Ranbaxy Pharmaceuticals Proprietary Limited
(Registration number 1993/003111/07)
Financial statements
for the year ended 31 March 2025

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Import, marketing, manufacturing and trade of pharmaceutical goods and services
Directors	M Brown Avesh Ajoodha Deepakh Mangal Sewnarain
Registered office	14 Lautre Road Stormill Ext 1 Roodepoort Gauteng 1724
Business address	14 Lautre Road Stormill Ext 1 Roodepoort Gauteng 1724
Postal address	P O Box 43486 Industria Gauteng 2042
Auditor	BDO South Africa Incorporated Chartered Accountant (SA)
Company registration number	1993/003111/07
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa, No. 71 of 2008.
Preparer	The financial statements were independently compiled by: Melissa McGill CA(SA)
Issued	20 May 2025

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

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Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa, No. 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 IFRS® Accounting Standards (IFRS Accounting Standards). The external auditor is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with IFRS Accounting 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 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 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 next 12 months and, in light of this review and the current financial position, they are satisfied that the company has or had 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 financial statements. The financial statements have been examined by the company's external auditor and their report is presented on pages 6 to 7.

The financial statements set out on pages 8 to 31, which have been prepared on the going concern basis, were approved by the board of directors on 20 May 2025 and were signed on their behalf by:

A Ajoodha	**M Brown**

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Ranbaxy Pharmaceuticals Proprietary Limited for the year ended 31 March 2025.

1. Nature of business

Ranbaxy Pharmaceuticals Proprietary Limited is incorporated in South Africa. The principal activity of the company is the Import, marketing, manufacturing and trade of pharmaceutical goods and services. The company operates in South Africa.

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

2. Review of financial results and activities

The financial statements have been prepared in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa, No. 71 of 2008 The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these 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 (2024: Rnil).

5. Directorate

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

Directors	Changes
M Brown	Appointed, 25 January 2025
Avesh Ajoodha	
Deepakh Mangal Sewnarain	
Desmond William Brothers	Resigned, 10 January 2025

6. Directors' interests in contracts

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

7. Holding company

The company's holding company is Sun Pharma (Netherlands) BV which holds 100% (2024: 100%) of the company's equity. Sun Pharma (Netherlands) BV is incorporated in the Netherlands.

8. Ultimate holding company

The company's ultimate holding company is Sun Pharmaceutical 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. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act of South Africa, No. 71 of 2008.

11. Going concern

The 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

11. Going concern (continued)

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

12. Auditors

BDO South Africa Incorporated was appointed as auditors for the company for 2025.

Independent Auditor's Report

To the Shareholder of Ranbaxy Pharmaceuticals Proprietary Limited

Opinion

I have audited the financial statements of Ranbaxy Pharmaceuticals Proprietary Limited (the company) set out on pages 8 to 31, which comprise the statement of financial position as at 31 March 2025; and the statement of profit or loss and other comprehensive income; the statement of changes in equity; and the statement of cash flows for the year then ended; and notes to the financial statements, including material accounting policy information.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Ranbaxy Pharmaceuticals Proprietary Limited as at 31 March 2025, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, No. 71 of 2008.

Basis for Opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Ranbaxy Pharmaceuticals Proprietary Limited financial statements for the year ended 31 March 2025", which includes the Directors' Report as required by the Companies Act of South Africa, No. 71 of 2008. The other information does not include the financial statements and my auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, No. 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with 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 I identify during my audit.

BDO South Africa Incorporated
Saajid Jassat
Partner
Chartered Accountant (SA)
Registered Auditors

20 May 2025

Statement of Financial Position as at 31 March 2025

	Notes	2025 R	2024 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	102 295 818	95 975 335
Right-of-use assets	3	12 922 422	891 133
Intangible assets	4	2 696 920	3 316 857
Deferred tax	5	-	17 010 746
		117 915 160	**117 194 071**
Current Assets			
Inventories	6	619 409 394	765 715 144
Trade and other receivables	7	594 490 904	535 977 666
Current tax receivable		8 028 027	3 649 494
Cash and cash equivalents	8	196 637 772	727 323 779
		1 418 566 097	**2 032 666 083**
Total Assets		**1 536 481 257**	**2 149 860 154**
Equity and Liabilities			
Equity			
Share capital	9	700 000 200	700 000 200
Retained income		66 250 981	(35 123 593)
		766 251 181	**664 876 607**
Liabilities			
Non-Current Liabilities			
Lease liabilities	3	10 969 045	469 132
Deferred tax	5	17 537 197	-
		28 506 242	**469 132**
Current Liabilities			
Trade and other payables	10	739 484 713	1 483 880 060
Lease liabilities	3	2 239 121	634 355
		741 723 834	**1 484 514 415**
Total Liabilities		**770 230 076**	**1 484 983 547**
Total Equity and Liabilities		**1 536 481 257**	**2 149 860 154**

Statement of Profit or Loss and Other Comprehensive Income

	Notes	2025 R	2024 R
Revenue	11	1 873 895 560	1 904 449 290
Cost of sales	12	(1 340 950 528)	(1 435 090 432)
Gross profit		**532 945 032**	**469 358 858**
Other operating income	13	42 844 591	9 890 932
Other operating gains (losses)	14	881 882	(849 488)
Other operating expenses		(456 453 555)	(410 920 940)
Operating profit	15	**120 217 950**	**67 479 362**
Investment income	16	24 154 211	43 417 711
Finance costs	17	(607 315)	(173 061)
Profit before taxation		**143 764 846**	**110 724 012**
Taxation	18	(42 390 273)	11 354 008
Total comprehensive income for the year		**101 374 573**	**122 078 020**

Statement of Changes in Equity

	Share capital	Redeemable preference shares	Total share capital	Retained income	Total equity
	R	R	R	R	R
Balance at 01 April 2023	**200 000 200**	**500 000 000**	**700 000 200**	**(157 201 613)**	**542 798 587**
Total comprehensive income for the year	**-**	**-**	**-**	**122 078 020**	**122 078 020**
Balance at 01 April 2024	**200 000 200**	**500 000 000**	**700 000 200**	**(35 123 592)**	**664 876 608**
Total comprehensive income for the year	**-**	**-**	**-**	**101 374 573**	**101 374 573**
Balance at 31 March 2025	**200 000 200**	**500 000 000**	**700 000 200**	**66 250 981**	**766 251 181**
Note	9	9	9		

Ranbaxy Pharmaceuticals Proprietary Limited
(Registration number 1993/003111/07)
Financial Statements for the year ended 31 March 2025

Statement of Cash Flows

	Notes	2025 R	2024 R
Cash flows from operating activities			
Cash (used in)/generated from operations	19	(527 136 288)	608 529 227
Interest income	16	24 154 211	43 417 711
Finance costs	17	(607 315)	(173 061)
Tax paid	20	(12 220 864)	(7 782 546)
Net cash from operating activities		**(515 810 256)**	**643 991 331**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(13 426 022)	(28 420 893)
Purchases of intangible assets	4	-	(858 740)
Net cash from investing activities		**(13 426 022)**	**(29 279 633)**
Cash flows from financing activities			
Cash repayments on lease liabilities	3	(1 449 729)	(552 450)
Total cash movement for the year		**(530 686 007)**	**614 159 248**
Cash and cash equivalents at the beginning of the year		727 323 779	113 164 531
Cash and cash equivalents at the end of the year	8	**196 637 772**	**727 323 779**

Accounting Policies

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards and IFRIC® Interpretations Standards (IFRIC interpretations) issued and effective at the time of preparing these annual financial statements and the Companies Act of South Africa, No. 71 of 2008 of South Africa.

The 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 company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of 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

Impairment of financial assets

The expected credit loss for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company’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.

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.

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 of non financial assets

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.

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 company 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.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

1.3 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 company 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.

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 period. No material changes were made.

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

1.4 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 period. No material changes were made.

Accounting Policies

1.4 Intangible assets (continued)

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

1.5 Financial instruments

Financial instruments are recognised when the company 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 company 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.

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 company 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 company'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.

De-recognition

The company 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 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.

The company 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.

Accounting Policies

1.6 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.

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.

1.7 Leases

The company 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.

Company 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 company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company 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

1.7 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.

1.8 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.

1.9 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.

1.10 Share capital and equity

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

1.11 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.

1.12 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 company 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). The payment terms above do not constitute a significant financing component.

Accounting Policies

1.13 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.

1.14 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.

Notes to the Financial Statements

1. New Standards and Interpretations

1.1 Standards and interpretations effective and adopted in the current year

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Supplier finance arrangements - amendments to IAS 7 and IFRS 7	01 January 2024	The impact of the amendments is not material.
• Non-current liabilities with covenants - amendments to IAS 1	01 January 2024	The impact of the amendments is not material.
• Lease liability in a sale and leaseback	01 January 2024	The impact of the amendments is not material.

1.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027	Unlikely there will be a material impact
• IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027	Unlikely there will be a material impact
• Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards.	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 7 Financial Instruments: Disclosures	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 9 Financial Instruments	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 9 Financial Instruments	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 10 Consolidated Financial Statements	01 January 2026	Unlikely there will be a material impact
• Amendments to IAS 10 Statement of Cash flows	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.	01 January 2026	Unlikely there will be a material impact
• Lack of exchangeability - amendments to IAS 21	01 January 2025	Unlikely there will be a material impact

2. Property, plant and equipment

	2025			2024		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Land	16 976 500	-	16 976 500	16 976 500	-	16 976 500
Machinery	314 314 096	(254 905 963)	59 408 133	309 117 295	(248 981 016)	60 136 279
Fixtures and fittings	7 805 391	(7 621 563)	183 828	7 805 391	(7 593 454)	211 937
Motor vehicles	786 862	(715 290)	71 572	786 862	(715 290)	71 572
Office equipment	803 293	(731 958)	71 335	803 293	(726 719)	76 574
Computer equipment	5 855 759	(4 793 967)	1 061 792	5 763 426	(4 090 329)	1 673 097
Leasehold improvements	127 777 330	(112 572 368)	15 204 962	127 777 330	(112 128 762)	15 648 568
Capital - Work in progress	9 317 696	-	9 317 696	1 180 808	-	1 180 808
Total	**483 636 927**	**(381 341 109)**	**102 295 818**	**470 210 905**	**(374 235 570)**	**95 975 335**

Reconciliation of property, plant and equipment - 2025

	Opening balance	**Additions**	**Depreciation**	**Total**
Land	16 976 500	-	-	16 976 500
Machinery	60 136 279	5 196 801	(5 924 947)	59 408 133
Fixtures and fittings	211 937	-	(28 109)	183 828
Motor vehicles	71 572	-	-	71 572
Office equipment	76 574	-	(5 239)	71 335
Computer equipment	1 673 097	92 333	(703 638)	1 061 792
Leasehold improvements	15 648 568	-	(443 606)	15 204 962
Capital - Work in progress	1 180 808	8 136 888	-	9 317 696
	95 975 335	**13 426 022**	**(7 105 539)**	**102 295 818**

Reconciliation of property, plant and equipment - 2024

	Opening balance	**Additions**	**Disposals**	**Transfers**	**Depreciation**	**Total**
Land	16 976 500	-	-	-	-	16 976 500
Machinery	37 418 933	26 939 003	(150 311)	2 333 125	(6 404 471)	60 136 279
Fixtures and fittings	223 898	13 770	-	-	(25 731)	211 937
Motor vehicles	90 255	-	-	-	(18 683)	71 572
Office equipment	81 689	-	-	-	(5 115)	76 574
Computer equipment	573 433	1 468 120	-	-	(368 456)	1 673 097
Leasehold improvements	16 090 519	-	-	-	(441 951)	15 648 568
Capital - Work in progress	3 513 933	-	-	(2 333 125)	-	1 180 808
	74 969 160	**28 420 893**	**(150 311)**	**-**	**(7 264 407)**	**95 975 335**

3. Right of use assets and Lease liabilities

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

	2025			2024		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Buildings	16 227 807	(3 305 385)	12 922 422	2 673 399	(1 782 266)	891 133

Reconciliation of right-of-use assets - 2025

	Opening balance	**Additions**	**Disposals**	**Depreciation**	**Total**
Buildings	891 133	13 955 418	(401 010)	(1 523 119)	12 922 422

Notes to the Financial Statements

3. Right of use assets and Lease liabilities (continued)

Reconciliation of right-of-use assets - 2024

	Opening balance	Depreciation	Total
Buildings	1 425 812	(534 679)	891 133

Other disclosures

Leases of low value assets included in operating expenses	1 128 208	467 806
Total cash outflow from leases	-	(675 684)

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	2 239 121	634 335
Two to five years	10 969 047	469 134
	13 208 168	**1 103 469**

Minimum lease payments due:		
Within one year	3 489 468	706 090
Two to five years	12 579 483	484 640
	16 068 951	**1 190 730**

Non-current liabilities	10 969 045	469 132
Current liabilities	2 239 121	634 355
	13 208 166	**1 103 487**

4. Intangible assets

	2025			2024		
	Cost	**Accumulated amortisation**	**Carrying value**	**Cost**	**Accumulated amortisation**	**Carrying value**
Copyrights, patents and other industrial property rights	4 117 089	(1 647 225)	2 469 864	4 117 089	(1 027 288)	3 089 801
Computer software	1 005 412	(778 356)	227 056	1 005 412	(778 356)	227 056
Total	**5 122 501**	**(2 425 581)**	**2 696 920**	**5 122 501**	**(1 805 644)**	**3 316 857**

Reconciliation of intangible assets - 2025

	Opening balance	Amortisation	Total
Copyrights, patents and other industrial property rights	3 089 801	(619 937)	2 469 864
Computer software	227 056	-	227 056
	3 316 857	**(619 937)**	**2 696 920**

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Copyrights, patents and other industrial property rights	2 329 351	858 740	(98 290)	3 089 801
Computer software	318 384	-	(91 328)	227 056
	2 647 735	**858 740**	**(189 618)**	**3 316 857**

Notes to the Financial Statements

5. Deferred tax

Deferred tax liability

Property, plant and equipment	(21 566 316)	(18 979 739)
Right of use assets	(3 489 054)	(240 606)
Total deferred tax liability	**(25 055 370)**	**(19 220 345)**

Deferred tax asset

Assessed loss	130 777	31 500 103
Lease liability	3 566 205	297 941
Provision for leave pay	1 361 057	1 410 475
Provision for bonus	1 118 872	1 630 822
Provision for expected credit loss	1 341 262	1 391 750
Deferred tax balance from temporary differences other than unused tax losses	7 518 173	36 231 091

The estimated tax loss available for set off against future taxable income is R484 364 (2024: R200 236 761).

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:

Deferred tax liability	(25 055 370)	(19 220 345)
Deferred tax asset	7 518 173	36 231 091
Total net deferred tax liability	**(17 537 197)**	**17 010 746**

Reconciliation of deferred tax asset / (liability)

At beginning of year	17 010 746	-
Movementin property, plant and equipment	(2 586 577)	(18 979 739)
Movement in right of use assets	(3 248 448)	(240 606)
Movement in assessed loss	(31 369 326)	31 500 103
Movement in lease liability	3 268 264	297 941
Movement in bonus provision	(511 950)	1 630 822
Movement in provision for leave pay	(49 418)	1 410 475
Movement in provision for expected credit loss	(50 488)	1 391 750
	(17 537 197)	**17 010 746**

6. Inventories

Raw materials	59 835 431	216 792 380
Work in progress	75 308 163	13 514 093
Finished goods	459 982 185	504 348 989
Merchandise	24 283 615	31 059 682
	619 409 394	**765 715 144**

7. Trade and other receivables

Financial instruments:		
Trade receivables	564 359 699	537 445 037
Allowances for returns	(919 857)	(42 774)
Loss allowance	(7 617 046)	(7 903 764)
Trade receivables at amortised cost	555 822 796	529 498 499
Other receivable	-	1 305 792
Non-financial instruments:		
VAT	36 200 715	-
Employee costs in advance	151 482	(4 440)
Prepayments	2 315 911	5 177 815
Total trade and other receivables	**594 490 904**	**535 977 666**

7. Trade and other receivables (continued)

Split between non-current and current portions

Current assets	594 490 904	535 977 666

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

At amortised cost	555 822 796	530 804 291
Non-financial instruments	38 668 108	5 173 375
	594 490 904	**535 977 666**

Exposure to credit risk

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

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

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.

For trade receivables and contract assets, a simplified approach is applied in calculating expected credit losses. Instead of tracking changes in credit risk, a loss allowance is recognised based on lifetime expected credit losses at each reporting date. A provision matrix was established that is based on the company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

	2025	2025	2024	2024
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	394 722 482	-	465 625 445	-
31 - 60 days past due	28 842 346	-	9 087 139	-
61 - 90 days past due	14 718 230	-	3 620 686	-
91 - 120 days past due	15 811 042	-	8 091 629	-
More than 120 days past due	50 531 774	(7 617 046)	37 766 532	(7 903 764)
Total	**504 625 874**	**(7 617 046)**	**524 191 431**	**(7 903 764)**

Reconciliation of loss allowances

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

Opening balance	(7 903 764)	(3 873 755)
Expected credit loss on new trade receivables	286 718	(4 030 009)
Closing balance	**(7 617 046)**	**(7 903 764)**

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Notes to the Financial Statements

	2025 R	2024 R
8. Cash and cash equivalents (continued)		
Cash on hand	6 697	4 070
Bank balances	196 631 075	727 319 709
	196 637 772	**727 323 779**

	2025 R	2024 R
9. Share capital		
Authorised		
1 000 Ordinary shares of R1 each	1 000	1 000
Issued		
Ordinary	200 000 200	200 000 200
Redeemable preference shares	500 000 000	500 000 000
	700 000 200	**700 000 200**

	2025 R	2024 R
10. Trade and other payables		
Financial instruments:		
Trade payables	101 250 586	58 410 073
Trade payables - related parties	503 432 840	1 287 928 662
Other payables	2 808 260	6 029 750
Non-financial instruments:		
Payroll accruals	667 844	1 273 795
Marketing accruals	131 325 183	122 259 990
VAT	-	7 977 790
	739 484 713	**1 483 880 060**

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

	2025 R	2024 R
At amortised cost	607 491 686	1 352 368 485
Non-financial instruments	131 993 027	131 511 575
	739 484 713	**1 483 880 060**

11. Revenue

	2025 R	2024 R
Revenue from contracts with customers		
Sale of goods	1 873 895 560	1 904 449 290

Disaggregation of revenue from contracts with customers

The company disaggregates revenue from customers as follows:

	2025 R	2024 R
Sale of goods		
Sale of goods	1 873 895 560	1 904 449 290

Timing of revenue recognition

	2025 R	2024 R
At a point in time		
Sale of goods	1 873 895 560	1 904 449 290

12. Cost of sales

	2025 R	2024 R
Sale of goods	1 340 950 528	1 435 090 432

Notes to the Financial Statements

	2025 R	2024 R

13. Other operating income

Insurance claim received	28 426 468	147 739
Other income	14 418 123	9 743 193
	42 844 591	**9 890 932**

14. Other operating gains (losses)

Gains (losses) on disposals, scrappings and settlements		
Property, plant and equipment	-	252 189
Foreign exchange gains (losses)		
Net foreign exchange gains (losses)	881 882	(1 101 677)
Total other operating gains (losses)	**881 882**	**(849 488)**

15. Operating profit (loss)

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

Employee costs

Salaries, wages, bonuses and other benefits	234 694 836	204 121 185
Short-term benefit	13 346 740	8 145 047
Retirement benefit plans: defined contribution expense	6 575 642	6 720 773
Total employee costs	**254 617 218**	**218 987 005**

Leases

Leases of low value assets	1 128 208	467 806
Total lease expenses	**1 128 208**	**467 806**

Depreciation and amortisation		
Depreciation of property, plant and equipment	7 105 539	7 362 697
Depreciation of right-of-use assets	1 523 119	534 679
Amortisation of intangible assets	619 937	91 328
Total depreciation and amortisation	**9 248 595**	**7 988 704**

Expenses by nature

The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:

Changes in inventories of finished goods and work in progress	1 340 950 528	1 435 090 432
Employee costs	254 617 218	218 987 005
Lease expenses	1 128 208	467 806
Depreciation, amortisation and impairment	9 248 595	7 988 704
Other expenses	138 753 638	129 661 436
Distribution costs	52 705 896	53 815 989
	1 797 404 083	**1 846 011 372**

16. Investment income

Interest income		
Investments in financial assets:		
Bank and other cash	24 154 211	43 417 711

Notes to the Financial Statements

	2025 R	2024 R
17. Finance costs		
Other interest paid	607 315	173 061

18. Taxation

Major components of the tax expense

	2025 R	2024 R
Current		
Local income tax - current period	7 842 331	5 656 738
Deferred		
Originating and reversing temporary differences	34 547 942	(17 010 746)
	42 390 273	**(11 354 008)**

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

	2025	2024
Applicable tax rate	27,00 %	27,00 %

19. Cash (used in)/generated from operations

	2025 R	2024 R
Profit before taxation	143 764 846	110 724 012
Adjustments for non-cash items:		
Depreciation, amortisation, impairments and reversals of impairments	9 248 595	7 988 704
Gains on sale of assets and liabilities	-	(252 189)
(Gains) losses on exchange differences	(881 882)	1 101 677
Non-cash movement in property, plant and equipment	-	402 500
Movement in expected credit loss	(286 718)	4 030 009
Adjust for items which are presented separately:		
Interest income	(24 154 211)	(43 417 711)
Finance costs	607 315	173 061
Changes in working capital:		
(Increase) decrease in inventories	146 305 750	35 174 065
(Increase) decrease in trade and other receivables	(58 226 520)	(179 369 736)
Increase (decrease) in trade and other payables	(743 513 463)	671 974 835
	(527 136 288)	**608 529 227**

20. Tax paid

	2025 R	2024 R
Balance at beginning of the year	3 649 494	1 523 686
Current tax recognised in profit or loss	(7 842 331)	(5 656 738)
Balance at end of the year	(8 028 027)	(3 649 494)
	(12 220 864)	**(7 782 546)**

Notes to the Financial Statements

	2025 R	2024 R

21. Related parties

Relationships

Ultimate holding company	Sun Pharmaceutical Industries Limited
Holding company	Sun Pharma (Netherlands) BV
Fellow subsidiaries	Sonke Pharmaceuticals Proprietary Limited Ranbaxy (South Africa) Proprietary Limited
Sister company	Sun Pharmaceuticals SA Proprietary Limited
Members of key management	Desmond William Brothers (Director) Avesh Ajoodha (Director) Deepakh Mangal Sewnarain (Director) M Brown (Director)

Related party balances

	2025 R	2024 R
Amounts included in trade receivables regarding related parties		
Sonke Pharmaceuticals Proprietary Limited	59 730 224	55 974 183
Sun Pharmaceuticals SA Limited	-	42 061
Sun Pharmaceuticals Industries Limited	-	590 069
Ranbaxy (South Africa) Proprietary Limited	359 874	8 025 956
	60 090 098	**64 632 269**
Amounts included in trade payables regarding related parties		
Ranbaxy (South Africa) Proprietary Limited	(45 720 403)	(33 174 208)
Sonke Pharmaceuticals Proprietary Limited	(39 997 478)	(17 115 102)
Sun Pharmaceutical Industries Limited	(476 007 206)	(124 575 920)
	(561 725 087)	**(174 865 230)**

Related party transactions

	2025 R	2024 R
Sales to related parties		
Sonke Pharmaceuticals Proprietary Limited	294 043 409	369 097 768
Ranbaxy (South Africa) Proprietary Limited	11 312 040	-
	305 355 449	**369 097 768**
Purchases from related parties		
Sun Pharmaceutical Industries Limited	(721 089 272)	(977 220 043)
Sun Pharmaceuticals Industries (Australia) Pty Ltd	(4 547 849)	(3 956 039)
Ranbaxy (South Africa) Proprietary Limited	-	(16 247 348)
	(725 637 121)	**(997 423 430)**
Royalties received from related parties		
Sonke Pharmaceuticals Proprietary Limited	7 260 818	9 022 801
Management fee cross charges between related parties		
Ranbaxy (South Africa) Proprietary Limited	115 015 339	92 911 689

*Refer to note 24 for details on key management compensation.
*Refer to note 8 for further details on expected credit losses and defaults.

Notes to the Financial Statements

	2025 R	2024 R

22. Directors' emoluments

Executive

2025

Directors' emoluments	Basic salary	Bonuses and performance related payments	Other benefits	Severance pay	Total
Services as director or prescribed officer					
DW Brothers	3 727 710	821 500	366 432	4 107 498	9 023 140
DM Sewnarain	1 801 254	375 585	135 094	-	2 311 933
A Ajoodha	1 919 666	326 653	194 255	-	2 440 574
M Brown	2 406 561	528 901	288 752	-	3 224 214
	9 855 191	**2 052 639**	**984 533**	**4 107 498**	**16 999 861**

2024

Directors' emoluments	Basic salary	Bonuses and performance related payments	Other benefits	Total
Services as director or prescribed officer				
DW Brothers	3 550 788	773 128	210 685	4 534 601
DM Sewnarain	1 762 471	293 323	99 407	2 155 201
A Ajoodha	1 791 171	295 039	107 396	2 193 606
	7 104 430	**1 361 490**	**417 488**	**8 883 408**

	2025 R	2024 R

23. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2025

	Notes	Amortised cost	Total
Trade and other receivables	7	555 822 796	555 822 796
Cash and cash equivalents	8	196 637 772	196 637 772
		752 460 568	**752 460 568**

2024

	Notes	Amortised cost	Total
Trade and other receivables	7	530 804 291	530 804 291
Cash and cash equivalents	8	727 323 779	727 323 779
		1 258 128 070	**1 258 128 070**

Categories of financial liabilities

2025

	Notes	Amortised cost	Leases	Total
Trade and other payables	10	607 491 683	-	607 491 683
Lease liabilities	3	-	13 208 166	13 208 166
		607 491 683	**13 208 166**	**620 699 849**

2024

	Notes	Amortised cost	Leases	Total
Trade and other payables	10	1 339 114 879	-	1 339 114 879
Lease liabilities	3	-	1 103 487	1 103 487
		1 339 114 879	**1 103 487**	**1 340 218 366**

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 the 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.

23. Financial instruments and risk management (continued)

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the company'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 company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk is managed on a group basis. For banks and financial institutions, only independent rated parties with a minimum rating of 'A' are accepted.

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by wholesale customers is regularly monitored by line management.

Sales to retail customers are required to be settled in cash. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Management does not expect any significant losses from non-performance by these counterparties.

The company has borrowings that accrues interest to related parties within the group.

Expected credit loss policy:
- 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.

The policy is supported by a forward looking view on the recoverability of debtors, taking into account historical trends where we have had no write-off of state debt. Also owing to government debt being tender related, that is contracted with National Department of Health, thus a legally bound relationship exist and will continue to exist as demonstrated in other tender related business. When Tender contracts expire, management takes a forward looking view on recoverability of outstanding debt as per the expired contracts, and this is provided for over and above the conditions noted above. Based on historical events, State continues to pay debt related to expired tender agreements and as such we expect this trend to continue, as we have a mutually beneficial relationship and the entity is still engaged in other active contracts and as such, no separation of trade has occurred.

Due to thorough methodology, management is confident that the current methodology remains appropriate,

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

		2025			2024		
		Gross carrying amount	**Credit loss allowance**	**Amortised cost**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost**
Trade and other receivables	7	563 439 842	(7 617 046)	555 822 796	543 924 204	(7 903 764)	536 020 440
Cash and cash equivalents	8	196 637 772	-	196 637 772	727 323 779	-	727 323 779
		760 077 614	**(7 617 046)**	**752 460 568**	**1 271 247 983**	**(7 903 764)**	**1 263 344 219**

Liquidity risk

	2025 R	2024 R

23. Financial instruments and risk management (continued)

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings.

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.

2025

		Less than 1 year	1 to 2 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities	3	-	13 208 166	13 208 166	10 969 045
Current liabilities					
Trade and other payables	10	607 491 683	-	607 491 683	607 491 683
Lease liabilities	3	-	-	-	2 239 121
		607 491 683	**13 208 166**	**620 699 849**	**620 699 849**

2024

		Less than 1 year	1 to 2 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities	3	-	469 132	469 132	469 132
Current liabilities					
Trade and other payables	10	1 339 114 879	-	1 339 114 879	1 339 114 879
Lease liabilities	3	634 355	-	634 355	634 355
		1 339 749 234	**469 132**	**1 340 218 366**	**1 340 218 366**

Foreign currency risk

The company 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 company deals primarily are US Dollars, pounds and rupees.

In respect of purchases and payables, the company controls its volume of purchase orders to a tolerable level and avoids concentrating the purchases in a single foreign currency by diversifying such foreign currency risk exposure.

In respect of sales and receivables, the company sets a prudent credit limit to individual customers who transact with it in other foreign currencies. The director's approval is required on the exposure to an individual customer or transaction that exceeds the limit.

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

Exposure in Rand

The net carrying amounts, in Rand, of the various exposures, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amounts at the closing rate at the reporting date:
US Dollar exposure:

		2025 R	2024 R
Current liabilities:			
Trade and other payables USD 422749 (2024: USD 31 211)	10	(7 712 601)	(590 069)
Trade and other payables EUR 183 915 (2024: EUR -)	8	(2 848 711)	-
Net exposure		**(10 561 312)**	**(590 069)**

Notes to the Financial Statements

	2025 R	2024 R

23. Financial instruments and risk management (continued)

Exchange rates
Foreign currency per Rand

	2025	2024
Euro	19,800	-
USD	18,320	18,906

Foreign currency sensitivity analysis

The following information presents the sensitivity of the company to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

	2025	2025	2024	2024
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
US Dollar 5% (2024: -%)	301 962	(301 962)	-	-
Euro 5% (2024: -%)	701 911	(701 911)	-	-
	1 003 873	**(1 003 873)**	**-**	**-**

24. Going concern

The 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 company has adequate financial resources to continue in operation for the next twelve months and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied is that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors is not aware of any new material changes that may adversely impact the company. 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 company.

25. 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.