

GLENMARK PHARMACEUTICALS (THAILAND)
COMPANY LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024



บริษัท เคพี ออดิท จำกัด
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Report of the Independent Certified Public Accountants

To the Shareholders of Glenmark Pharmaceuticals (Thailand) Company Limited

Opinion

We have audited the financial statements of Glenmark Pharmaceuticals (Thailand) Company Limited (“the Company”), which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income, statement of changes in shareholders' 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 present fairly, in all material respects, the financial position of the Company as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (based on IFRS).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). 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 Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards (based on IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit 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 TSAs 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 TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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 management 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.

Kitti W.



(Mr. Kitti Weratananon)

Certified Public Accountant (Thailand) No. 5196

KP Audit Limited

Samutprakan,

12 April 2024

Glenmark Pharmaceuticals (Thailand) Company Limited

Statement of Financial Position

As at 31 March 2024

		Amounts: Baht	
	<u>Note</u>	<u>2024</u>	<u>2023</u>
Assets			
Current assets			
Cash and cash equivalents		18,471,664.84	7,799,499.28
Trade and other receivables	5	2,893,264.00	3,423,304.80
Total current assets		21,364,928.84	11,222,804.08
Non-current assets			
Leasehold improvements and equipment	6	11.00	11.00
Right-of-use assets	7	223,292.00	70,830.00
Refundable deposits		22,060.00	22,060.00
Deferred tax assets	15	55,983.48	6,716.41
Total non-current assets		301,346.48	99,617.41
Total assets		21,666,275.32	11,322,421.49
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	8	17,623,369.16	7,989,473.50
Lease liabilities	10	175,772.00	100,411.00
Total current liabilities		17,799,141.16	8,089,884.50
Non-current liabilities			
Borrowings and interest payable	9	7,034,502.19	6,282,429.44
Lease liabilities	10	79,997.00	-
Total non-current liabilities		7,114,499.19	6,282,429.44
Total liabilities		24,913,640.35	14,372,313.94
Shareholders' equity			
Share capital	11		
Authorised share capital		5,350,000.00	5,350,000.00
Issued and paid-in share capital		5,350,000.00	5,350,000.00
Accumulated deficit		(8,597,365.03)	(8,399,892.45)
Total shareholders' equity		(3,247,365.03)	(3,049,892.45)
Total liabilities and shareholders' equity		21,666,275.32	11,322,421.49



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

Glenmark Pharmaceuticals (Thailand) Company Limited
Statement of Comprehensive Income
For the year ended 31 March 2024

		Amounts: Baht	
	<u>Note</u>	<u>2024</u>	<u>2023</u>
Revenues			
Sales		17,668,995.03	10,801,549.96
Foreign exchange gain		-	24,965.39
Total revenues		<u>17,668,995.03</u>	<u>10,826,515.35</u>
Expenses			
Cost of sales	12	14,167,714.80	8,804,913.98
Administrative expenses	13	3,426,157.32	1,343,616.63
Total expenses		<u>17,593,872.12</u>	<u>10,148,530.61</u>
Profit before finance cost and tax		75,122.91	677,984.74
Finance cost	14	321,862.56	279,534.87
Profit/(loss) before tax		(246,739.65)	398,449.87
Tax expense/(income)	15	(49,267.07)	82,156.74
Profit/(loss) for the year		<u>(197,472.58)</u>	<u>316,293.13</u>
Basic earnings/(loss) per share	16	(7.53)	12.07



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


Glenmark Pharmaceuticals (Thailand) Company Limited

Statement of Changes in Shareholders' Equity

For the year ended 31 March 2024

Amounts: Baht

	Issued and paid-in share capital		Deficit	Total
	Preferred shares	Ordinary shares		
At 1 April 2022	2,728,500.00	2,621,500.00	(8,716,185.58)	(3,366,185.58)
Profit for the year	-	-	316,293.13	316,293.13
At 31 March 2023	2,728,500.00	2,621,500.00	(8,399,892.45)	(3,049,892.45)
Loss for the year	-	-	(197,472.58)	(197,472.58)
At 31 March 2024	2,728,500.00	2,621,500.00	(8,597,365.03)	(3,247,365.03)


Glenmark Pharmaceuticals (Thailand) Company Limited
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The accompanying notes are an integral part of these financial statements.

Glenmark Pharmaceuticals (Thailand) Company Limited

Statement of Cash Flows

For the year ended 31 March 2024

	Amounts: Baht	
	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Profit/(loss) before tax	(246,739.65)	398,449.87
<i>Adjustments:</i>		
Unrealised foreign exchange (gain)/loss	916,393.10	(184,789.59)
Depreciation of right-of-use assets	144,989.00	139,540.00
Finance cost	321,862.56	279,534.87
<i>Changes in operating assets and liabilities:</i>		
Trade and other receivables	530,040.80	986,144.18
Trade and other payables	9,162,219.75	1,782,286.69
Net cash generated from operating activities	<u>10,828,765.56</u>	<u>3,401,166.02</u>
Cash flows from financing activities		
Repayments of lease liabilities	(145,699.37)	(135,844.89)
Interest paid on lease liabilities	(10,900.63)	(17,275.11)
Net cash used in financing activities	<u>(156,600.00)</u>	<u>(153,120.00)</u>
Net increase in cash and cash equivalents	10,672,165.56	3,248,046.02
Cash and cash equivalents at 1 April	7,799,499.28	4,551,453.26
Cash and cash equivalents at 31 March	<u><u>18,471,664.84</u></u>	<u><u>7,799,499.28</u></u>

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

Glenmark Pharmaceuticals (Thailand) Company Limited

Notes to Financial Statements

For the year ended 31 March 2024

These notes form an integral part of the financial statements.

The financial statements in Thai language are the official statutory financial statements of the Company and were approved for issue by the authorised directors on 12 April 2024. The financial statements in English language have been translated from the Thai language financial statements.

1. General information

Glenmark Pharmaceuticals (Thailand) Company Limited ("the Company") is incorporated and domiciled in Thailand with its registered office and principal place of business at 8th Floor, Thairong Tower Building, 1350/84, Pattanakarn Road, Suanluang, Bangkok.

The Company is primarily involved in import and domestic distribution of all types of medicine curing and preventing disease for humans, pharmaceutical chemistry products and semi-finished chemicals.

Glenmark Pharmaceuticals Limited incorporated in India is the ultimate parent entity that holds 49% of the Company's share capital in the form of ordinary shares carrying 90.57% of voting rights at a general meeting of shareholders (see note 11).

2. Basis of preparation of the financial statements

The financial statements have been prepared in conformity with Thai Financial Reporting Standards and in accordance with the Notification of the Department of Business Development dated 28 September 2011 regarding "The Brief Particulars in the Financial Statements B.E. 2554".

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

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3. Use of estimates and judgements

The preparation of the financial statements requires management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, including the disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Management is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value of financial instrument

Most of the Company's financial instruments are classified as short-term or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments are estimated to approximate their fair value.

4. Significant accounting policies

4.1 Foreign currency transactions and balances

Transactions in foreign currencies are translated into Baht and recorded on initial recognition at exchange rates ruling at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Leasehold improvements and equipment

Leasehold improvements and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method to allocate depreciable amounts of assets over their estimated useful lives as follows:

Leasehold improvements	5 years
Office equipment	5 years

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4. Significant accounting policies (continued)

4.4 Leases (Lessee)

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

Upon lease commencement the Company recognises a right-of-use asset and a lease liability, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises:

- the initial amount of the lease liability;
- any lease payments made at or before the commencement date, less any incentive received;
- initial direct costs; and
- estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located to be in the condition as stipulated in the terms and conditions of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The discount rate used to determine present value is the rate of interest implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate specific to the Company at the commencement date.

After lease commencement, the right-of-use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment. Depreciation is computed using the straight-line method from the commencement date to the end of the lease term.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.



4. Significant accounting policies (continued)

4.5 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties such as valued added tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the customer.

Other revenue is recognised on an accrual basis.

4.6 Tax expense/income

Tax expense/income on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted at the reporting date.

Deferred tax is providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates that are expected to be applicable to the periods, based on tax rates which has been enacted at the reporting date, when the asset is expected to get realised or the liability is expected to be settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.7 Basic earnings/loss per share

The Company presents basic earnings/loss per share data for its ordinary shares. Basic earnings/loss per share is computed by dividing profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.



5. Trade and other receivables

	Amounts: Baht	
	<u>2024</u>	<u>2023</u>
Trade receivables	2,857,576.24	3,322,120.80
Refundable value added tax	24,767.76	-
Undue input tax	10,920.00	101,149.50
Other receivables	-	34.50
	2,893,264.00	3,423,304.80

6. Leasehold improvements and equipment

	Amounts: Baht		
	Leasehold Improvements	Office Equipment	Total
<u>Cost:</u>			
At 1 April 2022	36,597.94	93,666.42	130,264.36
Additions	-	-	-
Disposals	-	-	-
At 31 March 2023	36,597.94	93,666.42	130,264.36
Additions	-	-	-
Disposals	-	-	-
At 31 March 2024	36,597.94	93,666.42	130,264.36
<u>Accumulated depreciation:</u>			
At 1 April 2022	36,596.94	93,656.42	130,253.36
Depreciation for the year	-	-	-
Disposals	-	-	-
At 31 March 2023	36,596.94	93,656.42	130,253.36
Depreciation for the year	-	-	-
Disposals	-	-	-
At 31 March 2024	36,596.94	93,656.42	130,253.36
<u>Carrying amount:</u>			
At 31 March 2023	1.00	10.00	11.00
At 31 March 2024	1.00	10.00	11.00

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7. Right-of-use assets

Amounts: Baht

	Office space	Furniture and fixture	Total
<u>Cost:</u>			
At 1 April 2022	158,424.00	120,271.00	278,695.00
Additions	-	-	-
Disposals	-	-	-
At 31 March 2023	158,424.00	120,271.00	278,695.00
Additions	170,876.00	126,575.00	297,451.00
Disposals	(158,424.00)	(120,271.00)	(278,695.00)
At 31 March 2024	170,876.00	126,575.00	297,451.00
<u>Accumulated depreciation:</u>			
At 1 April 2022	38,466.00	29,859.00	68,325.00
Depreciation for the year	79,320.00	60,220.00	139,540.00
Disposals	-	-	-
At 31 March 2023	117,786.00	90,079.00	207,865.00
Depreciation for the year	83,240.00	61,749.00	144,989.00
Disposals	(158,424.00)	(120,271.00)	(278,695.00)
At 31 March 2024	42,602.00	31,557.00	74,159.00
<u>Carrying amount:</u>			
At 31 March 2023	40,638.00	30,192.00	70,830.00
At 31 March 2024	128,274.00	95,018.00	223,292.00

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8. Trade and other payables

	Amounts: Baht	
	<u>2024</u>	<u>2023</u>
Trade payables	14,841,837.34	6,687,143.24
Accrual for audit fee	75,000.00	75,000.00
Accrual for accounting service fee	35,400.00	35,400.00
Accrual for legal and professional fees	1,633,111.12	660,866.22
Accrual for pharmacist fee	14,000.00	14,000.00
Value added tax payable	-	140,078.16
Other payable	1,024,020.70	376,985.88
	<u>17,623,369.16</u>	<u>7,989,473.50</u>

9. Borrowings and interest payable

	Amounts: Baht	
	<u>2024</u>	<u>2023</u>
Loan of USD 115,000 from Glenmark Pharmaceuticals Limited incorporated in India, which bear interest rate at the average minimum loan rate (MLR) of commercial banks announced by the Bank of Thailand	4,212,657.00	3,940,256.50
Interest payable	2,821,845.19	2,342,172.94
	<u>7,034,502.19</u>	<u>6,282,429.44</u>

10. Lease liabilities

	Amounts: Baht	
	<u>2024</u>	<u>2023</u>
Maturity analysis:		
Year 1	190,820.00	102,080.00
Year 2	81,780.00	-
	<u>272,600.00</u>	<u>102,080.00</u>
<u>Less deferred interest</u>	<u>(16,831.00)</u>	<u>(1,669.00)</u>
	<u>255,769.00</u>	<u>100,411.00</u>
Classified as:		
Current (amount falling due in 1 year)	175,772.00	100,411.00
Non-current	79,997.00	-
	<u>255,769.00</u>	<u>100,411.00</u>

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11. Share capital

	Amounts: Baht	
	<u>2024</u>	<u>2023</u>
<i>Authorised share capital:</i>		
Preferred shares		
27,285 shares, Baht 100 each	2,728,500.00	2,728,500.00
Ordinary shares		
26,215 shares, Baht 100 each	2,621,500.00	2,621,500.00
	<u>5,350,000.00</u>	<u>5,350,000.00</u>
<i>Issued and paid-in share capital:</i>		
Preferred shares		
27,285 shares, Baht 100 each, fully paid	2,728,500.00	2,728,500.00
Ordinary shares		
26,215 shares, Baht 100 each, fully paid	2,621,500.00	2,621,500.00
	<u>5,350,000.00</u>	<u>5,350,000.00</u>

Subject to the provisions of the Articles of Association of the Company, the distribution of profits by way of dividends shall be as follows:

- (a) Dividends from profits of the Company shall be prior allocated to the holders of preferred shares at the rate of 10% of the face value of the shares.
- (b) After allocation of dividends as per (a) above, the rest of the dividends shall be distributed among the holders of ordinary shares in the proportion to the shares held by them.
- (c) Dividends allocated to the holders of preferred shares in each year shall be at the rate as stated in (a) only. No additional dividends in each year shall be paid to the holders of preferred shares.
- (d) The dividends shall be non-cumulative with respect to preferred shares.

In casting votes at a general meeting, the voting rights with respect of each type of shares shall be as follows:

- (a) Ordinary shares: 1 share for 1 vote
- (b) Preferred shares: 10 share for 1 vote

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12. Cost of sales


	Amounts: Baht	
	<u>2024</u>	<u>2023</u>
Purchases of merchandise	12,532,663.56	7,821,253.21
Custom duty	1,252,217.00	782,045.00
Custom clearance expenses	382,834.24	201,615.77
	<u>14,167,714.80</u>	<u>8,804,913.98</u>

13. Administrative expenses

	Amounts: Baht	
	<u>2024</u>	<u>2023</u>
Tap water	1,640.50	66.00
Property Tax	3,416.95	4,823.94
Sample goods	-	9,636.81
Government fees	351,050.00	69,950.00
Legal and professional fees	1,352,946.07	556,647.16
Pharmacist fee	86,597.93	86,597.93
Accounting service fee	216,400.00	216,250.00
Audit fee	233,500.00	252,500.00
Bank charge	2,064.00	1,297.00
Depreciation of right-of-use assets	144,989.00	139,540.00
Foreign exchange loss	1,032,006.72	-
Others	1,546.15	6,307.79
	<u>3,426,157.32</u>	<u>1,343,616.63</u>

14. Finance costs

	Amounts: Baht	
	<u>2024</u>	<u>2023</u>
Interest on borrowings	307,355.56	265,445.87
Interest on lease liabilities	14,507.00	14,089.00
	<u>321,862.56</u>	<u>279,534.87</u>

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15. Income Tax

Tax expense/(income) recognised in the statements of comprehensive income

	Amounts: Baht	
	<u>2024</u>	<u>2023</u>
Current tax	-	-
Deferred tax		
Utilisation of unused tax losses	-	82,258.54
Recognition of tax loss	(49,035.87)	-
Movements in temporary differences	(231.20)	(101.80)
Total tax expense/(income)	<u>(49,267.07)</u>	<u>82,156.74</u>

Reconciliations of effective tax rate, and amounts of tax expense/(income) to the tax that would be expected by applying the current tax rate to accounting profit/(loss)

	Amounts: Baht			
	<u>2024</u>		<u>2023</u>	
Profit/(loss) before tax		<u>(246,739.65)</u>		<u>398,449.87</u>
Income tax using				
the applicable tax rate	(20.00)%	(49,347.93)	20.00%	79,689.97
Tax effect of:				
Non-deductible expenses	0.03%	80.86	0.62%	2,466.77
Tax expenses/(income)	<u>(19.97)%</u>	<u>(49,267.07)</u>	<u>20.62%</u>	<u>82,156.74</u>

The following are the deferred tax assets recognised and the movements thereon, during the years:

	Amounts: Thousand Baht				
	At 1 April 2022	Recognised in profit or loss	At 31 March 2023	Recognised in profit or loss	At 31 March 2024
Tax losses carried forward	88.16	(82.26)	5.90	49.04	54.94
Temporary differences					
from leases	0.71	0.10	0.81	0.23	1.04
	<u>88.87</u>	<u>(82.16)</u>	<u>6.71</u>	<u>49.27</u>	<u>55.98</u>

A number of pharmaceutical products have been registered and launched to the market thus far. Accordingly, the Company's management is confident that, as forecasted, there will be sufficient future taxable profit against which the tax losses carried forward and the deductible temporary differences can be utilized.

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16. Basic earnings/(loss) per share

	Amounts: Baht	
	<u>2024</u>	<u>2023</u>
Profit/(loss) for the year attributable to ordinary shareholders	<u>(197,472.58)</u>	<u>316,293.13</u>
Issued ordinary shares at 1 April	26,215	26,215
Effect of shares issued during the year	-	-
Weighted average number of ordinary share at 31 March	<u>26,215</u>	<u>26,215</u>
Basic earnings/(loss) per share	(7.53)	12.07

17. 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, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management. 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.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counter parties' financial condition and generally do not require a collateral.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of financial assets is the carrying amount of those assets as stated in the statement of financial position.

The Company has a significant concentration of credit risk arising from sales to a single customer. The Company has credit policies and procedures in place to minimize and mitigate its credit risk exposure.

Trade and other receivables are creditworthy debtors with good payment record with the Company. Cash and cash equivalents are placed with reputable financial institutions.

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17. Financial risk management (continued)

Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company finances its working capital requirements through a combination of funds generated from operations and borrowings from a related party. The directors are satisfied that funds are available to finance the operations of the Company.

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 cash and cash equivalents, and borrowings with a floating interest rate. The Company does not use any derivative financial instruments to reduce exposure to fluctuations in interest rates.

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

Foreign currency risk

The Company's foreign exchange risk results from cash flows from purchase of goods, borrowing and interest payment transactions denominated in foreign currency (US Dollar). At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the exposure is kept to an acceptable level.

The Company's currency exposures to the US Dollar at 31 March were as follows:

	Amounts: US Dollar	
	<u>2024</u>	<u>2023</u>
Financial liabilities:		
Trade payable	404,658.38	193,794.00
Borrowings	115,000.00	115,000.00
Interest payable	77,032.67	68,358.47

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18. Capital management

The primary objective of the Company's capital management is to ensure that it maintains net current asset position in order to support its business and maximize shareholder value. The capital structure of the Company comprises issued and paid-in share capital less deficit. 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.

19. Related party

The Company has a controlling relationship with Glenmark Pharmaceuticals Limited (see note 1).

Transactions with the related company for the year ended 31 March,

	Amounts: Baht	
	<u>2024</u>	<u>2023</u>
Purchases of merchandise	12,532,663.56	7,821,253.21
Interest expense	307,355.56	265,445.87

Balance with the related company as at 31 March,

	Amounts: Baht	
	<u>2024</u>	<u>2023</u>
Trade payable	14,823,364.84	6,639,983.20
Borrowings	4,212,657.00	3,940,256.50
Interest payable	2,821,845.19	2,342,172.94



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