

ALIDAC HEALTHCARE (MYANMAR) LIMITED
Incorporated in the Republic of the Union of Myanmar,
Registration Number 148900353

FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Currency – Myanmar Kyat (MMK)

ALIDAC HEALTHCARE (MYANMAR) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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Regd. Office :

Lot No B19, Zone A,
Thilawa special economic zone,
Thanlyin Township, Yangon,
Myanmar.

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
ALIDAC HEALTHCARE (MYANMAR) LIMITED**

It is the responsibility of the management to prepare the financial statements which give a true and fair view of the state of affairs of **Alidac Healthcare (Myanmar) Limited** (the "Company") as at September 30, 2021 and of its financial performance and its cash flows for the year then ended. In preparing these financial statements, the management is required to:

- Select suitable accounting policies and then apply them consistently; and
- Make judgments and estimates that are reasonable and prudent.

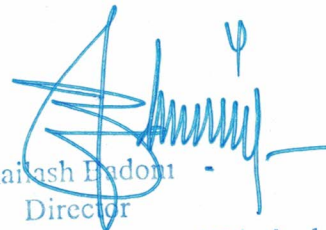
The management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. We have general responsibility for taking such steps as are reasonably open to us to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of Management



Mr. Sundarraj Rama Subramanian
Managing Director
Alidac Healthcare (Myanmar) Limited.

May 19, 2022



Kailash Baidoni
Director
Alidac Healthcare (Myanmar) Limited.

May 19, 2022





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WIN THIN & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

HEAD OFFICE:- Room (2B/2C) 1st Floor, Rose Condominium, No.182/194, Botahtaung Pagoda Road, Pazundaung Township, Yangon Region, Myanmar. Tel: 95-1-8201798, 8296164, Fax: 95-1-8245671 Email: info@winthinassociates.com

MANDALAY BRANCH:- Room (9/10), East Wing of Bahtoo Stadium, 70th Street (Between 29th & 30th Street),
OFFICE Mandalay Region, Myanmar. Tel: 95-2-4034451, Fax: 95-2-4034498

Ref: 102(a)/A-148/September 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Alidac Healthcare (Myanmar) Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Alidac Healthcare (Myanmar) Limited** which comprise the statement of financial position as at September 30, 2021, and the statements of comprehensive income, changes in equity and cash flows for the year ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Myanmar Financial Reporting Standards and the provisions of the Myanmar Companies Law. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Myanmar Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Alidac Healthcare (Myanmar) Limited** as at September 30, 2021, and its financial performance and its cash flows for the year then ended in accordance with Myanmar Financial Reporting Standards and the provisions of the Myanmar Companies Law.

Report on Other Legal and Regulatory Requirements

In accordance with the provisions of the Myanmar Companies Law, we also report that:

- (i) we have obtained all the information and explanations we have required; and
- (ii) financial records have been maintained by **Alidac Healthcare (Myanmar) Limited** as required by Section 258 of the Law.



Kyaw Tun Aung (PAPP - 479)
Partner
WIN THIN & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS



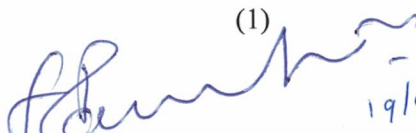
May 19, 2022



ALIDAC HEALTHCARE (MYANMAR) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

	Notes	September 30, 2021 MMK	September 30, 2020 MMK
ASSETS			
Non-current assets			
Property, plant and equipment	4	20,594,972,435	3,466,845,281
Capital work in progress	5	-	18,216,606,366
Intangible assets	6	37,824,535	68,133,204
		<u>20,632,796,970</u>	<u>21,751,584,851</u>
Current assets			
Inventories	7	4,781,256,507	2,841,387,837
Trade and other receivables	8	4,168,358,566	577,305,211
Cash and cash equivalents	9	1,482,072,995	164,144,566
		<u>10,431,688,068</u>	<u>3,582,837,614</u>
Total assets		<u>31,064,485,038</u>	<u>25,334,422,465</u>
EQUITY AND LIABILITIES			
Equity			
Paid-up capital	10	43,780,641,000	35,493,541,000
Retained earnings		(17,496,750,862)	(14,899,945,593)
		<u>26,283,890,138</u>	<u>20,593,595,407</u>
Non-current liabilities			
Borrowing	11	-	-
Current liabilities			
Borrowing	11	-	4,120,500,000
Trade and other payables	12	4,780,594,900	620,327,058
		<u>4,780,594,900</u>	<u>4,740,827,058</u>
Total equity and liabilities		<u>31,064,485,038</u>	<u>25,334,422,465</u>

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

Authenticated by:

(1)

 19/05/2022
 Mr. Sundarraj Rama Subramanian
 Managing Director
 Alidac Healthcare (Myanmar) Limited.

Kailash Badoni
 Dir(2)r
 Alidac Healthcare (Myanmar) Limited,
 19/05/2022



**ALIDAC HEALTHCARE (MYANMAR) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Notes	September 30, 2021 MMK	September 30, 2020 MMK
INCOME			
Revenue from operations	13	8,590,866,894	—
Other income	14	4,281,334	999,000
Total income		8,595,148,228	999,000
EXPENSES			
Cost of materials consumed	15	3,011,205,821	649,839,343
Change in inventories of finished goods and work in progress	16	(650,964,741)	(813,549,976)
Employee benefits expense	17	1,468,501,139	1,147,599,181
Finance costs	18	394,632,468	(1,644,418,930)
Depreciation and amortization expense	4/6	1,290,875,385	190,197,532
Other expenses	19	5,677,703,425	3,421,129,669
Total expenses		11,191,953,497	2,950,796,819
Loss before tax		(2,596,805,269)	(2,949,797,819)
Income tax expense		—	—
Loss for the year		(2,596,805,269)	(2,949,797,819)
Other comprehensive income for the year		—	—
Total comprehensive loss for the year		(2,596,805,269)	(2,949,797,819)

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


19/05/2022
Mr. Sundarraj Rama Subramanian
Managing Director
Alidac Healthcare (Myanmar) Limited.


19/05/2022
Kailash Badoni
Director
Alidac Healthcare (Myanmar) Limited.



ALIDAC HEALTHCARE (MYANMAR) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Paid-up capital MMK	Advance capital MMK	Retained earnings MMK	Total MMK
Balance at October 1, 2020	35,493,541,000	-	(14,899,945,593)	20,593,595,407
Issue of shares	8,287,100,000	-	-	8,287,100,000
Loss for the year	-	-	(2,596,805,269)	(2,596,805,269)
Other comprehensive income for the year	-	-	-	-
Balance at September 30, 2021	43,780,641,000	-	(17,496,750,862)	26,283,890,138
Balance at October 1, 2019	22,480,180,000	1,229,440,000	(11,950,147,774)	11,759,472,226
Issue of shares	11,783,921,000	-	-	11,783,921,000
Transfer from advance capital/(Transfer to paid-up capital)	1,229,440,000	(1,229,440,000)	-	-
Loss for the year	-	-	(2,949,797,819)	(2,949,797,819)
Other comprehensive income for the year	-	-	-	-
Balance at September 30, 2020	35,493,541,000	-	(14,899,945,593)	20,593,595,407

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



ALIDAC HEALTHCARE (MYANMAR) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Notes	September 30, 2021 MMK	September 30, 2020 MMK
Cash flows from operating activities:			
Loss for the year		(2,596,805,269)	(2,949,797,819)
Adjustments for:			
Depreciation and amortization expense	4/6	1,290,875,385	190,197,532
Disposal: property, plant and equipment	4/19	84,923	-
Foreign exchange loss/(gain) on borrowing	11	334,060,000	(1,657,530,000)
Interest expenses/Interest income		10,701,762	-
Operating loss before working capital changes		(961,083,199)	(4,417,130,287)
Changes in working capital:			
(Increase) in inventories		(1,939,868,670)	(1,115,650,529)
(Increase)/Decrease in trade and other receivables		(3,591,053,355)	4,664,365
Increase in trade and other payables		4,160,267,842	163,057,845
Cash used in operations		(1,370,654,183)	(947,928,319)
Income taxes paid		-	-
Net cash used in operating activities		(2,331,737,382)	(5,365,058,606)
Cash flows from investing activities:			
Purchase of property, plant and equipment	4	(163,618,380)	(6,297,602)
Additions to capital work in progress	5	(6,123,976)	(604,356,936)
Purchase of intangible assets	6	(2,430,071)	-
Net cash used in investing activities		(172,172,427)	(610,654,538)
Cash flows from financing activities:			
Proceeds from issues of shares		8,287,100,000	11,783,921,000
Repayments of borrowing	11	(4,454,560,000)	(5,683,170,000)
Interest paid		(10,701,762)	-
Net cash provided by financing activities		3,821,838,238	6,100,751,000
Net increase in cash and cash equivalents		1,317,928,429	125,037,856
Cash and cash equivalents			
Beginning of year		164,144,566	39,106,710
End of year	9	1,482,072,995	164,144,566

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



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**ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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

1. General information

Alidac Healthcare (Myanmar) Limited (the “Company”) was incorporated in the Republic of the Union of Myanmar as per renewed Certificate of Incorporation Number 148900353 {Former Registration No. 7FC of 2016-2017 (TSEZ)} on June 17, 2016 as 100% foreign company under the Myanmar Special Economic Zone Law of 2014 and The Myanmar Companies Law upon obtaining Investment Permit No. TSEZ-IP-058-R-1 dated May 20, 2016 issued by Thilawa Special Economic Zone Management Committee under Section 11 (c) of the Myanmar Special Economic Zone Law of 2014.

The principal activities of the Company are the manufacturing and selling of pharmaceutical products.

The address of its registered office is Lot No. B19, Zone A, Thilawa SEZ, Thanlyin Township, Yangon Region, Republic of the Union of Myanmar.

The Company started its commercial operation on October 1, 2020.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The accompanying financial statements have been prepared in accordance with Myanmar Financial Reporting Standards (MFRS) and are based on historical cost convention. In preparing these financial statements, certain reclassifications and rearrangements have been made for the year ended September 30, 2020 financial statements to conform to the classifications used for the year ended September 30, 2021.

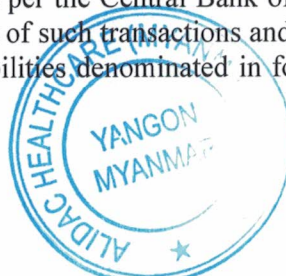
2.2 Foreign currency translation

2.2.1 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in Myanmar Kyat (MMK), which is the presentation currency as well as functional currency of the Company.

2.2.2 Transactions and balances

Foreign currency transactions are translated into the functional currency (MMK) using market exchange rates prevailing at the time of transactions as per the Central Bank of Myanmar. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.



ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

2. Summary of significant accounting policies (continued)

2.3 Property, plant and equipment

Property, plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses.

The cost of maintenance and minor repairs are charged to income as incurred. Significant renewals and betterments are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the income statement.

Depreciation on all tangible assets is calculated using the straight-line method to allocate their 95% of total cost over their estimated useful lives as follows:

<u>Description</u>	<u>Useful lives</u>
Furniture and fitting	10 years
Office equipment	3 years
Motor vehicles	8 years
Leasehold land	48 years
Factory buildings	30 years
Office building	60 years
Plant and equipment single shift	15 years
Plant and equipment two shift	10 years

The assets' useful lives are reviewed, and adjusted prospectively if appropriate, if there is any indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Any gain or loss of disposal of an item of property, plant and equipment is recognized within "other gains/(losses) - net" in the statement of comprehensive income.

2.4 Intangible assets

Acquired computer software licenses are initially capitalized at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licenses are subsequently carried at cost less accumulated amortization and accumulated impairment losses. These costs are amortized to profit or loss using the straight-line method over their estimated useful lives of 4 years (25%).



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**ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

2. Summary of significant accounting policies (continued)

2.5 Inventories

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- a) Raw materials, stores & spare parts, packing materials, finished goods, and works-in-progress are valued at lower of cost and net realizable value.
- b) Cost of raw materials, stores and spare parts, packing materials, finished goods and stock-in-trade is determined on moving average method.
- c) Costs of finished goods and work-in-progress are determined by taking material cost, labour and relevant appropriate overheads based on the normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Write down of inventories to net realizable value is recognized as an expense and included in "Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade" and Cost of Materials Consumed" in the relevant note in the Statement of Profit and Loss.

2.6 Trade receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired.

2.7 Other receivables

If collection of other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end.

2.8 Impairment of assets

The Company assess whether there is an indication that any asset may be impaired. If any such indication exists, the Company make an estimate of the asset recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of comprehensive income. An asset recoverable amount is the higher of fair value less costs to sell and value in use.

2.9 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand and deposits with banks.



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ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

2. Summary of significant accounting policies (continued)

2.10 Paid-up capital

Ordinary shares are classified as equity.

2.11 Loans

Loans are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Loans are initially recognized at fair value (net of transaction costs) and subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of loan using the effective interest method.

2.12 Borrowing costs

Borrowing costs consist of interest and other borrowing costs that are incurred in connection with the borrowing of funds. Other borrowing costs include ancillary charges at the time of acquisition of a financial liability, which is recognized as per EIR method. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs that are directly attributable to the acquisition/construction of a qualifying asset are capitalized as part of the cost of such assets, up to the date the assets are ready for their intended use.

2.13 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.14 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. Contingent assets are not recognized but are disclosed separately in the financial statements.

Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognized but are disclosed separately in financial statements.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate the risks specific to the liability.



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**ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

2. Summary of significant accounting policies (continued)

2.15 Revenue recognition

Revenue is recognized 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.

Revenue from sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customers. Revenue is not recognized to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

2.16 Leases

As a lessee

The determination of whether an arrangement is a lease is based on the substance of the arrangement at the inception of the lease.

Lease under which the Company assumes potentially all the risk and rewards of ownership are classified as finance lease. When acquired, such assets are capitalized at fair value or present value of the minimum lease payment at the inception of the lease, whichever is lower.

Lease payments under operating leases are recognized as an expense on straight line basis in the statement of profit and loss over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate lessor's expected inflationary cost increases.

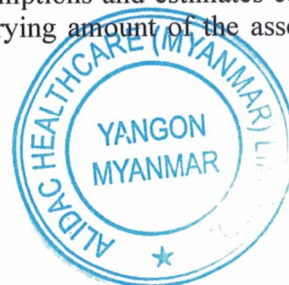
2.17 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including leave encashment that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting and are measured by the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

3. Significant accounting judgments and estimates

The preparation of the Company's financial statements in conformity with MFRS 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. However, 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 periods.



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ALDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

4. Property, plant and equipment

	Leasehold land MMK	Factory building MMK	Plant and equipment MMK	Furniture and fitting MMK	Office equipment MMK	Total MMK
<i>Cost</i>						
At October 1, 2020	3,698,967,495	-	-	14,798,500	265,206,842	3,978,972,837
Transfer from Capital-work in progress	-	6,887,565,144	11,335,165,198	-	-	18,222,730,342
Additions	-	27,600,422	86,726,168	5,294,920	43,996,870	163,618,380
Disposed off	-	-	-	-	(877,792)	(877,792)
At September 30, 2021	3,698,967,495	6,915,165,566	11,421,891,366	20,093,420	308,325,920	22,364,443,767
<i>Accumulated depreciation and impairment losses</i>						
At October 1, 2020	(325,971,510)	-	-	(3,118,267)	(183,037,779)	(512,127,556)
Depreciation charge	(78,603,059)	(218,130,164)	(891,074,772)	(1,669,731)	(68,658,919)	(1,258,136,645)
Disposed off	-	-	-	-	792,869	792,869
At September 30, 2021	(404,574,569)	(218,130,164)	(891,074,772)	(4,787,998)	(250,903,829)	(1,769,471,332)
<i>Net book value</i>						
At September 30, 2021	3,294,392,926	6,697,035,402	10,530,816,594	15,305,422	57,422,091	20,594,972,435
<i>Cost</i>						
At October 1, 2019	3,698,967,495	-	-	12,805,500	260,902,240	3,972,675,235
Additions	-	-	-	1,993,000	4,304,602	6,297,602
At September 30, 2020	3,698,967,495	-	-	14,798,500	265,206,842	3,978,972,837
<i>Accumulated depreciation and impairment losses</i>						
At October 1, 2019	(250,450,924)	-	-	(1,855,664)	(102,245,561)	(354,552,149)
Depreciation charge	(75,520,586)	-	-	(1,262,603)	(80,792,218)	(157,575,407)
At September 30, 2020	(325,971,510)	-	-	(3,118,267)	(183,037,779)	(512,127,556)
<i>Net book value</i>						
At September 30, 2020	3,372,995,985	-	-	11,680,233	82,169,063	3,466,845,281



ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

5. Capital-work in progress

	Pre-operational expenses MMK	Property, plant and equipment MMK	Total MMK
<i>Cost</i>			
At October 1, 2020	4,068,773,546	14,147,832,820	18,216,606,366
Additions	-	6,123,976	6,123,976
Transfer to property, plant and equipment	(4,068,773,546)	(14,153,956,796)	(18,222,730,342)
At September 30, 2021	-	-	-
<i>Accumulated amortization and impairment losses</i>			
At October 1, 2020	-	-	-
Amortization charge	-	-	-
At September 30, 2021	-	-	-
<i>Net book value</i>			
At September 30, 2021	-	-	-
<i>Cost</i>			
At October 1, 2019	3,763,092,793	13,849,156,637	17,612,249,430
Additions	*307,756,393	298,676,183	606,432,576
Transfer to cost of materials consumed	(2,075,640)	-	(2,075,640)
At September 30, 2020	4,068,773,546	14,147,832,820	18,216,606,366
<i>Accumulated amortization and impairment losses</i>			
At October 1, 2019	-	-	-
Amortization charge	-	-	-
At September 30, 2020	-	-	-
<i>Net book value</i>			
At September 30, 2020	4,068,773,546	14,147,832,820	18,216,606,366

* The details of additions for pre-operational expenses are as follows:

	September 30, 2021 MMK	September 30, 2020 MMK
Interest on borrowing and bank guarantee charges	-	206,457,094
Other expenses	-	101,299,299
	-	307,756,393



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ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

6. Intangible assets

Computer software license	September 30, 2021 MMK	September 30, 2020 MMK
<i>Cost</i>		
At beginning of year	131,182,007	131,182,007
Additions	2,430,071	-
At end of year	<u>133,612,078</u>	<u>131,182,007</u>
<i>Accumulated amortization and impairment</i>		
At beginning of year	(63,048,803)	(30,426,678)
Amortization	(32,738,740)	(32,622,125)
At end of year	<u>(95,787,543)</u>	<u>(63,048,803)</u>
<i>Net book value</i>		
At end of year	<u>37,824,535</u>	<u>68,133,204</u>

7. Inventories

	September 30, 2021 MMK	September 30, 2020 MMK
Finished goods	1,440,380,473	709,842,840
Work in progress (semi-finished goods)	24,134,244	103,707,136
Raw materials	2,862,518,765	1,785,789,226
Packing materials	454,223,025	242,048,635
	<u>4,781,256,507</u>	<u>2,841,387,837</u>

8. Trade and other receivables

	September 30, 2021 MMK	September 30, 2020 MMK
Trade receivables	2,135,414,535	-
Advance payments to suppliers	1,456,874,167	291,774,200
Advances to employees	68,627,402	-
Advance payments for house rental	13,421,600	22,943,578
Advance commercial tax	390,959,835	191,490,993
Prepayments	75,030,251	31,088,940
Deposits	25,518,020	40,007,500
Other	2,512,756	-
	<u>4,168,358,566</u>	<u>577,305,211</u>



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ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

9. Cash and cash equivalents

	September 30, 2021 MMK	September 30, 2020 MMK
Cash at banks	1,294,562,823	141,224,551
Cash in hand	187,510,172	22,920,015
	<u>1,482,072,995</u>	<u>164,144,566</u>

10. Paid-up capital

	September 30, 2021	September 30, 2020
	Number of shares	Value of shares MMK
Beginning of year	35,493,541	35,493,541,000
Issue of shares	8,287,100	8,287,100,000
Transfer from advance capital	-	-
	-	1,229,440
End of year	<u>43,780,641</u>	<u>43,780,641,000</u>

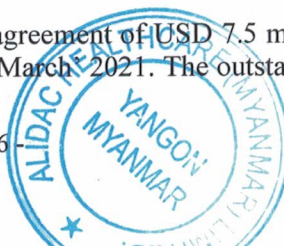
As at September 30, 2021, the share structure of the Company was as follows:

Subscribers	September 30, 2021	September 30, 2020
	Number of shares	Value of shares MMK
Zydus Worldwide DMCC, Dubai (UAE)	43,780,641	43,780,641,000
End of year	<u>43,780,641</u>	<u>43,780,641,000</u>

11. Borrowing

	September 30, 2021 MMK	September 30, 2020 MMK
At beginning of year	4,120,500,000	11,461,200,000
Additions	-	-
Foreign exchange loss/(gain)	334,060,000	(1,657,530,000)
	<u>4,454,560,000</u>	<u>9,803,670,000</u>
Repayments	(4,454,560,000)	(5,683,170,000)
At end of year	<u>-</u>	<u>4,120,500,000</u>

The Company has entered into a long-term agreement of USD 7.5 million from Bank. The entire loan has been re-paid in full in the month of March 2021. The outstanding as on September 2021 was Nil.



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ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

11. Borrowing (continued)

The security document(s) is Letter of Guarantee from Zydus Lifesciences Limited (formerly known as Cadila Healthcare Limited). The Guarantee is no more in force as the corresponding loan has already paid to the bank in full in March' 2021.

	September 30, 2021 MMK	September 30, 2020 MMK
Current portion (Over 1 year)	–	4,120,500,000
	–	–
	–	4,120,500,000

12. Trade and other payables

	September 30, 2021 MMK	September 30, 2020 MMK
Trade payables		
- Amount due to related party (Zydus Lifesciences (Formerly known as Cadila Healthcare Limited))	1,288,718,696	133,101,154
- Others	2,871,251,005	364,899,141
Other payables		
- Payable to Government	2,549,850	10,220,490
- Payable to employees	204,444,920	95,983,473
- Provisions	413,630,429	16,122,800
	4,780,594,900	620,327,058

13. Revenue

	September 30, 2021 MMK	September 30, 2020 MMK
Revenue from Operations	8,590,866,894	–
	8,590,866,894	–

14. Other income

	September 30, 2021 MMK	September 30, 2020 MMK
Sale of scrap	1,677,100	999,000
Interest income	2,378,082	–
Other	226,152	–
	4,281,334	999,000



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ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

15. Cost of materials consumed

	September 30, 2021 MMK	September 30, 2020 MMK
Opening		
Raw materials	1,785,789,226	1,539,907,132
Packing materials	242,048,635	185,830,696
Add: Purchases		
Raw materials	3,715,809,399	860,457,863
Packing materials	584,300,351	91,481,513
	<u>6,327,947,611</u>	<u>2,677,677,204</u>
Less: Closing		
Raw materials	(2,862,518,765)	(1,785,789,226)
Packing materials	(454,223,025)	(242,048,635)
	<u>3,011,205,821</u>	<u>649,839,343</u>

16. Change in inventories of finished goods and work in progress

	September 30, 2021 MMK	September 30, 2020 MMK
Opening		
Work in progress	103,707,136	-
Finished goods	709,842,840	-
Less: Closing		
Work in progress	(24,134,244)	(103,707,136)
Finished goods	(1,440,380,473)	(709,842,840)
	<u>(650,964,741)</u>	<u>(813,549,976)</u>

17. Employee benefits expense

	September 30, 2021 MMK	September 30, 2020 MMK
Salaries and wages	1,307,424,031	1,045,881,625
Social security	9,068,900	-
Other employee expenses	152,008,208	101,717,556
	<u>1,468,501,139</u>	<u>1,147,599,181</u>



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**ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

18. Finance costs

	September 30, 2021 MMK	September 30, 2020 MMK
Bank commission	13,301,442	13,111,070
Loan interest	47,271,026	-
Foreign exchange loss/(gain): current loan	334,060,000	(1,538,479,000)
Foreign exchange (gain): long-term loan (unrealized)	-	(119,051,000)
	<u>394,632,468</u>	<u>(1,644,418,930)</u>

19. Other expenses

	September 30, 2021 MMK	September 30, 2020 MMK
Product registration	32,369,349	24,159,959
Marketing expenses	2,631,255,627	990,546,468
Foreign exchange loss	242,039,998	76,934,302
Disposal- property, plant and equipment (Refer Note 4)	84,923	-
Provision for bad and doubtful advances	-	104,470,578
Power	422,153,468	428,829,619
Fuel	147,001,867	75,878,300
Repair and maintenance	144,408,235	6,972,316
Consumables	891,940,088	422,543,548
Other operating costs	451,361,533	572,984,288
Printing and stationery	3,539,762	1,077,250
Legal and professional fees	4,411,558	5,081,329
Audit fees and expenses	7,385,439	8,971,502
Insurance Expenses	53,871,639	56,552,793
Conveyance	108,710,300	103,218,500
Canteen Expenses	59,635,900	44,257,000
Maintenance & Administration Charge	75,112,493	77,901,597
Guest House Expenses	67,747,650	78,940,204
Housekeeping & Gardening	28,400,850	36,745,587
Internet Expenses	22,543,379	23,926,771
Mobile Expenses	5,055,000	6,589,500
Security Service	23,611,200	27,042,000
Other general and admin expenses	255,063,167	247,506,258
	<u>5,677,703,425</u>	<u>3,421,129,669</u>



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ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

20. Capital management

For the purpose of the Company's capital management, capital includes issued capital, all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maintain a sufficient liquidity in order to support its business and maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

21. Financial risk management

The Company's activities expose it to market risks (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimize potential adverse effects from the unpredictability of financial market on the financial performance of the Company. These policies and procedures are formulated, approved and regularly reviewed by the Board of Directors (the "Board").

The Board is responsible for setting the objective and underlying principles of financial risk management and providing an oversight of the entire risk management system of the Company. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits in accordance with the objectives and underlying principles approved by the Board.

(a) Market risk

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rate. The Company is not exposed to interest rate risk.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in foreign currency rates. The Company's exposure to the risk of change in foreign currency rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar.



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ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

21. Financial risk management (continued)

(b) Credit risk

The maximum exposure to credit risk is represented by the carrying amount of the financial assets as stated in the statement of financial position.

(c) Liquidity risk

The Company's objective is to maintain a level of cash and bank balances deemed sufficient to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	September 30, 2021		September 30, 2020	
	1 year or less MMK	3 years or less MMK	1 year or less MMK	3 years or less MMK
Financial liabilities:				
Borrowing	-	-	4,120,500,000	-
Trade and payables	4,780,594,900	-	620,327,058	-
Total net undiscounted financial liabilities	4,780,594,900	-	4,740,827,058	-
				Total
				MMK
				4,120,500,000
				620,327,058
				4,740,827,058



ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

22. Related party transactions

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

- (a) *Purchase of goods and services- related company (Zydus Lifesciences Limited) formerly known as Cadila Healthcare Limited.*

Significant transactions during the year ended September 30 were as follows:

	September 30, 2021 MMK	September 30, 2020 MMK
Purchase of materials	877,795,534	134,561,924
Guarantee fees		
- Finance costs	36,716,105	-
- Capital (work in progress)	-	138,262,399

Outstanding balances at September 30, 2021, arising from purchase of goods and services are unsecured and payable within 12 months from balance sheet date and are disclosed in Note 12.

- (b) *Key management personnel compensation*

	September 30, 2021 MMK	September 30, 2020 MMK
Salaries and allowances	87,867,055	72,573,713

23. Authorization of financial statements

The financial statements of the Company for the year ended September 30, 2021 were authorized for issue on May 19, 2022.



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