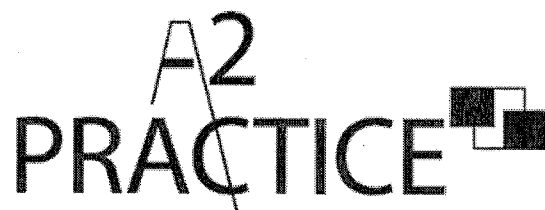


ROTO OVERSEAS PTE. LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 201017024E)

**Directors' Statement and Audited Financial Statements
For the Financial Year Ended 31 March 2018**



PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS OF SINGAPORE
3 SHENTON WAY #21-01, SHENTON HOUSE
SINGAPORE 068805
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ROTO OVERSEAS PTE. LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 201017024E)

**Directors' Statement and Audited Financial Statements
For the year ended 31 March 2018**

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ROTO OVERSEAS PTE. LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 201017024E)

**DIRECTORS' STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

The directors present their statement to the member together with the audited financial statements of the Company for the financial year ended 31 March 2018.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

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

ANURAG GUPTA
SHAH DEEPAK S/O PANKAJ (appointed on 30 March 2018)

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 or debentures in the Company or any other body corporate.

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital of the Company as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50, except for the following:

Name of 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
Lemke Edgar Freimut (Resigned on 7 January 2019)	320,000	320,000	-	-

ROTO OVERSEAS PTE. LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 201017024E)

DIRECTORS' STATEMENT - continued
FOR THE YEAR ENDED 31 MARCH 2018

4. **DIRECTORS' INTERESTS IN SHARES OR DEBENTURES - continued**

<u>Name of director and company in which interest is held</u>	Number of ordinary shares	
	<u>At beginning of financial year</u>	<u>At end of financial year</u>
<i>Ordinary shares of INR 2 each of the holding company - ROTO PUMPS LIMITED</i>		
ANURAG GUPTA	1,085,335	1,085,335

5. **SHARE OPTIONS**


During the financial year, no option was granted to take up the shares of the Company.


During the financial year, there were no shares of the Company by virtue of the exercise of options to take up shares.

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

6. **INDEPENDENT AUDITORS**

The Independent Auditors, A2 Practice, have expressed their willingness to accept appointment.


.....
(ANURAG GUPTA)
Director


.....
(SHAH DEEPAK S/O PANKAJ)
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ROTO OVERSEAS PTE.LTD.
(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **ROTO OVERSEAS PTE. LTD.** (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2018, 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 2018 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 Matters

The financial statements of the Company for the year ended 31 March 2017 were audited by another auditor who expressed a qualified opinion on those statements on 14 July 2017. The basis for the qualified opinion is as follows:

- As disclosed in the financial statements, included in other receivables amounting to S\$488,528 which we do not have sufficient information to form an opinion as to the substantial recoverability of the balances.
- The Company's investment in subsidiary is carried at S\$201,588 on the Company's statement of financial position as at March 31, 2017. As at the date of this report, due to non-availability of the audited financial statements, we are not able to satisfy ourselves on the carrying value of the investment. No impairment assessment has been carried out to determine the recoverable amount of the investments.
- As disclosed in the financial statements, one set of the consolidated financial statements of the Company and the subsidiary has not been prepared to be in accordance with Singapore Financial Reporting Standards 110.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**ROTO OVERSEAS PTE.LTD. - continued**

(Incorporated in the Republic of Singapore)

(Registration No. 201017024E)

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement, set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ROTO OVERSEAS PTE. LTD. - continued

(Incorporated in the Republic of Singapore)

(Registration No. 201017024E)

Auditor's Responsibilities for the Audit of the Financial Statements - continued

- 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.

A2 Practice

**A2 PRACTICE
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS**



Singapore,

ROTO OVERSEAS PTE. LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 201017024E)

STATEMENT OF FINANCIAL POSITIONS AS AT 31 MARCH 2018

	<u>NOTE</u>	<u>31 March 2018</u> <u>S\$</u>	<u>31 March 2017</u> <u>S\$</u>	<u>1 April 2016</u> <u>S\$</u>
ASSETS				
NON-CURRENT ASSETS				
Interest in subsidiary	(4)	386,523	370,116	370,116
Total non-current assets		<u>386,523</u>	<u>370,116</u>	<u>370,116</u>
CURRENT ASSETS				
Other receivables	(5)	303,280	328,280	328,280
Cash and cash equivalents	(6)	7,052	2,612	3,472
Total current assets		<u>310,332</u>	<u>330,892</u>	<u>331,752</u>
TOTAL ASSETS		<u><u>696,855</u></u>	<u><u>701,008</u></u>	<u><u>701,868</u></u>
EQUITY AND LIABILITIES				
EQUITY ATTRIBUTABLE TO OWNER OF THE COMPANY				
Share capital	(7)	800,001	800,001	800,001
Accumulated losses		(115,956)	(113,193)	(109,433)
Total equity		<u>684,045</u>	<u>686,808</u>	<u>690,568</u>
CURRENT LIABILITIES				
Other payables		12,810	14,200	11,300
Total current liabilities		<u>12,810</u>	<u>14,200</u>	<u>11,300</u>
Total liabilities		<u>12,810</u>	<u>14,200</u>	<u>11,300</u>
TOTAL EQUITY AND LIABILITIES		<u><u>696,855</u></u>	<u><u>701,008</u></u>	<u><u>701,868</u></u>

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

ROTO OVERSEAS PTE. LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 201017024E)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	<u>NOTE</u>	<u>2018</u> <u>S\$</u>	<u>2017</u> <u>S\$</u>
<u>Continuing operations</u>			
Revenue		-	-
Other income – exchange gain		16,407	-
Administrative expenses	(8)	(19,170)	(3,760)
Loss before tax		(2,763)	(3,760)
Income tax expense	(9)	-	-
Loss for the financial year		(2,763)	(3,760)
Other comprehensive income		-	-
Total comprehensive expense for the financial year		(2,763)	(3,760)

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

ROTO OVERSEAS PTE.LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 201017024E)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	<u>Share capital</u> S\$	<u>Accumulated losses</u> S\$	<u>Total</u> S\$
<u>2018</u>			
Beginning of financial year	800,001	(113,193)	686,808
Total comprehensive expense for the financial year			
-Loss for the year	-	(2,763)	(2,763)
End of financial year	<u>800,001</u>	<u>(115,956)</u>	<u>684,045</u>

	<u>Share capital</u> S\$	<u>Accumulated losses</u> S\$	<u>Total</u> S\$
<u>2017</u>			
Beginning of financial year	800,001	(109,433)	690,568
Total comprehensive expense for the financial year			
-Loss for the year	-	(3,760)	(3,760)
End of financial year	<u>800,001</u>	<u>(113,193)</u>	<u>686,808</u>

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

ROTO OVERSEAS PTE.LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 201017024E)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	<u>NOTE</u>	<u>2018</u> S\$	<u>2017</u> S\$
Cash flows from operating activities			
Loss before tax		(2,763)	(3,760)
Operating cash flows before working capital changes		(2,763)	(3,760)
<u>Changes in working capital:</u>			
Other payables		(1,390)	2,900
Net cash used in operating activities		(4,153)	(860)
Cash flows from investing activities			
Other receivables		8,593	-
Net cash generated from investing activities		8,593	-
Net increase / (decrease) in cash and cash equivalents		4,440	(860)
Cash and cash equivalents as at beginning of the year		2,612	3,472
Cash and cash equivalents as at end of financial year	(6)	7,052	2,612

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

ROTO OVERSEAS PTE. LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 201017024E)

NOTES TO THE FINANCIAL STATEMENTS – 31 March 2018

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

The financial statements of ROTO OVERSEAS PTE LTD for the financial year ended 31 March 2018 were authorised for issue in accordance with a resolution of the directors on 30 April 2019

1. DOMICILE AND ACTIVITIES

ROTO OVERSEAS PTE.LTD. is a limited liability company which is incorporated in Singapore. The address of its registered office and principal place of business is 1 North Bridge Road #22-09, High Street Centre, Singapore 179094.

The principal activity of the Company is the wholesale trade of equipment, machinery and parts.

The Company is a partially-owned subsidiary of Roto Pumps Limited, a company incorporated in India, which is also the immediate and ultimate holding company.

The principal activities of the subsidiary are set out in note 4.

There have been no significant changes in the nature of these activities during the financial year.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (FRS).

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies that follow.

c) Functional and presentation currency

These financial statements are presented in Singapore Dollars (SGD or S\$), which is the Company's functional and the Company's presentation currency.

ROTO OVERSEAS PTE.LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 201017024E)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. BASIS OF PREPARATION - continued

d) Use of estimates and judgment

The preparation of the financial statements in conformity with FRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgments made in applying accounting policies

In the process of applying the Company's accounting policies, management is of the opinion that except for the matter mentioned below, there are no critical judgments that have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumption concerning the future, and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Interest in Subsidiaries

The Company assesses whether at each reporting date there is any objective evidence that investment in subsidiary are impaired. The net investment in a subsidiary is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. It may not be possible to identify a single, discrete event that caused the impairment. Rather the combined effect of several events may have caused the impairment. Losses expected as a result of future events, no matter how likely, are not recognised. Objective evidence that the net investment is impaired includes observable data that comes to the attention of the Company about the following loss events:

- significant financial difficulty of the subsidiary;
- a breach of contract, such as a default or delinquency in payments by the subsidiary;
- the Company, for economic or legal reasons relating to its subsidiary's financial difficulty, granting to the subsidiary a concession that the Company would not otherwise consider; or
- it becoming probable that the subsidiary will enter bankruptcy or other financial reorganisation

ROTO OVERSEAS PTE.LTD.
(Incorporated in the Republic of Singapore)
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. BASIS OF PREPARATION – continued

Allowance for other receivables

The provision policy for doubtful debts of the Company is based on the ongoing evaluation of collectability and aging analysis of the outstanding receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history. If the financial conditions of debtors of the Company were to deteriorate, resulting in an impairment of their ability to make payments, allowances would be made. The carrying amounts of the Company's other receivables are disclosed in Note 5.

e) Adoption of 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 the following amendments and improvements which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2017.

- *Disclosure Initiative (Amendments to FRS 7);*
- *Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to FRS 12);*
and
- *Clarification of the scope of FRS 112 (Improvements to FRSs 2016).*

The adoption of these amendments did not have any impact on the current or prior period and is not likely to affect future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in the following paragraphs have been applied consistently to both periods presented in these financial statements, and have been applied consistently by the Company, except as explained in Note 2 (e), which addresses changes in accounting policies.

a) Basis for consolidation

The financial statements of the subsidiary have not been consolidated with the Company's financial statements as the Company itself is a partially-owned subsidiary of Roto Pumps Limited, incorporated and listed in a stock exchange in India, which prepares consolidated financial statements. Such financial statements are publicly available. All its other owners have been informed about, and do not object to, the Company not presenting consolidated financial statements

b) Interest in Subsidiary

A subsidiary is an entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its objectives. The Company generally has such power when it directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors. Investment in subsidiary is stated at cost less impairment losses.

ROTO OVERSEAS PTE.LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 201017024E)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

b) Interest in Subsidiary - continued

The carrying amount of the interest in subsidiary is reviewed at each reporting date to determine whether there is any indication that the investment may be impaired. If any indication exists, the recoverable amount of the investment is estimated to determine the amount of impairment loss.

c) Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of assets whose gain or loss are recognised in other comprehensive income, any exchange gain or loss are recognised in other comprehensive income.

d) Financial instruments

i) *Non-derivative financial assets*

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

ROTO OVERSEAS PTE. LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 201017024E)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

d) Financial instruments - continued

i) Non-derivative financial assets - continued

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

The Company has no financial assets at fair value through profit or loss.

Held-to-maturity financial assets

If the Company has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available for sale. It would also prevent the Company from classifying investment securities as held-to-maturity for the current and the following two financial years.

The Company has no held-to-maturity financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash at banks.

Cash and cash equivalents

Loans and receivables comprise cash at banks, due from subsidiary interest, and due from holding company.

ROTO OVERSEAS PTE. LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 201017024E)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

d) Financial instruments - continued

i) Non-derivative financial assets - continued

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

The Company has no available-for-sale financial assets.

ii) Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise accruals.

iii) Share Capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

iv) Compound financial instruments

Compound financial instruments comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their value.

The Company has no compound financial instruments.

ROTO OVERSEAS PTE. LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 201017024E)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

d) Financial instruments - continued

v) *Derivative financial instruments including hedge accounting*

A derivative financial instrument is one with all three of the following characteristics:

- (i) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying');
- (ii) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- (iii) it is settled at a future date.

The Company has no derivative financial instruments.

e) Impairment

i) *Non-financial assets*

The carrying amounts of non-financial assets, are reviewed at each reporting date to determine whether there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the amount of impairment loss. For the purpose of impairment testing of these assets, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of the cash-generating-unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating-unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating-unit) is reduced to its recoverable amount. The impairment loss is recognised in profit or loss unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease in equity.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating-unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating-unit) in prior years. A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase in equity.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

e) Impairment - continued

ii) Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the group, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Loans and receivables

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

f) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Interest income

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

g) Taxes

i) Current income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

h) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event where it is probable that it will result in an outflow of economic benefits that can be reasonably estimated. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

i) Related parties

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 control 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 a parent of the Company.

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

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

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

j) New standards and interpretations not adopted

The significant new or amended FRS and interpretations that are applicable to the Company for future reporting periods, and which have not been early adopted, include:

1. FRS 115 Revenue from Contracts with Customers (effective for financial periods beginning on or after 1 January 2018) replaces the existing revenue recognition guidance and establishes a comprehensive framework for determining whether, how much and when revenue is recognised.
2. FRS 109 Financial Instruments (effective 1 January 2018)
3. FRS 116 Leases (effective 1 January 2019) replaces the existing lease accounting guidance and requires almost all leases to be recognized on the balance sheet. It also changes the way in which lease expenses are presented in the income statement.

FRS 116 Leases

FRS 116 requires lessees to recognise most of the leases on statement of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The Company will perform a detailed analysis of FRS 116 and practical expedients.

FRS 109 *Financial* Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets and impairment of financial assets. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Company to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Company is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

4. INTEREST IN SUBSIDIARY

	<u>2018</u> S\$	<u>2017</u> S\$
Unquoted equity shares, at cost	201,588	201,588
Due from subsidiary	184,935	168,528
	<u>386,523</u>	<u>370,116</u>

Particulars of the subsidiary are as follows: -

<u>Name of subsidiary</u>	<u>Principal Activities</u>	<u>Country of Incorporation</u>	<u>Company's Interests</u>		<u>Cost of investment</u>	
			<u>2018</u> %	<u>2017</u> %	<u>2018</u> SGD	<u>2017</u> SGD
Roto Pumps Africa Pty Ltd	Distribution of pumps and pumping projects of the mining industry	South Africa	99.995	99.995	<u>201,588</u>	<u>201,588</u>

5. OTHER RECEIVABLES

	<u>2018</u> S\$	<u>2017</u> S\$
Due from third parties	<u>303,280</u>	<u>328,280</u>

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

6. CASH AND CASH EQUIVALENTS

	<u>2018</u> S\$	<u>2017</u> S\$
Cash in hand	1	1
Cash at bank	7,051	2,611
	<u>7,052</u>	<u>2,612</u>

The Company's cash and cash equivalents that are not denominated in Singapore Dollars are as follows:

	<u>2018</u> S\$	<u>2017</u> S\$
United States Dollars	<u>1,280</u>	<u>1,280</u>

7. SHARE CAPITAL

	<u>2018</u>		<u>2017</u>	
	<u>No. of shares</u>	<u>Paid up S\$</u>	<u>No. of shares</u>	<u>Paid up S\$</u>
Issued and full paid up:				
Beginning of financial year	800,001	800,001	800,001	800,001
Issue of shares during the financial year	-	-	-	-
End of the financial year	<u>800,001</u>	<u>800,001</u>	<u>800,001</u>	<u>800,001</u>

The ordinary shares have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time and entitled to one vote per share at meeting of the Company. All shares rank equally with regard to Company's residual assets.

8. OTHER EXPENSES

	<u>2018</u> S\$	<u>2017</u> S\$
Other expenses include:		
Bank Charges	1,020	860
Consultation charges	6,500	-
Professional fees	<u>9,150</u>	<u>2,500</u>

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

9. INCOME TAX EXPENSE

	<u>2018</u> S\$	<u>2017</u> S\$
Current income tax	-	-
Reconciliation between current tax expense and the product of accounting loss multiplied by the applicable tax rate is as follows:		
	<u>2018</u> S\$	<u>2017</u> S\$
Loss before tax	(2,763)	(3,760)
Tax thereon at 17%	(470)	(639)
Effect of non-taxable income	(2,789)	-
Effect of non-deductible expenses	3,259	639
	-	-

10. RELATED PARTY BALANCES TRANSACTIONS

Key Management personnel Compensation

The directors are the key management personnel of the Company. The directors did not receive any remuneration during the current year.

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Accounting classifications and fair values

Fair values versus carrying amounts

	<u>Note</u>	<u>Loans and receivables</u> S\$	<u>Other financial liabilities</u> S\$	<u>Total carrying amount</u> S\$	<u>Fair value</u> S\$
<u>2018</u>					
Cash at bank	(6)	7,051	-	7,051	7,051
Other receivables	(5)	488,215	-	488,215	488,215
		495,266	-	495,266	495,266
Other payables		-	12,810	12,810	12,810
<u>2017</u>					
Cash at bank	(6)	2,611	-	2,611	2,611
Other receivables	(5)	496,808	-	496,808	496,808
		499,419	-	499,419	499,419
Other payables		-	14,200	14,200	14,200

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT – continued

Risk Management Policies

Exposure to liquidity, credit and foreign currency risks arises in the normal course of the Company's business. The Company's overall business strategies, its tolerance of risk and its general risk management philosophy are determined by the management in accordance with prevailing economic and operating conditions.

The Company does not hold or issue derivative financial instruments for speculative purpose

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents.

Cash balances are maintained with fully licensed banks in Singapore.

At the reporting date, the maximum exposure to credit risk was as follows:

	<u>2018</u> S\$	<u>2017</u> S\$
Cash at bank	7,051	2,611
Other receivables	488,215	496,808
	<u>495,266</u>	<u>499,419</u>

Liquidity Risk

Liquidity risk is the risk of the Company being unable to secure adequate funding to meet current obligations as they fall due as the Company will be financially supported by the immediate holding company Roto Pumps Limited.

The maturity profiles of the financial liabilities are shown below. The amounts disclosed below are the contractual undiscounted cash flows.

	<u>Carrying amount</u> S\$	<u>Contractual cash flows</u> S\$	<u>Due within 1 year</u> S\$	<u>Total</u> S\$
<u>2018</u>				
Other payables	<u>12,810</u>	<u>12,810</u>	<u>12,810</u>	<u>12,810</u>
<u>2017</u>				
Other payables	<u>14,200</u>	<u>14,200</u>	<u>14,200</u>	<u>14,200</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT – continued

Foreign Currency Exchange Risk

As at the reporting date, the Company does not have significant exposure to foreign currency exchange risks.

12. DETERMINATION OF FAIR VALUES

Fair value hierarchy

The Company measures fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. As price) or indirectly (i.e. derived from prices),

and,

- Level 3 – Inputs for the asset or liability that are not based on observable market rate (unobservable inputs)

The Company has no assets or liabilities carried at fair value.

Financial assets and financial liabilities

The carrying amounts of cash and cash equivalents and accruals approximate their respective fair value due to the relatively short -term maturity of these financial instruments. The fair values of financial assets and liabilities are disclosed in Note 11.

13. CAPITAL MANAGEMENT

The capital structure of the Company comprises issued share capital and reserves.

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 shareholder, return capital to shareholder or issue new shares. No changes were made in the objectives, policies or processes during the financial years 31 March 2018 and 31 March 2017.

The Company is not subject to externally imposed capital requirements. The Company's overall strategy remains unchanged from 2017.

14. COMPARATIVE FIGURES

The financial statements of the Company for the year ended 31 March 2017, were audited by another auditor. An amount due from subsidiary of \$168,528 previously classified in other receivables as a current asset has been reclassified to interest in subsidiary as a non-current asset, as per Note 4.

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DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

<u>Company</u>	<u>2018</u> <u>S\$</u>	<u>2017</u> <u>S\$</u>
Audit fee	2,500	2,500
Bank charges	1,020	860
Consultation charges	6,500	-
Secretarial and other related administrative fees	9,150	400
	<u>19,170</u>	<u>3,760</u>

This statement does not form part of the audited financial statements.