


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 2022**

**A2
PRACTICE** 

PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS OF SINGAPORE

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 2022**

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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 2022**

The directors present their statement to the member together with the audited financial statements of the Company for the financial year ended 31 March 2022.

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 2022 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

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:

<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		

ROTO OVERSEAS PTE, LTD.
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DIRECTORS' STATEMENT - continued
FOR THE YEAR ENDED 31 MARCH 2022

5. SHARE OPTIONS

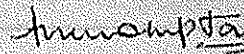
During the financial year, no option was granted to take up the shares of the Company.

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



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

Singapore,
25 May 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

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

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 2022, 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 2022 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ROTO OVERSEAS PTE. LTD. - continued
(Incorporated in the Republic of Singapore)
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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)
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Auditor's Responsibilities for the Audit of the Financial Statements - continued

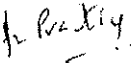
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies 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.

DocuSigned by:



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A2 Practice
Public Accountants and
Chartered Accountants



Singapore,
26 May 2022

ROTO OVERSEAS PTE. LTD.
(Incorporated in the Republic of Singapore)
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STATEMENT OF FINANCIAL POSITIONS AS AT 31 MARCH 2022

	NOTE	<u>31.03.2022</u>	<u>31.03.2021</u> (Note15)	<u>01.04.2020</u>
		<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
ASSETS				
NON-CURRENT ASSETS				
Interest in subsidiaries	(4)	802,905	853,836	840,967
Total non-current assets		<u>802,905</u>	<u>853,836</u>	<u>840,967</u>
CURRENT ASSETS				
Due from a fellow subsidiary	(5)	145,300	142,416	-
Advance		19,500	24,000	-
Other receivables and prepayments	(6)	46,915	104	104
Cash and cash equivalents	(7)	3,339	4,685	176,639
Total current assets		<u>215,054</u>	<u>171,205</u>	<u>176,743</u>
TOTAL ASSETS		<u>1,017,959</u>	<u>1,025,041</u>	<u>1,017,710</u>
EQUITY AND LIABILITIES				
EQUITY ATTRIBUTABLE TO OWNER OF THE COMPANY				
Share capital	(8)	1,200,000	1,200,000	1,200,000
Accumulated losses		(191,187)	(182,457)	(190,967)
Total equity		<u>1,008,813</u>	<u>1,017,543</u>	<u>1,009,023</u>
CURRENT LIABILITIES				
Other payables and accruals		9,146	7,498	8,677
Total current liabilities		<u>9,146</u>	<u>7,498</u>	<u>8,677</u>
Total liabilities		<u>9,146</u>	<u>7,498</u>	<u>8,677</u>
TOTAL EQUITY AND LIABILITIES		<u>1,017,959</u>	<u>1,025,041</u>	<u>1,017,710</u>

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

ROTO OVERSEAS PTE. LTD.
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STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	<u>NOTE</u>	<u>2022</u> <u>S\$</u>	<u>2021</u> <u>S\$</u>
<u>Continuing operations</u>			
Revenue		-	-
Other income	(9)	9,776	20,285
Administrative expenses	(9)	(12,259)	(11,775)
Other expenses	(9)	(6,247)	-
(Loss)/profit before tax		<u>(8,730)</u>	<u>8,510</u>
Income tax expense	(10)	-	-
(Loss)/profit for the financial year		<u>(8,730)</u>	<u>8,510</u>
Other comprehensive income		-	-
Total comprehensive (expense)/income for the financial year		<u>(8,730)</u>	<u>8,510</u>

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

ROTO OVERSEAS PTE.LTD.
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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	<u>Share capital</u> S\$	<u>Accumulated losses</u> S\$	<u>Total</u> S\$
<u>2022</u>			
Beginning of financial year	1,200,000	(182,457)	1,017,543
Total comprehensive expense for the financial year			
- Loss for the year	-	(8,730)	(8,730)
Transactions with owners directly recorded in equity	-	-	-
End of financial year	<u>1,200,000</u>	<u>(191,187)</u>	<u>1,008,813</u>

	<u>Share capital</u> S\$	<u>Accumulated losses</u> S\$	<u>Total</u> S\$
<u>2021</u>			
Beginning of financial year	1,200,000	(190,967)	1,009,033
Total comprehensive expense for the financial year			
- Profit for the year	-	8,510	8,510
Transactions with owners directly recorded in equity	-	-	-
End of financial year	<u>1,200,000</u>	<u>(182,457)</u>	<u>1,017,543</u>

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

ROTO OVERSEAS PTE.LTD.
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	<u>NOTE</u>	<u>2022</u> S\$	<u>2021</u> S\$
Cash flows from operating activities			
(Loss)/Profit before tax		(8,730)	8,510
Adjustments for:			
Exchange gain		(6,892)	(17,869)
Interest income		(2,884)	(2,416)
Loss on sale of investment		6,247	-
Operating cash flows before working capital changes		<u>(12,259)</u>	<u>(11,775)</u>
<u>Changes in working capital:</u>			
Other receivables		(321)	-
Other payables		1,647	(1,179)
Net cash used in operating activities		<u>(10,933)</u>	<u>(12,954)</u>
Cash flows from investing activities			
Due from subsidiary		5,000	5,000
Due from a fellow subsidiary		-	(140,000)
Advance		4,500	(24,000)
Net cash generated from/ (used in) investing activities		<u>9,500</u>	<u>(159,000)</u>
Net decrease in cash and cash equivalents		<u>(1,433)</u>	<u>(171,954)</u>
Cash and cash equivalents as at beginning of the year		4,685	176,639
Exchange adjustment for opening cash and cash equivalents		87	-
Cash and cash equivalents as at end of financial year	(7)	<u>3,339</u>	<u>4,685</u>

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

ROTO OVERSEAS PTE. LTD.
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NOTES TO THE FINANCIAL STATEMENTS – 31 March 2022

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 2022 were authorised for issue in accordance with a resolution on the date of the Directors' Statement.

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 #11-10, High Street Centre, Singapore 179094.

The principal activities of the Company are the wholesale trade of equipment, machinery and parts and that of an investment holding.

The Company is a wholly-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 subsidiaries 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.
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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 Group assesses whether at each reporting date there is any objective evidence that investments in subsidiaries are impaired. Where there is objective evidence of impairment, the recoverable amount is estimated based on the value-in-use and their fair value less costs to sell. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows to be generated by the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of the Company's investments are disclosed in Note 4.

e) Adoption of Revised Standards

The accounting policies adopted are consistent with those of the previous financial year except as disclosed in Note 3 - Significant Accounting Policies. 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 2021.

- *Amendment to FRS 116 Leases: Covid-19-Related Rent Concessions*
- *Amendments 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*

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

ROTO OVERSEAS PTE.LTD.
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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 subsidiaries have not been consolidated with the Company's financial statements as the Company itself is a wholly-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.

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

d) Impairment of Non-financial assets

At each reporting date, 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.

e) Financial assets and financial liabilities

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at Fair Value Through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

e) Financial assets and financial liabilities - continued

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value Through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets at amortised cost are due from a fellow subsidiary, other receivable and cash at bank.

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has no debt investments at FVOCI.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

e) Financial assets and financial liabilities - continued

(ii) Classification and subsequent measurement - continued

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

The Company has no equity investment at FVOCI.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Company has no financial assets at FVTPL.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

e) Financial assets and financial liabilities - continued

(ii) Classification and subsequent measurement - continued

Financial assets: Business model assessment - continued

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

e) Financial assets and financial liabilities - continued

(ii) Classification and subsequent measurement - continued

Financial assets: Business model assessment- continued

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non- derivative 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 FVTPL, directly attributable transaction costs.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

e) Financial assets and financial liabilities - continued

(ii) Classification and subsequent measurement - continued

Non-derivative financial liabilities - continued

Subsequent measurement

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

The Company's financial liabilities are other payables and accruals.

(iii) Derecognition of financial assets and financial liabilities

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

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

f) Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECL) for all financial assets measured at amortised cost and at FVOCI.

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 recognises 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.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

f) Impairment of financial assets - continued

The Company considers a financial asset in default when contractual payments are 90 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.

g) 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.

h) 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

i) 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.

j) 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.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

k) New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 31 March 2022, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards.

The following standards that have been issued but not yet effective are as follows:

Description	Effective for annual periods beginning on or after
Annual Improvements to FRSs 2018-2020	1 April 2022
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 April 2023
Amendments to FRS 1 <i>Presentation of Financial Statements</i> and FRS Practice Statement 2: Disclosure of Accounting Policies	1 April 2023
Amendments to FRS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> : Definition of Accounting Estimates	1 April 2023
Amendments to FRS 12 <i>Income Taxes</i> : Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 April 2023
FRS 28 <i>Investments in Associates and Joint Ventures</i> : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

4. INTEREST IN SUBSIDIARIES

	<u>2022</u> S\$	<u>2021</u> S\$
Unquoted equity shares, at cost - beginning of the year	433,838	433,838
Disposal	(50,397)	-
Unquoted equity shares, at cost - end of the year	<u>383,441</u>	<u>433,838</u>
Due from subsidiary	419,464	419,998
	<u>802,905</u>	<u>853,836</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>2022</u> %	<u>2021</u> %	<u>2022</u> SGD	<u>2021</u> SGD
Roto Pumps Africa Pty Ltd	Distribution of pumps and pumping projects of the mining industry	South Africa	74.995	99.995	151,191	201,588
Roto Pumps (Malaysia) Sdn. Bhd.	Distribution of pumps	Malaysia	100	100	<u>232,250</u>	<u>232,250</u>

5. DUE FROM A FELLOW SUBSIDIARY

	<u>2022</u> S\$	<u>2021</u> S\$
Loan to fellow subsidiary	140,000	140,000
Interest receivable	5,300	2,416
	<u>145,300</u>	<u>142,416</u>

6. OTHER RECEIVABLE AND PREPAYMENT

	<u>2022</u> S\$	<u>2021</u> S\$
Prepayment	425	104
Other receivable	46,490	-
	<u>46,915</u>	<u>104</u>

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

7. CASH AND CASH EQUIVALENTS

	<u>2022</u> S\$	<u>2021</u> S\$
Cash at bank	3,339	4,685

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

	<u>2022</u> S\$	<u>2021</u> S\$
United States Dollars	1,366	1,280

8. SHARE CAPITAL

	<u>2022</u>		<u>2021</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	1,200,000	1,200,000	1,200,000	1,200,000
Issue of shares during the financial year	-	-	-	-
End of the financial year	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</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.

9. OTHER INCOME AND EXPENSES

	<u>2022</u> S\$	<u>2021</u> S\$
Other income:		
Interest income on loan to fellow Subsidiary	2,884	2,416
Exchange gain	6,892	17,869
	<u>9,776</u>	<u>20,285</u>
Other expenses:		
Loss on sale of investment	<u>6,247</u>	<u>-</u>
Administrative expenses include:		
Director's fee	1,500	1,500
Secretarial and other related administrative fees	3,608	4,240
Subscription fee	214	321

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

10. INCOME TAX EXPENSE

	<u>2022</u> S\$	<u>2021</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>2022</u> S\$	<u>2021</u> S\$
(Loss)/Profit before tax	(8,730)	8,510
Tax thereon at 17%	(1,484)	1,447
Effect of non-taxable income	(1,662)	(3,448)
Effect of non-deductible expenses	3,146	2,001
	-	-

11. RELATED PARTY BALANCES TRANSACTIONS

During the financial year, the Company sold 25% of its holding in a subsidiary (Note 4) for South African Rand 500,000/- to one of the directors of the subsidiary. The amount receivable for this transaction has been reported as other receivable.

Key Management personnel Compensation

The directors are the key management personnel of the Company.

	<u>2022</u> S\$	<u>2021</u> S\$
Key management personnel compensation		
Directors' fee	1,500	1,500

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Accounting classifications and fair values

Fair values versus carrying amounts

	<u>Note</u>	<u>Financial assets at amortised cost</u> S\$	<u>Other financial liabilities</u> S\$	<u>Total carrying amount</u> S\$	<u>Fair value</u> S\$
2022					
Due from a fellow subsidiary	(5)	145,300	-	145,300	145,300
Other receivable	(6)	46,490	-	46,490	46,490
Cash at bank	(7)	3,339	-	3,339	3,339
		195,129	-	195,129	195,129
Other payables and accruals		-	9,146	9,146	9,146

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT – continued

Accounting classifications and fair values - continued

Fair values versus carrying amounts - continued

	<u>Note</u>	Financial assets at amortised <u>cost</u> S\$	Other financial <u>liabilities</u> S\$	Total carrying <u>amount</u> S\$	<u>Fair value</u> S\$
<u>2021</u>					
Due from fellow subsidiary	(5)	142,416	-	142,416	142,416
Cash at bank	(7)	4,685	-	4,685	4,685
		<u>147,101</u>		<u>147,101</u>	<u>147,101</u>
Other payables and accruals		-	7,498	7,498	7,498

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 due from a fellow subsidiary, due from a Director and cash and cash equivalents.

Cash balances are maintained with fully licensed banks in Singapore.

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

<u>Category</u>	<u>Definition of category</u>	<u>Basis for recognising expected credit loss (ECL)</u>
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

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT – continued

Credit Risk - continued

<u>Category</u>	<u>Definition of category</u>	<u>Basis for recognising expected credit loss (ECL)</u>
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

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

<u>2022</u>	<u>Note</u>	<u>Category</u>	<u>12-month or lifetime ECL</u>	<u>Gross carrying amount</u> S\$	<u>Loss allowance</u> S\$	<u>Net carrying amount</u> S\$
Due from a fellow subsidiary	I		12-month ECL	145,300	-	145,300
Other receivable	I		12-month ECL	46,490	-	46,490
					-	
				S\$	S\$	S\$
Due from a fellow subsidiary	I		12-month ECL	145,300	-	145,300
					-	

Due from a fellow subsidiary

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. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT – continued

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\$
2022				
Other payables and accruals	<u>9,146</u>	<u>9,146</u>	<u>9,146</u>	<u>9,146</u>
2021				
Other payables and accruals	<u>7,498</u>	<u>7,498</u>	<u>7,498</u>	<u>7,498</u>

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

Foreign Currency Exchange Risk

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

13. 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.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

13. DETERMINATION OF FAIR VALUES – continued

Financial assets and financial liabilities

The carrying amounts of cash and cash equivalents and other payables 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 12.

14. 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 2022 and 31 March 2021.

The Company is not subject to externally imposed capital requirements. The Company's overall strategy remains unchanged from 2021.

15. COMPARATIVE FIGURES

The advance to a director was classified as the amount due from a director in the previous financial year. The amount has been reclassified as advance in the current financial year.

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DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	<u>2022</u> S\$	<u>2021</u> S\$
Revenue	-	-
Other income:		
Interest income on loan to fellow Subsidiary	2,884	2,416
Exchange gain	6,892	17,869
	9,776	20,285
Other expenses:		
Loss on sale investment	6,247	-
	6,247	-
Administrative expenses:		
Audit fee	6,000	4,656
Bank charges	537	658
Director's fee	1,500	1,500
Secretarial and other related administrative fees	3,608	4,240
Subscription fee	214	321
Tax filing fee	400	400
	12,259	11,775

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