GENERIC PARTNERS (INTERNATIONAL) PTE LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Notes	2019 US$	2018 US$
ASSETS			
Non - Current Assets			
Investment in Subsidiaries	**5**	1,621	233,147
		1,621	**233,147**
Current Assets			
Cash and cash equivalents	**6**	99,006	3,268
		99,006	**3,268**
Total Assets		**100,627**	**236,415**
LIABILITIES AND EQUITY			
Current Liabilities			
Other payables	**7**	4,987	1,900
Amount due to Holding Company	**8**	152,109	119,030
Amount due to Related Party	**9**	-	115,632
Provision for taxation	**10**	-	-
		157,096	**236,562**
Equity			
Issued capital	**11**	154	154
Retained earnings		(56,623)	(301)
Shareholders' equity		**(56,469)**	**(147)**
Total Liability and Equity		**100,627**	**236,415**

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

GENERIC PARTNERS (INTERNATIONAL) PTE. LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	NOTE	2019 US$	2018 US$
Revenue		**-**	**-**
Other income			
Exchange gain		**-**	**-**
Less: expenses			
Admin & other operating expenses	**4**	(11,277)	(5,903)
Loss on disposal of investment		(45,045)	-
(Loss) / Profit before tax		**(56,322)**	**(5,903)**
Less : Income tax expenses		-	-
(Loss) / Profit for the year, representing total comprehensive income for the year		**(56,322)**	**(5,903)**

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

GENERIC PARTNERS (INTERNATIONAL) PTE. LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Issued Capital	Retained earnings	Total
	US$	US$	US$
At 1 April 2017	154	5,602	5,756
Profit for the period, representing total comprehensive income for the period	-	(5,903)	(5,903)
At 31 March 2018 and 1 April 2018	**154**	**(301)**	**(147)**
Profit for the year, representing total comprehensive income for the year	-	(56,322)	(56,322)
At 31 March 2019	**154**	**(56,623)**	**(56,469)**

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

GENERIC PARTNERS (INTERNATIONAL) PTE. LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019	2018
		US$	US$
Cash flows from operating activities			
Net (Loss) / profit before tax		(56,322)	(5,903)
Adjustments for:			
Loss on disposal of subsidiary	**2.13**	45,045	-
Operating (loss) / profit before working capital changes		**(11,277)**	**(5,903)**
Other payables		3,087	(1,231)
Cash from operations		**(8,190)**	**(7,134)**
Less : Tax paid		**-**	**-**
Net cash (used in) / generated from operating activities		**(8,190)**	**(7,134)**
Cash flows from investing activities			
Proceeds from disposal of subsidiary	**2.13**	186,481	-
Net cash generated from investing activities		**186,481**	**-**
Cash flows from financing activities			
Due to the holding Company.		33,079	50
Due to the related parties		(115,632)	2,648
Investment in subsidiaries		-	-
Issue of shares		-	-
Net Cash generated from / (used in) financing activities		**(82,553)**	**2,698**
Net (decrease) / increase in cash and cash equivalents		95,738	(4,436)
Cash and cash equivalents at the beginning of the year.		3,268	7,704
Cash and cash equivalents at the end of the year / period	**6**	**99,006**	**3,268**

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

1. GENERAL INFORMATION

Generic Partners (International) Pte. Ltd. (the “Company”) is incorporated and domiciled in Singapore with its registered office and principal place of business at 3 Tuas South Avenue 4, Singapore 637610.

The principal activity of the Company is to carry on the business of acquiring and holding entities engaged in pharmaceutical business and leasing of non-financial intangible assets.

The Company’s immediate holding company is Strides Pharma Global Pte. Limited a company incorporated in Republic of Singapore and ultimate holding company is Strides Pharma Science Limited a company incorporated in India.

The financial statements of the Company for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2018. Except for the adoption of FRS 109 Financial Instruments and FRS 115 Revenue from Contracts with Customers described below. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

<u>FRS 109 Financial Instruments</u>
FRS 109 replaces FRS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 April 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company applied FRS 109 retrospectively, with an initial application date of 1 April 2018. The Company has not restated comparative information which continues to be reported under FRS 39 and the disclosure requirements of FRS 107 Financial Instruments: Disclosures relating to items within the scope of FRS 39. There was no material impact arising from FRS 109 adoption and have no adjustment were made in the opening retained earnings and other component of equity at the date of initial application.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Adoption of new and revised standards (cont'd)

FRS 109 Financial Instruments (cont'd)

(a) Classification and measurement

Under FRS 109, debt instruments are subsequently measured either at fair value through profit or loss (FVPL), amortised cost or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding. The assessment of the Company's business model was made as of the date of initial application, 1 April 2018. The assessment of whether contractual cash flows on debt instruments solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of FRS 109 did not have a significant impact to the Company. The Company continued measuring at fair value all financial assets previously held at fair value under FRS 39. The following are the changes in the classification and measurement of the Company's financial assets:

- Trade and other receivables classified as loans and receivables as at 31 March 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These were classified and measured as debt instruments at amortised cost beginning 1 April 2018.

The Company has not designated any financial liabilities at FVPL. There are no changes in classification and measurement for the Company's financial liabilities.

In summary, upon the adoption of FRS 109, the Company had the following required or elected reclassifications as at 1 April 2018:

		FRS 109 measurement category		
		FVPL	**FVOCI**	**Amortised cost**
FRS 39 measurement category	**US$**	**US$**	**US$**	**US$**
Cash and cash equivalents	3,268	-	-	3,268
		-	-	3,268

(b) Impairment

The adoption of FRS 109 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing FRS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. FRS 109 requires the Company to recognise an allowance for ECLs for all debt instruments not held at FVPL.

Upon adoption of FRS 109, the Company assessed that there will not any material allowance for credit losses required to be made as at 1 April 2018 on the trade & other receivables and investments.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 supersedes FRS11, Construction contracts, FRS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. FRS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflect the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Adoption of new and revised standards (cont'd)

FRS 115 *Revenue from Contracts with Customers* (cont'd)
FRS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted FRS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2018.

The cumulative effect of initially applying FRS 115 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under FRS 11, FRS 18 and related interpretations

The Company assessed that the adoption of FRS 115 did not have a material impact on the Company and have no adjustments were made in the opening balance.

2.3 Subsidiaries

Subsidiaries are entities over which the company has power to govern the financial and economic policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the company controls another entity.

Investments in the subsidiaries are stated in the financial statements of the Company at cost less impairments losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

As the Company meets the exemption criteria in FRS 110 Consolidated Financial Statements, it does not need to prepare consolidated financial statements and it only presents the Company's separate financial statements. Consolidated financial statements prepared by the ultimate holding company Strides Pharma Science Limited are available from www.stridesarco.com

2.4 Impairment of non- financial assets

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

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

Impairment losses are recognized in profit or loss.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Financial instruments

These accounting policies are applied on and after the initial application date of FRS 109, 1 April 2018:

(a) Financial assets

Initial recognition and measurement

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

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

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

Subsequent measurement

Investments in debt instruments

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

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

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition 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 for debt instruments is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

De recognition

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

These accounting policies are applied before the initial application date of FRS 109, 1 April 2018:

a) Financial assets

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

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.

Subsequent measurement

Loans and receivables
Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables comprise loan to the holding company, trade and other receivables, and cash and cash equivalents.

Cash and cash equivalents comprise cash at banks and on hand.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Financial instruments (cont'd)

(a) Financial assets (cont'd)

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

b) Financial liabilities

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

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

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.

Such financial liabilities comprise trade and other payables, and bank borrowings.

De-recognition
A financial liability is de-recognised when the obligation under the liability is discharged, 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 de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.6 Impairment of financial assets

These accounting policies are applied on and after the initial application date of FRS 109,1 April 2018:

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Impairment of financial assets (cont'd)

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

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

These accounting policies are applied before the initial application date of FRS 109, 1 April 2018:

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Taxes

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

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

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax asset is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

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

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

2.8 Foreign currency transactions and balances

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Company's cash management.

2.10 Share capital

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

2.11 Employee benefits

a) Defined contribution plans
The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

b) Short-term employee benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.12 Leases

Operating leases
Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.13 Disposal of subsidiaries

On September 22, 2018, the Company entered into Share Purchase to sell 100% of its stake in Generic Partners UK Ltd and Generic Partners (South Africa) (Pty) Ltd. to its immediate holding company viz., Strides Pharma Global Pte. Ltd. for economies of scale, better monitoring and bringing in synergy. The consideration agreed for disposal of the interest in subsidiaries was as follows:

Subsidiary Name	Sale consideration	(Loss) on disposal
Generic Partners UK Ltd	US$ 186,405	US$ 45,045
Generic Partners (South Africa) (Pty) Ltd	US$ 76	Nil

2.14 Provisions

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Provisions (cont'd)

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

2.15 Related party

a) A person or a close member of that person's family is related to the Company if that person:
(i) Has control or joint control over the Company;
(ii) Has significant influence over the Company; or
(iii) Is a member of the key management personnel of the Company or of parent of the Company
b) An entity is related to the Company if any of the following conditions applies:
(i) The entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others);
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member);
(iii) Both entities are joint ventures of the same third party;
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) The entity is controlled or jointly controlled by a person identified in (a);
(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2.16 Going concern

The Company had net current liabilities of US$ 58,090 (2018: US$ 233,294) as at 31 March 2019. These factors indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Notwithstanding the above, the directors are satisfied that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 March 2019 is appropriate after taking into consideration the following factors:

(i) The Company is able to generate sufficient cash flows from their operations to meet their current and future obligations, and

(ii) The Company has received a letter of undertaking from a shareholder to provide continue financial support for the period of not less than twelve months from the date of this report to meet the Company's operating expenditure, working capital and capital expenditure requirements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONT'D)

3.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of investments in subsidiaries

The impairment of investments in subsidiaries is based on th**e** management's continuous evaluation of the recoverability of its investment in subsidiaries. In assessing the ultimate realisation of these investments, management considers, among other factors, the profitability and the financial position of each subsidiary. If the financial conditions of the subsidiaries were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amounts of the Company's investments in subsidiaries as at 31 March 2019 is US$ 1,620.

4. ADMIN & OTHER EXPENSES

This is arrived at after charging

	2019	**2018**
	US$	**US$**
Audit fees	2,185	2,153
Professional fees	1,435	1,398
Bank Charges	557	169
Consulting Fees	7,413	1,228
Courier Charges	19	-
Sundry	8,011	-
Forex (Gain) / Loss	(8,343)	955
	11,277	**5,903**

5. INVESTMENT IN SUBSIDIARIES

	2019	**2018**
	US$	**US$**
Unquoted shares at cost	1,621	233,147
	1,621	**233,147**

Particulars of the subsidiaries are as follows:

Subsidiary	**Principal activities**	**Country of incorporation**	**Effective % of equity held 2019 & 2018** %	**Cost of investment 2019 & 2018** US$
Generic Partners UK Limited	Trading in generic pharmaceutical products.	United Kingdom	- (2018: 100%)	- (2018: 231,450)
Generic Partners Canada Inc		Canada	100% (2018: 100%)	772 (2018: 772)
Generic Partners (M) Sdn. Bhd.		Malaysia	100% (2018: 100%)	772 (2018: 772)
Generic Partners (NZ) Limited		New Zealand	100% (2018: 100%)	77 (2018: 77)
Generic Partners (South Africa) Pty Limited		South Africa	- (2018: 100%)	- (2018: 76)

6. CASH AND CASH EQUIVALENTS

	2019	2018
	US$	US$
Cash on hand	74	74
Cash at bank	98,932	3,194
	99,006	**3,268**

Cash and cash equivalents are denominated in the following currencies

	2019	2018
	US$	US$
Singapore dollars	74	74
Australian dollars	98,932	3,194
	99,006	**3,268**

7. OTHER PAYABLES

	2019	2018
	US$	US$
Accruals	3,676	1,900
Hawksford Singapore Pte. Ltd.	1,311	-
	4,987	**1,900**

Other payables are 100% denominated in Singapore Dollars.

8. AMOUNT DUE TO HOLDING COMPANY

Amount due to holding Company is non trade, unsecured, interest free and repayable on demand.

9. AMOUNT DUE TO RELATED PARTY

Amount due to related party is non trade, unsecured, interest free and repayable on demand.

10. TAXATION

	2019 US$	2018 US$
Current tax	-	-
	-	**-**

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on company's (loss) as a result of the following:

	2019 US$	2018 US$
(Loss)/ Profit for the year before tax	**(56,322)**	**(5,903)**
Tax at statutory rate of 17% (2017: 17%)	(9,575)	(1,004)
Tax effect on nontaxable income	9,575	1,004
	-	**-**

Deferred tax to be recognised upon the Company earning taxable profits in the future.

11. SHARE CAPITAL

Issued and fully paid up	**Number of shares 2019**	**Value 2019**	**Number of shares 2018**	**Value 2018**
Ordinary shares		**US$**		**US$**
Beginning of the financial year / period	204	154	204	154
Issued during the period	-	-	-	-
End of financial year / period	**204**	**154**	**204**	**154**

The holders of ordinary shares (except ordinary shares) are entitled to receive dividends as and when declared by the Company.

All ordinary shares carry one vote per share without restriction.

12. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximize shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

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. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2019 and 31 March 2018.

13. FINANCIAL RISK MANAGEMENT

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

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

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

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

a) Market risk

(i) Currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes. The Company has no significant transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their loan to holding company, cash and cash equivalents and bank borrowings.

The Company has no significant variable interest-bearing financial instruments, hence exposure is insignificant to any movements in market interest rates.

13. FINANCIAL RISK MANAGEMENT (CONT'D)

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company is not exposed to any significant credit risk

Cash is held with financial institutions of good standing/established financial institutions/reputable financial institutions.

c) Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

The Company obtains continued financial support from their holding company to meet its operational requirements.

All liabilities are repayable within 1 year.

14. FINANCIAL INSTRUMENTS BY CATEGORY

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

	2019 US$	2018 US$
Financial assets measured at amortised cost		
Cash and cash equivalents	99,006	3,268
Financial liabilities at amortised cost		
Other payables	4,987	1,900
Amount due to holding company	152,109	119,030
Amount due to related party	-	115,632

15. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Assets and liabilities not measured at fair value

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

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

16. NEW OR REVISED STANDARDS AND INTERPRETATIONS

The Company has not applied the following new/revised FRS or interpretations that have been issued as of the balance sheet date but not yet effective:

16. NEW OR REVISED STANDARDS AND INTERPRETATIONS (CONT'D)

Description	Effective for annual periods beginning on or after
INT FRS 123 Uncertainty over Income Tax Treatments	1 Jan 2019
Amendments to FRS 109 Prepayment Features with Negative Compensation	1 Jan 2019
Amendments to FRS 28 Long-term Interests in Associates and Joint Ventures	1 Jan 2019
Annual improvements to FRSs (March 2018)	1 Jan 2019
FRS 116 Leases	1 Jan 2019
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	Date to be determined

Except for FRS 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 is described below.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on statement of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. The new leases standard is effective for annual periods beginning on or after 1 April 2019.

FRS 116 requires lessees to recognise most leases on the statement of financial position. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. FRS 116 is effective for annual periods beginning on or after 1 April 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Company plans to adopt FRS 116 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 April 2019.

On the adoption of FRS 116, the Company expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

(i) its carrying amount as if FRS 116 had been applied since the commencement date but discounted using the lessee's incremental borrowing rate as of 1 April 2019;
Or
(ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 April 2019.

In addition, the Company plans to elect the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply FRS 116 to all contracts that were previously identified as leases;
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 April 2019; and
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Company has performed a preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Company adopts FRS 116 in 2019.

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