

STRIDES VIVIMED PTE. LTD.
(Incorporated in the Republic of Singapore)
(Reg. No. 201710630M)

AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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STRIDES VIVIMED PTE. LTD.
(Incorporated in the Republic of Singapore)

**DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

The directors are pleased to present their statement to the member together with the audited financial statements of Strides Vivimed Pte. Ltd. (the "Company") for the financial year ended 31 March 2020.

Opinion of the directors

In our opinion,

- a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and
- b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Lim Bee Hong
Vikesh Kumar

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of director's shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

Name of the directors	Direct interest	
	At the beginning of financial year	At the end of financial year
<u>Equity Shares of</u> <u>Ultimate Holding Company.</u> <u>Rupees 10 each</u> <u>Strides Pharma Science Limited</u>		
Vikesh Kumar	31	31

None of the directors of the Company holding office at the reporting date had any interest in the shares or debentures of the Company either at the beginning or end of financial year.

Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

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

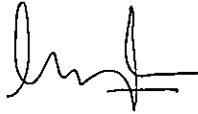
STRIDES VIVIMED PTE. LTD.
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Auditor

MGI N Rajan Associates has expressed their willingness to accept as auditor.

The Board of Directors,



Lim Bee Hong
Director



Vikesh Kumar
Director

Date: **26 AUG 2020**



MGI N RAJAN ASSOCIATES
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS SINGAPORE

**INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF STRIDES VIVIMED PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Strides Vivimed Pte. Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2020, 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 2020 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement [set out on pages 2 to 3].

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

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

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

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STRIDES VIVIMED PTE. LTD.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

STRIDES VIVIMED PTE. LTD.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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.



**M. G. N. RAJAN ASSOCIATES
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS
SINGAPORE**

Date **26 AUG 2020**

STRIDES VIVIMED PTE. LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	2020 US\$	2019 US\$
ASSETS			
Non - current assets			
Intangible assets	8	-	-
Current assets			
Cash and cash equivalents	9	886	105,667
Amount due from holding company	10	2,149,533	2,049,963
		2,150,419	2,155,630
Total assets		2,150,419	2,155,630
EQUITY AND LIABILITIES			
Current liabilities			
Other payables	12	15,001	2,213
Total liabilities		15,001	2,213
Equity			
Issued capital	13	2,847,526	2,847,526
Accumulated (losses)		(712,108)	(694,109)
Equity attributable to owners of the Company		2,135,418	2,153,417
Total equity and liabilities		2,150,419	2,155,630

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

STRIDES VIVIMED PTE. LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 US\$	2019 US\$
Revenue	4	-	1,784,163
Other income		305	816
		<u>305</u>	<u>1,784,979</u>
Expenses			
Purchases	5	-	(1,530,516)
Amortization of intangible assets		-	(189,768)
Research expenses		-	(328,884)
Other expenses		(18,304)	(18,434)
(Loss) for the year	6	<u>(17,999)</u>	<u>(282,623)</u>
Tax expenses	7	-	-
(Loss) for the year, representing the other comprehensive income for the year		<u>(17,999)</u>	<u>(282,623)</u>

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

STRIDES VIVIMED PTE. LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Issued Capital	Accumulated (losses)	Total
	US\$	US\$	US\$
At 1 April 2018	2,847,526	(411,486)	2,436,040
(Loss) for the year, representing total comprehensive income for the year	-	(282,623)	(282,623)
At 31 March 2019	2,847,526	(694,109)	2,153,417
(Loss) for the year, representing total comprehensive income for the year	-	(17,999)	(17,999)
At 31 March 2020	2,847,526	(712,108)	2,135,418

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

STRIDES VIVIMED PTE. LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 US\$	2019 US\$
Cash flows from operating activities			
(Loss) for the year		(17,999)	(282,623)
Adjustments for:			
Amortization of intangible assets		-	189,768
Operating (loss) before working capital changes		(17,999)	(92,855)
Changes in working capital:			
Due from related party		-	18,596
Other receivables		(99,570)	20,000
Other payables		12,788	(80,273)
Net cash flow (used in) operating activities		(104,781)	(134,532)
Cash flows from financing activities			
Due from shareholder		-	159,698
Net cash flows provided by financing activities		-	159,698
Net increase in cash and cash equivalents		(104,781)	25,166
Cash and cash equivalents at the beginning of the year		105,667	80,501
Cash and cash equivalents at the end of the year	9	886	105,667

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

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

1. GENERAL INFORMATION

Strides Vivimed Pte. Ltd. (the "Company") is incorporated and domiciled in Singapore with its registered office and principal place of business at 100 Cecil Street #15-02 The Globe, Singapore - 069532.

The principal activity of the Company is to hold intellectual properties and deal in pharmaceutical products.

During the previous financial year, the Company ceased its operations and sold its entire business to its immediate holding company. The Company remained dormant during the financial year.

The Company's immediate holding company is Strides Pharma Global Pte. Limited, which is incorporated in Singapore.

The ultimate holding company is Strides Pharma Science Limited, which is incorporated in India.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to its operations and effective for annual periods beginning on or after April 1, 2019. The adoption of these new/revised FRS and INT FRS, include the adoption of FRS 116 Leases described below, does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

FRS 116 Leases

As the Company does not have any leases, the adoption of FRS 116 Leases does not have any material effect on the financial performance or position of the Company.

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendments to FRS 1 and FRS 8 <i>Definition of Material</i>	1 January 2020

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Intangible assets

Intellectual property rights

Intangible assets are the Intellectual property rights purchased from a shareholder such as right, title and interest including but limited to, all Intellectual property rights in and to the pharmaceutical products including the United States Food and Drug Administrations ("US FDA") approved by Abbreviated New Drug Applications ("ANDAs") associated with the products ("Interest").

These costs are amortized to profit or loss using the straight-line method over their estimated useful life 15 years over which the Company expects revenue from the products.

2.5 Impairment of non-financial assets

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

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

Impairment losses are recognised in profit or loss.

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

2.6 Revenue recognition

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

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

Sale of goods

Revenue is recognised at the point in time when the goods are delivered to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligation ("PO"). Transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised goods. No element of financing is deemed present as the sales are made with a credit term of 30-90 days from invoice date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Revenue recognition (Continued)

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

2.7 Financial instruments

a) Financial assets

Initial recognition and measurement

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

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

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

Subsequent measurement

Debt instruments

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

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

De-recognition

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

b) Financial liabilities

Initial recognition and measurement

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial instruments (Continued)

b) Financial liabilities (Continued)

Subsequent measurement

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

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

De recognition

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

2.8 Impairment of financial assets

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

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

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

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

2.9 Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Taxes

Current income tax

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

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

Deferred tax

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

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

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

2.11 Foreign currency transactions and balances

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

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

2.12 Share capital

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

2.13 Related party

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 parent of the Company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Related party (Continued)

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

- (i) The entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (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 Company. 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) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2.14 Provisions

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

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

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

Judgements made in applying accounting policies

a. Determination of functional currency

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

b. Impairment assessment of non-trade amount due from immediate holding company

At each reporting date, management determines whether there is change in credit risk of the immediate holding company since initial recognition. Management considers various operating performance ratios as well as liquidity ratios of the immediate holding company. There is no significant increase in credit risk as at 31 March 2020.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)**

4. REVENUE

	2020	2019
	US\$	US\$
Timing of transfer of goods and services		
Net income from the intellectual property rights*		
- at point in time	-	87,112
Sale of goods-at point in time	-	1,697,051
	<u>-</u>	<u>1,784,163</u>

*This refers net income generated from the intellectual property rights by sale of goods worth US\$ 4,232,665 (Indian Rupees 293,416,804) through related company.

5. COST OF SALES

	2020	2019
	US\$	US\$
Purchase of goods	-	1,530,516
	<u>-</u>	<u>1,530,516</u>

6 (LOSS) BEFORE TAX

(Loss) before tax has been arrived after charging the following:

	2020	2019
	US\$	US\$
Professional fees	16,971	14,879
Finance charges	-	3,186

7. TAX EXPENSES

The major components of income tax expense:

	2020	2019
	US\$	US\$
Current year's income tax	-	-
Income tax expense recognised in profit or loss	<u>-</u>	<u>-</u>

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 March 2020 and 2019 were as follows:

	2020	2019
	US\$	US\$
(Loss) before tax	<u>(17,999)</u>	<u>(282,623)</u>
Singapore statutory rate of 17% (2019:17%)	(3,060)	(48,046)
Non-deductible expenses	3,060	32,261
Benefit from deferred tax asset not recognized previously	-	15,785
Income tax expense recognised in profit or loss	<u>-</u>	<u>-</u>

Unrecognised tax losses

At the end of the reporting period, the Company has tax losses of approximately US\$654,288 (31 March 2019: US\$ 654,288) that are available for offset against future taxable profit of the company, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of Singapore Income Tax Act.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)

8. INTANGIBLE ASSETS

2019	Acquired		Total
	Intellectual property rights in Pharma products	Intangible assets under development	
At cost	US\$	US\$	US\$
Beginning of financial year	2,846,526	165,000	3,011,526
Disposal during the year	(2,846,526)	(165,000)	(3,011,526)
End of financial year	-	-	-
Accumulated amortization			
Beginning of financial year	165,332	-	165,332
Charges during the year	189,768	-	189,768
Disposal during the year	(355,100)	-	(355,100)
End of financial year	-	-	-
Net carrying value			
End of financial year	-	-	-

Intangible assets under development included the cost of conducting clinical trials including bioavailability and bioequivalence studies for the development of pharmaceutical products.

In previous financial year, the Company sold its entire business included intangible assets to its immediate holding company.

9. CASH AND CASH EQUIVALENTS

	2020	2019
	US\$	US\$
Cash at bank	886	105,667
	886	105,667

10. AMOUNTS DUE FROM IMMEDIATE HOLDING COMPANY

Amount due from immediate holding company is unsecured, interest free and is receivable on demand.

Amount due from immediate holding company represented amount receivable for sale of Company's business to its immediate holding company in previous financial year,

11. OTHER PAYABLES

	2020	2019
	US\$	US\$
Accruals	15,001	2,213
	15,001	2,213

12. SHARE CAPITAL

Issued and fully paid up	No. of ordinary shares		Amount in US\$	
	2020	2019	2020	2019
Beginning of the financial year	2,847,526	2,847,526	2,847,526	2,847,526
End of financial year	2,847,526	2,847,526	2,847,526	2,847,526

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)**

13. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for its shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including trade and other payables as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as total equity, as shown in the statement of financial position, plus net debts.

No specific gearing ratio has been determined by management with the overall objective to keep the ratio as low as possible and such policy has not been changed since the previous financial year.

The gearing ratios at 31 March 2020 and 2019 were as follows:

	2020	2019
	US\$	US\$
Other payables	15,001	2,213
Less: Cash and cash equivalents	(886)	(105,667)
Net debt	14,115	-
Total equity	2,135,418	2,153,417
Total capital	2,149,533	2,153,417
Gearing ratio	0.66%	0%

14. FINANCIAL RISK MANAGEMENT

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

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

a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company.

The Company's exposure to credit risk arises primarily from its amount due from immediate holding company. For cash and cash equivalents, the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has no significant concentration of credit risk other than the amount due from immediate holding company comprising 100% (2019: 100%) of receivables. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Amount due from immediate holding company

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.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)**

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Market risk

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

i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk as it has no interest bearing financial instruments.

ii) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

At the end of the reporting period, the Company has no significant concentration of foreign currency risk as majority of its financial assets and financial liabilities are denominated in United States dollars.

The Company also does not have significant transactional currency exposures arising from their transactions denominated in a currency other than the functional currency.

c) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The directors are satisfied that funds are available to finance the operations of the Company.

At the end of the reporting period, the Company has no significant balances of payables. All payables are either mature within the next twelve months period and/or are payable on demand.

15. FINANCIAL INSTRUMENTS BY CATEGORY

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

	2020 US\$	2019 US\$
Financial assets measured at amortised cost		
Cash and cash equivalents (Note 9)	886	105,667
Amount due from shareholder (Note 10)	2,149,533	2,049,963
Total financial assets measured at amortised cost	2,150,419	2,155,630
Financial liabilities at amortized cost		
Other payables (Note 11)	15,001	2,213
Total financial liabilities at amortized cost.	15,001	2,213

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONTINUED)**

16. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	2020	2019
	US\$	US\$
Net income generated from the intellectual property rights	-	87,112
Purchase of goods from a related company	-	832,427
Sale of business to immediate holding company	-	(2,501,963)
Amounts received from immediate holding company	1,100	202,000
Amounts received on behalf of immediate holding company	862,336	-
Amounts paid to immediate holding company	(967,279)	-
Amounts paid by immediate holding company on behalf of the company	4,517	-

17. FAIR VALUES

Assets and liabilities not measured at fair value

Cash and cash equivalents, due from holding company and other payables

The carrying amounts of these balances (including non-trade balances with related parties) approximate their fair values due to either the short-term nature of these balances or they are subject to repayable on demand.

18. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements of the Company for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the director on the date of the Directors' Statement.

19. EVENT AFTER REPORTING PERIOD

As the Company remained dormant at the end of the reporting period, the Coronavirus Disease (COVID-19) outbreak has not impacted the Company's operations and its financial performance subsequent to the financial year-end.
