Ranbaxy South Africa Proprietary Limited
(Registration number 1993/001413/07)
Consolidated Financial statements
for the year ended 31 March 2024

General Information

Country of incorporation and domicile	South Africa
Directors	DW Brothers A Ajoodha
Registered office	Ground Floor, Tugela Park, Riverside Office Park 1303 Heuwel Avenue Centurion Gauteng 0046
Business address	Ground Floor, Tugela Park, Riverside Office Park 1303 Heuwel Avenue Centurion Gauteng 0046
Postal address	PO Box 14058 Centurion Gauteng 0046
Holding company	Sun Pharma (Netherlands) BV incorporated in Netherlands
Ultimate holding company	Sun Pharmaceuticals Industries Limited incorporated in India
Auditors	Ernst & Young Inc. Chartered Accountants (SA) Member firm
Secretary	Grant Thornton
Company registration number	1993/001413/07
Level of assurance	These consolidated financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The consolidated financial statements were internally compiled by: Melissa McGill CA(SA)
Issued	21 May 2024

Contents

The reports and statements set out below comprise the consolidated financial statements presented to the shareholder:

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the group 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 consolidated financial statements.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards 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 group 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 group and all employees are required to maintain the highest ethical standards in ensuring the group’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group 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 consolidated 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 group’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 group has or had 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 group's consolidated financial statements. The consolidated financial statements have been examined by the group's external auditors and their report is presented on pages 6 to 8.

The consolidated financial statements set out on pages 9 to 37, which have been prepared on the going concern basis, were approved by the board of directors on 21 May 2024 and were signed on their behalf by:

A Ajoodha DW Brothers

Directors' Report

The directors have pleasure in submitting their report on the consolidated financial statements of Ranbaxy South Africa Proprietary Limited and the group for the year ended 31 March 2024.

1. Nature of business

Ranbaxy South Africa Proprietary Limited and its subsidiary has interest in the import, marketing, manufacturing and trade of pharmaceutical goods and services.

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

2. Review of financial results and activities

The consolidated consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. 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 group are set out in these consolidated consolidated financial statements.

3. Share capital

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

4. Dividends

No dividends were declared or paid in the current year (2023: Rnil).

5. Directorate

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

Directors	Changes
DW Brothers	
A Ajoodha	

6. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the group had an interest and which significantly affected the business of the group.

7. Holding company

The group's holding company is Sun Pharma (Netherlands) BV which holds 100% (2023: 100%) of the group's equity. Sun Pharma (Netherlands) BV is incorporated in Netherlands.

8. Ultimate holding company

The group's ultimate holding company is Sun Pharmaceuticals Industries Limited which is incorporated in India.

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 consolidated 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

Directors' Report

10. Going concern (continued)

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group 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 group. 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 group.

11. Auditors

Ernst & Young Inc. continued in office as auditors for the company and its subsidiaries for 2024.

12. Secretary

The company secretary is Grant Thornton.

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Independent Auditor's Report

To the Shareholders of Ranbaxy South Africa Proprietary Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Ranbaxy South Africa Proprietary Limited and its subsidiary('the group') and company set out on pages 9 to37, which comprise the consolidated and separate statements of financial position as at 31 March 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 31 March 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the group and 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 of the group and company and 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 of the group and company and in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). 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 information included in the 37-page document titled "Ranbaxy South Africa Proprietary Limited Annual Financial Statements for the year ended 31 March 2024", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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Our opinion on the consolidated and separate 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 consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and 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 group and company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 ISAs 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 consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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.

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- 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 group and 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 group and 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 consolidated and separate 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 group and/or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Ernst & Young Inc.
Kavinesh Manicum
Director
Registered Auditor
Chartered Accountant (SA)

Statement of Financial Position as at 31 March 2024

		Group		Company	
	Notes	2024 R	2023 R	2024 R	2023 R
Assets					
Non-Current Assets					
Property, plant and equipment	4	1 063 054	1 414 509	1 062 956	1 414 411
Right-of-use assets	5	7 375 342	4 905 555	7 375 342	4 905 555
Intangible assets	6	721 034	5 082 144	721 034	5 082 144
Investments in subsidiaries	7	-	-	905 342	905 342
Deferred tax	9	16 958 856	7 986 758	13 841 364	3 455 898
		26 118 286	19 388 966	23 906 038	15 763 350
Current Assets					
Inventories	10	94 539 013	140 689 803	27 609 024	38 940 410
Trade and other receivables	8	270 078 205	198 769 875	106 750 159	81 353 880
Current tax receivable		214 871	2 025 257	214 871	119 984
Cash and cash equivalents	11	159 209 619	202 661 732	114 747 115	26 563 228
		524 041 708	544 146 667	249 321 169	146 977 502
Total Assets		550 159 994	563 535 633	273 227 207	162 740 852
Equity and Liabilities					
Equity					
Equity Attributable to Equity Holders of Parent					
Share capital	12	17 511 923	17 511 923	17 511 923	17 511 923
Reserves		(211 831)	(211 831)	-	-
Retained income		271 036 963	236 235 274	107 616 802	87 801 173
		288 337 055	253 535 366	125 128 725	105 313 096
Non-controlling interest		32 407 146	31 988 998	-	-
		320 744 201	285 524 364	125 128 725	105 313 096
Liabilities					
Non-Current Liabilities					
Lease liabilities	5	5 432 796	2 747 125	5 432 796	2 747 125
Current Liabilities					
Trade and other payables	13	219 627 027	272 685 761	140 682 419	52 102 248
Lease liabilities	5	1 983 267	2 578 383	1 983 267	2 578 383
Current tax payable		2 372 703	-	-	-
		223 982 997	275 264 144	142 665 686	54 680 631
Total Liabilities		229 415 793	278 011 269	148 098 482	57 427 756
Total Equity and Liabilities		550 159 994	563 535 633	273 227 207	162 740 852

Statement of Profit or Loss and Other Comprehensive Income

		Group		Company	
	Notes	2024 R	2023 R	2024 R	2023 R
Revenue	14	666 971 539	617 173 061	135 351 292	125 370 818
Cost of sales	15	(542 820 534)	(504 898 230)	(66 354 348)	(50 967 917)
Gross profit		124 151 005	112 274 831	68 996 944	74 402 901
Other operating income	16	610	910	610	910
Other operating gains (losses)	17	417 839	(19 025)	417 839	(19 001)
Other operating expenses		(99 481 911)	(95 521 494)	(68 653 172)	(73 781 218)
Operating profit	18	25 087 543	16 735 222	762 221	603 592
Investment income	19	11 722 923	8 268 920	9 680 848	1 203 842
Finance costs	20	(426 702)	(929 131)	(426 702)	(928 615)
Profit before taxation		36 383 764	24 075 011	10 016 367	878 819
Taxation	21	436 882	(5 776 259)	9 799 261	(366 845)
Total comprehensive income for the year		36 820 646	18 298 752	19 815 628	511 974
Profit attributable to:					
Owners of the parent		34 801 688	12 888 665	19 815 628	511 974
Non-controlling interest		2 018 958	5 410 087	-	-
		36 820 646	18 298 752	19 815 628	511 974
Total comprehensive income attributable to:					
Owners of the parent		34 801 688	12 888 665	19 815 628	511 974
Non-controlling interest		2 018 958	5 410 087	-	-
		36 820 646	18 298 752	19 815 628	511 974

Statement of Changes in Equity

	Share capital	Share premium	Total share capital	Common control reserves	Retained income	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
	R	R	R	R	R	R	R	R
Group								
Balance at 01 April 2022	361 917	17 150 006	17 511 923	(211 831)	224 875 541	242 175 633	26 578 911	268 754 544
Total comprehensive income for the year	-	-	-	-	12 888 665	12 888 665	5 410 087	18 298 752
Transfer between reserves	-	-	-	-	(1 528 932)	(1 528 932)	-	(1 528 932)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	(1 528 932)	(1 528 932)	-	(1 528 932)
Balance at 01 April 2023	361 917	17 150 006	17 511 923	(211 831)	236 235 275	253 535 367	31 988 998	285 524 365
Total comprehensive income for the year	-	-	-	-	34 801 688	34 801 688	2 018 958	36 820 646
Dividends	-	-	-	-	-	-	(1 600 810)	(1 600 810)
Balance at 31 March 2024	361 917	17 150 006	17 511 923	(211 831)	271 036 963	288 337 055	32 407 146	320 744 201
Note(s)	12	12	12					

Statement of Changes in Equity

	Share capital	Share premium	Total share capital	Common control reserves	Retained income	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
	R	R	R	R	R	R	R	R
Company								
Balance at 01 April 2022	361 917	17 150 006	17 511 923	-	87 289 199	104 801 122	-	104 801 122
Total comprehensive income for the year	-	-	-	-	511 974	511 974	-	511 974
Balance at 01 April 2023	361 917	17 150 006	17 511 923	-	87 801 174	105 313 097	-	105 313 097
Total comprehensive income for the year	-	-	-	-	19 815 628	19 815 628	-	19 815 628
Balance at 31 March 2024	361 917	17 150 006	17 511 923	-	107 616 802	125 128 725	-	125 128 725
Note(s)	12	12	12					

Statement of Cash Flows

		Group		Company	
	Note(s)	2024 R	2023 R	2024 R	2023 R
Cash flows from operating activities					
Cash generated from/(used in) operations	22	(45 590 977)	131 528 043	82 815 253	16 897 566
Interest income	19	11 722 923	8 268 920	5 945 625	1 203 842
Finance costs	20	(426 702)	(929 131)	(426 702)	(928 615)
Tax paid	23	(4 352 127)	(825 428)	(681 092)	(271 210)
Net cash from operating activities		(38 646 883)	138 042 404	87 653 084	16 901 583
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(286 456)	(2 261 383)	(286 456)	(2 261 407)
Proceeds from sale of property, plant and equipment		426 789	-	426 789	24
Cash additions to right of-use-assets	5	-	1	-	1
Purchases of intangible assets	6	(408 661)	(5 082 144)	(408 661)	(5 082 144)
Dividends received	19	-	-	3 735 223	-
Net cash from investing activities		(268 328)	(7 343 526)	3 466 895	(7 343 526)
Cash flows from financing activities					
Cash repayments on lease liabilities	5	(2 936 091)	(2 180 685)	(2 936 091)	(2 180 685)
Dividends paid		(1 600 810)	-	-	-
Net cash from financing activities		(4 536 901)	(2 180 685)	(2 936 091)	(2 180 685)
Total cash movement for the year		(43 452 112)	128 518 193	88 183 888	7 377 372
Cash and cash equivalents at the beginning of the year		202 661 731	74 143 539	26 563 227	19 185 856
Cash and cash equivalents at the end of the year	11	159 209 619	202 661 732	114 747 115	26 563 228

Accounting Policies

1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these consolidated financial statements.

1.1 Basis of preparation

The consolidated and separate consolidated 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 Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these consolidated financial statements and the Companies Act of South Africa as amended.

The consolidated and separate consolidated financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

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

These accounting policies are consistent with the previous period, except for the changes set out in note 3.

1.2 Consolidation

Basis of consolidation

The consolidated consolidated financial statements incorporate the consolidated financial statements of the company and all subsidiaries. Subsidiaries are entities which are controlled by the group.

The results of subsidiaries are included in the consolidated consolidated financial statements from the date of obtaining control until the date that control is lost.

The accounting policies of all subsidiaries are the same as those of the parent.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Investments in subsidiaries in the separate financial statements

Investments in subsidiaries are carried at cost less any accumulated impairment losses in the separate financial statements.

1.3 Significant judgements and sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

The company assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

At the end of the reporting period, the company estimated the expected credit loss as per the following methodology:

- Obtain a historical loss % based on the prior period bad debts written off;
- Obtain a forward looking % (based on probability of default % multiplied the average loss given default %) at which debts are expected to default based on the sector the customer belongs to;
- Determine the age bracket at which point a customer is expected to be at risk of default;
- Add the historical loss % and forward looking % and multiply this by the age bracket from where debt is deemed to be a credit risk, in order to obtain the expected credit loss.

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

1.4 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and impairment losses except for land which is not depreciated.

Accounting Policies

1.4 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Machinery	Straight line	5 - 25 years
Fixtures and fittings	Straight line	6 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6 years
Computer equipment	Straight line	3 years
Leasehold improvements	Straight line	10% - 33.33% per annum

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting . No material changes were made.

There were no indicators of impairment for property, plant and equipment and no impairment tests were performed.

1.5 Intangible assets

Intangible assets are initially recognised at cost.

Intangible assets are subsequently measured at cost less any accumulated amortisation and impairment losses.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	2 years
Copyrights, patents and other industrial rights, service and operating rights	Straight line	5 years

The useful life and amortisation method of intangible assets are reviewed at the end of each reporting . No material changes were made.

There were no indicators of impairment for intangible assets and no impairment tests were performed.

1.6 Financial instruments

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

All regular way purchases or sales of financial assets are recognised and de-recognised on a trade date basis.

The material accounting policies for each type of financial instrument held by the group are presented below:

Trade and other receivables

Trade and other receivables, excluding, when applicable, VAT and prepayments, are measured, subsequent to initial recognition, at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

The accounting policy for impairment of trade and other receivables is set out in the loss allowances and write-offs accounting policy.

Accounting Policies

1.6 Financial instruments (continued)

Impairment - Expected credit losses and write-offs

A forward looking allowance for expected credit losses is recognised for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The measurement of expected credit losses incorporates the probability of default, loss given default and the exposure at default, taking the time value of money, historical data and forward-looking information into consideration.

The movement in credit loss allowance is recognised in profit or loss with a corresponding adjustment to the carrying amount of the instrument through a loss allowance account.

The group writes off an instrument when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Instruments written off may still be subject to enforcement activities under the group's recovery procedures. Any recoveries made are recognised in profit or loss.

Trade and other payables

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

Cash and cash equivalents

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

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

De-recognition

The group de-recognises 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 group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

1.7 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Accounting Policies

1.7 Tax (continued)

Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base used for taxation purposes.

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilised.

When management assess the extent to which is it probable that taxable profit will be available against which potential deferred tax assets can be utilised, they take into consideration that the utilisation of assessed losses are limited to the greater of 80% of the taxable income or R1 million in the year of assessment.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The deferred tax rate applied to assets is determined by the expected manner of recovery. Where the expected recovery of the asset is through sale, the capital gains tax rate is applied. The normal tax rate is applied when the expected recovery is through use. A combination of these rates is applied if the recovery is expected to be partly through use and sale.

Deferred tax assets are reviewed at each reporting date and are reduced if it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. The review by management has not resulted in the reduction of the deferred tax assets.

Tax expenses

The income tax expense consists of current and deferred tax and is recognised in profit or loss.

1.8 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

No contracts were identified that required specific judgement as to whether they contained leases.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

Accounting Policies

1.8 Leases (continued)

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

They are measured initially at the initial amount of the lease liability plus upfront payments and initial direct costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated, from commencement date, over the shorter period of lease term and useful life of the underlying asset.

Refer to the accounting policy for property, plant and equipment for details of useful lives of underlying assets.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

1.9 Inventories

Inventories are measured at the lower of cost and net realisable value on the weighted average basis.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Write downs and reversals of write downs of inventories are included as part of the cost of goods sold.

1.10 Impairment of assets

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount cannot be determined for an individual asset, then it is determined for the cash generating unit to which the asset belongs.

Impairment losses are recognised immediately in profit or loss.

1.11 Share capital and equity

Equity instruments issued by the group are recognised at the proceeds received, net of direct issue costs.

1.12 Employee benefits

Short-term employee benefits

Short-term employee benefits, which consist of paid annual leave and sick leave, bonuses, and medical care, are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

Defined contribution plans

Payments are charged as an expense as they fall due.

1.13 Provisions and contingencies

The group recognises provisions in circumstances where it has a present obligation resulting from past events, which can be measured reliably and for which it is probable that the group will be required to settle the obligation.

There is always a degree of estimation uncertainty involved with provisions as they are measured at management's best estimate of the amount which will be required to settle the obligation. When the effect of discounting is material, the provision is measured at the present value of such amounts.

Accounting Policies

1.13 Provisions and contingencies (continued)

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in .

1.14 Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery. The company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g.,warranties, customer loyalty points). In determining the transaction price for the sale of goods, the company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

1.15 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.16 Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

1.17 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are translated at the end of the reporting period using the closing rate.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Refer to the individual accounting policies for financial instruments for the detailed foreign exchange accounting policies.

Notes to the Consolidated Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group 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:
• International tax reform - Pillar two model rules - amendments to IAS 12	01 January 2023	The impact of the amendment is not material.
• Initial application of IFRS 17 and IFRS 9 - Comparative information	01 January 2023	The impact of the amendment is not material.
• Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	01 January 2023	The impact of the amendment is not material.
• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023	The impact of the amendment is not material.
• Definition of accounting estimates: Amendments to IAS 8	01 January 2023	The impact of the amendment is not material.
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2023	The impact of the amendment is not material.
• IFRS 17 Insurance Contracts	01 January 2023	The impact of the amendments is not material.

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 April 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Lack of exchangeability - amendments to IAS 21	01 January 2025	Unlikely there will be a material impact
• Supplier finance arrangements - amendments to IAS 7 and IFRS 7	01 January 2024	Unlikely there will be a material impact
• Non-current liabilities with covenants - amendments to IAS 1	01 January 2024	Unlikely there will be a material impact
• Lease liability in a sale and leaseback	01 January 2024	Unlikely there will be a material impact

3. Changes in accounting policy

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

Disclosure of accounting policies: Amendments to IAS 1 and Practice Statement 2

The group adopted the amendments to IAS 1 and Practice Statement 2, which now require that only material accounting policy information shall be disclosed in the annual financial statements. The amendment did not result in changes to measurement or recognition of financial statement items, but management reviewed the accounting policies and made changes to ensure that only material accounting policy information is disclosed.

Notes to the Consolidated Financial Statements

4. Property, plant and equipment

Company	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	1 768 815	(1 715 245)	53 570	1 748 246	(1 737 923)	10 323
Motor vehicles	886 025	(491 307)	394 718	886 025	(418 803)	467 222
IT equipment	2 666 526	(2 051 858)	614 668	3 211 268	(2 274 402)	936 866
Leasehold improvements	623 289	(623 289)	-	623 289	(623 289)	-
Total	5 944 655	(4 881 699)	1 062 956	6 468 828	(5 054 417)	1 414 411

Reconciliation of property, plant and equipment - Group - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Plant and machinery	80	-	-	-	80
Furniture and fixtures	10 341	54 243	(8)	(10 988)	53 588
Motor vehicles	467 222	-	-	(72 504)	394 718
IT equipment	936 866	232 213	(8 942)	(545 469)	614 668
	1 414 509	286 456	(8 950)	(628 961)	1 063 054

Reconciliation of property, plant and equipment - Group - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Plant and machinery	80	-	-	-	80
Furniture and fixtures	18 333	-	(6)	(7 986)	10 341
Motor vehicles	130 335	362 521	-	(25 634)	467 222
IT equipment	1 360 776	163 940	(19 019)	(568 831)	936 866
	1 509 524	526 461	(19 025)	(602 451)	1 414 509

Reconciliation of property, plant and equipment - Company - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	10 323	54 243	(8)	(10 988)	53 570
Motor vehicles	467 222	-	-	(72 504)	394 718
IT equipment	936 866	232 213	(8 942)	(545 469)	614 668
	1 414 411	286 456	(8 950)	(628 961)	1 062 956

Reconciliation of property, plant and equipment - Company - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	18 310	-	(6)	(7 981)	10 323
Motor vehicles	130 335	362 521	-	(25 634)	467 222
IT equipment	1 360 757	163 940	(19 019)	(568 812)	936 866
	1 509 402	526 461	(19 025)	(602 427)	1 414 411

5. Leases (group as lessee)

The group has the option to purchase the plant at a nominal amount on completion of the lease term.

Details pertaining to leasing arrangements, where the group is lessee are presented below:

Notes to the Consolidated Financial Statements

5. Leases (group as lessee) (continued)

Group	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Leasehold property	7 586 066	(210 724)	7 375 342	7 678 260	(2 772 705)	4 905 555

Company	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	7 586 066	(210 724)	7 375 342	7 678 260	(2 772 705)	4 905 555

Reconciliation of right-of-use assets - Group - 2024

	Opening balance	Additions	Termination of lease	Depreciation	Total
Buildings	4 905 555	7 586 066	(2 559 420)	(2 556 859)	7 375 342

Reconciliation of right-of-use assets - Group - 2023

	Opening balance	Depreciation	Total
Buildings	7 464 976	(2 559 421)	4 905 555

Reconciliation of right-of-use assets - Company - 2024

	Opening balance	Additions	Termination of lease	Depreciation	Total
Buildings	4 905 555	7 586 066	(2 559 420)	(2 556 859)	7 375 342

Reconciliation of right-of-use assets - Company - 2023

	Opening balance	Depreciation	Total
Buildings	7 464 976	(2 559 421)	4 905 555

Notes to the Consolidated Financial Statements

	Group		Company	
	2024 R	2023 R	2024 R	2023 R

5. Leases (group as lessee) (continued)

Lease liabilities

Lease liabilities have been included in the borrowings line item on the statement of financial position. Refer to note Borrowings.

The maturity analysis of lease liabilities is as follows:

	Group 2024 R	Group 2023 R	Company 2024 R	Company 2023 R
Within one year	1 983 267	2 578 383	1 983 267	25 578 383
Two to five years	5 432 798	2 747 124	5 432 798	2 747 125
	7 416 065	12 603 457	7 416 065	12 603 457
Minimum lease payments due				
Within one year	5 739 480	2 941 148	5 739 481	2 941 168
Two to five years	2 715 750	2 868 065	2 715 750	2 868 065
	8 455 230	5 809 213	8 455 231	5 809 233
Non-current liabilities	5 432 796	2 747 125	5 432 796	2 747 125
Current liabilities	1 983 267	2 578 383	1 983 267	2 578 383
	7 416 063	5 325 508	7 416 063	5 325 508

6. Intangible assets

Group	2024			2023		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Patents, trademarks and other rights	6 980 003	(6 258 969)	721 034	6 817 067	(1 734 923)	5 082 144

Company	2024			2023		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Patents, trademarks and other rights	6 980 003	(6 258 969)	721 034	6 817 067	(1 734 923)	5 082 144

Reconciliation of intangible assets - Group - 2024

	Opening balance	Additions	Transfers	Amortisation	Total
Patents, trademarks and other rights	5 082 144	408 661	(245 726)	(4 524 045)	721 034

Reconciliation of intangible assets - Group - 2023

	Opening balance	Additions	Amortisation	Total
Patents, trademarks and other rights	-	6 817 067	(1 734 923)	5 082 144

Notes to the Consolidated Financial Statements

	Group		Company	
	2024 R	2023 R	2024 R	2023 R

6. Intangible assets (continued)

Reconciliation of intangible assets - Company - 2024

	Opening balance	Additions	Transfers	Amortisation	Total
Patents, trademarks and other rights	5 082 144	408 661	(245 726)	(4 524 045)	721 034

7. Interests in subsidiaries including consolidated structured entities

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

Company

Name of company	% holding 2024	% holding 2023	Carrying amount 2024	Carrying amount 2023
Sonke Pharmaceuticals Proprietary Limited	70,00 %	70,00 %	905 342	905 342

8. Trade and other receivables

	Group 2024	Group 2023	Company 2024	Company 2023
Financial instruments:				
Trade receivables	209 328 006	111 654 932	71 440 912	27 197 341
Trade receivables - related parties	69 215 504	55 593 407	33 479 605	50 261 524
Allowances for discounts, rebates and returns	(1 403 850)	-	-	-
Loss allowance	(11 144 960)	(9 714 063)	(1 718 453)	(566 526)
Trade receivables at amortised cost	265 994 700	157 534 276	103 202 064	76 892 339
Other receivables	957 375	37 938 275	956 717	1 171 717
Non-financial instruments:				
VAT	511 752	-	-	-
Employee costs in advance	144 055	260 990	121 055	253 490
Prepayments	2 470 323	3 036 334	2 470 323	3 036 334
Total trade and other receivables	270 078 205	198 769 875	106 750 159	81 353 880

Split between non-current and current portions

Current assets	270 078 205	198 769 875	106 750 159	81 353 880

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	266 952 075	195 472 551	104 158 781	78 064 056
Non-financial instruments	3 126 130	3 297 324	2 591 378	3 289 824
	270 078 205	198 769 875	106 750 159	81 353 880

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due.

The group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Notes to the Consolidated Financial Statements

	Group		Company	
	2024 R	2023 R	2024 R	2023 R

8. Trade and other receivables (continued)

Group	2024	2024	2023	2023
Expected credit loss rate:	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Current	176 831 615	-	105 203 207	-
31 - 60 days pat due	12 628 813	-	31 605 734	-
61 - 90 days past due	518 330	-	6 173 538	-
91 - 120 days past due	3 583 815	-	777 221	-
More than 120 days past due	13 954 964	(11 144 960)	21 968 523	(9 714 063)
Total	207 517 537	(11 144 960)	165 728 223	(9 714 063)

Company	2024	2024	2023	2023
Expected credit loss rate:	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Not past due	44 917 957	-	64 128 587	-
31 - 60 days past due	2 714 017	-	6 143 883	-
61 - 90 days past due	491 594	-	1 429 747	-
91 - 120 days past due	23 007	-	676 916	-
More than 120 days past due	862 745	(1 718 453)	3 559 616	(566 526)
Total	49 009 320	(1 718 453)	75 938 749	(566 526)

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

Opening balance	(9 714 063)	(23 276 030)	(566 526)	(4 506 875)
Other	(1 430 897)	13 561 967	(1 151 927)	3 950 349
Closing balance	(11 144 960)	(9 714 063)	(1 718 453)	(556 526)

Notes to the Consolidated Financial Statements

	Group		Company	
	2024 R	2023 R	2024 R	2023 R
9. Deferred tax				
Deferred tax asset				
Property, plant and equipment	1 318 014	2 150 449	-	-
Provision for leave pay	1 468 472	1 462 951	1 306 679	1 316 423
Provision for bonus	2 794 741	2 606 706	2 494 788	2 305 738
Provision for doubtful debt	1 962 482	1 766 291	302 597	(166 263)
Assessed loss	9 726 304	-	11 507 481	-
Lease asset	(1 991 342)	-	(1 991 342)	-
Lease liability	2 002 337	-	2 002 337	-
Prior year adjustment	(322 152)	-	-	-
Deferred tax balance from temporary differences other than unused tax losses	16 958 856	7 986 397	15 622 540	3 455 898

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

	Group 2024 R	Group 2023 R	Company 2024 R	Company 2023 R
Deferred tax asset	16 958 856	7 986 397	15 622 540	3 455 898

Reconciliation of deferred tax asset / (liability)

	Group 2024 R	Group 2023 R	Company 2024 R	Company 2023 R
At beginning of year	7 986 758	9 026 964	3 455 898	3 671 517
Movement in fixed asset	(832 435)	116 223	-	-
Calculated loss	9 726 304	-	9 726 304	-
Lease asset	(1 991 342)	-	(1 991 342)	-
Lease liability	2 002 337	-	2 002 337	-
Movement in leave pay provision	5 520	281 500	(9 743)	280 245
Movement in bonus provision	188 034	609 964	189 050	464 000
Movement in provision doubtful debt	195 832	(2 046 859)	468 860	(959 864)
Prior year adjustment	(322 152)	-	-	-
Rate adjustment	-	(1 034)	-	-
	16 958 856	7 986 758	13 841 364	3 455 898

10. Inventories

	Group 2024 R	Group 2023 R	Company 2024 R	Company 2023 R
Finished goods	95 963 133	66 309 374	27 980 392	33 211 112
Merchandise	629 248	76 646 711	629 248	6 002 637
	96 592 381	142 956 085	28 609 640	39 213 749
Inventories (write-downs)	(2 053 368)	(2 266 282)	(1 000 616)	(273 339)
	94 539 013	140 689 803	27 609 024	38 940 410

11. Cash and cash equivalents

Cash and cash equivalents consist of:

	Group 2024 R	Group 2023 R	Company 2024 R	Company 2023 R
Cash on hand	17	563	17	17
Bank balances	159 209 602	202 661 169	114 747 098	26 563 211
	159 209 619	202 661 732	114 747 115	26 563 228

Notes to the Consolidated Financial Statements

	Note	Group		Company	
		2024 R	2023 R	2024 R	2023 R
12. Share capital					
Authorised					
1 004 000 Ordinary shares		1 004 000	1 004 000	1 004 000	1 004 000
Issued					
Ordinary		361 917	361 917	361 917	361 917
Share premium		17 150 006	17 150 006	17 150 006	17 150 006
		17 511 923	17 511 923	17 511 923	17 511 923
13. Trade and other payables					
Financial instruments:					
Trade payables		67 136 892	45 422 417	51 642 223	2 546 837
Trade payables - related parties		79 166 447	177 889 346	28 923 632	6 451 799
Royalty accrual		-	967 375	-	967 375
Other payables		20 730 393	23 448 327	20 730 393	19 941 451
Non-financial instruments:					
Payroll accruals		3 631 962	3 274 811	3 527 749	3 165 136
Marketing and sales accruals		43 638 890	16 109 118	30 535 979	15 358 456
VAT		5 322 443	5 574 367	5 322 443	3 671 194
		219 627 027	272 685 761	140 682 419	52 102 248
Financial instrument and non-financial instrument components of trade and other payables					
At amortised cost		167 033 732	247 727 467	101 296 248	29 907 462
Non-financial instruments		52 593 295	24 958 296	39 386 171	22 194 786
		219 627 027	272 685 763	140 682 419	52 102 248
14. Revenue					
Revenue from contracts with customers					
Sale of goods		666 971 539	617 173 061	135 351 292	125 370 818
15. Cost of sales					
Sale of goods		542 820 534	504 898 230	66 354 348	50 967 917
16. Other operating income					
Insurance claim receivable		610	910	610	910
17. Other operating gains (losses)					
Gains (losses) on disposals, scrappings and settlements					
Property, plant and equipment	4	417 839	(19 025)	417 839	(19 001)

18. Operating profit (loss)

Operating profit for the year is stated after charging (crediting) the following, amongst others:

Notes to the Consolidated Financial Statements

	Group		Company	
	2024 R	2023 R	2024 R	2023 R
18. Operating profit (loss) (continued)				
Auditor's remuneration - external				
Audit fees	1 069 443	1 272 684	675 295	443 570
Remuneration, other than to employees				
Consulting and professional services	2 492 062	1 931 533	2 268 629	1 681 891
Employee costs				
Salaries, wages, bonuses and other benefits	16 670 603	14 752 134	9 436 634	8 662 157
Retirement benefit plans: defined benefit expense	6 413 687	6 008 899	6 053 657	5 679 804
Total employee costs	23 084 290	20 761 033	15 490 291	14 341 961
Depreciation and amortisation				
Depreciation of property, plant and equipment	628 962	2 337 373	628 962	2 337 373
Depreciation of right-of-use assets	2 556 859	2 559 420	2 556 859	2 559 420
Amortisation of intangible assets	3 556 711	-	3 556 711	-
Total depreciation and amortisation	6 742 532	4 896 793	6 742 532	4 896 793
19. Investment income				
Dividend income				
Group entities:				
Subsidiaries - Local	-	-	3 735 223	-
Interest income				
Investments in financial assets:				
Bank and other cash	11 722 923	8 268 920	5 945 625	1 203 842
Total investment income	11 722 923	8 268 920	9 680 848	1 203 842
20. Finance costs				
Bank overdraft	-	516	-	-
Other interest paid	426 702	928 615	426 702	928 615
Total finance costs	426 702	929 131	426 702	928 615

Notes to the Consolidated Financial Statements

	Group		Company	
	2024 R	2023 R	2024 R	2023 R

21. Taxation

Major components of the tax (income) expense

Current				
Local income tax - current period	8 535 216	4 736 052	586 205	151 226
Deferred				
Originating and reversing temporary differences	(8 972 098)	1 040 207	(10 385 466)	215 619
	(436 882)	5 776 259	(9 799 261)	366 845

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	27,00 %	27,00 %	27,00 %	27,00 %
Permanent differences	(21,54)%	(7,26)%	(96,84)%	(11,55)%
Deferred tax movement	(6,66)%	- %	(27,99)%	- %
	(1,20)%	19,74 %	(97,83)%	15,45 %

The estimated tax loss available for set off against future taxable income is R 44 707 859 (2023: R 44 707 859).

22. Cash generated from/(used in) operations

Profit before taxation	36 383 764	24 075 011	10 016 367	878 819
Adjustments for non-cash items:				
Depreciation, amortisation, impairments and reversals of impairments	7 709 865	4 896 793	7 709 865	4 896 793
(Gains) losses on sale of assets and liabilities	(417 839)	19 025	(417 839)	19 001
Movement in bad debt provision	1 430 897	(13 561 967)	1 151 927	(3 950 349)
Movement in stock provision	212 914	(22 857 658)	727 277	(4 001 744)
Other non-cash movement in intangible assets	245 726	-	245 726	-
Adjust for items which are presented separately:				
Interest income	(11 722 923)	(8 268 920)	(5 945 625)	(1 203 842)
Dividends received	-	-	(3 735 223)	-
Finance costs	426 702	929 131	426 702	928 615
Changes in working capital:				
(Increase) decrease in inventories	45 937 849	(39 626 024)	10 604 109	(16 190 226)
(Increase) decrease in trade and other receivables	(72 739 198)	28 892 695	(26 548 204)	20 681 268
Increase (decrease) in trade and other payables	(53 058 734)	157 029 957	88 580 171	14 839 231
	(45 590 977)	131 528 043	82 815 253	16 897 566

Notes to the Consolidated Financial Statements

	Group		Company	
	2024 R	2023 R	2024 R	2023 R

23. Tax paid

Balance at beginning of the year	2 025 257	5 935 881	119 984	-
Current tax recognised in profit or loss	(8 535 216)	(4 736 052)	(586 205)	(151 226)
Balance at end of the year	2 157 832	(2 025 257)	(214 871)	(119 984)
	(4 352 127)	(825 428)	(681 092)	(271 210)

24. Related parties

Relationships

Ultimate holding company	Sun Pharmaceuticals Industries Limited
Holding company	Sun Pharma (Netherlands) BV

Related party balances

Amounts included in trade receivables regarding related parties				
Sun Pharmaceutical Industries Limited	-	184 729	196 176	184 729
Ranbaxy Pharmaceuticals Proprietary Limited	50 289 310	55 070 000	33 174 208	49 738 117
Sonke Pharmaceuticals Proprietary Limited	-	338 678	109 221	338 678
	50 289 310	55 593 407	33 479 605	50 261 524
Amounts included in trade payables regarding related parties				
Sun Pharmaceutical Industries Limited	(36 731 371)	(16 254 783)	(49 444 371)	(5 436 885)
Ranbaxy Pharmaceuticals Proprietary Limited	55 171 588	(161 634 563)	(802 596)	(920 338)
Sonke Pharmaceuticals Proprietary Limited	-	-	(11 092)	(94 576)
	18 440 217	(177 889 346)	(50 258 059)	(6 451 799)

Related party transactions

Sales to related parties				
Ranbaxy Pharmaceuticals Proprietary Limited	16 247 348	31 640	16 247 348	31 640
Purchases from related parties				
Sun Pharmaceutical Industries Limited	55 990 325	64 894 936	55 990 325	62 444 432
Ranbaxy Pharmaceuticals Proprietary Limited	369 097 768	459 264 850	-	-
	425 088 093	524 159 786	55 990 325	62 444 432
Management cross fee charge regarding related parties				
Ranbaxy Pharmaceuticals Proprietary Limited	(92 911 689)	(83 610 906)	(92 911 689)	(83 610 906)
Royalty fees paid regarding related parties				
Ranbaxy Pharmaceuticals Proprietary Limited	9 022 801	9 001 082	-	-

Notes to the Consolidated Financial Statements

	Group		Company	
	2024 R	2023 R	2024 R	2023 R

24. Related parties (continued)

Compensation to directors and other key management				
Short-term employee benefits	10 152 668	13 374 771	10 152 668	13 374 771
Post-employment benefits - Pension - Defined contribution plan	5 337 623	1 250 641	5 337 623	1 250 641
	15 490 291	14 625 412	15 490 291	14 625 412

25. Directors' emoluments

Executive

2024

Directors' emoluments	Basic salary	Bonuses and performance related payments	Pension paid and receivable	Total
Services as director or prescribed officer				
[redacted]	3 550 788	773 128	210 685	4 534 601
	1 762 471	293 323	99 407	2 155 201
	1 791 171	295 039	107 396	2 193 606
	7 104 430	1 361 490	417 488	8 883 408

2023

Directors' emoluments	Basic salary	Bonuses and performance related payments	Pension paid and receivable	Total
Services as director or prescribed officer				
[redacted]	3 653 924	751 048	492 797	4 897 769
	1 887 949	997 014	184 164	3 069 127
	1 765 470	263 858	237 822	2 267 150
	4 276 995	678 713	335 858	5 291 566
	11 584 338	2 690 633	1 250 641	15 525 612

Notes to the Consolidated Financial Statements

26. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2024

	Note(s)	Amortised cost	Total
Trade and other receivables	8	266 952 075	266 952 075
Cash and cash equivalents	11	159 209 619	159 209 619
		426 161 694	426 161 694

Group - 2023

	Note(s)	Amortised cost	Total
Trade and other receivables	8	195 472 551	195 472 551
Cash and cash equivalents	11	202 661 732	202 661 732
		398 134 283	398 134 283

Company - 2024

	Note(s)	Amortised cost	Total
Trade and other receivables	8	104 158 781	104 158 781
Cash and cash equivalents	11	114 747 115	114 747 115
		218 905 896	218 905 896

Company - 2023

	Note(s)	Amortised cost	Total
Trade and other receivables	8	78 064 056	78 064 056
Cash and cash equivalents	11	26 563 228	26 563 228
		104 627 284	104 627 284

Notes to the Consolidated Financial Statements

26. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2024

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	13	167 033 732	-	167 033 732
Lease liabilities	5	-	7 416 063	7 416 063
		167 033 732	7 416 063	174 449 795

Group - 2023

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	13	267 111 394	-	267 111 394
Lease liabilities	5	-	5 325 508	5 325 508
		267 111 394	5 325 508	272 436 902

Company - 2024

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	13	101 296 248	-	101 296 248
Lease liabilities	5	-	7 416 063	7 416 063
		101 296 248	7 416 063	108 712 311

Company - 2023

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	13	29 907 462	-	29 907 462
Lease liabilities	5	-	5 325 508	5 325 508
		29 907 462	5 325 508	35 232 970

Capital risk management

The group'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 group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

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

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

26. Financial instruments and risk management (continued)

The board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the group's risk management policies. The committee reports quarterly to the board of directors on its activities.

Credit risk

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

The group is exposed to credit risk on loans receivable (at amortised cost), debt instruments at fair value through other comprehensive income, trade and other receivables, contract receivables, lease receivables, cash and cash equivalents, loan commitments and financial guarantees.

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 loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

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

Group		2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	8	282 627 015	(11 144 960)	271 482 055	208 483 938	(9 714 063)	198 769 875
Cash and cash equivalents	11	159 209 619	-	159 209 619	202 661 732	-	202 661 732
		441 836 634	(11 144 960)	430 691 674	411 145 670	(9 714 063)	401 431 607

Company		2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	8	108 468 612	(1 718 453)	106 750 159	81 920 406	(566 526)	81 353 880
Cash and cash equivalents	11	114 747 115	-	114 747 115	265 563 228	-	265 563 228
		223 215 727	(1 718 453)	221 497 274	347 483 634	(566 526)	346 917 108

Liquidity risk

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Notes to the Consolidated Financial Statements

26. Financial instruments and risk management (continued)

Group - 2024

		Less than 1 year	1 to 2 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities	5	-	3 425 476	3 425 476	5 432 796
Current liabilities					
Trade and other payables	13	167 033 732	-	167 033 732	167 033 732
Lease liabilities	5	-	-	-	1 983 267
		149 370 312	3 425 476	170 459 208	174 449 795

Group - 2023

		Less than 1 year	1 to 2 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities		-	2 727 125	2 727 125	2 747 125
Current liabilities					
Trade and other payables	13	265 591 276	-	265 591 276	265 591 276
Lease liabilities	5	2 578 383	-	2 578 383	2 578 383
		115 817 502	2 727 125	270 896 784	270 916 784

Company - 2024

		Less than 1 year	1 to 2 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities	5	-	3 425 476	3 425 476	5 432 796
Current liabilities					
Trade and other payables	13	101 296 248	-	101 296 248	101 296 248
Lease liabilities	5	-	-	-	1 983 267
		44 341 759	3 425 476	104 721 724	108 712 311

Company - 2023

		Less than 1 year	1 to 2 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities	5	-	2 747 125	2 747 125	2 747 125
Current liabilities					
Trade and other payables	13	48 431 054	-	48 431 054	29 907 462
Lease liabilities	5	-	-	-	2 578 383
		37 424 713	2 747 125	51 178 179	35 232 970

Notes to the Consolidated Financial Statements

26. Financial instruments and risk management (continued)

Foreign currency risk

The group is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the group deals primarily are US Dollars, Euros and Yen.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Interest rate risk

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

27. Going concern

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

28. 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.