

**GLENMARK SOUTH AFRICA PROPRIETARY LIMITED**  
**(Registration number 2003/008445/07)**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

These annual financial statements were prepared by:  
AF Naberman CA(SA)

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act  
71 of 2008.

Issued 13 May 2019

**Glenmark South Africa Proprietary Limited**  
**(Registration number 2003/008445/07)**  
**Annual Financial Statements for the year ended 31 March 2019**  
**Directors' Responsibilities and Approval**

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The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

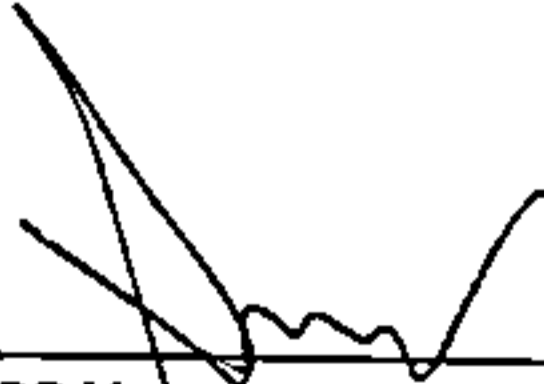
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

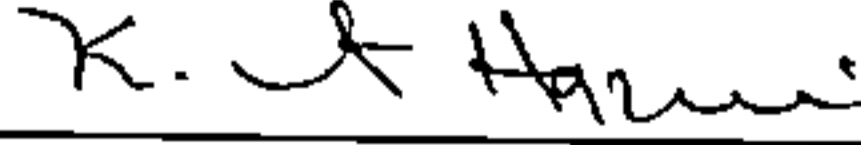
The directors have reviewed the company's cash flow forecast for the year to 31 March 2020 and, in light of this review and the current financial position, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 5.

The annual financial statements set out on pages 6 to 18, which have been prepared on the going concern basis, were approved by the directors on 13 May 2019 and were signed on their behalf by:

**Approval of financial statements**

  
\_\_\_\_\_  
SS Vasudevan

  
\_\_\_\_\_  
KA Hazari

## Independent Auditor's Report

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To the shareholder of Glenmark South Africa Proprietary Limited

### Opinion

We have audited the annual financial statements of Glenmark South Africa Proprietary Limited set out on pages 8 to 18, which comprise the statement of financial position as at 31 March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Glenmark South Africa Proprietary Limited as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on pages 19 - 20 does not form part of the financial statements and are presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

## **Independent Auditor's Report**

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### **Responsibilities of the directors for the Annual Financial Statements**

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the Annual 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International 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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism 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 the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.



**Mazars**  
**Partner: Gerhard De Beer**  
**Registered Auditor**  
**13 May 2019**  
**Pretoria**

**Glenmark South Africa Proprietary Limited**  
**(Registration number 2003/008445/07)**  
**Annual Financial Statements for the year ended 31 March 2019**  
**Directors' Report**

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The directors have pleasure in submitting their report on the annual financial statements of Glenmark South Africa Proprietary Limited for the year ended 31 March 2019.

**1. Incorporation**

The company was incorporated on 9 April 2003 and obtained its certificate to commence business on the same day.

**2. Nature of business**

Glenmark South Africa Proprietary Limited was incorporated in South Africa and is engaged as an investment holding company. The company operates in South Africa..

The company's sole investment is in Glenmark Pharmaceuticals South Africa Proprietary Limited which was incorporated in 2001 (previously known as Bouver Bartlett Proprietary Limited) and was purchased by the company in December 2005. The company purchased an interest in Glenmark Pharmaceuticals South Africa Proprietary Limited to act as a local and African representative of the global Glenmark Group. As such, the amounts currently invested by the company have been used by the subsidiary in developing their local market.

There have been no material changes to the nature of the company's business from the prior year.

**3. Review of financial results and activities**

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

**4. Share capital**

There have been no changes to the authorised or issued share capital during the year under review.

**5. Dividends**

No dividends were declared or paid to the shareholder during the year under review.

**6. Directorate**

The directors in office at the date of this report are as follows:

<b>Directors</b>	<b>Changes</b>
SS Vasudevan	Appointed 04 March 2019
KA Hazari	Appointed 30 November 2018
TM Desai	Resigned 21 December 2018
MN Vanjari	Resigned 30 November 2018

**7. Holding company**

The company's holding company is Glenmark Pharmaceuticals Limited which holds 100% (2018: 100%) of the company's equity. Glenmark Pharmaceuticals Limited is incorporated in India.

**8. Special resolutions**

No special resolutions, the nature of which might be significant to the shareholder in their appreciation of the state of affairs of the company were made by the company during the period covered by this report.

**Glenmark South Africa Proprietary Limited**  
**(Registration number 2003/008445/07)**  
**Annual Financial Statements for the year ended 31 March 2019**  
**Directors' Report**

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**9. Events after the reporting period**

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

**10. Going concern**

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

**11. Auditors**

Mazars continued in office as auditors for the company for 2019.

**Glenmark South Africa Proprietary Limited**  
**(Registration number 2003/008445/07)**  
**Annual Financial Statements for the year ended 31 March 2019**  
**Statement of Financial Position as at 31 March 2019**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2019</b>	<b>2018</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	141,859	184,263
<b>Non-Current Assets</b>			
Investments in subsidiaries	3	105,279,300	105,279,300
<b>Total Assets</b>		<b>105,421,159</b>	<b>105,463,563</b>
<b>Equity and Liabilities</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	-	5,908
<b>Equity</b>			
Share capital	5	106,424,917	106,424,917
Accumulated loss		(1,003,758)	(967,262)
		<b>105,421,159</b>	<b>105,457,655</b>
<b>Total Equity and Liabilities</b>		<b>105,421,159</b>	<b>105,463,563</b>

**Glenmark South Africa Proprietary Limited**  
**(Registration number 2003/008445/07)**  
**Annual Financial Statements for the year ended 31 March 2019**  
**Statement of Profit or Loss and Other Comprehensive Income**

<b>Figures In Rand</b>	<b>Notes</b>	<b>2019</b>	<b>2018</b>
Other operating expenses		(38,721)	(37,221)
<b>Operating loss</b>	<b>7</b>	<b>(38,721)</b>	<b>(37,221)</b>
Investment income	8	2,225	2,310
<b>Loss before taxation</b>		<b>(36,496)</b>	<b>(34,911)</b>
Taxation	9	-	-
<b>Loss for the year</b>		<b>(36,496)</b>	<b>(34,911)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(36,496)</b>	<b>(34,911)</b>



**Glenmark South Africa Proprietary Limited**  
**(Registration number 2003/008445/07)**  
**Annual Financial Statements for the year ended 31 March 2019**  
**Statement of Changes in Equity**

<b>Figures in Rand</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Total share capital</b>	<b>Accumulated loss</b>	<b>Total equity</b>
<b>Balance at 01 April 2017</b>	<b>113,656</b>	<b>106,311,261</b>	<b>106,424,917</b>	<b>(932,351)</b>	<b>105,492,566</b>
Loss for the year	-	-	-	(34,911)	(34,911)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive Loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(34,911)</b>	<b>(34,911)</b>
<b>Balance at 01 April 2018</b>	<b>113,656</b>	<b>106,311,261</b>	<b>106,424,917</b>	<b>(967,262)</b>	<b>105,457,655</b>
Loss for the year	-	-	-	(36,496)	(36,496)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive Loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(36,496)</b>	<b>(36,496)</b>
<b>Balance at 31 March 2019</b>	<b>113,656</b>	<b>106,311,261</b>	<b>106,424,917</b>	<b>(1,003,758)</b>	<b>105,421,159</b>
Note	5	5	5		

**Glenmark South Africa Proprietary Limited**  
**(Registration number 2003/008445/07)**  
**Annual Financial Statements for the year ended 31 March 2019**  
**Statement of Cash Flows**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2019</b>	<b>2018</b>
<b>Cash flows from operating activities</b>			
Cash used in operations	10	(44,629)	(31,313)
Interest income		2,225	2,310
<b>Net cash from operating activities</b>		<b>(42,404)</b>	<b>(29,003)</b>
<b>Cash flows from financing activities</b>			
<b>Total cash movement for the year</b>		<b>(42,404)</b>	<b>(29,003)</b>
Cash at the beginning of the year		184,263	213,266
<b>Total cash at end of the year</b>	4	<b>141,859</b>	<b>184,263</b>

**Glenmark South Africa Proprietary Limited**  
**(Registration number 2003/008445/07)**  
**Annual Financial Statements for the year ended 31 March 2019**  
**Accounting Policies**

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**1. Significant accounting policies**

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

**1.1 Basis of preparation**

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act 71 of 2008 of South Africa, as amended.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

**1.2 Investments in subsidiaries**

Investments in subsidiaries are carried at cost less any accumulated impairment losses.

**1.3 Financial instruments**

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost.

Financial liabilities:

- Amortised cost

Note 13 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

**Glenmark South Africa Proprietary Limited**  
**(Registration number 2003/008445/07)**  
**Annual Financial Statements for the year ended 31 March 2019**  
**Accounting Policies**

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**1.3 Financial instruments (continued)**

**Trade and other payables**

**Classification**

Trade and other payables (note 6), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

**Recognition and measurement**

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 13 for details of risk exposure and management thereof.

**Cash and cash equivalents**

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

**Derecognition**

**Financial assets**

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**Financial liabilities**

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**1.4 Share capital and equity**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

**Glenmark South Africa Proprietary Limited**  
**(Registration number 2003/008445/07)**  
**Annual Financial Statements for the year ended 31 March 2019**  
**Notes to the Annual Financial Statements**

Figures in Rand	2019	2018
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**2. New Standards and Interpretations**

**2.1 Standards and interpretations effective and adopted in the current year**

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none"> <li>• IFRS 9 Financial Instruments</li> </ul>	01 January 2018	The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements

**2.2 Standards and interpretations not yet effective**

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2019 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none"> <li>• IFRS 16 Leases</li> </ul>	01 January 2019	Impact is currently being assessed

**Glenmark South Africa Proprietary Limited**  
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**Annual Financial Statements for the year ended 31 March 2019**  
**Notes to the Annual Financial Statements**

**3. Interests in subsidiaries**

Name of company	Principle place of business	% holding 2019	% holding 2018	Carrying amount 2019	Carrying amount 2018
Glenmark Pharmaceuticals South Africa Proprietary Limited	South Africa	100.00 %	100.00 %	105,279,300	105,279,300

Included in the investment is a loan to subsidiary of R94,500,000. The loan is unsecured, bears no interest and is repayable at the discretion of the subsidiary.

The carrying value of this investment has not been impaired as the company is in the developing phase and the directors believe it will generate considerable economic benefits in the future.

**Analysis of investment in subsidiary**

Net asset value	589,612	589,612
Goodwill at purchase	5,389,288	5,389,288
Loan to Glenmark Pharmaceuticals South Africa Proprietary Limited	94,500,000	94,500,000
Additional share capital introduced	4,800,400	4,800,400
	<b>105,279,300</b>	<b>105,279,300</b>

**Application of consolidation exemption**

The annual financial statements presented are not consolidated annual financial statements as the entity qualifies for the consolidation exemption in IAS 27 Separate and Consolidated Financial Statements.

The exemption is allowed provided that all of the following criteria are complied with:

- The entity is wholly owned or partially owned, where none of the other shareholder's object to the fact that consolidated annual financial statements are not prepared,
- The entity's debt or equity instruments are not traded in a public market,
- The entity did not file, and is not in the process of filing its annual financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instrument in a public market, and
- The entity's ultimate or intermediary parent produces consolidated annual financial statements available for public use which comply with International Financial Reporting Standards.

The holding company, Glenmark Pharmaceuticals Limited produces consolidated annual financial statements in accordance with IFRS which can be obtained from Mahataxm Chambers 22, Bhulabha Desa Road, Mumbai - 400 026. Glenmark Pharmaceuticals Limited is incorporated in India.

**4. Cash and cash equivalents**

Cash and cash equivalents consist of:

Bank balances	141,859	184,263
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**Glenmark South Africa Proprietary Limited**  
**(Registration number 2003/008445/07)**  
**Annual Financial Statements for the year ended 31 March 2019**  
**Notes to the Annual Financial Statements**

Figures in Rand	2019	2018
<b>5. Share capital</b>		
<b>Authorised</b>		
200,000 Ordinary shares of R1 each	200,000	200,000
<b>Issued</b>		
113,656 Ordinary shares of R1 each	113,656	113,656
Share premium	106,311,261	106,311,261
	<b>106,424,917</b>	<b>106,424,917</b>
<b>6. Trade and other payables</b>		
<b>Financial Instruments:</b>		
Trade payables	-	5,908
<b>7. Operating profit (loss)</b>		
Operating loss for the year is stated after charging (crediting) the following, amongst others:		
<b>Auditor's remuneration - external</b>		
Statutory and quality related audit fees	36,590	35,532
<b>8. Investment income</b>		
<b>Interest income</b>		
Bank	2,225	2,310
<b>9. Taxation</b>		
No provision has been made for 2019 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R (276,613) (2018: R (240,117)).		
<b>10. Cash used in operations</b>		
Loss before taxation	(36,496)	(34,911)
<b>Adjustments for:</b>		
Interest income	(2,225)	(2,310)
<b>Changes in working capital:</b>		
Trade and other payables	(5,908)	5,908
	<b>(44,629)</b>	<b>(31,313)</b>
<b>11. Related parties</b>		
<b>Relationships</b>		
Holding company	Glenmark Pharmaceuticals Limited	
Subsidiary	Glenmark Pharmaceuticals South Africa Proprietary Limited	
<b>Related party balances</b>		
<b>Loan accounts - Owing (to) by related parties</b>		
Glenmark South Africa Proprietary Limited	94,500,000	94,500,000

**Glenmark South Africa Proprietary Limited**  
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**Annual Financial Statements for the year ended 31 March 2019**  
**Notes to the Annual Financial Statements**

Figures in Rand

2019

2018

**12. Directors' and prescribed officer's emoluments**

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

**13. Financial Instruments and risk management**

**Categories of financial instruments**

**Categories of financial assets**

2019

	Notes	Amortised cost	Total
Cash and cash equivalents	4	141,859	141,859

2018

	Notes	Amortised cost	Total
Cash and cash equivalents	4	184,263	184,263

**Categories of financial liabilities**

2018

	Notes	Amortised cost	Total
Trade and other payables	6	5,907	5,907



**Glenmark South Africa Proprietary Limited**  
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**Annual Financial Statements for the year ended 31 March 2019**  
**Notes to the Annual Financial Statements**

<b>Figures in Rand</b>	<b>2019</b>	<b>2018</b>
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**13. Financial instruments and risk management (continued)**

**Financial risk management**

**Overview**

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;

The directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

**Credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on cash and cash equivalents.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Credit risk is assessed as low. When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc.

The maximum exposure to credit risk is presented in the table below:

		2019			2018		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Cash and cash equivalents	4	141,859	-	141,859	184,263	-	184,263

Amounts are presented at amortised cost or fair value depending on the accounting treatment of the item presented.

Refer to the notes specific to the exposures in the table above, for additional information concerning credit risk.

**Glenmark South Africa Proprietary Limited**  
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**Annual Financial Statements for the year ended 31 March 2019**  
**Detailed Income Statement**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2019</b>	<b>2018</b>
<b>Other operating expenses</b>			
Audit fees	7	(36,590)	(35,532)
Bank charges		(2,131)	(1,689)
		<b>(38,721)</b>	<b>(37,221)</b>
<b>Operating loss</b>	7	<b>(38,721)</b>	<b>(37,221)</b>
Investment income	8	2,225	2,310
<b>Loss before taxation</b>		<b>(36,496)</b>	<b>(34,911)</b>
Taxation	9	-	-
<b>Loss for the year</b>		<b>(36,496)</b>	<b>(34,911)</b>

# Glenmark South Africa Proprietary Limited

(Taxpayer reference number 9365/354/15/9)

(Registration number 2003/008445/07)

Annual Financial Statements for the year ended 31 March 2019

## Tax Computation

Figures in Rand	2019	2018
Net loss per income statement	(36,496)	(34,911)
Calculated tax loss for the year	(36,496)	(34,911)
Assessed loss brought forward	(240,117)	(205,206)
Assessed loss for 2019 - carried forward	(276,613)	(240,117)
Tax thereon @ 28% In the Rand	-	-