P&A Grant Thornton

FOR SEC FILING

Financial Statements and Independent Auditors' Report

Curatio Inc.

March 31, 2026 and 2025

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
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1200 Makati City
Philippines

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Report of Independent Auditors

The Board of Directors
Curatio Inc.
(A Wholly Owned Subsidiary of
Torrent Pharmaceuticals Limited)
Unit 2114 Cityland 10 Tower II
H.V. Dela Costa St., Salcedo Village Bel-air
Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Curatio Inc. (the Company), which comprise the statements of financial position as of March 31, 2026 and 2025, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2026 and 2025, and its financial performance and its cash flows for the years then ended, in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards) under the liquidation basis of accounting, as described in Note 2 to the financial statements.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the matter discussed in Note 1 to the financial statements with respect to the status of the Company's operations. The accounting policy under the liquidation basis is described in Note 2 to the financial statements. Our opinion is not modified in respect of this matter.

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 PFRS Accounting Standards under the liquidation basis of accounting, as described in Note 2 to the financial statements, 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA 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 PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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 we identify during our audit.

PUNONGBAYAN & ARAULLO

By: Niccolo Ian N. Unera
Partner

CPA Reg. No. 0146692
TIN 428-513-274
PTR No. 10770776, January 6, 2026, Makati City
SEC Group A Accreditation
Partner - No. 146692-SEC (until financial period 2029)
Firm - No. 0002 (until financial period 2030)
BIR AN 08-002551-052-2023 (until November 23, 2026)
BOA/PRC Cert. of Reg. No. 0002/P-021 (until August 12, 2027)

April 10, 2026

P&A Grant Thornton

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
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Supplemental Statement of Independent Auditors

The Board of Directors
Curatio Inc.
(A Wholly Owned Subsidiary of Torrent Pharmaceuticals Limited)
Unit 2114 Cityland 10 Tower II
H.V. Dela Costa St., Salcedo Village Bel-air
Makati City

We have audited the financial statements of Curatio, Inc. (the Company) for the year ended March 31, 2026, on which we have rendered the attached report dated April 10, 2026.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has only one stockholder owning 100 or more shares of the Company's capital stock as of March 31, 2026, as disclosed in Note 11 to the financial statements.

PUNONGBAYAN & ARAULLO

By: Niccolo Ian N. Unera
Partner

CPA Reg. No. 0146692
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April 10, 2026

CURATIO INC.
(A Wholly Owned Subsidiary of Torrent Pharmaceuticals Limited.)
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2026 AND 2025
(Amounts in Philippine Pesos)

	Notes	2026	2025
A S S E T S			
CURRENT ASSETS			
Cash	3	**P 89,942**	P 3,249,202
Trade and other receivables - net	4	**8,350,161**	8,600,161
TOTAL ASSETS		**P 8,440,103**	P 11,849,363
LIABILITIES AND EQUITY			
EQUITY			
Capital stock	11	**112,811,100**	112,811,100
Deficit		**(104,370,997)**	(100,961,737)
TOTAL EQUITY		**P 8,440,103**	P 11,849,363

See Notes to Financial Statements.

CURATIO INC.
(A Wholly Owned Subsidiary of Torrent Pharmaceuticals Limited.)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED MARCH 31, 2026 AND 2025
(Amounts in Philippine Pesos)

	Notes	2026	2025
SALE OF GOODS		P -	P 10,188,284
COST OF SALES	7	-	3,018,887
GROSS PROFIT		-	7,169,397
OPERATING EXPENSES			
Professional fees		2,710,408	732,977
Taxes and licenses		551,909	67,278
Salaries and employee benefits	8	-	11,633,544
Advertising and promotion		-	1,175,330
Per diem and transportation allowance		-	382,847
Transportation and travel		-	288,850
Impairment loss on receivables	4	-	261,062
Depreciation and amortization	5, 6	-	232,521
Rentals	6	-	121,531
Communication, light and water		-	114,351
Representation		-	25,762
Miscellaneous		149,573	1,047,008
		3,411,890	16,083,061
OPERATING LOSS		(3,411,890)	(8,913,664)
OTHER INCOME (CHARGES) - Net			
Foreign currency exchange gain - net		1,459	(169,221)
Interest income	3	1,171	2,256
Interest expense		-	(28,700)
Other income		-	251,127
		2,630	55,462
LOSS BEFORE TAX		(3,409,260)	(8,858,202)
TAX EXPENSE	9	-	144,812
NET LOSS		(3,409,260)	(9,003,014)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS		(P 3,409,260)	(P 9,003,014)

See Notes to Financial Statements.

CURATIO INC.

(A Wholly Owned Subsidiary of Torrent Pharmaceuticals Limited.)

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED MARCH 31, 2026 AND 2025

(Amounts in Philippine Pesos)

	Note		**2026**		2025
CAPITAL STOCK	11				
Balance at beginning of period		**P**	**112,811,100**	P	108,811,100
Additional subscription			**-**		4,000,000
Balance at end of period			**112,811,100**		112,811,100
DEFICIT					
Balance at beginning of period			**(100,961,737)**		(91,958,723)
Net loss for the period			**(3,409,260)**		(9,003,014)
Balance at end of period			**(104,370,997)**		(100,961,737)
NET EQUITY		**P**	**8,440,103**	P	11,849,363

See Notes to Financial Statements.

CURATIO INC.
(A Wholly Owned Subsidiary of Torrent Pharmaceuticals Limited.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2026 AND 2025
(Amounts in Philippine Pesos)

	Notes	2026	2025
CASH FLOWS FROM LIQUIDATING ACTIVITIES			
Loss before tax		**(P 3,409,260)**	(P 8,858,202)
Adjustments for:			
Unrealized foreign currency exchange loss - net		**(1,459)**	169,221
Interest income	3	**(1,171)**	(2,256)
Depreciation and amortization	5, 6	**-**	232,521
Gain on pre-termination of lease	6	**-**	(160,818)
Interest expense	6	**-**	28,700
Loss on write-off of property and equipment		**-**	13,840
Operating loss before working capital changes		**(3,411,890)**	(8,576,994)
Decrease in trade and other receivables		**250,000**	3,786,932
Decresae in inventories		**-**	4,185,718
Decrease in prepayments and other current assets		**-**	260,086
Decrease in refundable deposit		**-**	119,150
Decrease in accounts and other payables		**-**	(2,035,637)
Decrease in due to parent company		**-**	(3,640,014)
Cash Used in liquidation		**(3,161,890)**	(5,900,759)
Interest received		**1,171**	2,256
Cash paid for taxes		**-**	(144,812)
Net Cash Used in Liquidating Activities		**(3,160,719)**	(6,043,315)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceed from issuance of shares of stock	11	**-**	4,000,000
Repayment of lease liability	6	**-**	(252,349)
Net Cash From Financing Activities		**-**	3,747,651
Effect of Foreign Exchange Rate Changes on Cash		**1,459**	(169,221)
NET DECREASE IN CASH		**(3,159,260)**	(2,464,885)
CASH AT BEGINNING OF PERIOD		**3,249,202**	5,714,087
CASH AT END OF PERIOD		**P 89,942**	P 3,249,202

See Notes to Financial Statements.

CURATIO INC.
(A Wholly Owned Subsidiary of Torrent Pharmaceuticals Limited.)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2026 AND 2025
(Amounts in Philippines Pesos)

1. GENERAL INFORMATION

1.1 Corporate Information

Curatio Inc. (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 24, 2015 to primarily conduct the business of buying, wholesaling or distributing drugs, medicines, and pharmaceutical products of all kinds and description. The registered office address of the Company, which is also its principal place of business, is located at Unit 2114 Cityland 10 Tower II, H.V. Dela Costa St., Salcedo Village Bel-air, Makati City.

In fiscal year 2023 and prior years, the Company was a wholly owned subsidiary of Curatio Healthcare (I) Pvt Ltd (Curatio). In fiscal year 2024, The Company was acquired and then subsequently merged with Torrent Pharmaceuticals Limited (Torrent or the Parent company). Accordingly, as at such date, the Company became a wholly owned subsidiary of Torrent.

The Parent company is a public limited company incorporated and domiciled in India. In 2026, the Parent company changed its registered office address from Torrent House, Off Ashram Road, Ahmedabad – 380 009, Gujarat, India to Avirat, Thaltej Shilaj Road, Ahmedabad - 380059, Gujarat, India. The Parent company is engaged in research, development, manufacturing and marketing of generic pharmaceutical formulations.

1.2 Status of Operation

In fiscal year 2024, the operations of the Company have already ceased. On October 28, 2024, the Articles of Incorporation was amended, dissolving the Company by shortening its term up to October 31, 2024.

As of November 25, 2024, the Company has notified the relevant regulatory authorities for dissolution. Formal liquidation proceedings are currently in process with the SEC. The Company has terminated its registration with the Bureau of Internal Revenue (BIR), surrendered its Certificate of Registration, and ceased the filing of tax returns. All known outstanding tax obligations have been settled, and the Company is currently awaiting the issuance of the BIR tax clearance.

Accordingly, assets have been presented at their estimated realizable values and recorded liabilities at their estimated settlement amounts in accordance with relevant Philippine Financial Reporting Standards (PFRS Accounting Standards) guidelines. Management believes that the amounts to be realized from the disposition of the Company’s remaining assets and the amounts to be used in the settlement of its liabilities will not differ materially from the amounts shown in the financial statements.

1.3 Approval of Financial Statements

The financial statements of the Company as of and for the year ended March 31, 2026 (including the comparative financial statements as of and for the year ended March 31, 2025) were authorized for issue by the Company's Board of Directors (BOD) on April 10, 2026.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared and presented on the liquidation basis of accounting in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards).

Under the liquidation basis of accounting, assets are reflected at their net realizable values and the liabilities are reflected at estimated settlement amounts. Management believes that the amounts to be realized from the disposition of the Company's remaining assets and the amounts to be used in the settlement of its liabilities will not differ materially from the amounts shown in the financial statements.

3. CASH

As of March 31, 2026 and 2025, the Company has cash in banks amounting to P89,942 and P3,249,202, respectively, which generally earn interest at rates based on a daily bank deposit rate.

Interest income recognized on bank deposits is presented as Interest income under Other Income (Charges) - Net section of the statements of comprehensive income.

4. TRADE AND OTHER RECEIVABLES

This account consists of the following:

(Amounts in PHP)	**2026**	2025
Trade receivables	**9,974,776**	10,224,776
Allowance for doubtful accounts	**(1,624,615)**	(1,624,615)
	8,350,161	8,600,161

Trade receivables are usually due within 30 to 90 days after the date of delivery of goods and do not bear any interest.

All of the Company's trade and other receivables have been reviewed for impairment. Certain receivables amounting to P261,062 were found to be impaired for the fiscal year ended March 31, 2025 as determined by the management; hence, the Company recognized additional allowance for doubtful accounts. Impairment losses recognized are presented under Operating Expenses in the 2025 statement of comprehensive income. There was no similar transaction in 2026.

The movement in the allowance for doubtful accounts as of March 31, 2026 and 2025 is shown below.

(Amounts in PHP)	**2026**	2025
Balance at beginning of period	**1,624,615**	1,363,553
Additional allowance for the year	**-**	261,062
	1,624,615	1,624,615

5. PROPERTY AND EQUIPMENT

As of March 31, 2026 and 2025, the Company's property and equipment had nil gross carrying amounts and accumulated depreciation. The reconciliation of the carrying amount of property and equipment at the beginning and end of the fiscal year ended March 31, 2025 is presented below.

(Amounts in PHP)	**Transportation Equipment**	**Furniture and Fixtures**	**Total**
Balance at April 1, 2024, net of accumulated depreciation	-	24,604	24,604
Amount written off	-	(13,840)	(13,840)
Depreciation charges for the period	-	(10,764)	(10,764)
Balance at March 31, 2025, net of accumulated depreciation	**-**	**-**	**-**

The amount of depreciation is presented as part of Depreciation and amortization under Operating Expenses section of the 2025 statement of comprehensive income.

6. LEASES

In prior years, the Company entered into a non-cancellable operating lease agreement covering its office space. The lease term is for a period of five years and is renewable within 60 days before the end of the contract subject to mutual agreement by both parties. In fiscal year 2022, the parties agreed to renew the contract for another five years.

Among others, the lease contract provides for fixed monthly rentals with refundable deposit, advance rental and renewal option upon consent of the parties.

On October 31, 2024, the management has pre-terminated its lease for the Company's office and parking space due to closure of its business. As a result, the Company recognized a gain on pre-termination of P160,818 and is presented as other income in the 2025 statement of comprehensive income.

6.1 Right-of-use Asset

As of March 31, 2025, the Company's right-of-use asset has been written off. The gross carrying amounts for the fiscal year ended March 31, 2025 are shown below.

(Amounts in PHP)	
Cost	2,486,541
Derecognition	(2,486,541)
Balance at year-end	-
Accumulated depreciation	
balance at beginning of the year	1,559,513
Amortization	221,757
Derecognition	(1,781,270)
Balance at end of year	-
Net carrying amount	-

The amortization expense relating to right-of-use asset is presented as part of Depreciation and Amortization under Operating Expenses section of the 2025 statement of comprehensive income. There was no similar transaction in 2026.

6.2 Lease Liability

The movements in the lease liability recognized in the statement of financial position as of March 31, 2025 are as follows:

(Amounts in PHP)	
Balance at beginning of year	1,089,738
Repayment of lease liability	(252,349)
Accretion of interest	28,700
Derecognition	(866,089)
Balance at end of year	-

6.3 Lease Payments Not Recognized as Liabilities

The Company has elected not to recognize lease liability for leases of low-value assets.

Expenses relating to low-value assets amounted to nil and P121,531 for the fiscal years ended March 31, 2026 and 2025, respectively, and are presented as Rentals under Operating Expenses section of the statements of comprehensive income.

7. COST OF SALES

The cost of sales for the fiscal year ended March 31, 2026 is nil. The movements of cost of sales for the year ended March 31, 2025 are shown below.

(Amounts in PHP)

Inventories at beginning of year	4,185,718
Promo and Marketing Usage	(1,166,831)
	3,018,887

8. EMPLOYEE BENEFITS

Expenses recognized for salaries and employee benefits pertain only to short-term employee benefits amounting to nil and P11,633,544 for the fiscal years ended March 31, 2026 and 2025, respectively, which are presented as Salaries and employee benefits under Operating Expenses section of the statements of comprehensive income.

9. INCOME TAXES

The components of tax expense reported in profit or loss for the fiscal year ended March 31, 2026 is nil. The composition for this account for the fiscal year ended March 31, 2025 is presented below.

(Amounts in PHP)

Minimum corporate income tax at 2% (MCIT)	144,301
Final taxes at 20% and 15%	511
	144,812

A reconciliation of tax on pretax loss computed at the applicable statutory rate to tax expense reported in profit or loss follows:

(Amounts in PHP)

Tax on pretax loss at 20%	(1,771,640)
Tax effects of reversal of previously unrecognized Net Operating Loss Carryover (NOLCO)	1,590,653
Unrecognized MCIT	144,301
Non-deductible expenses	120,476
Unrecognized deferred tax assets	61,022
	144,812

The Company is subject to the MCIT which is computed at 2% of gross income net of allowable deductions, respectively, as defined under the tax regulations, or to regular corporate income tax (RCIT), whichever is higher.

The Company incurred NOLCO in both reporting periods. Based on the financial and operating forecasts of the Company, management believes that it may not be able to generate taxable income in the near future, enough to utilize in full the benefits of NOLCO incurred in the current and prior years within the prescribed period.

Accordingly, the Company has not recognized the corresponding deferred tax assets on NOLCO as of March 31, 2026 and 2025.

The NOLCO incurred by the Company for the fiscal years 2022 and 2021 can be claimed as a deduction from future gross taxable income within five consecutive years or until 2025 and 2026, respectively, pursuant to Section 4 of Republic Act. No. 11494, *Bayanihan to Recover as One Act (Bayanihan II).*

The details of NOLCO, which can be applied as deduction from future taxable income within three to five years from the year the NOLCO was incurred, are shown below.

(Amounts in PHP)

Year Incurred	Amount	Applied	Expired in 2026	Remaining Balance	Year of Expiry
2026	3,410,431	-	-	3,410,431	2029
2025	1,590,652	-	-	1,590,652	2028
2021	6,238,017	-	(6,238,017)	-	
	11,239,100	**-**	**(6,238,017)**	**5,001,083**	

As of March 31, 2026, the balance of unrecognized deferred tax assets amounting to P1,250,271 arising from temporary differences, which relate to NOLCO. The components of the unrecognized deferred tax assets as of March 31, 2025 is as follows:

(Amounts in PHP)	Tax Base	Tax Effect
NOLCO	9,117,516	1,590,653
MCIT	669,697	144,301
Allowance for bad debts	261,062	52,212
Net unrealized foreign exchange loss (gain)	45,942	9,188
Leases	(1,892)	(378)
	10,092,325	**1,795,976**

The Company reported MCIT for the year ended March 31, 2025 amounting to P144,812. No income tax expense was recognized for the year ended March 31, 2026 as the Company was in a gross loss position.

The details of the unrecognized MCIT that can be utilized against future RCIT are shown below.

(Amounts in PHP)

Taxable Years	Original Amount	Expired During the Current Year	Balance	Valid Until
2025	144,301	-	144,301	2028
2024	369,357	-	369,357	2027
2023	223,002	(223,002)	-	
	736,660	**(223,002)**	**513,658**	

In 2026 and 2025, the Company opted to claim itemized deductions in computing for its income tax due.

10. RELATED PARTY TRANSACTIONS

The Company's related parties include the parent company and its key management personnel.

On October 3, 2024, the Company received the payment of its subscription receivable with the Parent Company amounted to P4,000,000 for 40,000 shares and was recognized as an additional subscription to the Capital Stock (see Note 11).

As of March 31, 2026, the amount due to the Parent Company presented in the statement of financial position had no outstanding balance for both the 2026 and 2025 reporting periods.

11. EQUITY

11.1 Capital Stock

	Shares		Amounts in PHP	
	2026	2025	2026	2025
Authorized – P100 par value	**1,500,000**	1,500,000	**150,000,000**	150,000,000
Issued and subscribed:				
Balance at beginning of year	**1,128,111**	1,088,111	**112,811,100**	108,811,100
Subscribed during the year	**-**	40,000	**-**	4,000,000
Balance at end of year	**1,128,111**	1,128,111	**112,811,100**	112,811,100

The Company is authorized to issue P150,000,000 capital stock divided into 1,500,000 shares at P100 par value per share, of which 1,128,111 shares amounting to P112,811,100 have been subscribed, issued and outstanding as at March 31, 2026.

The Company has only one stockholder owning 100 or more shares of the Company's capital stock as of March 31, 2026 and 2025.

12. COMMITMENTS AND CONTINGENCIES

There are commitments and contingent liabilities that may arise in the normal course of the Company's operations that are not reflected in the financial statements. As of March 31, 2026 and 2025, the management is of the opinion that losses, if any, from these items will not have a material effect on the Company's financial statements. Losses, if any, will be recognized when these are actually incurred, determined and quantified.

13. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks in relation to its financial instruments. The Company's risk management is coordinated with the parent company, in close coordination with the BOD.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The relevant financial risks to which the Company is exposed to are described below and in the succeeding page.

13.1 Foreign Currency Risk

Most of the Company's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange rates arise from the Company's overseas inventory purchases, which is primarily denominated in United States (U.S.) dollars. The Company also holds U.S. dollar-denominated cash in bank. To mitigate the Company's exposure to foreign currency risk, non-Philippine peso cash flows are monitored.

The foreign currency-denominated financial assets, translated in Philippine pesos at the closing rate amounted to nil and P75,989 as of March 31, 2026 and 2025, respectively.

13.2 Credit Risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments arising from granting advances to officer and placing deposits.

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the statements of financial position, as summarized below.

(Amounts in PHP)	Notes	**2026**	2025
Cash	3	**89,942**	3,249,202
Trade and other receivables - net	4	**8,350,161**	8,600,161
		8,440,103	11,849,363

None of the financial assets of the Company are considered past due as at the end of the reporting periods. Further, the Company has no financial assets which are secured by collateral or other credit enhancements, except with respect to its cash in bank.

(a) *Cash*

The credit risk for cash is considered negligible since the counterparty is a reputable bank with high quality external credit rating. Included in cash are cash in banks that are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P1,000,000 for every depositor per banking institution.

(b) *Trade and Other Receivables*

The Company assessed whether the remaining trade and other receivables are recoverable as of March 31, 2026 and 2025. As of March 31, 2026 and 2025, loss amounting to P1,624,615, is recognized (see Note 4).

Management considered a number of factors in its assessment such as the financial status of the counterparties and the historical collection pattern related to such outstanding receivables.

14. CATEGORIES, OFFSETTING AND FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

14.1 Carrying Amounts and Fair Value by Category

The carrying amounts and fair values of the categories of financial assets presented in the statements of financial position are shown below.

		March 31, 2026		March 31, 2025	
(Amounts in PHP)	Notes	**Carrying Amounts**	**Fair Values**	Carrying Amounts	Fair Values
Financial Assets					
At amortized cost:					
Cash	3	**89,942**	**89,942**	3,249,202	3,249,202
Trade receivables – net	4	**8,350,161**	**8,350,161**	8,600,161	8,600,161
		8,440,103	**8,440,103**	11,849,363	11,849,363

A description of the Company's risk management objectives and policies for financial instruments is provided in Note 13.

14.2 Offsetting of Financial Assets and Financial Liabilities

The Company has not set off financial instruments in March 31, 2026 and 2025 and does not have existing offsetting and settlement arrangements for its financial instruments. Currently, financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument will have an option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders.

14.3 Fair Value Measurement and Disclosure

Except for cash, which is classified under Level 1 of the fair value hierarchy under PFRS 13, *Fair Value Measurement*, all other financial instruments are classified under Level 3 wherein inputs are not based on observable data. Management considers that due to the short duration of financial assets and financial liabilities measured at amortized cost, or that the impact of discounting for those long-term financial instruments is not significant, as disclosed in Note 14.1, their carrying amounts as of March 31, 2026 and 2025 approximate their fair value.

The Company has no financial assets and financial liabilities measured at fair value as of March 31, 2026 and 2025.