

RANBAXY (THAILAND) CO., LTD.
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
AND INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Ranbaxy (Thailand) Co., Ltd.

Opinion

I have audited the financial statements of Ranbaxy (Thailand) Co., Ltd. (the Company), which comprise the statement of financial position as at 31 March 2024, and the statement of income and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements presented fairly, in all material respects, the financial position of the Company as at 31 March 2024, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. 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 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 are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Matter

The financial statements of the Company for the year ended 31 March 2023, were audited by another auditor in the same firm as myself who expressed an unmodified opinion on those statements on 8 May 2023.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities, 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

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 Thai Standards on Auditing 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 Thai Standards on Auditing, I exercise professional judgement 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 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 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 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.

I 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 I identify during my audit.

Narong Pongpaichate

Certified Public Accountant No. 9679

Mazars Limited

Bangkok

1 May 2024

Ranbaxy (Thailand) Co., Ltd.
Statement of financial position
As at 31 March 2024

Assets

		In Baht	
	Notes	2024	2023
<i>Current assets</i>			
Cash and cash equivalents	4	74,613,303	75,491,772
Trade and other accounts receivable	5	265,160,051	229,219,962
Inventories	6	261,266,580	232,250,582
Total current assets		601,039,934	536,962,316
<i>Non-current assets</i>			
Leasehold improvements and equipment	7	860,747	633,763
Intangible assets	8	32,636,330	47,486,008
Refundable deposits		823,900	860,050
Total non-current assets		34,320,977	48,979,821
Total assets		635,360,911	585,942,137

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

Ranbaxy (Thailand) Co., Ltd.**Statement of financial position**

As at 31 March 2024

Liabilities and equity

		In Baht	
	Notes	2024	2023
<i>Current liabilities</i>			
Trade and other accounts payable	9, 12	492,078,812	346,226,085
Current portion of long-term loans	12	-	92,510,370
Other current liabilities	12	19,524,448	27,998,592
Total current liabilities		511,603,260	466,735,047
<i>Non-current liabilities</i>			
Provision for decommissioning costs		250,000	250,000
Employee benefit obligations	10	15,125,331	14,796,297
Total non-current liabilities		15,375,331	15,046,297
Total liabilities		526,978,591	481,781,344
<i>Equity</i>			
Share capital			
- Authorised share capital			
1,150,158 ordinary shares of Baht 100 each		115,015,800	115,015,800
- Issued and paid-up share capital			
1,150,158 ordinary shares of Baht 100 each		115,015,800	115,015,800
Deficit		(6,633,480)	(10,855,007)
Total equity		108,382,320	104,160,793
Total liabilities and equity		635,360,911	585,942,137

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

Ranbaxy (Thailand) Co., Ltd.**Statement of income****For the year ended 31 March 2024**

		In Baht	
	Note	2024	2023
Revenues			
Revenue from sale of goods		851,902,844	758,149,645
Other income		237,627	79,321
Total revenues		852,140,471	758,228,966
Expenses			
Cost of sale of goods	6	609,693,081	537,521,529
Selling expenses		148,556,545	129,664,172
Administrative expenses		73,195,228	70,612,805
Net loss on foreign exchange rate		3,086,497	18,077,736
Total expenses		834,531,351	755,876,242
Profit before finance costs and income tax expense		17,609,120	2,352,724
Finance costs		(3,080,651)	(4,245,713)
Profit (loss) before income tax expense		14,528,469	(1,892,989)
Income tax expense		(10,306,942)	(3,546,223)
Profit (loss) for the year		4,221,527	(5,439,212)

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

Ranbaxy (Thailand) Co., Ltd.

Statement of changes in equity

For the year ended 31 March 2024

	In Baht		
	Issued and paid-up		
	share capital	Deficit	Total equity
Balance at 1 April 2022	115,015,800	(5,415,795)	109,600,005
Loss for the year	-	(5,439,212)	(5,439,212)
Balance at 31 March 2023			
and 1 April 2023	115,015,800	(10,855,007)	104,160,793
Profit for the year	-	4,221,527	4,221,527
Balance at 31 March 2024	115,015,800	(6,633,480)	108,382,320

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

Ranbaxy (Thailand) Co., Ltd.

Notes to the financial statements

For the year ended 31 March 2024

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Company's authorised directors on 1 May 2024.

1. General information

Ranbaxy (Thailand) Co., Ltd., the "Company", is incorporated in Thailand and has its registered head office at 475, Siripinyo Building 8th Floor, Si Ayutthaya Road, Rajathevi, Bangkok, Thailand.

The Company's major shareholder during the financial year was Sun Pharma (Netherlands B.V.) (99.99% shareholding), which was incorporated in the Netherlands.

The Company is engaged in marketing and selling pharmaceutical products.

2. Basis of preparation of the financial statements

The financial statements are prepared in accordance with the Thai Financial Reporting Standard for Non-Publicly Accountable Entities (Revised B.E. 2565) ("TFRS for NPAEs"), which promulgated by the Federation of Accounting Professions (TFAC) in 2022.

The financial statements are prepared and presented in Thai Baht, rounded in the notes to the financial statements to the nearest thousand. They are prepared on the historical cost basis except as stated in the accounting policies.

The preparation of financial statements in conformity with TFRS for NPAEs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which estimates are revised and in any future periods affected.

Ranbaxy (Thailand) Co., Ltd.

Notes to the financial statements

For the year ended 31 March 2024

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

(b) Cash and cash equivalents

Cash and cash equivalents comprise call deposits.

(c) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Bad debts recovered are recognised in other income in the statement of income.

(d) Inventories

Inventories are stated at the lower of cost or net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

Ranbaxy (Thailand) Co., Ltd.

Notes to the financial statements

For the year ended 31 March 2024

(e) Leasehold improvements and equipment

Leasehold improvements and equipment are stated at cost less accumulated depreciation and losses on decline in value.

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of leasehold improvements and equipment have different useful lives, they are accounted for as separate items (major components) of leasehold improvements and equipment.

Gains or losses on disposal of an item of leasehold improvements and equipment are determined by comparing the proceeds from disposal with the carrying amount of leasehold improvements and equipment, and are recognised net within other income in the statement of income.

Subsequent costs

The cost of replacing a part of an item of leasehold improvements and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of leasehold improvements and equipment are recognised in the statement of income as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each component of an item of leasehold improvements and equipment. The estimated useful lives are as follows:

Computers	3 years
Office equipment	5 years
Furniture and fixtures	5 years
Leasehold improvements	3 years

Ranbaxy (Thailand) Co., Ltd.

Notes to the financial statements

For the year ended 31 March 2024

(f) Intangible assets

Goodwill

Goodwill presented as intangible assets in the financial statements is the excess of the purchase price over the identifiable net assets as of the acquisition date.

Other intangible assets

Intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and losses on decline in value.

Amortisation

Amortisation is calculated based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in the statement of income on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives of software licenses for the current and comparative periods are as follow:

Distributor licenses	5 years
Software licenses	3 years
Trademarks	10 years
Goodwill	10 years

(g) Losses on decline in value

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of a permanent decline in value. If any such indication exists, the assets' recoverable amounts are estimated. A loss on decline in value is recognised if the carrying amount of an asset exceed its recoverable amount. A loss on decline in value is recognised in the statement of income.

(h) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(i) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate method.

Ranbaxy (Thailand) Co., Ltd.

Notes to the financial statements

For the year ended 31 March 2024

Employee benefits

Obligations for retired benefits are recognised using the best estimate method at the reporting date.

(j) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods

Revenue is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Other income

Other income is recognised in the statement of income as it accrues.

(k) Expenses

Lease payments

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease.

Finance costs

Interest expenses and similar costs are charged to the statement of income for the period in which they are incurred.

(l) Income tax

Income tax on the profit or loss for the year comprises current tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

In determining the amount of current tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Ranbaxy (Thailand) Co., Ltd.
Notes to the financial statements
For the year ended 31 March 2024

4. Cash and cash equivalents

	In thousand Baht	
	2024	2023
Cash at banks - current accounts	28	30
Cash at banks - saving accounts	74,585	75,462
Total	74,613	75,492

5. Trade and other accounts receivable

	In thousand Baht	
	2024	2023
Trade accounts receivable	263,824	224,882
Other accounts receivable	1,336	4,338
Total	265,160	229,220

6. Inventories

	In thousand Baht	
	2024	2023
Raw materials	17,616	13,784
Packing materials	6,872	5,532
Work in progress	4,633	3,304
Finished goods	214,235	183,996
Goods in transit	49,019	29,634
<i>Less allowance for decline in value</i>	<i>(31,109)</i>	<i>(4,000)</i>
Net	261,266	232,250
Inventories recognised as an expense in 'cost of sale of goods':		
- Cost	582,584	548,717
- (Reversal of) write-down to net realisable value	27,109	(11,195)
Total	609,693	537,522

Ranbaxy (Thailand) Co., Ltd.

Notes to the financial statements

For the year ended 31 March 2024

7. Leasehold improvements and equipment

	In thousand Baht				
	Computers	Office equipment	Furniture and fixtures	Leasehold improvements	Total
<i>Cost</i>					
At 1 April 2022	3,070	335	1,281	3,154	7,840
Additions	319	-	-	-	319
Disposals	(57)	-	-	-	(57)
At 31 March 2023 and					
1 April 2023	3,332	335	1,281	3,154	8,102
Additions	221	-	92	342	655
At 31 March 2024	3,553	335	1,373	3,496	8,757

Ranbaxy (Thailand) Co., Ltd.
Notes to the financial statements
For the year ended 31 March 2024

	In thousand Baht				
	Computers	Office equipment	Furniture and fixtures	Leasehold improvements	Total
<i>Accumulated depreciation</i>					
At 1 April 2022	2,691	262	1,168	2,508	6,629
Depreciation charge for the year	178	23	50	646	897
Disposals	(57)	-	-	-	(57)
At 31 March 2023 and					
1 April 2023	2,812	285	1,218	3,154	7,469
Depreciation charge for the year	265	23	47	93	428
At 31 March 2024	3,077	308	1,265	3,247	7,897
<i>Net book value</i>					
At 31 March 2023	520	50	63	-	633
At 31 March 2024	476	27	108	249	860

Ranbaxy (Thailand) Co., Ltd.

Notes to the financial statements

For the year ended 31 March 2024

8. Intangible assets

	In thousand Baht				
	Distributor licenses	Software licenses	Trademarks	Goodwill	Total
<i>Cost</i>					
At 1 April 2022	18,183	533	48,680	99,280	166,676
Additions	-	79	-	-	79
Write-off	-	(28)	-	-	(28)
At 31 March 2023 and 1 April 2023	18,183	584	48,680	99,280	166,727
At 31 March 2024	18,183	584	48,680	99,280	166,727
<i>Accumulated amortisation</i>					
At 1 April 2022	18,065	475	29,173	56,669	104,382
Amortisation charge for the year	-	36	4,922	9,928	14,886
Write-off	-	(27)	-	-	(27)
At 31 March 2023 and 1 April 2023	18,065	484	34,095	66,597	119,241
Amortisation charge for the year	43	44	4,835	9,928	14,850
At 31 March 2024	18,108	528	38,930	76,525	134,091
<i>Net book value</i>					
At 31 March 2023	118	100	14,585	32,683	47,486
At 31 March 2024	75	56	9,750	22,755	32,636

Ranbaxy (Thailand) Co., Ltd.**Notes to the financial statements****For the year ended 31 March 2024****9. Trade and other accounts payable**

	In thousand Baht	
	2024	2023
Trade accounts payable	466,174	326,888
Other accounts payable	2,819	1,586
Accrued expenses	22,940	17,606
Others	146	146
Total	492,079	346,226

10. Employee benefit obligations

The Company operates a defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2562 (2019) to provide retirement benefits to employees based on pensionable remuneration and length of service. Accordingly, the Company had employee benefit obligations as follows:

	In thousand Baht
At 1 April 2022	12,509
Provision made	3,356
Provision used	(1,069)
At 31 March 2023 and 1 April 2023	14,796
Provision made	3,611
Provision used	(3,282)
At 31 March 2024	15,125

11. Commitments

As at 31 March 2024 and 2023, the Company entered into operating lease agreements for office building space, warehouse and motor vehicle. The minimum lease payments under these lease agreements were as follows:

	In thousand Baht	
	2024	2023
Within one year	3,751	3,846
After one year but within five years	2,283	6,034
Total	6,034	9,880

Ranbaxy (Thailand) Co., Ltd.

Notes to the financial statements

For the year ended 31 March 2024

12. Reclassification of accounts

Certain accounts in the 2023 financial statements have been reclassified to conform to the presentation in the 2024 financial statements as follows:

	In thousand Baht		
	2023		
	Before		After
	Reclassifications	Reclassifications	Reclassifications
<i>Statement of financial position</i>			
Current liabilities			
Trade and other accounts payable	374,224	(27,998)	346,226
Current portion of long-term loans	-	92,510	92,510
Other current liabilities	-	27,998	27,998
Non-current liabilities			
Long term loans	92,510	(92,510)	-
		<u>-</u>	