GLENMARK PHARMACEUTICALS SINGAPORE PTE. LTD.
(Registration Number: 201809487R)
(Incorporated in the Republic of Singapore)

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

GLENMARK PHARMACEUTICALS SINGAPORE PTE. LTD.

CORPORATE INFORMATION
For the financial year ended 1 April 2021 to 31 March 2022

DIRECTORS

CSABA KANTOR
RINAT LIVNE
KAIZAD ADI HAZARI (RESIGNED 15 APRIL 2021)

SECRETARY

JULIA KWOK YUNG CHU

REGISTERED OFFICE

6 SHENTON WAY
#38-01 OUE DOWNTOWN 1
SINGAPORE 068809

AUDITORS

PKF-CAP LLP

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GLENMARK PHARMACEUTICALS SINGAPORE PTE. LTD.

DIRECTORS' STATEMENT
For the financial year ended 1 April 2021 to 31 March 2022

The directors are pleased to present their statement to the member together with the audited financial statements of Glenmark Pharmaceuticals Singapore Pte. Ltd. (the "Company") for the financial year ended 1 April 2021 to 31 March 2022.

1. Opinion of the Directors

In the opinion of the directors,

(i) the 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 the financial performance, changes in equity and cash flows of the Company for the period ended on that date; and

(ii) 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:-

Csaba Kantor
Rinat Livne

3. Arrangements to Enable Directors to Acquire Shares and Debentures

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

4. Directors' Interests in Shares and Debentures

No director who held office at the end of the financial period had interests in shares, share options, warrants or debentures of the Company, or related corporations, either at the beginning of the financial period, or date of the appointment if later, or at the end of the financial period.

5. Options

No options to take up unissued shares of the Company were granted during the financial period.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company, whether granted before or during the financial period.

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

6. Independent Auditor

The auditor, PKF-CAP LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,

Csaba Kantor
Csaba Kantor (May 18, 2022 10:20 GMT+4)

Csaba Kantor
Director

rinat Livne (May 18, 2022 14:53 GMT+7)

Rinat Livne
Director

Date: 18 May 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF GLENMARK PHARMACEUTICALS SINGAPORE PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Glenmark Pharmaceuticals Singapore Pte. Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows of the Company for the year ended 31 March 2022, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 28.

In our opinion, the accompanying financial statements are properly drawn up in accordance with International Financial Reporting Standards ("IFRSs") 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 31 March 2022.

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 page 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.

Report on the Audit of the Financial Statements (Cont'd)

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 IFRSs, 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 of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Report on the Audit of the Financial Statements (Cont'd)

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

- 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.

PKF-CAP LLP

PKF-CAP LLP
Public Accountants and
Chartered Accountants

Singapore

Date: 18 May 2022

GLENMARK PHARMACEUTICALS SINGAPORE PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2022

	Note	2022 S$	2021 S$
Revenue	5	666,503	2,652,731
Other income		86	9,615
Total Income		666,589	2,662,346
Less:			
Employee benefits expense	6	(445,376)	(2,232,043)
Depreciation of plant and equipment	10	(2,253)	(2,051)
Depreciation of right-of-use asset	11	(12,179)	(103,703)
Other operating expenses	17	(174,965)	(186,612)
Finance cost		(78)	(2,339)
Profit before tax		31,738	135,598
Income tax expense	15	(4,902)	(19,928)
Profit after tax, representing total comprehensive income for the year		26,836	115,670

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

GLENMARK PHARMACEUTICALS SINGAPORE PTE. LTD.

STATEMENT OF FINANCIAL POSITION
As at 31 March 2022

	Note	2022 S$	2021 S$
CURRENT ASSETS			
Trade receivables	7	890,918	854,415
Other receivables	8	79,887	40,270
Cash and cash equivalents	9	52,482	209,629
		1,023,287	1,104,314
NON-CURRENT ASSETS			
Plant and equipment	10	3,206	5,459
Right-of-use asset	11	-	12,179
		3,206	17,638
TOTAL ASSETS		1,026,493	1,121,952
EQUITY			
Share capital	12	650,010	650,010
Retained earnings		358,753	331,917
		1,008,763	981,927
CURRENT LIABILITIES			
Other payables and accruals	13	17,730	103,659
Lease liability	14	-	18,822
Provision for taxation		-	17,544
		17,730	140,025
TOTAL EQUITY AND LIABILITIES		1,026,493	1,121,952

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

GLENAMRK PHARMACEUTICALS SINGAPORE PTE. LTD.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2022

	Share capital S$	Retained earnings S$	Total S$
Balance as at 1 April 2020	650,010	216,247	866,257
Total comprehensive income for the financial year	-	115,670	115,670
Balance as at 31 March 2021	650,010	331,917	981,927
Total comprehensive income for the financial year	-	26,836	26,836
Balance as at 31 March 2022	650,010	358,753	1,008,763

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

GLENAMRK PHARMACEUTICALS SINGAPORE PTE. LTD.

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2022

	Note	2022 S$	2021 S$
Cash flows from operating activities			
Profit before tax		31,738	135,598
Adjustments for:			
Depreciation of plant and equipment	10	2,253	2,051
Depreciation of right-of-use asset	11	12,179	103,703
Gain on modification of ROU asset		-	(864)
Interest expense		78	2,339
Operating cash flows before changes in working capital		46,248	242,827
Changes in working capital:			
Trade receivables		(36,503)	279,364
Other receivables		12,914	24,058
Other payables and accruals		(85,929)	(355,166)
Cash flows (used in)/generated from operations		(63,270)	191,083
Tax paid		(74,977)	(15,321)
Net cash flows (used in)/generated from operating activities		(138,247)	175,762
Cash flows from investing activities			
Purchase of plant and equipment		-	(3,819)
Net cash flows used in investing activities		-	(3,819)
Cash flows from financing activities			
Interest paid		(78)	(2,339)
Repayment of principal portion of lease liability		(18,822)	(99,153)
Net cash flows used in financing activities		(18,900)	(101,492)
Net (decrease)/increase in cash and cash equivalents		(157,147)	70,451
Cash and cash equivalents at beginning of year		209,629	139,178
Cash and cash equivalents at end of year	9	52,482	209,629

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

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

1. General

The Company is incorporated and domiciled in Singapore as a limited private company. The registered office of the Company is located at 6 Shenton Way #38-01 OUE Downtown Singapore 068809.

The principal activity of the Company is provision of marketing services to its holding Company.

The immediate and ultimate holding company is Glenmark Pharmaceuticals Limited, a company incorporated in India.

2. Compliance with International Financial Reporting Standards

The financial statements have been prepared in compliance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

2.1 Basis of preparation

The Coronavirus Disease 2019 ("COVID-19") pandemic and the aftermath of the pandemic has brought about disruption to the business operations of the Company. It has also led to an unprecedented level of market volatilities and economic uncertainties globally. These events and conditions have been considered in the preparation of the financial statements as at reporting date.

The financial statements are presented in Singapore Dollars ("SGD" or "S$"), which is the functional currency of the Company.

The financial statements have been prepared under the historical cost basis except as otherwise disclosed in the accounting policies below.

Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial period, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial period beginning 1 April 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

2. Compliance with International Financial Reporting Standards (Cont'd)

2.1 Basis of preparation (Cont'd)

Standards issued but not yet effective

The Company has not adopted the following IFRS and INT FRS that are relevant to the Company that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to IAS 16 Property, Plant and Equipment – Proceeds before intended use	1 January 2022
Annual improvements cycle to IFRS Standards 2018-2020	1 January 2022
Amendments to IAS 37 Onerous Contracts – Cost of fulfilling a contract	1 January 2022
Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current	1 January 2023
Amendments on disclosure of accounting policies	1 January 2023
Amendments to IAS 8 on accounting estimates	1 January 2023

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.

3. Summary of Significant Accounting Policies

3.1 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Tax is 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. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is measured at the amount expected to be paid to the tax authorities, using tax rates that have been enacted or substantively enacted at the end of the reporting period.

Current income taxes are recognised in profit or loss except 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.

3. Summary of Significant Accounting Policies (Cont'd)

3.1 Income taxes (Cont'd)

(ii) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the asset is realised or the liability is settled.

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

(iii) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.2 Revenue

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. The Company provides marketing services to its ultimate holding Company. The transactions price is based on cost incurred in providing the services plus a fixed percentage of such costs. Revenue is recognised when services have been rendered.

3. Summary of Significant Accounting Policies (cont'd)

3.3 Employee benefits

(i) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore which is a defined contribution pension scheme. These contributions are recognised as an employee compensation expense when the contributions are due, unless they can be capitalised as an asset.

(ii) Employee leave entitlement

Employee entitlement to annual leave is recognised as a liability when it accrues to the employee. The estimated liability for leave is recognised for services rendered by employees up to the reporting date with changes during the reporting year recognised in profit or loss.

3.4 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and cash at bank, which are subject to an insignificant risk of changes in value.

3.5 Provisions

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

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

3.6 Financial assets

Initial recognition and measurement

Financial assets are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company has only financial assets measured at amortised cost during the reporting period and as at reporting date.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at the end of each reporting period.

3. Summary of Significant Accounting Policies (cont'd)

3.6 Financial assets (Cont'd)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

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 recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

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

Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. 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 recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a simplified approach based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers 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.

3. Summary of Significant Accounting Policies (Cont'd)

3.7 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised in the statement of financial position 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 and, in the case of other financial liabilities, plus directly attributable transaction costs. The Company's financial liabilities comprise trade and other payables. The Company does not have any financial liabilities at fair value through profit or loss.

Subsequent measurement

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

Financial liabilities are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the reporting date.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, of the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

3.8 Plant and equipment

All plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on a straight-line basis to write off the cost of plant and equipment over their expected useful lives. The estimated useful lives are as follows:

	Useful lives
Office equipment	3 years
Computer equipment	5 years

Repair and maintenance expenses are taken to profit or loss during the financial period in which they are incurred. The cost of major renovations and restorations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company, and depreciated over the remaining useful life of the asset.

3. Summary of Significant Accounting Policies (Cont'd)

3.8 Plant and equipment (Cont'd)

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

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. Gains or losses on disposal are determined by comparing proceeds with the carrying amount and are included in profit or loss from operations.

3.9 Impairment of non-financial assets

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment 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 to sell 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. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In assessing fair value less costs to sell, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses are recognised in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. 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 unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.10 Related parties

A related party is defined as follows:

(i) A person or close family member of the person's family is related to the Company if that person:

- Has control or joint control over the Company;
- Has significant influence over the Company; or
- Is a member of the key management personnel of the Company or of a parent of the company.

3. Summary of Significant Accounting Policies (Cont'd)

3.10 Related parties (Cont'd)

(ii) An entity is related to the Company if any of the following conditions apply:

- 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).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
- The entity is controlled or jointly controlled by a person identified in (i).
- A person identified in (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).

3.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

3.12 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 3.9. The Company's right-of-use assets are presented in Note 11.

3. Summary of Significant Accounting Policies (Cont'd)

3.12 Leases (Cont'd)

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to any short-term leases. It also applies the lease of low-value assets recognition to leases of office lease that are considered to be low value. Lease payments on short-term basis and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of the revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting year. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future years. Management is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. Revenue

	2022 S$	2021 S$
Service income from immediate holding company	666,503	2,652,731

6. Employee benefits expense

	2022 S$	2021 S$
Staff salaries and bonus	339,590	1,376,534
Skill development levy	153	220
Other employee benefits	105,633	855,289
	445,376	2,232,043

7. Trade receivables

	2022 S$	2021 S$
Amount due from immediate holding company	890,918	854,415

The amount due from immediate holding company is normally due within 30 days. It is recognised at its original invoice amount which represent its fair value on initial recognition and is denominated in Singapore Dollars.

8. Other receivables

	2022 S$	2021 S$
Deposits paid (security deposit)	24,000	14,000
Prepayments	-	22,785
GST receivables	3,357	3,485
Income tax receivable	52,530	-
	79,887	40,270

The carrying amounts of other receivables approximate their fair values as at the reporting date.

Other receivables are denominated in Singapore dollars.

9. Cash and bank balances

	2022 S$	2021 S$
Cash at bank	52,482	209,629

The carrying amount of cash and bank balances approximate its fair value and is denominated in Singapore Dollars. Cash at bank does not generate any interest.

10. Plant and equipment

	Computer equipment S$	Office equipment S$	Total S$
Cost			
As at 31 March 2021 and 31 March 2022	5,212	4,493	9,705
Accumulated depreciation			
As at 1 April 2020	1,045	1,150	2,195
Depreciation	818	1,233	2,051
As at 31 March 2021	1,863	2,383	4,246
Depreciation	1,043	1,210	2,253
As at 31 March 2022	2,906	3,593	6,499
Carrying amount			
As at 31 March 2022	2,306	900	3,206
As at 31 March 2021	3,349	2,110	5,459

11. Right-of-use asset

	S$
Cost	
As at 1 April 2020	269,357
Disposal	(111,034)
As at 31 March 2021 and 31 March 2022	158,323
Accumulated depreciation	
As at 1 April 2020	119,017
Depreciation	103,703
Disposal	(76,576)
As at 31 March 2021	146,144
Depreciation	12,179
As at 31 March 2022	158,323
Carrying amount	
As at 31 March 2022	-
As at 31 March 2021	12,179

12. Share capital

	2022	
	Number of ordinary shares	**S$**
Issued and fully paid ordinary shares:		
As at 1 April 2021 and 31 March 2022	650,010	650,010

	2021	
	Number of ordinary shares	**S$**
Issued and fully paid ordinary shares:		
As at 31 March 2021	650,010	650,010

The ordinary shares have no par value, carry one vote per shares without restrictions and their holders are entitled to receive dividend when declared by the Company.

At 31 March 2022, the Company has no Share Option Scheme.

13. Other payables and accruals

	31.03.2022 S$	31.03.2021 S$
Other creditors	-	86
Accruals	17,730	103,573
	17,730	103,659

The carrying amounts of other payables and accruals approximate their fair values. Other payables and accruals are denominated in Singapore dollars.

14. Lease liability

	31.03.2022 S$	31.03.2021 S$
Current		
Lease liabilities	-	18,822

A reconciliation of liabilities arising from financing activities is as follows:

	At 01.04.2021 S$	Cash flows S$	Non-cash movements S$	31.03.2022 S$
Liabilities				
Lease liabilities	18,822	(18,900)	78	-

	At 01.04.2020 S$	Cash flows S$	Non-cash movements S$	31.03.2022 S$
Liabilities				
Lease liabilities	153,298	(99,153)	(35,323)	18,822

15. Income tax expense

Tax expense attributable to profit is as follows:

	2022 S$	2021 S$
Current income tax:		
- Income tax expense for current financial year	4,902	17,544
- Under provision in respect of prior years	-	2,384
	4,902	19,928

The income tax expense on the result of the financial year differs from the amount of income tax determine by applying the Singapore Standard rate of income tax to the profit before taxation due to the following:-

	2022 S$	2021 S$
Profit before taxation	31,738	135,598
Tax expense calculated at a tax rate of 17%	5,395	23,052
Effect on non-deductible expenses	6,363	11,171
Effect of partial tax exemption	(5,752)	(17,425)
Under provision in respect of prior years	-	2,384
Others	(1,104)	746
	4,902	19,928

16. Related party transactions

The Company's related parties includes its key management personnel and others as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

16.1 Transactions with immediate holding company

	2022 S$	2021 S$
Service income	666,503	2,652,731

16.2 Compensation to key management personnel

	2022 S$	2021 S$
Salaries and other short-term benefits	429,877	1,770,043

17. Other operating expenses

	2022 S$	2021 S$
Accounting and payroll fees	25,500	29,450
Audit fees	14,500	10,000
Tax fees	6,980	4,500
Bank charges	17	78
Courier	23,716	-
Subscriptions	300	225
Office supplies	157	116
Insurance	39,891	49,407
Late fees paid	230	-
Secretarial fees	7,885	3,503
Professional fees	1,060	7,180
Postage	16	464
Printing and stationery	3,027	3,410
Rent	1,457	-
Telephone	8,282	15,290
Internet	1,230	9,171
Travelling expenses	774	45,279
Transportation (local)	-	255
Service support costs	-	945
Small value asset expensed off	-	304
Entertainment	-	2,223
Refurbishment expenses	6,480	-
Vehicle expenses	-	2,738
Product Registration Expenses	32,974	1,920
General expenses	489	154
	174,965	186,612

18. Leases

The Company has lease contract for vehicle and office. The Company's obligations under the lease are secured by the lessor's title to the leased asset. The Company is restricted from assigning and subleasing the leased asset.

(a) Carrying amount of right-of-use asset

	S$
At 1 April 2020	150,340
Depreciation	(103,703)
Disposal	(34,458)
At 31 March 2021	12,179
Depreciation	(12,179)
At 31 March 2022	-

(b) Lease liability

The carrying amount of lease liability and the movements during the year are disclosed in Note 14.

(c) Amounts recognised in profit or loss

	31.03.2022 S$
Depreciation of right-of-use asset	12,179
Interest expense on lease liability	78
Total recognised in profit or loss	12,257

(d) Total cash outflows

The Company had total cash outflows for lease of S$18,900 for the financial year from 1 April 2021 to 31 March 2022.

19. Classification of financial instruments

	31.03.2022	31.03.2021
	S$	S$
Financial assets:		
Trade receivables	890,918	854,415
Deposits paid (security deposit)	24,000	14,000
Cash and cash equivalents	52,482	209,629
Total financial assets at amortised cost	967,400	1,078,044
Financial liabilities:		
Other payables and accruals	17,730	103,659
Lease liabilities	-	18,822
Total financial liabilities at amortised cost	17,730	122,481

20. Fair value measurement

The Company classifies 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 prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

As at financial period end, Company did not have any financial instruments measured at fair value.

21. Financial risk management and objectives

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The Board of Directors reviews the policies and procedures for the management of these risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Company's principal financial instruments comprise cash and cash equivalents and trade receivables, and these are placed with financial institutions of high credit standing and regulated.

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

21. Financial risk management and objectives (cont'd)

Credit risk (cont'd)

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

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received.

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

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

Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

<u>Trade receivables (Note 7)</u>

For trade receivables, the Company has applied the simplified approach in IFRS 9 Financial Instruments to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a simplified approach, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status.

<u>Exposure to credit risk</u>

The Company's maximum exposure to credit risk is represented by the carrying amounts of trade and other receivables and other financial assets including cash and cash equivalents.

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The carrying amounts of cash and cash equivalents and trade and other receivables represent the Company's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

All financial liabilities of the Company are due within one year.

22. Capital management

The primary objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholder's value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements during the financial year from 1 April 2021 to 31 March 2022 and financial year ended 31 March 2021.

23. COVID-19

The outbreak of the Novel Coronavirus ("Covid-19") has impacted the local and international business environment. The Company's current operation is not significantly impacted by the ongoing Covid-19 pandemic. Notwithstanding the foregoing, pending further development and spread of Covid-19 subsequent to the date of this report, further changes in economic conditions for the Company arising thereof may have impact on the financial results of the Company, the extent of which could not be estimated as at the date of this report and the management will continue to monitor.

Glenmark Pharmaceuticals Singapore Pte Ltd IFRS Report FY31MAR22

Final Audit Report 2022-05-18

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