Onerous Contracts-Cost of Fulfilling a Contract | 1 January 2022 |
| Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current and Non-current | 1 January 2023 |
| Annual Improvements to FRSs 2018-2020 | 1 January 2022 |

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application

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

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

**Sale of goods**

Revenue is recognised at the point in time when the goods are delivered to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligation ("PO"). Transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised goods.

The Company recognized revenue at point in time for is sale of goods.

**Rendering of services**

Revenue from rendering the consultancy service is recognized when the service have been performed and rendered.

The Company recognized revenue at over time for is sale of services.

Interest income

Interest income is recognized as interest accrues using the effective interest method.

### 2.5 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the, plant and equipment.

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

### 2.5 Plant and equipment cont'd...

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

| | |
|---|---|
| Computers and accessories | 3 years |
| Office equipment | 3 years |

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

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

### 2.6 Impairment of non financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other asset or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognized in profit or loss

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized previously. Such reversal is recognized in profit or loss.

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

### 2.7 Financial instruments

#### a) Financial assets

**Initial recognition and measurement**

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

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

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

**Subsequent measurement**

*Debt instruments*

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

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

**De-recognition**

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (and, where applicable, any cumulative gain or loss that has been recognised in other comprehensive income) is recognised in profit or loss.

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

### 2.7 Financial instruments cont'd...

### b) Financial liabilities

**Initial recognition and measurement**

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

**Subsequent measurement**

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

### 2.8 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.

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

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

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

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

### 2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 2.10 Cash and cash equivalents

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

### 2.11 Foreign currency translation and balances

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

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

### 2.12 Taxes

**a) Current income tax**

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

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

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

### 2.12 Taxes

**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.

**C} Sales tax**

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

-where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable, and

- Receivables and payables that are stated with the amount of sales tax included.

### 2.13 Employee benefits

(a) *Defined contribution plans*

The company contributes to the to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The company's contributions to CPF are charged to the profit and loss account in the period to which the contributions relate.

(a) *Employee leave entitlements*

Employee entitlements to annual leave are recognized 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 reporting date.

### 2.14 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

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

### 2.15 Related party

A related party is defined as follows:

A} A person or a close member of that person's family is related to the Company if that person;
(i) Has control or joint over the Company;
(ii) Has significant influence over the Company; or
(iii) Is a member of the key management personnel of the Company or of parent of the Company.

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

(i) The entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others)
(ii) One entity is an associate or joint venture of the other entity
(iii) Both entities are joint ventures of the same party
(iv)One entity is a joint venture of a third party and other entity is an associate of the third party.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or a or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
(vi)The entity is controlled or joint controlled by a person identified in (a)
(viii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)
(ix) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

### 2.16 Government grants

Government grants are recognized when there is reasonable assurance that are grant will be received and all attaching conditions will be compiled with. Where the grant relates to an asset, the fair value is recognized as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

### 2.17 Subsidiaries

Subsidiaries are entities over which the Company has power to govern the financial and economic policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Investments in the subsidiaries are stated in the financial statements of the Company at cost less impairments losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

The subsidiaries' results have not been consolidated as the Company is itself a wholly owned subsidiary of another Company INSPIRA ENTERPRISE INDIA PRIVATE LIMITED which publishes the consolidated financial statements and the registered address 23 Level 2, Kalpataru Square, Kondivita Lane, Off. Andheri-Kurla Road, Andheri (East) Mumbai 400 059, India

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

### 2.18 Associates

An associate is defined as a company, not being a subsidiary, in which the company has a long-term interest of 20% to 50% of the equity and over who's financial and operating policy the company exercises significant influence.

Investments in associates at company level are stated at cost. Allowance is made for any impairment losses on an individual company basis. The company's share of the post-acquisition results of associates, based on the latest available audited financial statements, is included in the income statement using the equity method of accounting. In applying the equity method, unrealised gains on transactions between the company and its associated companies are eliminated to the extent of the company's interest in the associated companies. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When the company's share of losses of an associate equals or exceeds the carrying amount of an investment, the company ordinarily discontinues including its share of further losses. The investment is reported at nil value. Additional losses are provided for to the extent that the company has incurred obligations or made payments on behalf of the associate to satisfy obligations of the associate that the company has guaranteed or otherwise committed, for example, in the forms of loans. When the associate subsequently reports profits, the company resumes including its share of those profits only after its share of the profits equals the share of net losses recognised.

The associate' results have not been consolidated under equity method as the Company is itself a wholly owned subsidiary of another Company INSPIRA ENTERPRISE INDIA PRIVATE LIMITED which publishes the consolidated financial statements under equity method and the registered address 23 Level 2, Kalpataru Square, Kondivita Lane, Off. Andheri-Kurla Road, Andheri (East) Mumbai 400 059, India

### 2.19 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in first-out method and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

When necessary, allowance in provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

## 3. SIGNIFICANT ACCOUNTING JUDGMENTS 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. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES CONT'D...

### 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.

### 3.2Key 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**

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

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 13.

The carrying amounts of the Company's trade receivables as at 31 March 2021 were US$ 241,764 (2020: US$ 53,835).

## 3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES CONT'D...

**Inventory Valuation Method**

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realisable value. The carrying amount of the Company's inventories as at 31 March 2021 was US$ Nil (2020: US$50,630).

**Impairment of investment in subsidiaries and associate**

The Company follows the guidance of FRS 36 in determining whether an asset is considered impaired. This assessment requires significant estimation and judgement. The company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, the financial health of and the near-term business outlook of the investment, including factors such as industry and sector performance, changes in technology and operational and financing cash flows. The carrying amounts of the Company's investment in subsidiaries and associate as at the reporting date is disclosed in Note 10 and 11 to the financial statements.

## 4. REVENUE

| | 2021 | 2020 |
|---|---|---|
| **Revenue** | **US$** | **US$** |
| Sale of goods | 82,137 | 489,764 |
| Sale of services | 37,729 | - |
| | **119,866** | **489,764** |

| **Timing of transfer of goods and services** | **2021** | **2020** |
|---|---|---|
| | **US$** | **US$** |
| Point in time | 82,137 | 489,764 |
| Over time | 37,729 | - |
| | **119,866** | **489,764** |

## 5. COST OF SALES

| | 2021 | 2020 (re-stated) |
|---|---|---|
| | **US$** | **US$** |
| Opening stock | 50,630 | - |
| Purchase of goods | 10,550 | 428,480 |
| Purchase of services | 33,956 | - |
| Closing stock | - | (50,630) |
| | **95,136** | **377,850** |

## 6. OTHER INCOME

| | 2021 US$ | 2020 US$ |
|---|---|---|
| Exchange gain | - | 1,024 |
| Interest from bank/ related company | 3,747 | 158 |
| Grant income-Job support scheme | 3,073 | - |
| Jobs growth incentive | 1,856 | - |
| | **8,676** | **1,182** |

## 6a. FINANCE COST

| | 2021 US$ | 2020 US$ |
|---|---|---|
| Interest to holding company (note 15) | 14,341 | - |

## 7. (LOSS) BEFORE TAX

(Loss) before tax has been arrived after charging:

| | 2021 US$ | 2020 US$ |
|---|---|---|
| Allowance for impairment of doubtful debts | - | 6,409 |
| Allowance for impairment on subsidiary investment | 10,000 | - |
| Allowance for impairment on subsidiary receivable | 8,500 | - |
| Depreciation on fixed assets | 1,005 | - |
| Exchange loss | 1,180 | - |
| Legal and professional fee | 37,419 | 131,214 |
| Monies used for citizenship applications | - | 300,000 |
| Warehousing and handling charges | 1,456 | 10,361 |
| **Staff's cost** | | |
| - Director's remuneration, bonus and CPF | 140,125 | - |
| - Staff remuneration and bonus | 44,957 | |
| - Staff CPF | 2,287 | |

## 8. TAX EXPENSE

The major components of income tax expense recognized in profit or loss for the years ended 31 March 2021 and 2020 were:

| | 2021 US$ | 2020 US$ |
|---|---|---|
| Current tax | - | - |
| Tax refund | (339) | - |
| Foreign tax paid | 560 | - |
| **Income tax expense recognized in profit or loss** | **221** | **-** |

## 8. TAX EXPENSE CONT'D...

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on Company's (loss) as a result of the following:

| | 2021<br>US$ | 2020<br>US$ |
|---|---|---|
| (Loss) before taxation | (248,628) | (342,160) |
| Singapore statutory rate of 17% (2020:17%) | (42,267) | (58,167) |
| Tax effect on non-deductibles | 2,508 | 36,771 |
| Deferred tax asset not recognized | 39,759 | 21,396 |
| (Over) provision in prior year | (339) | - |
| Foreign tax paid | 560 | - |
| **Income tax expense recognized in profit or loss** | **221** | **-** |

**Unutilised tax losses**

At 31 March 2021, the Company has unabsorbed tax losses of approximately US$ 288,577 (2020:US$ 54,700) available for set off against future taxable income subject to compliance with the relevant tax legislation and agreement with the tax authority.

The potential tax benefit of approximately of US$ 49,058 (2020: US$ 9,300) arising from unutilized tax losses and after deductible temporary differences has not been recognized due to the uncertainty of its recoverability.

## 9. PLANT AND EQUIPMENT

| **2021**<br>**At Cost** | **Office Equipment**<br>**US$** | **Computers**<br>**US$** | **Total**<br>**US$** |
|---|---|---|---|
| Beginning of financial year | - | - | - |
| Additions during the year | 8,390 | 8,643 | 17,033 |
| **End of financial year** | **8,390** | **8,643** | **17,033** |
| **Accumulated Depreciation** | | | |
| Beginning of financial year | - | - | - |
| Charges during the year | 10 | 995 | 1,005 |
| **End of financial year** | **10** | **995** | **1,005** |
| **Net Book value as at 31.03.2021** | **8,380** | **7,648** | **16,028** |

## 10. INVESTMENT IN SUBSIDIARIES

| | 2021 | 2020 |
|---|---|---|
| | US$ | US$ |
| Unquoted equity shares stated at cost | 25,096 | 10,981 |
| Impairment allowance | (10,000) | - |
| | **15,096** | **10,981** |

During the year the Company has incorporated a wholly owned subsidiary in Philippines and the detail are disclosed below:

| Name and address | Country of incorporation | Principal activities | Cost of investment | | % of holding | |
|---|---|---|---|---|---|---|
| | | | 2021 | 2020 | 2021 | 2020 |
| | | | US$ | US$ | | |
| Inspira Infotech Africa Limited (1) Eden Square Block 1, 2nd Floor, Chiromo Road, P.O. Box no: 856 00606 Nairobi | Kenya | Provision of IT consulting and telecommunication equipment | 981 | 981 | 100% | 100% |
| Inspira Enterprise Inc(2) 39270 Paseo Padre Parkway, #73 Fremont, California 94538 USA | United States of America | Provision of IT consulting and telecommunication equipment | 10,000 | 10,000 | 100% | 100% |
| Inspira Tech Philippines Corporation (3) Office no:2819, Regus Enterprise, Makati 27&28, Tower 2, The Enterprise Centre, Corner Paseo De Roxas and Ayala Avenue, San Lorenzo, City of Makati | Philippines | Provision of IT consulting and telecommunication equipment | 14,115 | - | 100% | 100% |
| | | | 25,096 | 10,981 | - | - |

(1) Audited by PKF Kenya LLP, Kenya
(2) Not required to be audited in the country of incorporation
(3) Note required to be audited in the country of incorporation

Equity share subscription consideration amounting to $ 14,115 is not paid to Inspira Tech Philippines at the reporting date (refer note no15)

**Movement of impairment allowance**

| | 2021 | 2020 |
|---|---|---|
| | US$ | US$ |
| Beginning of financial year | - | - |
| Allowance during the year | 10,000 | - |
| **Balance at the end of the financial year** | **10,000** | **-** |

## 11. INVESTMENT IN ASSOCIATE

| | 2021 | 2020 (re-stated) |
|---|---|---|
| | US$ | US$ |
| Unquoted equity shares stated at cost | 658,810 | 658,810 |
| | **658,810** | **658,810** |

Details of the associate are as follows:

| Name and address | Country of incorporation | Principal activities | Cost of investment | | % of holding | |
|---|---|---|---|---|---|---|
| | | | 2021 | 2020 | 2021 | 2020 |
| | | | US$ | US$ | | |
| ITS Planners and Engineers Private Limited | India | Provision of IT consulting and telecommunication equipment | 658,810 | 658,810 | 22.5% | 22.5% |

Associate accounts are audited by AK Sabat & Co, Hyderabad, India

The summarized financial information of the associate, based on the management accounts and not adjusted for percentage of ownership held by the Company, is as follows:

| | 2021 | 2020 (re-stated) |
|---|---|---|
| | US$ | US$ |
| Total assets | 2,653,654 | 1,766,331 |
| Total liabilities | 1,514,093 | (1,005,903) |
| Profit for the financial year | 359,248 | 268,110 |
| Total comprehensive income for the year | 358,858 | 267,817 |

## 12. CASH AND CASH EQUIVALENTS

| | 2021 | 2020 |
|---|---|---|
| | US$ | US$ |
| Cash at bank | 29,806 | 36,125 |
| | **29,806** | **36,125** |

Cash and cash equivalents are denominated in the following currencies

| | 2021 | 2020 |
|---|---|---|
| | US$ | US$ |
| Singapore dollar | 8,786 | 20,556 |
| United states dollar | 21,020 | 15,569 |
| | **29,806** | **36,125** |

## 13. TRADE AND OTHER RECEIVABLES

| | 2021<br>US$ | 2020<br>US$ |
|---|---|---|
| **Trade receivables** | | |
| - Holding company | - | 2,011 |
| - Third parties | 248,173 | 58,233 |
| - Allowance for impairment doubtful debt | (6,409) | (6,409) |
| | **241,764** | **53,835** |
| **Other receivables** | | |
| - Due from subsidiaries | 111,522 | 41,549 |
| - Deposit | 1,354 | 78 |
| - Prepayment | 13,337 | 1,998 |
| - Grant receivable | 2,049 | - |
| - Deferred cost | 176,109 | - |
| - GST | 338 | |
| | **304,709** | **43,625** |
| Less: Allowance for impairment on subsidiary receivable | (8,500) | - |
| | **296,209** | **43,625** |
| **Total trade and other receivables** | **537,973** | **97,460** |

| | 2021<br>US$ | 2020<br>US$ |
|---|---|---|
| Due from subsidiaries | | |
| - With interest term* | 95,387 | - |
| - Interest free terms | 16,135 | 41,549 |
| | **111,522** | **41,549** |

*Due from subsidiary are non-trade, unsecured, with an interest rate of 3.77% PA and repayable on demand

**Due from subsidiaries are non-trade, unsecured, interest free and repayable on demand

Trade receivables are non-interest bearing and are generally on 30 to 90 days' term. They are recognized at their original invoice amounts which represent their fair values on initial recognition.

**Trade and other receivables are denominated in the following currencies:**

| | 2021<br>US$ | 2020<br>US$ |
|---|---|---|
| United States dollar | 531,268 | 95,462 |
| Singapore dollar | 6,705 | 1,998 |
| | **537,973** | **97,460** |

## 13. TRADE AND OTHER RECEIVABLES CONT'D....

**Movement of impairment allowance**

| | 2021<br>US$ | 2020<br>US$ |
|---|---|---|
| Beginning of financial year | 6,409 | - |
| Allowance made during the year | 8,500 | 6,409 |
| **Balance at the end of the financial year** | **14,909** | **6,409** |

## 14. INVENTORIES

| | 2021<br><br>US$ | 2020<br>(restated)<br>US$ |
|---|---|---|
| Computer hardware goods-stated at cost | - | 50,630 |
| | **-** | **50,630** |

## 15. TRADE AND OTHER PAYABLES

| | 2021<br>US$ | 2020<br>US$ |
|---|---|---|
| Trade payables | | |
| - Holding company | 210,065 | - |
| - Third parties | 6,189 | 58,962 |
| | 216,254 | 58,962 |
| Other payables | | |
| - Holding company | 238,858 | 2,263 |
| - Related company | 100,500 | - |
| - Subsidiary | 14,115 | - |
| - Third parties | 6,526 | 14,716 |
| - Accruals | 12,126 | 7,922 |
| | **588,379** | **83,863** |

Trade payables are non-interest bearing and are generally on 45 days' term.

Due to holding company is non-trade, unsecured with an interest rate of 13.6% PA and repayable on demand

Due to related company is non-trade loan, unsecured, interest free terms and repayable on demand.

Due to subsidiary represents consideration payable for subscription of equity (refer note 10)

## 15. TRADE AND OTHER PAYABLES CONT'D...

Trade and other payables are denominated in the following currencies

| | 2021<br>US$ | 2020<br>US$ |
|---|---|---|
| United States dollar | 573,473 | 67,282 |
| Singapore dollar | 14,906 | 16,581 |
| | **588,379** | **83,863** |

## 16. CONTRACT LIABILITIES

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 March 2021 is US$ 195,677 (2020: US$ 47,637). The Company expects to recognize $ 195,677 (2020: US$ 47,637) revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 March 2021 in the financial year 2022.

## 17. SHARE CAPITAL

| | No. of shares | | Amount in US$ | |
|---|---|---|---|---|
| Issued & fully paid up ordinary shares | 2021 | 2020 | 2021 | 2020 |
| At 01 April and 31 March | 100 | 100 | 82 | 82 |
| | **100** | **100** | **82** | **82** |

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.

Share capital are denominated in Singapore dollars and converted to United States dollar at historical rate.

## 18. 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 maximize 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 2021 and 31 March 2020.

## 19. 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) Market risk**

**i) Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash), 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 to 90 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk 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:

**19. FINANCIAL RISK MANAGEMENT CONT'D...**

**i) Credit risk cont'd...**

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and 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 more than 30 days past due in making contractual payment.

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

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial 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 |

## 19. FINANCIAL RISK MANAGEMENT CONT'D...

### i) Credit risk cont'd...

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:

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.

| | Note | Category | 12-month or lifetime ECL | Gross carrying amount USD | Loss allowance USD | Net carrying amount USD |
|---|---|---|---|---|---|---|
| **31 March 2021** | | | | | | |
| Trade receivables | 13 | Note 1 | Lifetime ECL (simplified) | 248,173 | (6,409) | 241,764 |
| Due from subsidiaries | 13 | 1 | 12-month ECL | 111,522 | (8,500) | 103,022 |
| Other receivables | 13 | 1 | 12-month ECL | 1,354 | - | 1,354 |
| | | | | | (14,909) | |

| | Note | Category | 12-month or lifetime ECL | Gross carrying amount USD | Loss allowance USD | Net carrying amount USD |
|---|---|---|---|---|---|---|
| **31 March 2020** | | | | | | |
| Trade receivables | 13 | Note 1 | Lifetime ECL (simplified) | 60,244 | (6,409) | 53,835 |
| Due from subsidiaries | 13 | 1 | 12-month ECL | 41,549 | - | 41,549 |
| Other receivables | 13 | 1 | 12-month ECL | 78 | - | 78 |
| | | | | | (6,409) | |

Trade receivables (Note 1)

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using 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 is presented based on their past dues status in terms of the provision matrix.

The Company's credit risk exposure in relation to trade receivables as at 31 March 2021 and 31 March 2020 are set out in the provision matrix as follows:

## 19. FINANCIAL RISK MANAGEMENT CONT'D...

### i) Credit risk cont'd...

| | Current | Past due → Within 30 days | 30-60 days | 60 to 90 days | Total |
|---|---|---|---|---|---|
| **31 March 2021** | US$ | US$ | US$ | US$ | US$ |
| Expected loss rate | 0% | 0% | 0% | 0% | 0% |
| Estimated total gross carrying amount at default | 241,764 | - | - | - | 241,764 |

| | Current | Past due → Within 30 days | 30-60 days | 60 to 90 days | Total |
|---|---|---|---|---|---|
| **31 March 2020** | US$ | US$ | US$ | US$ | US$ |
| Expected loss rate | 0% | 0% | 0% | 0% | 0% |
| Estimated total gross carrying amount at default | 47,637 | - | 4,028 | 2,170 | 53,835 |

The Company's credit risk exposure in relation to trade receivables as at 31 March 2021 based on the provision matrix is assessed by the management to be insignificant.

At the reporting date, the loss allowance that relates to default payments from third parties individually assessed and impaired are as follows:

| | **2021** | **2020** |
|---|---|---|
| | **US$** | **US$** |
| Loss allowance recognized in profit or loss | - | 6,409 |

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment records with the Company.

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 of credit risk

The Company has no significant concentration of credit risk other than balances from one debtor amounting to US$ 233,406 (2020: US$ 51,665) of trade receivables. The Company has credit policies and procedures in place to minimize and mitigate its credit risk exposure.

## 19. FINANCIAL RISK MANAGEMENT CONT'D...

### i) Credit risk cont'd...

Other receivables and due from subsidiaries

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets except an amount receivable from one of the subsidiary. Accordingly, the Company measured the impairment loss allowances using 12-month and life time ECL on those balances. The company has made life time ECL on one of the subsidiary receivable balance which is 100% of the balance amounting to US$ 8,500/- and rests are measured using 12 months ECL which is insignificant

Information regarding loss allowance under note no: 13

### ii) 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.

At the reporting date, the Company has variable interest-bearing debt borrowing with holding company and loan to subsidiary. The exposure of interest rate risk is insignificant

### iii) Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company operates and sells its products in its functional currency and hence its exposure to movements in foreign currencies exchange rate is insignificant.

### ii) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's operations are financed mainly through equity. The Company obtains continued financial support from the holding company to meet its operational requirements.

Analysis of financial instruments by remaining contractual maturities

## 19. FINANCIAL RISK MANAGEMENT CONT'D...

### ii) Liquidity risk cont'd...

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.

| | | 2021 | |
|---|---|---|---|
| **Financial assets** | **Carrying amount** | **One year or less** | **Two to five years** |
| | US$ | US$ | US$ |
| Trade receivables | 241,764 | 241,764 | - |
| Other receivables | 104,376 | 104,376 | - |
| Cash and cash equivalents | 29,806 | 29,806 | - |
| Total undiscounted financial assets | 375,946 | 375,946 | - |
| **Financial liabilities** | | | |
| Trade payables | 216,254 | 216,254 | - |
| Other payables | 372,125 | 372,125 | - |
| Total undiscounted financial liabilities | 588,379 | 588,379 | - |
| Total net undiscounted financial assets | (212,433) | (212,433) | - |

| | | 2020 | |
|---|---|---|---|
| **Financial assets** | **Carrying amount** | **One year or less** | **Two to five years** |
| | US$ | US$ | US$ |
| Trade receivables | 53,835 | 53,835 | - |
| Other receivables | 41,627 | 41,627 | - |
| Cash and cash equivalents | 36,125 | 36,125 | - |
| Total undiscounted financial assets | 131,587 | 131,587 | - |
| **Financial liabilities** | | | |
| Trade payables | 58,962 | 58,962 | - |
| Other payables | 24,901 | 24,901 | - |
| Total undiscounted financial liabilities | 83,863 | 83,863 | - |
| Total net undiscounted financial assets | 47,724 | 47,724 | - |

## 20. FAIR VALUES

**Cash and cash equivalents, other receivables and other payables (includes due from/to related companies)**

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

**Trade receivables and payables**

The carrying amounts of these receivables and payables (including trade balances due from/to holding and related companies) approximate their fair values as they are subject to normal trade credit terms.

## 21. FAIR VALUE INSTRUMENTS BY CATEGORY

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

| | 2021 | 2020 |
|---|---|---|
| **Financial assets at amortised cost** | **US$** | **US$** |
| Trade and other receivables (note 13) | 537,973 | 97,460 |
| Cash and cash equivalents (note 12) | 29,806 | 36,125 |
| | 567,779 | 133,585 |
| Less: Grant receivable (note 13) | (2,049) | - |
| Deferred cost (note 13) | (176,109) | - |
| Prepayment (note 13) | (11,350) | (1,998) |
| Advance payment –insurance | (1,987) | - |
| GST (note 13) | (338) | - |
| **Total financial assets measured at amortised cost`** | **375,946** | **131,587** |
| | | |
| **Financial liabilities measured at amortised cost** | | |
| Trade and other payables (note 15) | 588,379 | 83,863 |
| **Total financial liabilities measured at amortized cost** | **588,379** | **83,863** |

## 22. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year.

| **Company** | | **Amount of transaction** | |
|---|---|---|---|
| **Nature of transaction** | **Nature of Relationship** | **2021** | **2020** |
| | | **US$** | **US$** |
| Cost of services | Holding company | 33,956 | - |
| Finance cost | Holding company | 14,341 | - |
| Interest income | Subsidiary | (3,747) | - |
| | | | |
| Loan given (net) | Subsidiary | 66,794 | - |
| Loan received | Holding company | (222,816) | - |
| Loan received (net) | Group company | (100,500) | - |

### KEY MANAGEMENT PERSONNEL

| | 2021 | 2020 |
|---|---|---|
| | **US$** | **US$** |
| Director remuneration and bonus | 130,790 | - |
| Director CPF | 9,335 | - |
| | 140,125 | - |

## 23. COMPARATIVES

The Company omitted to account inventory amounting to US$ 10,392 in the previous year and the error has been rectified in the current financial year

The Company accounted its share of profit of its associate under equity accounting method until 31 March 2020. During the year, the Company elected to avail the exemption as given in FRS 110 from not to apply equity accounting on the investment in associate as the holding company is presenting consolidated financials for public use. Hence the investment in associate is stated at cost.

The effects of the above are accounted retrospectively and presented in the following table:

| 2020 | As previously stated | Effect of reinstatement | As restated |
|---|---|---|---|
| Company | | | |
| Statement of financial position | US$ | US$ | US$ |
| Inventories | 40,238 | 10,392 | 50,630 |
| Investment in associate | 742,141 | (83,331) | 658,810 |
| Retained earnings | (795,363) | 72,939 | (722,424) |

| 2020 | As previously stated | Effect of reinstatement | As restated |
|---|---|---|---|
| Company | | | |
| Statement of profit or loss | US$ | US$ | US$ |
| Cost of sales | 388,242 | (10,392) | 377,850 |
| Share of result of associate | (79,557) | 79,557 | - |
| Total comprehensive income | (272,995) | (69,165) | (342,160) |

| As at 01.04.2019 | As previously stated | Effect of reinstatement | As restated |
|---|---|---|---|
| Company | | | |
| Statement of financial position | US$ | US$ | US$ |
| Investment in associate | 662,584 | (3,774) | 658,810 |
| Retained earnings | (1,068,358) | 3,774 | (1,064,584) |

## 24. COMMITMENTS

### Capital commitments

During the current year Company has incorporated a subsidiary in Philippines, and Company has firm commitments towards subscription of shares as follows:

| Name of the company | Number of shares subscribed | Value in local currency | Value in US$ | |
|---|---|---|---|---|
| | | | 2021 | 2020 |
| Inspira Tech Philippines Corporation | 2,750,000 | PHP 2,750,000 | 57,428 | - |
| Shares issued during the year | (687,500) | (PHP687,500) | (14,115) | - |
| | 2,062,500 | PHP 2,062,500 | 43,313 | - |

At the reporting date, the Company has not made any payment to subsidiary towards share capital money (refer note 10 &15)

## 25. EVENT AFTER REPORTING PERIOD

The Coronavirus Disease (COVID-19) outbreak and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economic prospects.

The Covid-19 outbreak however did not have any impact on the Company's operations and its financial performance subsequent to the financial year end and believes that its cash flows remain manageable, with the ability to pay its liabilities when they are due.

As the situation continues to evolve with significant level of uncertainty, the Company is unable to reasonably estimate the full financial impact of the COVID-19 outbreak. The Company is monitoring the situation closely and to mitigate the financial impact, it is conscientiously managing its cost with appropriate strategies for conserving liquidity.

## 26. AUTHORISATION OF THE FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 March 2021 were authorized for issue in accordance with a resolution of the Board of Directors of the Company.

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**INSPIRA TECH ASIA PTE.LTD.**
**(Incorporated in the Republic of Singapore)**

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

## DETAILED COMPREHENSIVE INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

| | 2021<br>US$ | 2020<br>restated<br>US$ |
|---|---|---|
| **Revenue** | | |
| Sale of goods | 82,137 | 489,764 |
| Sale of service | 37,729 | - |
| | 119,866 | 489,764 |
| **Cost of sales** | | |
| Opening stock | 50,630 | - |
| Purchase of goods | 10,550 | 428,480 |
| Purchase of service | 33,956 | - |
| Closing stock | - | (50,630) |
| **Total cost of sales** | 95,136 | 377,850 |
| **Gross profit** | 24,730 | 111,914 |
| **Other income** | | |
| Exchange gain | - | 1,024 |
| Interest income | 3,747 | 158 |
| Grant income-Job support scheme | 3,073 | - |
| Grant income-Job growth incentive | 1,856 | - |
| | 8,676 | 1,182 |
| **Expenses** | | |
| Allowance for impairment of doubtful debts | - | 6,409 |
| Allowance for impairment on subsidiary investment | 10,000 | - |
| Allowance for impairment on subsidiary receivable | 8,500 | - |
| Bank charges | 2,603 | 2,012 |
| Bonus | 27,980 | - |
| Business promotion expenses | 250 | - |
| CPF | 11,622 | |
| Car expenses | 969 | - |
| Communication expenses | 588 | - |
| Consultancy charges | 5,278 | - |
| Depreciation | 1,005 | - |
| Exchange loss | 1,180 | - |
| Insurance | 4,244 | 4,554 |
| Interest expenses | 14,341 | - |
| IT expenses | 426 | - |
| Legal and professional fees | 37,419 | 131,214 |

**INSPIRA TECH ASIA PTE.LTD.**
**(Incorporated in the Republic of Singapore)**

**DETAILED COMPREHENSIVE INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)**

| | 2021<br>US$ | 2020<br>US$ |
|---|---|---|
| Monies used for citizenship applications | - | 300,000 |
| Office expenses | 1,181 | 113 |
| Penalty | 4 | - |
| Printing and stationery | 247 | - |
| Office facility charges | 4,784 | 593 |
| Salaries and bonus | 147,768 | - |
| Skills development levy | 76 | - |
| Staff welfare | 113 | - |
| Warehousing and handling charges | 1,456 | 10,361 |
| **Total expenses** | **282,038** | **455,256** |
| **(Loss) for the year** | **(248,628)** | **(342,160)** |