

NATCO PHARMA ASIA PTE. LTD.
(Incorporated in Singapore)
Reg. No: 201230076Z

**ANNUAL FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2022**

<u>CONTENTS</u>	<u>PAGE</u>
DIRECTORS' STATEMENT	1 - 2
INDEPENDENT AUDITOR'S REPORT	3 - 5
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF COMPREHENSIVE INCOME	7
STATEMENT OF CHANGES IN EQUITY	8
STATEMENT OF CASH FLOWS	9
NOTES TO THE FINANCIAL STATEMENTS	10 - 12

NATCO PHARMA ASIA PTE. LTD.
(Reg. No: 201230076Z)

DIRECTORS' STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

The directors present their statement to the members together with the audited financial statements of Natco Pharma Asia Pte. Ltd. (the "Company") for the financial year ended 31 March 2022.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (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 2022 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.

2. DIRECTORS

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

Mente Subba Rao
Virkar Girish Suresh
Prabhakaran Mangayarkarasi

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object 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' INTEREST IN SHARES OR DEBENTURES

According to the register of directors' 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:

<u>Name of directors</u>	<u>Direct interest</u>	
	<u>At beginning of the financial year</u>	<u>At end of the financial year</u>
<u>Ordinary shares of the Holding Company</u>		
Mente Subba Rao	44,850	52,060
<u>Ordinary shares of the Company</u>		
Virkar Girish Suresh	5,000	5,000

NATCO PHARMA ASIA PTE. LTD.
(Reg. No: 201230076Z)

DIRECTORS' STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

5. 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 as at the end of the financial year.

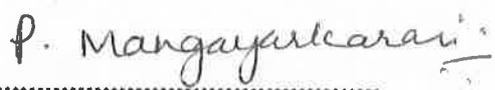
6. AUDITORS

V. P. Kumaran & Co. has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors


.....
Virkar Girish Suresh
Director

26/04/2022


.....
Prabhakaran Mangayarkarasi
Director

Singapore,

26 APR 2022

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NATCO PHARMA ASIA PTE. LTD.**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Natco Pharma Asia Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2022 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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 going concern. If we conclude that a material uncertainty exist, 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.


V. P. KUMARAN & CO
Public Accountants and
Chartered Accountants

Singapore,

26 APR 2022

AJ/SM/KV

NATCO PHARMA ASIA PTE. LTD.
(Reg. No: 201230076Z)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	31.03.2022	31.03.2021
	\$	\$
ASSETS		
Non-current assets		
Plant and equipment	11,029	41,360
Current assets		
Inventories	832,516	359,021
Cash and cash equivalents	1,144,471	227,779
Trade and other receivables	753,054	3,062,914
Total current assets	2,730,041	3,649,714
Total assets	2,741,070	3,691,074
LIABILITIES		
Current liabilities		
Trade and other payables	937,655	485,921
Interest bearing loans	17,901	2,140,163
Total current liabilities	955,556	2,626,084
Total liabilities	955,556	2,626,084
Net assets	1,785,514	1,064,990
EQUITY		
Share capital	2,100,000	2,100,000
Accumulated losses	(314,486)	(1,035,010)
Total equity	1,785,514	1,064,990

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

NATCO PHARMA ASIA PTE. LTD.
(Reg. No: 201230076Z)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	31.03.2022	31.03.2021
	\$	\$
CONTINUING OPERATIONS		
REVENUE		
Sale of goods	2,477,163	1,889,454
Other income	78,576	124,063
	<u>2,555,739</u>	<u>2,013,517</u>
COSTS AND EXPENSES		
Change in inventories	(473,495)	(249,600)
Purchase	1,715,110	857,100
Depreciation	30,331	34,836
Interest on lease liability	-	1,862
Finance cost	80,764	106,458
Staff cost	311,577	257,231
Other operating expenses	170,928	138,923
Total costs and expenses	<u>1,835,215</u>	<u>1,146,810</u>
PROFIT BEFORE TAX	720,524	866,707
INCOME TAX EXPENSE	-	-
PROFIT REPRESENTING TOTAL COMPREHENSIVE		
INCOME FOR THE FINANCIAL YEAR	<u>720,524</u>	<u>866,707</u>

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

NATCO PHARMA ASIA PTE. LTD.
(Reg. No: 201230076Z)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Share capital	Accumulated losses	Total equity
	\$	\$	\$
31.03.2022			
Balance at beginning of financial period	2,100,000	(1,035,010)	1,064,990
Total comprehensive income for the financial period	-	720,524	720,524
Balance at end of financial period	<u>2,100,000</u>	<u>(314,486)</u>	<u>1,785,514</u>
31.03.2021			
Balance at beginning of financial year	2,100,000	(1,901,717)	198,283
Total comprehensive income for the financial year	-	866,707	866,707
Balance at end of financial year	<u>2,100,000</u>	<u>(1,035,010)</u>	<u>1,064,990</u>

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

NATCO PHARMA ASIA PTE. LTD.
(Reg. No: 201230076Z)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	31.03.2022	31.03.2021
	\$	\$
Cash flows from operating activities		
Profit before tax	720,524	866,707
Adjustment for:		
Depreciation of plant and equipment	699	4,695
Depreciation of right of use asset	29,632	30,141
Interest expense	80,764	108,320
Interest income	(78,576)	(103,372)
Operating profit before working capital changes	<u>753,043</u>	<u>906,491</u>
Changes in working capital:		
Inventories	(473,495)	(249,600)
Trade and other receivables	2,309,860	(625,525)
Trade and other payables	451,734	173,308
Cash generated from operations	<u>3,041,142</u>	<u>204,674</u>
Interest expense	(80,764)	(108,320)
Interest income	78,576	103,372
Net cash flows generated from operating activities	<u><u>3,038,954</u></u>	<u><u>199,726</u></u>
Cash flows from financing activities		
Prepayment of principal portion of lease liability	(2,122,262)	(29,829)
Net cash flows used in financing activities	<u><u>(2,122,262)</u></u>	<u><u>(29,829)</u></u>
Net change in cash and cash equivalents	916,692	169,897
Cash and cash equivalents at beginning of financial period	<u>227,779</u>	<u>57,882</u>
Cash and cash equivalents at end of financial period	<u><u>1,144,471</u></u>	<u><u>227,779</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The condensed financial statements of Natco Pharma Asia Pte. Ltd. (the "Company") as of and for the twelve-month period ended 31 March 2022 (the "Interim Financial Statements") have been prepared in accordance with Singapore Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". They should be read in conjunction with the Company's annual financial statements and the notes thereto for the financial year ended 31 March 2022 which have been prepared in accordance with Singapore Financial Reporting Standards.

2. RELATED PARTY

	Reporting Currency	Actual Currency
(a) Balance as at 31 March 2022		
-Loan given to Natcofarma do Brasil Ltda	NIL	NIL
-Loan taken from Natco Pharma Limited - India	NIL	NIL
-Interest receivable from Natcofarma do Brasil Ltda	NIL	NIL
-Interest payable to Natco Pharma Limited - India	NIL	NIL
(b) Transactions during the period ended 31 March 2022		
-Sales to Natco Pharma Limited - India	SGD 3,894	SGD 3,894
-Purchases from Natco Pharma Limited - India	SGD17,11,470	SGD17,11,470
-Interest expense charged by Natco Pharma Limited - India	SGD 79,626	SGD 79,626
-Interest income charged to Natcofarma do Brasil Ltda	SGD 77,316	USD 56,459

(c) Inventories as at 31 March 2022 amounting to SGD 832,516 was purchased from Natco Pharma Limited - India.

(d) As at 31 March 2022, amount due to Natco Pharma Limited - India is SGD 803,942. However there is a material in transit as on 31 March 2022 sales from Natco Pharma Ltd. India and the same is received by Natco Pharma Asia on 04 April 2022 Invoice # 362110500661 SGD 61,430.

3. COMPARATIVE FIGURES

The financial statements for the current period cover the twelve-month period ended 31 March 2022. The comparative financial statements cover the twelve-month period ended 31 March 2021.

NATCO PHARMA ASIA PTE. LTD.
(Reg. No: 201230076Z)

SELECTED SCHEDULES TO STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	31.03.2022
	\$
Plant and equipment	
Leasehold building	10,931
Furniture and Office Equipment	98
	<u>11,029</u>
Cash and cash equivalents	
Cash on Hand	1,178
Cash at Bank	1,143,293
	<u>1,144,471</u>
Trade and other receivables	
Trade debtors	734,835
Advance	4,599
Deposits	12,620
Other receivable	1,000
	<u>753,054</u>
Trade and other payables	
Trade payable - Natco Pharma Ltd- India	803,942
Accrued expenses	53,818
GST collected	17,358
Amount due to director	47,137
Provision for director fee	15,400
	<u>937,655</u>
Interest bearing loans	
Lease liability	<u>17,901</u>

This statement does not form part of the limited review report of the Company.

NATCO PHARMA ASIA PTE. LTD.
(Reg. No: 201230076Z)

SELECTED SCHEDULES TO STATEMENT OF COMPREHENSIVE INCOME
FOR THE TWELVE-MONTH PERIOD ENDED 31 MARCH 2022

	31.03.2022
	\$
Staff cost	
Salary	54,064
CPF contribution	10,962
Skill development levy	126
Director's remuneration	228,767
Staff welfare	1,846
Commission to sales staff	15,789
	<u>311,554</u>
Other operating expenses	
Audit fee	7,850
Bank charges	3,457
CDAC expenses	24
Conveyance	35,819
Clearing charge	8,544
Delivery charges	10,720
Electricity expenses - City Sq.	1,874
Electricity expenses - Ubi	2,173
Insurance expense	1,086
Office expenses	12,192
Printing and stationery	271
Product registration charges (HSA)	27,182
Professional fees	25,320
Repair and maintenance	740
Telephone expenses	5,941
	<u>143,193</u>