



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

**AUDITED FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION  
FOR THE FINANCIAL PERIOD FROM  
20 MARCH 2018 (DATE OF INCORPORATION) TO 31 MARCH 2019**

**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 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the period from 20 March 2018 (date of incorporation) to 31 March 2019, and notes to the financial statements, including a summary of significant accounting policies, as set out of pages 6 to 23.

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 2019 and of the financial performance, changes in equity and cash flows of the Company for the period from 20 March 2018 (date of incorporation) to 31 March 2019.

*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 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 MEMBER OF  
GLENMARK PHARMACEUTICALS SINGAPORE PTE. LTD. (CONT'D)**

**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 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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
GLENMARK PHARMACEUTICALS SINGAPORE PTE. LTD. (CONT'D)**

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

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

- 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.



**PKF-CAP LLP**  
Public Accountants and  
Chartered Accountants

Singapore

23 April 2019

**GLENMARK PHARMACEUTICALS SINGAPORE PTE. LTD.**

**STATEMENT OF COMPREHENSIVE INCOME**

For the financial period from 20 March 2018 (date of incorporation) to 31 March 2019

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	Note	20 March 2018 to 31 March 2019 SGD
Revenue	4	1,803,791
<b>Expenses</b>		
Employee benefits expense	5	(1,355,570)
Other operating expenses		(362,326)
Total expenses		<u>(1,717,896)</u>
<b>Profit before taxation</b>	6	85,895
Income tax expense	7	<u>(10,110)</u>
<b>Profit after taxation, representing total comprehensive income for the period</b>		<u>75,785</u>

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

**GLENMARK PHARMACEUTICALS SINGAPORE PTE. LTD.**

**STATEMENT OF FINANCIAL POSITION**

As at 31 March 2019

		<b>31.03.2019</b>
	<b>Note</b>	<b>SGD</b>
<b>Current assets</b>		
Cash and bank balances	8	151,894
Trade receivables	9	545,851
Other receivables	10	<u>60,426</u>
		<u>758,171</u>
<b>NON-CURRENT ASSET</b>		
Plant and equipment	11	<u>5,214</u>
<b>TOTAL ASSETS</b>		<u>763,385</u>
<b>Current liabilities</b>		
Other payables and accruals	12	27,480
Provision for taxation	7	<u>10,110</u>
		<u>37,590</u>
<b>Net assets</b>		<u>725,795</u>
<b>Equity</b>		
Share capital	13	650,010
Retained earnings		<u>75,785</u>
<b>Total equity</b>		<u>725,795</u>

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

**GLENMARK PHARMACEUTICALS SINGAPORE PTE. LTD.**

**STATEMENT OF CHANGES IN EQUITY**

For the financial period from 20 March 2018 (date of incorporation) to 31 March 2019

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	Share capital	Retained earnings	Total
	SGD	SGD	SGD
Balance at date of incorporation	10	-	10
Issuance of shares during the financial period	650,000	-	650,000
Total comprehensive income for the financial period	-	75,785	75,785
Balance as at 31 March 2019	<u>650,010</u>	<u>75,785</u>	<u>725,795</u>

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

**GLENMARK PHARMACEUTICALS SINGAPORE PTE. LTD.**

**STATEMENT OF CASH FLOWS**

For the financial period from 20 March 2018 (date of incorporation) to 31 March 2019

	Note	20 March 2018 to 31 March 2019 SGD
<b>Cash flows from operating activities:</b>		
Profit before taxation		85,895
Adjustment for:		
Depreciation of plant and equipment	11	<u>672</u>
Operating cash flows before changes in working capital		86,567
<b>Changes in working capital</b>		
Trade receivables		(545,851)
Other receivables		(60,426)
Trade and other payables		<u>27,480</u>
<b>Net cash used in operating activities</b>		<u>(492,230)</u>
<b>Cash flow from investing activity</b>		
Purchase of plant and equipment	11	<u>(5,886)</u>
<b>Net cash flow used in investing activity</b>		<u>(5,886)</u>
<b>Cash flow from financing activity</b>		
Proceeds from shares issuance		<u>650,000</u>
<b>Net cash generated from financing activity</b>		<u>650,000</u>
<b>Net increase in cash and bank balances</b>		151,884
Cash and bank balances at date of incorporation		<u>10</u>
<b>Cash and bank balances at end of financial period</b>	8	<u>151,894</u>

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



## GLENMARK PHARMACEUTICALS SINGAPORE PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 20 March 2018 (date of incorporation) to 31 March 2019

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 activities of the Company are sale and marketing of pharmaceutical products. It's main business activity mainly relates to provision of marketing services to its holding Company on a cost-plus basis.

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

#### 2. Significant accounting policies

##### 2.1 Basis of preparation

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

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

##### *FRS and INT FRS issued but not yet effective*

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

		Effective for annual periods beginning on or after
FRS 116	Leases	1 January 2019
INT FRS 123	Uncertainty over income tax treatment	1 January 2019

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

##### 2.2 Income 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.

**GLENMARK PHARMACEUTICALS SINGAPORE PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial period from 20 March 2018 (date of incorporation) to 31 March 2019

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**2 Summary of Significant Accounting Policies (cont'd)**

**2.2 Income taxes (cont'd)**

*(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.

*(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.

**GLENMARK PHARMACEUTICALS SINGAPORE PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial period from 20 March 2018 (date of incorporation) to 31 March 2019

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

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates, and sales taxes or duty.

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.

2.4 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.

2.5 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.

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial period from 20 March 2018 (date of incorporation) to 31 March 2019

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2 Summary of Significant Accounting Policies (cont'd)

2.6 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.

2.7 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 20 March 2018 (date of incorporation) to 31 March 2019

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

2.7 Financial assets (cont'd)

*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.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

*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 and other 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.

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.

2.8 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 20 March 2018 (date of incorporation) to 31 March 2019

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2 Summary of Significant Accounting Policies (cont'd)

2.8 Financial liabilities (cont'd)

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 expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or 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.

2.9 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:

	<u>Useful lives</u>
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.

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.

**GLENMARK PHARMACEUTICALS SINGAPORE PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial period from 20 March 2018 (date of incorporation) to 31 March 2019

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2 Summary of Significant Accounting Policies (cont'd)

2.10 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.

2.11 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.

**GLENMARK PHARMACEUTICALS SINGAPORE PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial period from 20 March 2018 (date of incorporation) to 31 March 2019

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**2 Significant accounting policies (Cont'd)**

**2.11 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).

**2.12 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. 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.



**GLENMARK PHARMACEUTICALS SINGAPORE PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial period from 20 March 2018 (date of incorporation) to 31 March 2019

4. Revenue

As consideration for the services rendered, the Company earns a service fee income from its ultimate holding Company calculated at 105% of the operating expenses it incurs.

5. Employee benefits expense

	20 March 2018 to 31 March 2019 SGD
Staff salaries and bonus	1,068,661
Skill development levy	252
Other employee benefits	286,657
	<u>1,355,570</u>

6. Profit before tax

The following items have been included in arriving at loss before tax:-

	Note	20 March 2018 to 31 March 2019 SGD
Travelling expenses		153,909
Employee benefits expense	5	1,355,570
Office rental		<u>51,659</u>

**GLENMARK PHARMACEUTICALS SINGAPORE PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial period from 20 March 2018 (date of incorporation) to 31 March 2019

**7. Income tax expense**

Tax expense attributable to profit is as follows:

	20 March 2018 to 31 March 2019 SGD
Current income tax:	
- Income tax expense for current financial period	<u>10,110</u>

The income tax expense on the result of the financial period 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:-

	20 March 2018 to 31 March 2019 SGD
Profit before taxation	<u>85,895</u>
Tax expense calculated at a tax rate of 17%	14,602
Effect of partial tax exemption	(7,726)
Others	<u>3,234</u>
	<u>10,110</u>

**8. Cash and bank balances**

	31.03.2019 SGD
Cash at bank	<u>151,894</u>

The carrying amount of cash and bank balances approximate its fair value and is denominated in SGD Dollars.

**9. Trade receivables**

	31.03.2019 SGD
Amount due from ultimate holding Company	<u>545,851</u>

The amount due from ultimate 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 SGD Dollars.

**GLENMARK PHARMACEUTICALS SINGAPORE PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial period from 20 March 2018 (date of incorporation) to 31 March 2019

10. Other receivables

	<b>31.03.2019</b>
	<b>SGD</b>
Deposits	25,142
Prepayments	35,284
	<u>60,426</u>

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

Other receivables are denominated in Singapore dollars.

11. Plant and equipment

	<u>Computer equipment</u>	<u>Office equipment</u>	<u>Total</u>
<b>Cost</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
As at date of incorporation	-	-	-
Additions	3,299	2,587	5,886
As at 31 March 2019	<u>3,299</u>	<u>2,587</u>	<u>5,886</u>
<b>Accumulated depreciation</b>			
As at date of incorporation	-	-	-
Additions	385	287	672
As at 31 March 2019	<u>385</u>	<u>287</u>	<u>672</u>
<b>Carrying amount</b>			
As at 31 March 2019	<u>2,914</u>	<u>2,300</u>	<u>5,214</u>

12. Other payables and accruals

	<b>31.03.2019</b>
	<b>SGD</b>
Other payables	14,438
Accrued operating expenses	13,042
	<u>27,480</u>

The carrying amounts of other payables and accruals approximate their fair values.

Other payables and accruals are denominated in Singapore dollars.

**GLENMARK PHARMACEUTICALS SINGAPORE PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial period from 20 March 2018 (date of incorporation) to 31 March 2019

13. Share capital

	31.03.2019	
	Number of ordinary shares	SGD
Issued and fully paid ordinary shares:		
As at date of incorporation	10	10
Issuance during the financial period	650,000	650,000
As at 31 March 2019	<u>650,010</u>	<u>650,010</u>

During the financial period ended 31 March 2019, the Company

(a) Issued 10 ordinary shares amounting to SGD10 to the subscriber per Memorandum and Articles of Association; and

(b) Issued an additional 650,000 ordinary shares amounting to SGD650,000 and the proceeds were used as working capital.

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 2019, the Company has no Share Option Scheme.

14. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following significant transactions took place between the Company and related parties at terms agreed between the parties:

***Transactions with immediate and ultimate holding company***

	31.03.2019 SGD
Service fee income from the ultimate holding Company	<u>1,803,791</u>
<b>Compensation to key management personnel</b>	
Salaries and other short-term benefits	<u>1,384,247</u>

15. Financial risk management objectives and policies

The directors of the Company manage the financial risks of the Company on an informal basis. Corporate governance practices and oversights by top management exist to minimise any financial risks that may arise. Any financial risks that may arise would be minimal due to the nature of the Company's business, other than as disclosed below.

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For the financial period from 20 March 2018 (date of incorporation) to 31 March 2019

**15. Financial risk management objectives and policies (Cont'd)**

**(i) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial 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. In the management of the liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of the fluctuations in cash flows.

Financial liability of the Company comprises other payables and accruals that have no contractual maturities but are typically settled within one year.

**(ii) Credit risk**

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

The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has significant concentration of credit risk since it has only one customer which is the ultimate holding company at reporting date.

In view of the financial strength of the ultimate holding Company, management does not consider the Company's credit risk to be significant.

**16. Operating lease Commitments**

As at 31 March, the Company has commitments for future minimum lease payments under non-cancellable operating leases at the reporting date are as follows:

	31.03.2019 SGD
Payable:	
Within one year	63,203
Within two to five years	67,823
	<u>131,026</u>

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For the financial period from 20 March 2018 (date of incorporation) to 31 March 2019

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**17. Capital management**

The Company's objective when managing capital is to safeguard the Company's abilities to pay its debts as they fall due in order to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. There are no changes to the Company's objectives, policies or processes for the current financial period.

Capital comprises all components of equity, including share capital and retained earnings.

**18. Fair value of financial assets and liabilities**

The Company has no financial instruments valued using valuation techniques during the financial period and as at the reporting date.

**19. Comparative figures**

There are no comparative figures as this is the first set of financial statements prepared by the Company since its incorporation on 20 March 2018.

**20. Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 23 April 2019.