

Glenmark South Africa Proprietary Limited
(Registration number 2003/008445/07)
Annual Financial statements
for the year ended 31 March 2024

Glenmark South Africa Proprietary Limited

(Registration number 2003/008445/07)

Annual Financial Statements for the year ended 31 March 2024

Directors' Responsibilities and Approval

The directors are required in terms of the Company's Act of South Africa 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 ("IFRS"), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act of South Africa. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act of South Africa, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act of South Africa 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 board of directors sets 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.

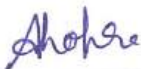
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 2025 and, in light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is 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 auditor and his report is presented on pages 4 - 6.

The annual financial statements set out on pages 7 - 20, which have been prepared on the going concern basis, were approved by the board of directors on 30 May 2024 and were signed on their behalf by:

Approval of financial statements



Director



Glenmark South Africa Proprietary Limited

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Directors' Report

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 2024.

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.

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

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:

Directors	Nationality	Changes
Dr A Chopra	Indian	
KA Hazari	Indian	Resigned 29 February 2024
SS Kazi	Indian	Appointed 1 March 2024

7. Holding company

The company's holding company is Glenmark Pharmaceuticals Limited which holds 100% (2023: 100%) of the company's equity. Glenmark Pharmaceuticals Limited is incorporated in India.

8. Events after the reporting period

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

9. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. 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.

10. Auditor

Mazars continued in office as auditor for the company for 2024.



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Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Position as at 31 March 2024

Figures in Rand	Notes	2024	2023
Assets			
Current Assets			
Cash and cash equivalents	3	22.401	33.227
Non-Current Assets			
Investments in subsidiaries	4	10.779.300	10.779.300
Investments in subsidiaries - Capital loan	4	94.500.000	94.500.000
		105.279.300	105.279.300
Total Assets		105.301.701	105.312.527
Equity and Liabilities			
Liabilities			
Current Liabilities			
Trade and other payables	5	-	3.895
Equity			
Share capital	6	106.424.917	106.424.917
Accumulated loss		(1.123.216)	(1.116.285)
		105.301.701	105.308.632
Total Equity and Liabilities		105.301.701	105.312.527



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Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	2024	2023
Other operating expenses	7	(8.116)	(14.037)
Operating loss		(8.116)	(14.037)
Investment income	8	1.185	1.108
Total comprehensive loss for the year		(6.931)	(12.929)



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Statement of Changes in Equity

Figures in Rand	Share capital	Share premium	Total share capital	Accumulated loss	Total equity
Balance at 1 April 2022	113.656	106.311.261	106.424.917	(1.103.356)	105.321.561
Total comprehensive Loss for the year	-	-	-	(12.929)	(12.929)
Balance at 1 April 2023	113.656	106.311.261	106.424.917	(1.116.285)	105.308.632
Total comprehensive Loss for the year	-	-	-	(6.931)	(6.931)
Balance at 31 March 2024	113.656	106.311.261	106.424.917	(1.123.216)	105.301.701
Note	6	6	6		



Glenmark South Africa Proprietary Limited

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Annual Financial Statements for the year ended 31 March 2024

Statement of Cash Flows

Figures in Rand	Notes	2024	2023
Cash flows from operating activities			
Cash generated from operations	10	(12.011)	(10.142)
Interest income		1.185	1.108
Finance costs		-	-
Net cash from operating activities		(10.826)	(9.034)
Total cash and cash equivalents movement for the year		(10.826)	(9.034)
Cash and cash equivalents at the beginning of the year		33.227	42.261
Total cash and cash equivalents at end of the year	3	22.401	33.227



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Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

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 the Financial Reporting Guides as issued by the Financial Reporting Standards Committee and the Company's Act and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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.

Capital loans to subsidiaries are classified as part of the investment as the loan is repayable at the discretion of the subsidiary.

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.

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

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

Cash and cash equivalents

Cash refers to cash on hand and demand deposits with banks and other financial institutions.

Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash which are subject to insignificant changes in value.

Cash and cash equivalents are subsequently measured at amortised cost.

Cash and cash equivalents expose the company to credit risk. Refer to note 29 for details of risk exposure and management thereof.

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.



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Accounting Policies

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 recognised at par value and classified as 'share capital' in equity. Any amounts received in the issue of shares in excess of par value is classified as 'share premium' in equity.

1.5 Related parties

A related party is related to an entity if any of the following situations apply to it:

- Individual control: The party is controlled or significantly influenced by a member of key management personnel a person who controls the entity
- Key management: The party is a member of an entity or it's parents key management personnel

Two handwritten signatures in blue ink are located at the bottom right of the page. The first signature is stylized and appears to be 'S. V. M.' with a horizontal line underneath. The second signature is written in a cursive script and appears to be 'A. L. O. P. A.'.

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Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

There were no new standards nor amendments to standards and interpretations applicable for the first time during the year under review which had a material impact on the financial statements.

2.2 Standards and interpretations not yet effective or relevant

There are no new standards and interpretations not yet effective applicable to the company that are expected to have a material impact on the company:

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	22.401	33.227
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All the company's bank accounts are dominated in South African Rand.

4. Investments in subsidiaries

Name of company	% holding 202	% holding 2023	Carrying amount 2024	Carrying amount 2023
Glenmark Pharmaceuticals South Africa Proprietary Limited	100,00 %	100,00 %	10.779.300	10.779.300
Glenmark Pharmaceuticals South Africa Proprietary Limited - Capital loan	100,00 %	100,00 %	94.500.000	94.500.000
			105.279.300	105.279.300

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

Application of consolidation exemption

The annual financial statements presented are not consolidated annual financial statements as the entity qualifies for the consolidation exemption in IFRS 10 Consolidated Financial Statements.

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

- The entity is wholly owned,
- 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 ultimate holding company, Glenmark Pharmaceuticals Limited, produces consolidated annual financial statements in accordance with IFRS which is available to the public. Glenmark Pharmaceuticals Limited is incorporated in India.

5. Trade and other payables

Financial instruments:

Trade payables	-	3.895
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Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
6. Share capital		
Authorised		
200,000 Ordinary shares of R1 each	200.000	200.000
Issued		
113,656 Ordinary shares of R1 each	113.656	113.656
Share premium	106.311.261	106.311.261
	106.424.917	106.424.917
7. Other operating expenses		
Auditor's remuneration - external		
Audit fees	6.728	12.759
8. Investment income		
Interest income		
Bank and other cash	1.185	1.108
9. Taxation		
No provision has been made for 2024 tax as the company has no taxable income.		
10. Cash used in operations		
Loss before taxation	(6.931)	(12.929)
Adjustments for:		
Interest income	(1.185)	(1.108)
Changes in working capital:		
Trade and other payables	(3.895)	3.895
	(12.011)	(10.142)
11. Related parties		
Relationships		
Holding company	Glenmark Pharmaceuticals Limited	
Subsidiary	Glenmark Pharmaceuticals South Africa Proprietary Limited	
Related party balances		
Loan accounts - Owing by related parties		
Glenmark Pharmaceuticals South Africa Proprietary Limited	94.500.000	94.500.000
Related party transactions		
12. Directors' and prescribed officer' emoluments		
No emoluments were paid to the directors or any individual holding a prescribed office during the year.		

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Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

13. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2024

	Notes	Amortised cost	Total
Cash and cash equivalents	3	22.401	22.401

2023

	Notes	Amortised cost	Total
Cash and cash equivalents	3	33.227	33.227

Categories of financial liabilities

2023

	Notes	Amortised cost	Total
Trade and other payables	5	3.895	3.895

Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

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.



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Notes to the Annual Financial Statements

Figures in Rand

2024

2023

13. Financial instruments and risk management (continued)

Financial risk management (continued)

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 company through dealing with well-established financial institutions with high credit ratings.

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

	Notes	2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Cash and cash equivalents	3	22.401	-	22.401	33.227	-	33.227



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Detailed Income Statement

Figures in Rand

	Notes	2024	2023
Other operating expenses			
Audit fees	7	(6.728)	(12.759)
Bank charges		(1.388)	(1.278)
		(8.116)	(14.037)
Operating loss	7	(8.116)	(14.037)
Investment income	8	1.185	1.108
Loss for the year		(6.931)	(12.929)