Ranbaxy Pharmaceuticals Proprietary Limited
(Registration number 1993/003111/07)
Financial statements
for the year ended 31 March 2026

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 V Sethuraman
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
Holding company	Sun Pharma (Netherlands) BV
Ultimate holding company	Sun Pharmaceutical Industries Limited incorporated in India
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	22 May 2026

Contents

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

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 as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa, No. 71 of 2008. 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 as issued by the International Accounting Standards Board 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 32, which have been prepared on the going concern basis, were approved by the board of directors on 22 May 2026 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 2026.

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 as issued by the International Accounting Standards Board 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 (2025: Rnil).

5. Directorate

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

Directors	Changes
M Brown	
Avesh Ajoodha	
Deepakh Mangal Sewnarain	Resigned, 30 June 2025
V Sethuraman	Appointed, 10 September 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% (2025: 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.

Directors' Report

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

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 2026.

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 32, which comprise the statement of financial position as at 31 March 2026; 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 2026, and its financial performance and cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 2026", 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 IFRS Accounting Standards as issued by the International Accounting Standards Board 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

22 May 2026

Statement of Financial Position as at 31 March 2026

	Notes	2026 R	2025 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	126 979 822	102 295 818
Right-of-use assets	3	9 823 438	12 922 422
Intangible assets	4	2 810 076	2 696 920
		139 613 336	**117 915 160**
Current Assets			
Inventories	6	427 015 373	619 409 394
Trade and other receivables	7	479 897 403	594 490 904
Current tax receivable		-	8 028 027
Cash and cash equivalents	8	240 723 711	196 637 772
		1 147 636 487	**1 418 566 097**
Total Assets		**1 287 249 823**	**1 536 481 257**
Equity and Liabilities			
Equity			
Share capital	9	700 000 200	700 000 200
Retained income		179 232 153	66 250 981
		879 232 353	**766 251 181**
Liabilities			
Non-Current Liabilities			
Lease liabilities	3	7 961 742	10 969 045
Deferred tax	5	21 452 586	17 537 197
		29 414 328	**28 506 242**
Current Liabilities			
Trade and other payables	10	368 240 319	739 484 713
Lease liabilities	3	2 817 077	2 239 121
Current tax payable		7 545 746	-
		378 603 142	**741 723 834**
Total Liabilities		**408 017 470**	**770 230 076**
Total Equity and Liabilities		**1 287 249 823**	**1 536 481 257**

Statement of Profit or Loss and Other Comprehensive Income

	Notes	2026 R	2025 R
Revenue	11	1 868 065 191	1 873 895 560
Cost of sales	12	(1 230 202 404)	(1 340 950 528)
Gross profit		**637 862 787**	**532 945 032**
Other operating income	13	4 994 437	42 844 591
Other operating gains (losses)	14	(141 534)	881 882
Other operating expenses		(498 459 492)	(456 453 555)
Operating profit	15	**144 256 198**	**120 217 950**
Investment income	16	14 948 217	24 154 211
Finance costs	17	(1 060 121)	(607 315)
Profit before taxation		**158 144 294**	**143 764 846**
Taxation	18	(45 163 122)	(42 390 273)
Total comprehensive income for the year		**112 981 172**	**101 374 573**

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 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 01 April 2025	**200 000 200**	**500 000 000**	**700 000 200**	**66 250 981**	**766 251 181**
Total comprehensive income for the year	**-**	**-**	**-**	**112 981 172**	**112 981 172**
Balance at 31 March 2026	**200 000 200**	**500 000 000**	**700 000 200**	**179 232 153**	**879 232 353**
Note	9	9	9		

Statement of Cash Flows

	Note(s)	2026 R	2025 R
Cash flows from operating activities			
Cash generated from/(used in) operations	19	91 384 235	(527 136 288)
Interest income	16	14 948 217	24 154 211
Finance costs	17	(1 060 121)	(607 315)
Tax paid	20	(25 673 964)	(12 220 864)
Net cash from operating activities		**79 598 367**	**(515 810 256)**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(36 651 572)	(13 426 022)
Proceeds from sale of property, plant and equipment	2	4 485 773	-
Purchases of intangible assets	4	(907 351)	-
Net cash from investing activities		**(33 073 150)**	**(13 426 022)**
Cash flows from financing activities			
Cash repayments on lease liabilities	3	(2 439 278)	(1 449 729)
Total cash movement for the year		**44 085 939**	**(530 686 007)**
Cash and cash equivalents at the beginning of the year		196 637 772	727 323 779
Cash and cash equivalents at the end of the year	8	**240 723 711**	**196 637 772**

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 as issued by the International Accounting Standards Board 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.

Residual value and 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.

Management identified indicators of impairment as a result of the OSD Plant shutdown and accordingly performed an impairment assessment in terms of IAS 36. Based on the assessment performed, it was concluded that the shutdown did not have a material impact on the carrying value of the related assets.

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

Accounting Policies

1.4 Intangible assets (continued)

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.

1.5 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

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

At the commencement date of a lease, lease liabilities are measured at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease, where that rate can be readily determined.

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

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 when control of the goods is transferred to the customer, being the point in time at which the performance obligation is satisfied, which generally occurs upon delivery of the goods to the customer. 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.

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:
• Lack of exchangeability - amendments to IAS 21	01 January 2025	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 2026 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	Expected to impact the presentation and disclosure of financial statements and enhance transparency, with no material impact on the underlying accounting or reported results anticipated.
• 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

2. Property, plant and equipment

	2026			2025		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Land	14 407 031	-	14 407 031	16 976 500	-	16 976 500
Machinery	319 136 412	(260 877 955)	58 258 457	314 314 096	(254 905 963)	59 408 133
Fixtures and fittings	7 889 166	(7 653 622)	235 544	7 805 391	(7 621 563)	183 828
Motor vehicles	2 044 714	(862 040)	1 182 674	786 862	(715 290)	71 572
Office equipment	851 215	(743 852)	107 363	803 293	(731 958)	71 335
Computer equipment	7 064 804	(5 420 079)	1 644 725	5 855 759	(4 793 967)	1 061 792
Leasehold improvements	114 356 102	(100 558 257)	13 797 845	127 777 330	(112 572 368)	15 204 962
Capital - Work in progress	37 346 183	-	37 346 183	9 317 696	-	9 317 696
Total	**503 095 627**	**(376 115 805)**	**126 979 822**	**483 636 927**	**(381 341 109)**	**102 295 818**

Reconciliation of property, plant and equipment - 2026

	Opening balance	Additions	Disposals	Depreciation	Total
Land	16 976 500	-	(2 569 469)	-	14 407 031
Machinery	59 408 133	6 024 492	(638 091)	(6 536 077)	58 258 457
Fixtures and fittings	183 828	83 775	-	(32 059)	235 544
Motor vehicles	71 572	1 257 851	-	(146 749)	1 182 674
Office equipment	71 335	47 922	-	(11 894)	107 363
Computer equipment	1 061 792	1 209 045	-	(626 112)	1 644 725
Leasehold improvements	15 204 962	-	(963 511)	(443 606)	13 797 845
Capital - Work in progress	9 317 696	28 028 487	-	-	37 346 183
	102 295 818	**36 651 572**	**(4 171 071)**	**(7 796 497)**	**126 979 822**

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**

3. Right of use assets and Lease liabilities

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

	2026			2025		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Buildings	13 955 418	(4 131 980)	9 823 438	16 227 807	(3 305 385)	12 922 422

Reconciliation of right-of-use assets - 2026

	Opening balance	Depreciation	Total
Buildings	12 922 422	(3 098 984)	9 823 438

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

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

Other disclosures

Leases of low value assets included in operating expenses	706 634	1 128 208

Lease liabilities

The maturity analysis of lease liabilities is as follows:

	Undiscounted	Interest	Net
2026			
Within one year	3 649 675	(832 598)	2 817 077
Two to five years	8 929 808	(968 066)	7 961 742
2025			
Within one year	3 489 468	(1 250 347)	2 239 121
Two to five years	12 579 483	(1 610 436)	10 969 047

Reconciliation of lease liability		
Opening balance	13 208 168	1 190 730
Interest accrued	1 060 121	607 315
Lease payments	(3 489 470)	(1 449 729)
	10 778 819	**13 208 168**

Non-current liabilities	7 961 742	10 969 045
Current liabilities	2 817 077	2 239 121
	10 778 819	**13 208 166**

4. Intangible assets

	2026			2025		
	Cost	**Accumulated amortisation**	**Carrying value**	**Cost**	**Accumulated amortisation**	**Carrying value**
Copyrights, patents and other industrial property rights	4 117 089	(2 267 161)	1 849 928	4 117 089	(1 647 225)	2 469 864
Computer software	1 912 763	(952 615)	960 148	1 005 412	(778 356)	227 056
Total	**6 029 852**	**(3 219 776)**	**2 810 076**	**5 122 501**	**(2 425 581)**	**2 696 920**

Reconciliation of intangible assets - 2026

	Opening balance	Additions	Amortisation	Total
Copyrights, patents and other industrial property rights	2 469 864	-	(619 936)	1 849 928
Computer software	227 056	907 351	(174 259)	960 148
	2 696 920	**907 351**	**(794 195)**	**2 810 076**

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**

Notes to the Financial Statements

5. Deferred tax

Deferred tax liability

Property, plant and equipment	(24 923 685)	(21 566 316)
Right of use assets	(2 652 328)	(3 489 054)
Total deferred tax liability	**(27 576 013)**	**(25 055 370)**

Deferred tax asset

Assessed loss	-	130 777
Lease liability	2 910 281	3 566 205
Provision for leave pay	322 258	1 361 057
Provision for bonus	133 630	1 118 872
Provision for expected credit loss	2 757 258	1 341 262
Deferred tax balance from temporary differences other than unused tax losses	6 123 427	7 518 173

The estimated tax loss available for set off against future taxable income is RNil (2025: R484 364).

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	(27 576 013)	(25 055 370)
Deferred tax asset	6 123 427	7 518 173
Total net deferred tax asset (liability)	**(21 452 586)**	**(17 537 197)**

Reconciliation of deferred tax asset / (liability)

At beginning of year	(17 537 197)	17 010 746
Movement in property, plant and equipment	(3 357 369)	(2 586 577)
Movement in right-of-use asset	836 726	(3 248 448)
Movement in assessed loss	(130 777)	(31 369 326)
Movement in lease liability	(655 924)	3 268 264
Movement in bonus provision	(985 242)	(511 950)
Movement in provision for leave pay	(1 038 799)	(49 418)
Movement in provision for expected credit loss	1 415 996	(50 488)
	(21 452 586)	**(17 537 197)**

6. Inventories

Raw materials	60 648 190	59 835 431
Work in progress	7 515 777	75 308 163
Finished goods	391 913 583	559 889 210
Merchandise	24 161 045	24 283 615
	484 238 595	719 316 419
Inventories (write-downs)	(57 223 222)	(99 907 025)
	427 015 373	**619 409 394**

7. Trade and other receivables

Financial instruments:		
Trade receivables	488 222 493	564 359 699
Trade receivables - related parties	4 922 038	-
Allowances for returns	(1 102 412)	(919 857)
Loss allowance	(15 658 501)	(7 617 046)
Trade receivables at amortised cost	476 383 618	555 822 796
Non-financial instruments:		
VAT	-	36 200 715
Employee costs in advance	139 682	151 482
Prepayments	3 374 103	2 315 911
Total trade and other receivables	**479 897 403**	**594 490 904**

Split between non-current and current portions

Current assets	479 897 403	594 490 904

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

At amortised cost	476 383 618	555 822 796
Non-financial instruments	3 513 785	38 668 108
	479 897 403	**594 490 904**

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:

	2026	2026	2025	2025
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: 0.1% (2025: 0%)	385 403 958	(192 720)	394 722 482	-
Less than 30 days past due: 0.5% (2025: 0%)	54 780 708	(249 847)	-	-
31 - 60 days past due: 1% (2025: 0%)	13 913 562	(146 720)	28 842 346	-
61 - 90 days past due: 2% (2025: 0%)	5 846 617	(125 663)	14 718 230	-
91 - 120 days past due: 8% (2025: 0%)	883 612	(74 288)	15 811 042	-
More than 120 days past due: 54% (2025: 15%)	27 394 036	(14 869 263)	50 531 774	(7 617 046)
Total	**488 222 493**	**(15 658 501)**	**504 625 874**	**(7 617 046)**

7. Trade and other receivables (continued)

The increase in ECL is due to the fact that there is a portion of Government debt which is ageing due to constraints from a state perspective

Reconciliation of loss allowances

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

Opening balance	(7 617 046)	(7 903 764)
Provision raised on new trade receivables	(8 041 455)	286 718
Closing balance	**(15 658 501)**	**(7 617 046)**

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	-	6 697
Bank balances	240 723 711	196 631 075
	240 723 711	**196 637 772**

Securities and facilities:

Standard Bank Investments	721 035	-
Performance Guarantee	919 275	-
Fleet Management card	206 725	-
Card issuance cover	2 750 000	-
Overdraft: Working capital and advances	141 737 990	-
Standby letters of credit and guarantees	5 635 000	-
Guarantees	61 436	-

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**

10. Trade and other payables

Financial instruments:		
Trade payables	126 141 342	101 250 586
Trade payables - related parties	218 071 696	503 432 840
Other payables	2 566 447	2 808 260
Non-financial instruments:		
Payroll accruals	1 312 578	667 844
Marketing accruals	17 240 661	131 325 183
VAT	2 907 595	-
	368 240 319	**739 484 713**

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

At amortised cost	346 779 481	607 491 686
Non-financial instruments	21 460 834	131 993 027
	368 240 315	**739 484 713**

	2026 R	2025 R

11. Revenue

	2026 R	2025 R
Revenue from contracts with customers		
Sale of goods	2 386 883 170	2 345 626 065
Chargebacks, reimbursements and other	(518 817 979)	(471 730 505)
	1 868 065 191	**1 873 895 560**

Disaggregation of revenue from contracts with customers

The company disaggregates revenue from customers as follows:

	2026 R	2025 R
Sale of goods		
External customers	1 698 079 640	1 568 540 111
Related parties	169 985 551	305 355 449
Total revenue from contracts with customers	**1 868 065 191**	**1 873 895 560**

Timing of revenue recognition

	2026 R	2025 R
At a point in time		
Sale of goods	1 868 065 191	1 873 895 560

12. Cost of sales

	2026 R	2025 R
Sale of goods	1 230 202 404	1 340 950 528

13. Other operating income

	2026 R	2025 R
Insurance claim received	119 871	28 426 468
Other income	4 874 566	14 418 123
	4 994 437	**42 844 591**

14. Other operating gains (losses)

	2026 R	2025 R
Gains on disposals, scrappings and settlements		
Property, plant and equipment	314 702	-
Foreign exchange gains (losses)		
Net foreign exchange (losses) gains	(456 236)	881 882
Total other operating gains (losses)	**(141 534)**	**881 882**

15. Operating profit

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

Employee costs

	2026 R	2025 R
Salaries, wages, bonuses and other benefits	251 157 798	234 694 836
Short-term benefit	7 992 222	13 346 740
Retirement benefit plans: defined contribution expense	6 442 280	6 575 642
Total employee costs	**265 592 300**	**254 617 218**

Leases

	2026 R	2025 R
Leases of low value assets	706 634	1 128 208
Total lease expenses	**706 634**	**1 128 208**

Notes to the Financial Statements

	2026 R	2025 R

15. Operating profit (continued)

Depreciation and amortisation		
Depreciation of property, plant and equipment	7 796 497	7 105 539
Depreciation of right-of-use assets	3 098 984	1 523 119
Amortisation of intangible assets	794 195	619 937
Total depreciation and amortisation	**11 689 676**	**9 248 595**

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	1 230 202 404	1 340 950 528
Employee costs	265 592 300	254 617 218
Lease expenses	706 634	1 128 208
Depreciation, amortisation and impairment	11 689 676	9 248 595
Other expenses	220 470 882	191 459 534
	1 728 661 896	**1 797 404 083**

16. Investment income

Interest income		
Investments in financial assets:		
Bank and other cash	14 948 217	24 154 211

17. Finance costs

Other interest paid	1 060 121	607 315

18. Taxation

Major components of the tax (income) expense

Current		
Local income tax - current period	41 247 737	7 842 331
Deferred		
Originating and reversing temporary differences	3 915 385	34 547 942
	45 163 122	**42 390 273**

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	27,00 %	27,00 %
Impact of permanent differences	(1,86)%	- %
	25,14 %	**27,00 %**

Notes to the Financial Statements

	2026 R	2025 R
19. Cash generated from/(used in) operations		
Profit before taxation	158 144 294	143 764 846
Adjustments for non-cash items:		
Depreciation, amortisation, impairments and reversals of impairments	11 689 676	9 248 595
Gains on sale of assets and liabilities	(314 702)	-
Losses (gains) on exchange differences	9 935	(881 882)
Movement in expected credit loss	8 041 455	(286 718)
Movement in inventory provision	(42 683 803)	20 374 318
Adjust for items which are presented separately:		
Interest income	(14 948 217)	(24 154 211)
Finance costs	1 060 121	607 315
Changes in working capital:		
(Increase) decrease in inventories	235 077 824	125 931 432
(Increase) decrease in trade and other receivables	106 552 046	(58 226 520)
Increase (decrease) in trade and other payables	(371 244 394)	(743 513 463)
	91 384 235	**(527 136 288)**

	2026 R	2025 R
20. Tax paid		
Balance at beginning of the year	8 028 027	3 649 494
Current tax recognised in profit or loss	(41 247 737)	(7 842 331)
Balance at end of the year	7 545 746	(8 028 027)
	(25 673 964)	**(12 220 864)**

	2026 R	2025 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
	Sun Pharmaceuticals Industries (Australia) Pty Ltd
Members of key management	Avesh Ajoodha (Director
	M Brown (Director)

Related party balances

	2026 R	2025 R
Amounts included in trade receivables regarding related parties		
Sonke Pharmaceuticals Proprietary Limited	4 174 991	59 730 224
Ranbaxy (South Africa) Proprietary Limited	747 047	359 874
	4 922 038	**60 090 098**
Amounts included in trade payables regarding related parties		
Ranbaxy (South Africa) Proprietary Limited	(51 161 221)	(45 720 403)
Sonke Pharmaceuticals Proprietary Limited	(3 568 737)	(39 997 478)
Sun Pharmaceutical Industries Limited	(163 341 738)	(476 007 206)
	(218 071 696)	**(561 725 087)**

Related party transactions

	2026 R	2025 R
Sales to related parties		
Sonke Pharmaceuticals Proprietary Limited	127 111 445	294 043 409
Ranbaxy (South Africa) Proprietary Limited	42 874 106	11 312 040
	169 985 551	**305 355 449**
Purchases from related parties		
Sun Pharmaceuticals Industries Limited	(780 483 503)	(721 089 272)
Sun Pharmaceuticals Industries (Australia) Pty Ltd	(2 251 054)	(4 547 849)
	(782 734 557)	**(725 637 121)**
Royalties received from related parties		
Sonke Pharmaceuticals Proprietary Limited	4 127 343	7 260 818
Management fee cross charges between related parties		
Ranbaxy (South Africa) Proprietary Limited	130 749 524	115 015 339

*Refer to note 22 for details on key management compensation.
*Refer to note 7 for further details on expected credit losses and defaults.

	2026	2025
	R	R

22. Directors' emoluments

2026

Directors' emoluments	**Basic salary**	**Bonuses and performance related payments**	**Other benefits**	**Severance pay**	**Total**
Services as director or prescribed officer					
DM Sewnarain	416 571	-	100 778	1 955 923	2 473 272
A Ajoodha	2 335 279	459 602	184 779	-	2 979 660
M Brown	2 918 833	749 602	218 822	-	3 887 257
V Sethuraman	-	-	-	-	-
	5 670 683	**1 209 204**	**504 379**	**1 955 923**	**9 340 189**

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**

	2026 R	2025 R

23. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2026

	Note(s)	Amortised cost	Total
Trade and other receivables	7	476 383 618	476 383 618
Cash and cash equivalents	8	240 723 711	240 723 711
		717 107 329	**717 107 329**

2025

	Note(s)	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**

Categories of financial liabilities

2026

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	10	346 779 481	-	346 779 481
Lease liabilities	3	-	10 778 819	10 778 819
		346 779 481	**10 778 819**	**357 558 300**

2025

	Note(s)	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**

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:

23. Financial instruments and risk management (continued)

		2026			2025		
		Gross carrying amount	**Credit loss allowance**	**Amortised cost**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost**
Trade and other receivables	7	496 658 316	(15 658 501)	480 999 815	563 439 842	(7 617 046)	555 822 796
Cash and cash equivalents	8	240 723 711	-	240 723 711	196 637 772	-	196 637 772
		737 382 027	**(15 658 501)**	**721 723 526**	**760 077 614**	**(7 617 046)**	**752 460 568**

Liquidity risk

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.

2026

		Less than 1 year	**1 to 2 years**	**Total**	**Carrying amount**
Non-current liabilities					
Lease liabilities	3	-	8 929 808	8 929 808	7 961 742
Current liabilities					
Trade and other payables	10	362 090 555	-	362 090 555	346 779 481
Lease liabilities	3	3 649 675	-	3 649 675	2 817 077
		365 740 230	**8 929 808**	**374 670 038**	**357 558 300**

2025

		Less than 1 year	**1 to 2 years**	**Total**	**Carrying amount**
Non-current liabilities					
Lease liabilities	3	-	12 579 483	12 579 483	10 969 045
Current liabilities					
Trade and other payables	10	607 491 683	-	607 491 683	607 491 683
Lease liabilities	3	3 489 468	-	3 489 468	2 239 121
		610 981 151	**12 579 483**	**623 560 634**	**620 699 849**

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.

		2026 R	2025 R

23. Financial instruments and risk management (continued)

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:

		2026 R	2025 R
Current liabilities:			
Trade and other payables USD 199 981 (USD 422 749)	10	(3 415 683)	(7 712 601)
Trade and other payables EUR 33 858 (2025: EUR 183 915)		(664 639)	(2 848 711)
Net exposure		**(4 080 322)**	**(10 561 312)**

	2026	2025
Exchange rates		
Foreign currency per Rand		
EUR	19,630	19,800
USD	17,080	18,320

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.

	2026	2026	2025	2025
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
US Dollar 5% (2025: 5%)	33 232	(33 232)	301 962	(301 962)
Euro 5% (2025: 5%)	170 784	(170 784)	701 911	(701 911)
	204 016	**(204 016)**	**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.

26. Commitments and contingencies

The company did not have any capital commitments, contingent liabilities, or contingent assets at the reporting date (2025: Nil).