

GLENMARK PHILIPPINES, INC.

Taguig City - Philippines

FINANCIAL STATEMENTS

March 31, 2024 and 2023

And


AUDITORS' REPORT

STATEMENT OF REPRESENTATION
"TO THE SECURITIES AND EXCHANGE COMMISSION"

In connection with my examination of the financial statements of **GLENMARK PHILIPPINES, INC.** for the fiscal year ended March 31, 2024, which are to be submitted to the Commission, I hereby represent the following:

- That I am in the active practice of the accounting profession and duly registered with the Board of Accountancy (BOA);
- That said financial statements are presented in conformity with Philippine Financial Reporting Standards (PFRS), in all cases where I shall express an unqualified opinion, except that in case of any departure from such principles, I shall indicate the nature of the departure, the effects thereof, and the reasons why compliance with the principles would result in a misleading statement, if such is a fact;
- That I shall fully meet the requirements of the Independence as provided under the Code of Professional Ethics for CPAs;
- That in the conduct of the audit, I shall comply with the generally accepted auditing standards promulgated by the Board of Accountancy. In case of any departure from such standards or any limitation in the scope of my examination, I shall indicate the nature of the departure and the extent of the limitation, the reasons therefore and the effects thereof on the expression of my opinion or which may necessitate the negation of the expression of an opinion;
- That I shall comply with the applicable rules and regulations of the Securities and Exchange Commission in the preparation and submission of financial statements;
- That relative to the expression of my opinion on the said financial statements, I shall not commit any acts discreditable to the profession as provided under Code of Professional Ethics for CPAs.

As a CPA engaged in public practice, I make these representations in my individual capacity as a sole practitioner.


AMPARO C. DIESMOS
CPA Reg. No. 14469
TIN: 120-116-055
BOA/PRC Cert. of Reg. No. 1429 valid until August 31, 2025
BIR Accred. No. 06-002776-001-2023, valid until July 3, 2026
PTR No.: 12663273 issued on January 11, 2024 at Las Piñas City

April 8, 2024 / Makati City, Philippines

REPORT OF INDEPENDENT AUDITOR

The Board of Directors
GLENMARK PHILIPPINES, INC.
Unit 901 & 902 9F, 11th Corporate Center Bldg.,
11th Ave. corner Triangle Drive Bonifacio Global City
Fort Bonifacio, Taguig City

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of **GLENMARK PHILIPPINES, INC.** which comprise the statement of financial position for the fiscal year ended March 31, 2024 and 2023, and the related statement of income, statement of changes in stockholder's equity and statement of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **GLENMARK PHILIPPINES, INC.** for the fiscal year ended March 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

I have conducted my audit in accordance with Philippine Standards on Auditing (PSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Corporation in accordance with the Code of Ethics for Professional Accountants in the Philippines, and I have fulfilled my ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Philippine Financial Reporting Standards (PFRS), 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. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs 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 PSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Corporation'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 Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern. Identify and assess the risks of material misstatement of the financial statements.
- 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

My audits are conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in my audit of the basic financial statements. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as whole.


AMPARO C. DIESMOS

CPA Reg. No. 14469

TIN: 120-116-055

BOA/PRC Cert. of Reg. No. 1429 valid until August 31, 2025

BIR Accred. No. 06-002776-001-2023, valid until July 3, 2026

PTR No.: 12663273 issued on January 11, 2024 at Las Piñas City

April 8, 2024 / Makati City, Philippines

AMPARO C. DIESMOS
CERTIFIED PUBLIC ACCOUNTANT

9 Buencamino Street, DBP Village, Las Piñas City, 1740

SUPPLEMENTAL STATEMENT OF INDEPENDENT AUDITOR

The Board of Directors

GLENMARK PHILIPPINES, INC.

Unit 901 & 902 9F, 11th Corporate Center Bldg.,
11th Ave. corner Triangle Drive Bonifacio Global City
Fort Bonifacio, Taguig City

I have audited the accompanying financial statements of **GLENMARK PHILIPPINES, INC.** for the fiscal year ended March 31, 2024, of which I have rendered the attached report dated April 8, 2024.

In compliance with SRC Rule 68, I am stating that the said company has a total number of 1 stockholder owning one hundred (100) or more shares each.


AMPARO C. DIESMOS

CPA Reg. No. 14469

TIN: 120-116-055

BOA/PRC Cert. of Reg. No. 1429 valid until August 31, 2025

BIR Accred. No. 06-002776-001-2023, valid until July 3, 2026

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GLENMARK PHILIPPINES, INC.
STATEMENT OF FINANCIAL POSITION
March 31, 2024
(With Comparative as of March 31, 2023)
(In Philippine Peso)

	<i>NOTES</i>	2 0 2 4	2 0 2 3
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2, 4	8,633,789	22,204,392
Accounts receivable	2, 5	211,322,535	210,874,740
Inventories	2, 6	250,771,807	189,354,509
Prepayments	2, 7	23,037,277	17,674,648
Total Current Assets		493,765,408	440,108,288
NON-CURRENT ASSETS			
Property and equipment - Net	2, 8	861,487	749,895
Refundable deposits	2	2,115,396	2,130,396
Deferred Tax Asset	2	1,580,285	0
Total Non-Current Assets		4,557,168	2,880,291
TOTAL ASSETS		498,322,576	442,988,579
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts payable	2, 9	256,024,774	191,289,963
Accrued expenses and other liabilities	2	6,724,918	9,704,110
Total Current Liabilities		262,749,692	200,994,073
STOCKHOLDERS' EQUITY			
Share capital			
Authorized capital - 706,512 shares with a par value of Php 200.00 per share - Php 141,302,400.00			
Subscribed and paid up capital - 640,490 shares with a par value of Php 200.00 per share			
	2, 10	128,098,000	128,098,000
Retained earnings	1	107,474,883	113,896,507
Total Stockholders' Equity		235,572,883	241,994,507
TOTAL LIABILITIES AND EQUITY		498,322,576	442,988,579

See Accompanying Notes to Financial Statements.

ADEEL HASAN
Country Manager

BIKASH AGRAWAL
Finance Controller

GLENMARK PHILIPPINES, INC.
STATEMENT OF COMPREHENSIVE INCOME
March 31, 2024
(With Comparative as of March 31, 2023)
(In Philippine Peso)

	<i>NOTES</i>	2 0 2 4	2 0 2 3
SALES		594,209,684	524,164,981
Sales/Collection Discount		23,614,258	17,385,309
Sales - Net		570,595,427	506,779,672
COST OF GOODS SOLD	2, 11	380,700,888	316,423,068
GROSS PROFIT		189,894,539	190,356,604
OTHER NON OPERATING INCOME			
Interest income	2, 13, 17	41,747	28,880
Profit on sale of assets	2, 13	102,047	-
Realized gain (Loss) on foreign exchange	2, 13	-	-
Other income	2, 13	6,451,169	6,615,601
Total other income		6,594,964	6,644,481
GROSS INCOME		196,489,502	197,001,085
OPERATING EXPENSES	2, 12	202,768,897	174,283,153
NET INCOME (LOSS) BEFORE TAX		(6,279,394)	22,717,932
INCOME TAX/BENEFIT FROM DEFERRED INCOME TAX	2, 16	(1,580,285)	5,672,263
NET INCOME (LOSS) FOR THE YEAR		(4,699,109)	17,045,669
OTHER COMPREHENSIVE INCOME - NET OF TAX			
Unrealized gain(loss) on foreign exchange	13	(1,722,515)	2,736,045
Total other comprehensive income		(1,722,515)	2,736,045
NET COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		(6,421,624)	19,781,714
NET INCOME PER SHARE	2, 15	(10.03)	30.89

See accompanying Notes to Financial Statements.

ADEEL HASAN
Country Manager

BIKASH AGRAWAL
Finance Controller

GLENMARK PHILIPPINES, INC.
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

March 31, 2024

(With Comparative as of March 31, 2023)

(In Philippine Peso)

	<i>NOTES</i>	<i>2 0 2 4</i>	<i>2 0 2 3</i>
SHARE CAPITAL	2, 10	128,098,000	128,098,000
RETAINED EARNINGS (DEFICITS)			
Balance at beginning of year		113,896,507	94,114,793
Net comprehensive income (loss) for the year		(6,421,624)	19,781,714
Balance at end of year		107,474,883	113,896,507
TOTAL STOCKHOLDERS' EQUITY		235,572,883	241,994,507

See accompanying Notes to Financial Statements.

ADEEL HASAN
Country Manager

BIKASH AGRAWAL
Finance Controller

GLENMARK PHILIPPINES, INC.**STATEMENT OF CASH FLOWS**

March 31, 2024

(With Comparative as of March 31, 2023)

(In Philippine Peso)

	2 0 2 4	2 0 2 3
CASH FLOWS FROM OPERATING ACTIVITIES		
Net comprehensive income for the year	(6,421,624)	19,781,714
Adjustments for:		
Prior years adjustment - MCIT - Note 18	-	-
Depreciation	402,264	618,271
Interest income	(41,747)	(28,880)
Profit from sale on assets	(102,047)	-
Operating income before working capital changes	(6,163,154)	20,371,104
Changes in operating assets and liabilities		
Decrease (increase) in:		
Receivables	(447,796)	(64,838,677)
Inventories	(61,417,298)	(61,868,393)
Prepayments	(5,362,628)	(6,065,844)
Deferred input tax	(1,580,285)	5,605,074
Increase (decrease) in:		
Payables	64,734,813	120,037,145
Accrued expenses and other liabilities	(2,979,192)	(3,862,294)
Income tax payable	-	-
Net cash used in operations	(13,215,541)	9,378,116
Interest received	41,747	28,880
Net cash used in operating activities	(13,173,793)	9,406,996
CASH FLOWS FROM INVESTING ACTIVITIES		
Reduction in (additions to):		
Property and equipment	(513,856)	(438,321)
Sale of asset	102,047	-
Refundable deposit	15,000	(100,000)
Net cash provided by (used in) investing activities	(396,809)	(538,321)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash used in financing activities	0	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(13,570,602)	8,868,676
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	22,204,392	13,335,716
CASH AND CASH EQUIVALENTS AT END OF YEAR	8,633,789	22,204,392

ADEEL HASAN
Country Manager

BIKASH AGRAWAL
Finance Controller

GLENMARK PHILIPPINES, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2024
(With Comparative Figures for 2023)

1. Corporate Information

Glenmark Philippines, Inc.(the Company) was registered with the Securities and Exchange Commission (SEC) on January 28, 2004 under SEC Registration Number CS200401232 with the primary purpose to engage in the business of marketing, importation and distribution on wholesale of pharmaceutical, cosmetics and medical device products(as amended on December 27 2013), to provide training or seminar for detail men/medical representative/professional medical representatives (as amended on 28 August 2017) and generally to perform any and all acts connected with the business aforementioned or arising there from and/or incidental thereto as may be allowed by existing law, rules and regulations. The principal address of business is located at Units 901 & 902, 9th Floor, 11th Corporate Center Building, 11th Avenue corner Triangle Drive, North Bonifacio, Bonifacio Global City, Taguig City 1634 and is domiciled in the Philippines.

The accompanying financial statements have been prepared on a going-concern basis which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The company's continuation as a going concern is dependent on its ability to generate sufficient funds and ultimately to obtain successful operations or to undertake decisive steps to preserve the value of the company.

The Company was registered as VAT Taxpayer with the Bureau of Internal Revenue (BIR) and was assigned Taxpayer Identification No. 229-171-508-000 at Revenue District Office 044.

The financial statements of the Company for the fiscal year ended March 31, 2024 and 2023 were approved by the Board of Directors and authorized for issue on April 8, 2024. The board of directors is still empowered to make revisions on the financial Statements even after the date of issue.

As a measure to improve the profitability of the Company strategies have been or will be implemented to assist the Company in meeting future challenges in operations and to maintain financial stability based on:

- *Improvement.* Improve annual operating revenue base and overall competitive stature of the Company through a combination of strategies.
- *Investment.* The company will continue to upgrade and modernize current facilities wherever required.

2. Significant Accounting Policies

The significant accounting policies that are used in the preparation of these financial statements are summarized below. The policies are consistently applied to all years presented, unless otherwise stated.

A. Basis of financial statements preparation

(a) *The financial statements have been prepared in compliance with Philippine Financial Reporting Standards.*

The financial statements have been prepared on a historical cost basis and are presented in Philippine Peso, the Company's functional currency. All values are stated in absolute amounts, unless otherwise indicated.

The financial statements have been prepared in accordance with Philippine Financial Reporting Standard (PFRS) issued by the Philippine Financial Reporting Standards Council (FRSC) and adopted by

the SEC. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine interpretations from International Financial Reporting Interpretations Committee (IFRIC)

The financial statements have been prepared using the measurement basis specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Preparation of financial statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) I, Presentation of Financial Statement. The company presents all items of income and expenses in a single statement of comprehensive income (SCI).

(c) Functional presentation currency

These financial statements are presented in Philippine Pesos, the company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the company's operates.

B. Adoption of the new and amended PFRS

Discussed below are the relevant information about these amendment and improvements.

(a) Effective in 2016 that are relevant to the company

- (i) Amendments to PAS 1, Presentation of financial statements disclosure initiative (effective from January 1, 2016) – The amendment encourages entities to apply professional judgment in presenting and disclosing information in the financial statements.

Accordingly, it clarifies that materiality applies to the whole financial statements and an entity shall not reduce the understandability of the financial statements by obscuring material items that have different natures of functions.

The amendment also introduces that an entity's share of other comprehensive income of associates and joint ventures accounting for using equity method should be presented in aggregates as single line items based on whether or not such other comprehensive income items will subsequently be classified to profit and loss.

It furthers illustrates way that in determining the order of presentation of the notes and disclosures, an entity shall consider the understandability and comparability of the financial statements.

(b) Effective in 2016 that are not relevant to the company

- (i) Amendments to PFRS 11 – Accounting for Acquisitions of Interests in Joint Operations.
- (ii) PFRS 14, Regulatory Deferral Accounts
- (iii) Amendments to PAS 16 and PAS 38, Clarification of acceptable Method of Depreciation and Amortization.
- (iv) Amendments to PAS 16 and PAS 41, Agriculture Bearer Plants
- (v) Amendments to PAS 27, Equity Method in Separate Financial Statements.
- (vi) Amendments to PFRS 10, PFRS 12 and PAS 28, Investment Entities.
- (vii) Annual Improvements to PFRS (2012 – 2014 Cycle) have no significant impact to the financial statements of the Corporation.
 - Amendment to PFRS 5 – Changes in Method of Disposal
 - Amendment to PFRS 7 – Servicing Contracts

- *Amendment to PAS 19 – Discount Rate*
- *Amendment to PAS 34 – Disclosure of Information*

(c) *Effective subsequent to 2015 but not adopted early*

The following pronouncements listed below are issued but not yet effective. Unless otherwise indicated, the company does not expect that the future adoption of these pronouncements will have a significant impact of its financial statements.

- (i) *Amendments to PAS 7, Disclosure initiative (effective from January 1, 2017)* The amendment to PAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including changes arising from cash flows and non-cash changes (*such as foreign exchange gains or losses*). On initial application of the amendments, entities are not required to provide comparative information for preceding periods. Early application of the amendments is permitted.
- (ii) *Amendments to PAS 12, Recognition of Deferred Tax Assets for Unrealized Losses (effective from January 1, 2017)* – The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions of the reversal of that deductible temporary difference. Furthermore the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profits may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, an initial application of the amendments the change in the opening equity on the earliest comparative period may be recognized in opening retained earnings and other components of equity. Entities applying this relief must disclose that information. Early application of the amendments is permitted.

- (iii) *PFRS 9, Financial Instrument (effective from January 1, 2018)* – PFRS 9 reflects all phases of financial instruments project and replaces PAS 39, *Financial Instruments; Recognition and Measurement, and all previous version of PFRS 9*. The standard introduces new requirements for reclassifications and measurement, impairment, and hedge accounting. Early application is permitted. Retrospectively applications required, but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.
- (iv) *Amendments PFRS 2, Classification and Measurement of Share based Payment Transactions (effective from January 1, 2018)* – the amendment to PFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; The classification of share-based payment transaction with net settlement features of withholding tax obligations; and the accounting were a modification to the terms and conditions of share-based payment transaction changes its classification from cash settled to equity settled.
- (v) *Amendments to PFRS 4, Applying PFRS 9, Financial instrument with PFRS 4, Insurance Contracts (effective from January 1, 2018 but still subject to BOA approval)* – The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the forthcoming insurance contracts standards. Options between the overlay approach and the temporary exceptions approach is allowed to deal with the transitional challenges.

The overlay approach permits all issuers of insurance contracts to recognize in other comprehensive income, rather than profit or loss, the volatility when PFRS 9 is applied before the new insurance contracts standard or until 2021.

- (vi) *PFRS 15, Revenue from Contracts with Customers (effective from January 1, 2018 but still subject to BOA approval)* – The standards specifies how and when an entity will recognize revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. Under PFRS 15, revenue is recognized at an amount that reflects

consideration to which an entity expects to be entitled in exchange for transferring goods and service to a customer. The principle in PFRS 15 provides a more structured approach in measuring and recognizing revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under PFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018.

- (vii) *Amendment to PAS 28 – Measuring and associate or joint venture at fair value (part of annual improvement to PFRS 2014 – 2016 Cycle) (effective from January 1, 2018 but still subject to BOA approval)* – the amendment clarify that an entity, that is a venture capital organization, or other qualifying entity, may elect, or initial recognition on an investment-by-investment basis, to measures its investments in associate and joint ventures at fair value through profits and loss. It likewise clarifies that an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by the investment entity associate or joint venture to the investment entity associate or joint venture to the investment entity associate’s or joint venture’s interests in subsidiaries. The election is made separately for its investment entity associates or joint venture, at the later of the date on which (a) the investment associate or joint ventures is initially recognized; (b) the associate or joint venture become an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. The amendments should be applied retrospectively, with either application permitted.
- (viii) *Amendments to PAS 40, Transfer of Investment Property (effective from January 1, 2018 but still subject to BOA approval)* – The amendment clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management’s intentions for the use of the property does not provide evidence of a change in use. The amendment should be applied prospectively to change in uses that occur on or after the beginning of the annual reporting period in which the entity first apply the amendments. Retrospective application is only permitted if there is possible without the use of hindsight.
- (ix) *Philippine Interpretation IFRIC 22, Foreign Currency Transaction and Advance Consideration (effective from January 1, 2018 but still subject to BOA approval)* – The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income in the recognition of a non-monetary asset or non-monetary liability related to advance consideration, the date of the transaction is the date on which the entity initially recognizes the non-monetary asset and non-monetary liabilities arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the dates of the transaction for its payment or receipts of advances consideration. The interpretation may be applied prospectively to all assets, expenses and income in its scope that are initially recognized on or after the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first apply the interpretation.
- (x) *PFRS 16, Leases (effective from January 1, 2019)* – Under the new standard, leases will no longer classify there leases as either operating or finance leases in accordance with PAS 17, leases. Rather lessees will recognize the assets and related liabilities for most leases on their balance sheets, and subsequently, will depreciate the lease assets and recognized interest on the lease liabilities on their profit and loss, Leases with a term of 12 months or less or for which the underlying asset is of low value are exempted from these requirements.

The accounting for lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under PAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly in the risk exposures to residual value. Entities may early adopt PFRS 16 but only if they have also adapted PFRS 15. When adopting PFRS 16, an entity is permitted to use either a full retrospective approach with options to use certain transition relief.

(xi) *Amendments to PFRS 10 and PAS 28, Sale or Contribution of Assets between an investor and its Associate or Joint Venture* – The amendments address the conflicts between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate and joint venture. The amendment will clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3, Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognize only to the extent of unrelated investors interests in the associate and joint venture.

On January 13, 2016, the Financial Reporting Standards Council postponed the original effective date on January 1, 2016 of the said amendments until the International Accounting Standards Board has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting foe associates and joint ventures.

Cash and cash equivalents

Cash and cash equivalents compromise cash on hand and cash in banks, working funds, demand deposits, with short term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value, having been within three months of maturity when placed or acquired.

Financial Assets and Financial Liabilities

Date of Recognition. The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition are done using settlement date accounting

Initial Recognition. Financial instruments are recognized initially at fair value. The initial measurement of financial instruments, except for those designated as at fair value through profit or loss (FVPL), includes directly attributable transaction costs.

Classification

The Company classifies its financial assets in the following categories: held-to-maturity (HTM) investments, available-for-sale (AFS) financial assets, financial assets at FVPL and loans and receivables. The Company classifies its financial liabilities as either financial liabilities at FVPL or other financial liabilities. The classification depends on the purpose for which the investments are acquired and whether they are quoted in an active market. Management determines the classification of its financial assets and financial liabilities at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

As of March 31, 2024 and 2023, the Company has no HTM investments, AFS financial assets and financial liabilities at FVPL.

The financial assets and liabilities of the Company are described below:

Financial Assets

Receivables. Receivables are non-derivative financial assets with fixed or determinable payments and maturities that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not designated as AFS financial assets or financial assets at FVPL.

Subsequent to initial measurement, receivables are carried at amortized cost using the effective interest method, less any impairment in value. Any interest earned on receivables shall be recognized as part of “Interest income” in the statements of comprehensive income on an accrual basis. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The periodic amortization is also included in profit or loss. Gains or losses are recognized in profit or loss when receivables are derecognized or impaired.

The Company’s cash, due from related parties and refundable deposits are included under this category.

Cash. Cash is carried in the statement of financial position at face value. For purposes of the statement of cash flows, cash consist of cash on hand and deposits held at call with banks.

Financial Liabilities

Other Financial Liabilities. This category pertains to financial liabilities that are not designated or classified as at FVPL. After initial measurement, other financial liabilities are carried at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any premium or discount and any directly attributable transaction costs that are considered an integral part of the effective interest rate of the liability.

The Company's accounts payable and accrued expenses and due to related parties are classified under this category.

Impairment of Assets

Assets are impaired if carrying amount exceeds the amount to be recovered through use of sale of the asset. An assessment is made at each statement of financial position date whether there is objective evidence that a specific financial or non-financial asset may be impaired. If such evidence exists, any impairment loss is recognized by the company.

(a) Impairment of Financial Assets

If there is evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of loss is measured as the difference between the carrying amount and the present value of estimated cash flows discounted at the original effective interest rate. The carrying amount of the asset shall be reduced either directly or through the use of allowance account.

If in subsequent year, the amount of impairment loss decreases because of the event occurring after the impairment is recognized, the previously recognized impairment loss is reversed.

(b) Impairment of Non-Financial Assets

When indicators of impairment exist, the company's makes a formal estimate of recoverable amount. The asset's recoverable amount is the higher of an asset's cash generating unit's fair 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.

Derecognition of Financial Instrument

Financial Assets. A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Receivables

Receivables are recognized and carried at invoice amount. An estimate for doubtful accounts is made when collection of the full amount is no longer probable.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the first in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of marketing and distribution.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation, amortization. The initial cost of property, plant and equipment consists of its purchase price and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance, are normally charged to income in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its original assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives:

	Useful Life (years)
Furniture and fixtures	5
Vehicles	3
Computer and accessories	3
Office equipment	3

The useful lives and depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Intangible Assets

Cost incurred for the exclusive right to sell and distribute certain products and the license obtained from Bureau of Food and Drugs are recognized as intangible assets when it is probable that the Company will be able to successfully market the product. These costs are amortized using the straight line method over a period of 10 years which is the estimated period of its expected benefit.

Impairment of Assets

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and when the carrying values exceed the estimated recoverable amount, the property and equipment or cash-generating units are written down to their recoverable amount. The recoverable amount of property and equipment is the higher of its net selling price and value in use. Net selling price is the amount obtainable from the sale of property and equipment in an arm's-length transaction between knowledgeable, willing parties, after deducting any direct incremental disposal costs. In assessing the value in use, the future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the property and equipment. For property and equipment that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the property and equipment belongs. Any impairment loss is recognized in the statement of income.

Reversal of impairment losses recognized in prior years, if any, is recorded when there is an indication that the impairment losses recognized for the property and equipment no longer exist or have decreased. The reversal is recorded as income. However, the increased carrying amount of property and equipment due to a reversal of accumulated impairment losses is recognized to the extent that it does not exceed the carrying amount (net of depreciation and/or amortization) that would have been determined had no impairment loss been recognized for the property and equipment in prior years.

Liabilities and Provisions

A liability and provision are recognized where there is 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 a reliable estimate can be made of the amount of the obligation. These include trade and other payables and where the effect of the time value of money is material, the amount recognized is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Interest-Bearing Loans and Borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable issuance costs.

After initial recognition, interest-bearing loans and borrowings and the attributable issuance costs are subsequently measured at amortized cost using the effective interest rate method.

Gains and losses are recognized in net profit and loss when liabilities are derecognized as well as through amortization process.

Borrowing Costs

Borrowing costs are capitalized if they are directly attributable to the acquisition or construction of a qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

Revenue Recognition

Revenue should be recognized when the significant risks and rewards of ownership are transferred to the buyer. Income and related expenses must be matched. If future expenses cannot be measured reliably, income recognition should be deferred.

Revenue should be recorded gross in all transactions where the company is involved in all processes and has exposure to the risks associated with providing the goods.

Sales of Goods. Revenue is recognized when the significant risk and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

Interest. Interest income on bank deposits is recognized on a time proportion basis, net of applicable final withholding tax.

Operating Lease Commitments – Company as Lessee

To date, the leases entered into by company are operating leases. Total payments made under the operating leases are charged to current operations. When an operating leases is terminated before the lease period expired, any payment required to be made to the lessor by way of a penalty is recognized as an expense in the period in which the termination takes place.

Foreign Currency-Denominated Transactions

Foreign currency-denominated transactions are recorded in Philippine peso by applying to the foreign currency amount the exchange rate between the Philippine peso and the foreign currency at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the rate of exchange at the balance sheet date. Exchange rate differences arising from the restatement and settlement of monetary items at rates different from those at which they were initially recorded are recognized in the statement of income in the year in which the differences arise.

Determining Functional Currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the company has been determined to be the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the company operates. It is the currency that mainly influences the sale of goods and the costs to manufacture and sell the goods.

Related Party Transactions

This consists of advances to and/or from affiliated companies for use in the natural business operations, purchase of inventories and other operating charges advances by the Company or its affiliates. Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Individuals, associates or companies that directly or indirectly control or are controlled by or are under common control of the group are also considered related parties.

Profit/Loss per Share

Basic losses per share are calculated by dividing net loss for the year attributable to ordinary shares outstanding during the year.

Income Tax

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized.

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. Where the company reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income loss is recognized in the income statement.

Subsequent Events

Adjustments are made to reflect in the financial statements the effect, if any, of past year end events that provided additional information about the company's financial position at the balance sheet date (adjusting events). Post year-end events that are not adjusting events are disclosed in the notes when material.

3. Significant Accounting Judgments and Estimates

The preparation of financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances the result of which form basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Critical Judgments, Assumptions and Estimation Uncertainties

There were no critical judgments made in the process of applying the entity's accounting policies that have the most significant effect on the amounts recognized in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year.

General Risk Management Principles

The entity's financial instruments are comprised some cash and various items, such as trade and other receivables, trade and other payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the entity's operations. The main risk arising from the entities financial instruments are credit risk, liquidity risk and foreign currency risk. The management reviews and agrees policies for managing each of these risk and they are summarized below.

Credit Risks on Financial Assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations consist principally of cash, cash equivalents and trade and other accounts receivable. The management believes that the financial risks associated with these financial instruments are minimal. The cash and cash equivalents and other liquid financial assets are placed with high credit quality institutions. An ongoing credit evaluation is performed of the debtors' financial condition and a loss from impairment is recognized in the income statement. There is no significant concentration of credit risk, as the exposure is spread over a wide number of counterparties and customers.

Interest Rate Risk

The Company's interest rate exposure management policy centers on reducing the Company's overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Company's interest-bearing debt obligations with floating interest rate.

Liquidity Risk

The Company monitors its cash flow positions and overall liquidity position in assessing its exposure to liquidity risk. The Company maintains a level of cash and cash equivalents deemed sufficient to finance operations and to mitigate the effects of fluctuation in cash flow.

4. Cash and cash equivalents

This account consists of:

		2 0 2 4		2 0 2 3
Cash on hand	P	10,000	P	10,000
Cash in bank		8,623,789		22,194,392
Total	P	8,633,789	P	22,204,392

The cash in bank account represents the aggregate balances of the company's savings and current accounts in Philippine peso and American dollar maintained in different banks.

5. Receivables

This account consists of:

		2 0 2 4		2 0 2 3
Trade Receivables	P	188,184,008	P	190,211,467
Advances to officers and Others		23,138,527		20,663,273
Total		211,322,535		210,874,740
Less : Allowance for Doubtful Accounts		-		-
Net Realizable Value	P	211,322,535	P	210,874,740

No doubtful account was provided in the financial statement for the management believes that the collection of its receivables is certain. Such certainty is based on the past experience of the company, where account receivables which are currently due are collectible within 30 days.

6. Inventories

This account consists of:

		2024		2023	
Stock in Trade	P	185,073,269	P	149,711,362	
Goods in Transit		65,698,538		39,643,147	
Total	P	250,771,807	P	189,354,509	

7. Prepayments

		2024		2023	
Prepaid insurance	P	99,006	P	136,528	
Prepaid rent		1,367,131		1,367,131	
Prepaid others		3,321,092		3,863,039	
Creditable tax withheld		12,226,448		9,722,187	
MCIT		6,023,600		2,585,764	
Total	P	23,037,277	P	17,674,648	

8. Property and Equipment

This account consists of:

		MARCH 2024				2023	
		Vehicles	Furniture & Fixtures	Computers and accessories	Office equipment	Total	Total
Cost							
Balance at beginning of year	Php	2,403,918	1,639,406	5,345,502	913,038	10,301,864	9,863,543
Additions				568,736	159,750	728,486	438,321
Transfer of Account				214,629		214,629	
Disposals				264,509		264,509	-
Balance at end of year		2,403,918	1,639,406	5,435,100	1,072,788	10,551,211	10,301,864
Accumulated Depreciation							
Balance at beginning of year		2,403,918	1,636,370	4,723,163	788,520	9,551,970	8,933,698
Additions			2,144	411,088	94,880	508,112	618,271
Transfer of Account				105,848		105,848	
Disposals				264,509		264,509	-
Balance at end of year		2,403,918	1,638,514	4,763,894	883,400	9,689,726	9,551,969
Net Book Value	Php	-	893	671,206	189,388	861,487	749,894

The management believes that the recoverable amount of its property and equipment equals its carrying amount.

9. Accounts Payable and Accrued Expenses

		2 0 2 4		2 0 2 3
Accounts Payable - Foreign Purchases	P	253,073,623	P	189,703,063
Accounts payable- expenses		2,951,151		1,586,900
Accrued expense		769,329		582,618
Provision for expenses		12,220,000		9,950,000
W/holding tax payable-compensation		894,669		756,010
W/holding tax payable-expanded		331,725		276,793
VAT payable		(6,392,011)		535,367
ER payable		(1,165,582)		136,038
Fringe Benefits Tax Payable		-		370,149
SSS Premium Payable		-		(372,719)
Philhealth Premium Payable		-		70,796
HDMF Premium Payable		-		(12,100)
Salaries payable		-		(24,121)
SSS Loans Payable		51,284		54,824
HDMF Loans Payable		15,503		31,254
Final pay payable		-		(1,276,709)
Final Tax payable		-		(91,784)
Lease Liability IFRS16		-		(1,282,305)
	P	262,749,692	P	200,994,073

Statutory payables are the amount payable to government agencies. Trade and other payables are generally settled in varying periods within one (1) year.

10. Related Party Transactions

The company, a wholly owned subsidiary of Glenmark Pharmaceuticals, Ltd. (India), in the normal course of business, engages in transaction with its group company. Transaction with its parent company consists of importation of all major inventories and availments of interest bearing loans and non-interest bearing advances.

Glenmark Pharmaceuticals Ltd (India)		
YEAR	PURCHASES	TRADE PAYABLE
2024	415,787,390.00	253,073,623.00
2023	348,840,056.00	189,703,063.00

Glenmark Generics S.A		
YEAR	PURCHASES	TRADE PAYABLE
2024	-	-
2023	1,411,742.83	-

Compensation of Key Management Personnel

The salaries and other employees' benefit accounts include compensations and benefits granted to its office amounting to P 38,255,597.57 and P 36,044,006.19 in 2024 and 2023, respectively.

11. Capital Stock

	2 0 2 4	2 0 2 3
Authorized:		
706,512 common shares of par value at Php200.00	141,302,400	141,302,400
Issued and fully paid:		
640,490 common shares of par value at Php200.00	128,098,000	128,098,000

The Company is authorized to issue 706,512 shares of common stock at P 200 par value. Total par value of issued and outstanding shares as of March 31, 2024 amounts to P 141,302,400. The Company also has subscribed shares amounting to P 128,098,000. The company has one (1) stockholder owning one hundred (100) shares.

Retained Earnings as of March 31, 2024 aggregates to P 107,474,883.

12. Revenue

This account consists of:

		2 0 2 4		2 0 2 3
Sales	P	594,209,684	P	524,164,981
Sales/Collection Discount		(23,614,258)		(17,385,309)
Net Sales	P	570,595,427	P	506,779,672

13. Cost of Goods Sold

This account consists of:

		2 0 2 4		2 0 2 3
Beginning Inventory	P	189,354,509	P	127,486,116
Add: Purchases		442,118,186		378,291,461
Total goods available for sales		631,472,695		505,777,577
Less: Ending Inventory		250,771,807		189,354,509
Cost of goods solds	P	380,700,888	P	316,423,068

14. Operating Expenses

This account consists of:

	2024	2023
Salaries and other employees' benefits	78,117,824	70,749,855
Advertising, marketing and promotions	31,077,100	23,436,566
Transportation and travel	18,377,078	14,999,859
Other Allowances	17,805,618	12,547,529
Miscellaneous	11,196,477	9,949,716
Rental	8,135,642	5,992,661
Communication, light and water	5,317,118	5,408,897
Selling and distribution costs	7,575,131	5,392,449
Professional fees	2,316,505	4,307,095
SSS, Philhealth and Pagibig contribution	4,258,283	3,499,516
Insurance	3,574,738	3,079,387
Dues and fees	3,348,911	2,840,337
Finance cost	911,052	2,444,689
Fringe Benefits	2,138,083	2,009,523
Patents and trademarks registrations	2,709,049	1,935,178
Repairs and maintenance	1,864,947	1,539,656
Accomodation	1,334,877	1,474,732
Training and seminars	1,524,753	1,180,701
Supplies	489,484	622,279
Depreciation	402,264	618,271
Deliveries / FREIGHT EXPENSES	293,961	254,258
TOTAL	202,768,897	174,283,153

15. Other Non-Operating Income

This account consists of:

	2024	2023
Realized foreign exchange Gain (Loss)	Php -	Php -
Unrealized foreign exchange Gain(Loss)	(1,722,515)	2,736,045
Profit on sale of assets	102,047	-
Other income	6,451,169	6,615,601
Interest income	41,747	28,880
Total	Php 4,872,448	Php 9,380,526

16. Lease Contract

The company entered into various contractors of lease of its office spaces in Taguig, warehouse and cars. Details are as follows:

Rent expense – Office and Warehouse

Particulars	Lessor	Monthly Rental	Expiration of Lease contract
Office Rental	Verdecleo Realty Corp		
	Year 6	405,616.00	July 14, 2022
	Year 7	405,616.00	July 14, 2023
	Year 8	405,616.00	July 14, 2024
Warehouse Rental for Documents- same	Lane Archive	5,000.00	Renewable 1 Year
Warehouse Rental	Airbridge	Year 6	September 2021 - March 2022
			April 2022 - August 2022
	Year 7	September 2022 - March 2023	
		August 2023	
	Year 8	August 2024	

Car operating – Lease

Car operating- Lease		ORIX Rental Corporation		First 3 years Monthly Rate (VAT Inclusive)	Monthly Rate after the First 3 Years (VAT Inclusive)
Contract No.	Type	Lease Start Date	Lease End Date		
OL-19811	Toyota Wigo MT	8/16/2019	9/7/2024	23,973.75	18,601.25
OL-19812	Toyota Wigo MT	8/16/2019	9/7/2024	23,973.75	18,601.25
Car operating- Lease		Toyota Financial Services		First 3 years Monthly Rate (VAT Inclusive)	Monthly Rate after the First 3 Years (VAT Inclusive)
Contract No.	Type	Lease Start Date	Lease End Date		
MVRA 044-001	Toyota Fortuner	2/3/2023	1/3/2028	45,128.00	45,128.00

17. Income Per Share

Income per share computed as follows:

Particulars	2024	2023
Net Comprehensive Income (Loss)	(6,421,624)	19,781,714
Number of common shares outstanding	640,490	640,490
Net Income per share	(10.03)	30.89

18. Income Tax Payable

Pursuant to the provision of CREATE Law, income tax is calculated as per Normal Income Tax with the tax rate of 25% and MCIT with the Tax Rate of 1.75%.

Normal Income Tax – Based on Net Income before Tax

		2024	2023
Net income(loss) before tax	P	(6,279,394)	22,717,932
Less: Income Subject to final tax			
Interest Income		41,747	28,880
Taxable Income(Loss)	P	(6,321,142)	22,689,052
Tax Rate		25%	25%
Normal Income Tax	P	(1,580,285)	5,672,263

Minimum Corporate Income Tax – Based on Gross Income

		2024	2023
Gross Income	P	196,489,502	197,001,085
Less: Income subject to final tax			
Interest Income		41,747	28,880
Taxable Gross Income	P	196,447,755	196,972,205
Tax Rate		1.75%	1%
Minimum Corporate Income Tax	P	3,437,836	1,969,722

To establish current year NOLCO and MCIT pursuant to BIR Revenue Regulation No.25-2020 shown below.

The breakdown of NOLCO, which can be claimed as deduction from future taxable income of GLENMARK PHILIPPINES, INC. within 5 years from the year the taxable loss was incurred					
Year	Amount	Applied in current year	Expired Balance	Remaining Balance	Valid until
2025		-	-	-	2030
2024	1,580,285.41	-	-	1,580,285.41	2029
2023		-	-	-	2028
2022	3,215,046.51	3,215,046.51	-	-	2027
2021	2,390,027.45	2,390,027.45	-	-	2026

The breakdown of MCIT, which can also be claimed as payment for future income tax payable of GLENMARK PHILIPPINES, INC. within 3 years from the year the MCIT is recognized

Year	Amount	Applied in current year	Expired Balance	Remaining Balance	Valid until
2025		-	-	-	2029
2024	3,437,835.71	-	-	3,437,835.71	2028
2023		-	-	-	2027
2022	1,264,453.20	-		1,264,453.20	2026
2021	1,388,499.91	67,188.97		1,321,310.94	2025

19. Allowable Interest Expense

Under the Republic Act No. 9337, Section 34(B), the amount of interest paid or incurred within a taxable year on indebtedness in connection with the taxpayer's profession, trade or business shall be allowed as deduction from gross income: provided, however, that the taxpayer's otherwise allowable deduction for the interest expense shall be reduced by thirty-three percent (33%) of the interest income subject to final tax. Allowable Interest Expense computed as follows:

		2 0 2 4		2 0 2 3
Interest income - net	P	41,747	P	28,880
Divide:		0.80		0.80
Gross interest income	P	52,184	P	36,100
Multiply: Unallowable percentage		0.33		0.33
Unallowable interest expense	P	17,221	P	11,913
Interest expense	P	-	P	-
Less: Unallowable interest expense		17,221		11,913
Allowable interest expense	P	-	P	-

20. Supplementary Information Required by the Bureau of Internal Revenue

Revenue Regulations No 15-2010

The information for the year 2024 as required by the Regulations is presented below:

VAT

Details of the company's VAT appear as follows:

		Tax Base		Output VAT
Sales of Service	P	572,930,785.93	P	68,751,694.31
Exempt		21,380,945.38		-
	P	594,311,731.31	P	68,751,694.31
		Tax Base		Input VAT
Balance, beginning of the year	P	-	P	
Capital Goods		728,485.50		87,418.26
Domestic Goods		7,685,763.58		922,291.63
Importation		415,019,829.42		49,802,379.53
Services		40,567,944.67		4,868,153.36
Input Vat applied during the year		464,002,023.17		55,680,242.78

Tax Credit		2,004,685.90
Payment for the year		17,458,776.23
Balance, end of the year	P	(6,392,010.60)

Withholding Taxes

The amount of withholding taxes paid and accrued for the year ended March 31, 2024 consist of:

		2024
Expanded Withholding Tax	P	331,725
Compensation Withholding Tax		894,669
	P	1,226,394

All Other Local and National Taxes

A detail of the Company's other local and national taxes paid or accrued for the year ended March 31, 2024 are as follows:

		2024
DST/Association Dues for Office Space Rental	P	-
BIR LOA Payment		-
Business Permit		-
FDA Registration for Products		-
Notary		-
	P	-

The above local and national taxes are presented as "Dues and Fees" line item under "Operating expenses" account in the statement of comprehensive income.

Tax Assessment and Tax Case

The Company has no pending tax assessment and tax case as at and for the year ended March 31, 2024.

Revenue Regulations No. 19-2011

The information for 2024 required by the above regulation is presented below.

Taxable Revenue

The Company's total taxable revenue in 2024 amounted to ₱ 594,209,684.

Deductible Cost of Goods Sold

		2024		2023
Beginning Inventory	P	189,354,509	P	127,486,116
Add: Purchases		442,118,186		378,291,461
Total goods available for sales		631,472,695		505,777,577
Less: Ending Inventory		250,771,807		189,354,509
Cost of goods solds	P	380,700,888	P	316,423,068

Operating Expenses

	2024	2023
Salaries and other employees' benefits	78,117,824	70,749,855
Advertising, marketing and promotions	31,077,100	23,436,566
Transportation and travel	18,377,078	14,999,859
Other Allowances	17,805,618	12,547,529
Miscellaneous	11,196,477	9,949,716
Rental	8,135,642	5,992,661
Communication, light and water	5,317,118	5,408,897
Selling and distribution costs	7,575,131	5,392,449
Professional fees	2,316,505	4,307,095
SSS, Philhealth and Pagibig contribution	4,258,283	3,499,516
Insurance	3,574,738	3,079,387
Dues and fees	3,348,911	2,840,337
Finance cost	911,052	2,444,689
Fringe Benefits	2,138,083	2,009,523
Patents and trademarks registrations	2,709,049	1,935,178
Repairs and maintenance	1,864,947	1,539,656
Accommodation	1,334,877	1,474,732
Training and seminars	1,524,753	1,180,701
Supplies	489,484	622,279
Depreciation	402,264	618,271
Deliveries / FREIGHT EXPENSES	293,961	254,258
TOTAL	202,768,897	174,283,153

GLENMARK PHILIPPINES, INC.

**SUPPLEMENTARY SCHEDULE OF ADOPTION OF
EFFECTIVE ACCOUNTING STANDARDS AND INTERPRETATIONS
MARCH 31, 2024**

Title	Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements			
Conceptual Framework Phase A: Objectives and qualitative characteristics	✓		
PFRSs Practice Statement Management Commentary			✓

Philippine Financial Reporting Standards (PFRSs)

PFRS	Title	Adopted	Not Adopted	Not Applicable
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations			✓
	Amendment to PFRS 3: Scope Exceptions for Joint Ventures			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		

PFRS	Title	Adopted	Not Adopted	Not Applicable
	Amendments to PFRS 7: Transition	✓		
	Amendments to PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures			✓
PFRS 8	Operating Segments			✓
	Amendments to PFRS 8: Operating Segments- Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets	✓		
PFRS 9	Financial Instruments: Classification and Measurement of Financial Assets	✓		
	Financial Instruments: Classification and Measurement of Financial Liabilities	✓		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✓		
PFRS 10	Consolidated Financial Statements			✓
	Amendments to PFRS 10: Transition Guidance			✓
	Amendments to PFRS 10: Investment Entities			✓
PFRS 11	Joint Arrangements			✓
	Amendments to PFRS 11: Transition Guidance			✓
PFRS 12	Disclosure of Interests in Other Entities			✓
	Amendments to PFRS 12: Transition Guidance			✓
	Amendments to PFRS 12: Investment Entities			✓
PFRS 13	Fair Value Measurement	✓		
	Amendment to PFRS 13: Portfolio Exception			

Philippine Accounting Standards (PASs)

PAS	Title	Adopted	Not Adopted	Not Applicable
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendments to PAS 1 (Revised): Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1 (Revised): Presentation of Items of Other Comprehensive Income	✓		
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendments to PAS 12 - Deferred Tax: Recovery of Underlying Assets			✓
PAS 16	Property, Plant and Equipment	✓		
	Amendment to PAS 16: Property Plant and Equipment - Revaluation Method - Proportionate Restatement of Accumulated Depreciation			✓
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Revised)	Employee Benefits			✓
	Amendment to PAS 19 (Revised): Defined Benefit Plans: Employee Contributions			✓
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates			✓
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs			✓
PAS 24 (Revised)	Related Party Disclosures			✓
	Amendment to PAS 24: Related Party Disclosures - Key Management Personnel			✓
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓

PAS	Title	Adopted	Not Adopted	Not Applicable
PAS 27 (Amended)	Separate Financial Statements			✓
	Amendments to PAS 27 (Amended): Investment Entities			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Financial Instruments: Presentation	✓		
	Amendments to PAS 32: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
PAS 33	Earnings per Share			✓
PAS 34	Interim Financial Reporting			✓
PAS 36	Impairment of Assets			✓
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets			✓
PAS 37	Provisions, Contingent Liabilities and Contingent Assets			✓
PAS 38	Intangible Assets			✓
	Amendment to PAS 38: Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Amortization			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39: Financial Guarantee Contracts			✓
	Amendments to PAS 39: Reclassification of Financial Assets	✓		
	Amendments to PAS 39: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓

PAS	Title	Adopted	Not Adopted	Not Applicable
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
PAS 40	Investment Property			✓
	Amendment to PAS 40: Investment Property – Clarifying the Interrelationship between PFRS 3, Business Combination and PAS 40 when Classifying Property as Investment Property or Owner-occupied Property			✓
PAS 41	Agriculture			✓

Philippine Interpretations

Interpretations	Title	Adopted	Not Adopted	Not Applicable
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC-9: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programs			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓

Interpretations	Title	Adopted	Not Adopted	Not Applicable
IFRIC 21	Levies			✓

PHILIPPINE INTERPRETATIONS - SIC

Interpretations	Title	Adopted	Not Adopted	Not Applicable
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-15	Operating Leases - Incentives			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures.			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓