BE-TABS INVESTMENTS (PTY) LTD

(Registration Number 1993/003349/07)

Audited Annual Financial Statements

for the year ended 31 March 2018

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General Information

Country of Incorporation and Domicile	South Africa
Nature of Business and Principal Activities	Holding Investment property for the purpose of earning rental income
Director	DW Brothers
Ultimate holding company	Sun Pharmaceutical Industries Limited incorporated in India
Holding company	Ranbaxy Pharmaceuticals (Pty) Ltd incorporated in the Republic of South Africa
Registered Office	121 Boshoff Street New Muckleneuk Pretoria 181
Business Address	14 Lautre Road Stormill Ext 1 Roodepoort 1742
Postal Address	P O Box 43486 Industria 2042
Independent Auditors	Ernst & Young
Independent Compiler	Moollas Financial Solutions Inc
Company Secretary	Grant Thornton

Report of the Compiler

To the Shareholder of Be-Tabs Investments (Pty) Ltd

We have compiled the accompanying annual financial statements of Be-Tabs Investments (Pty) Ltd based on information you have provided. These annual financial statements comprise the statement of financial position of Be-Tabs Investments (Pty) Ltd as at 31 March 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Moollas Financial Solutions Inc

24 May 2018

Building 2, Woodmead Country Club Estate
21 Woodlands Drive
Woodmead
2052

Muhammad Moolla
Chartered Accountant (SA)

Director's Responsibilities and Approval

The director is required by the South African Companies Act to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is his responsibility to ensure that the annual financial statements satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the business of the company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the company and supported by reasonable and prudent judgements and estimates.

The director acknowledges that he is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the director to meet these responsibilities, the board 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 director is of the opinion, based on the information and explanations given by management and the external auditors, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The annual financial statements have been audited by the independent auditing firm, Ernst & Young, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholder and the director. The director believes that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors' audit report is presented on pages 3 to 5.

The annual financial statements as set out on pages 8 to 25 were approved by the him on 24 May 2018 and were signed by him.

DW Brothers

BE-TABS INVESTMENTS (PTY) LTD

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Director's Report

The director presents his report for the year ended 31 March 2018.

1. Review of activities

Main business and operations
The principal activity of the company is holding Investment property for the purpose of earning rental income and there were no major changes herein during the year.

The operating results and statement of financial position of the company are fully set out in the attached financial statements and do not in my opinion require any further comment.

2. Going concern

The financial statements have been prepared on the basis that assets will be realised and liabilities will be discharged within the next 12 months as the entity will not continue to operate in the future. Therefore, the going concern basis has not been adopted in the preparation of the financial statements.

3. Events after reporting date

The director is not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

4. Authorised and issued share capital

No changes were approved or made to the authorised or issued share capital of the company during the year under review.

5. Dividends

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

6. Director

The director of the company during the year and to the date of this report is as follows:

DW Brothers

7. Secretary

The company's designated secretary is Grant Thornton.

8. Independent Auditors

Ernst & Young were the independent auditors for the year under review.

BE-TABS INVESTMENTS (PTY) LTD

(Registration Number 1993/003349/07)

Audited Annual Financial Statements as at 31 March 2018

Statement of Financial Position

Figures in R	Notes	2018	2017
Assets			
Current Assets			
Loans to group companies	5	1,843,703	2,593,679
Trade and other receivables	6	530,501	-
Cash and cash equivalents	7	1,202,073	985,678
		3,576,277	**3,579,357**
Total Assets		**3,576,277**	**3,579,357**
Equity and Liabilities			
Equity			
Stated Capital	8	200	200
Retained earnings		3,576,077	3,577,087
		3,576,277	**3,577,287**
Current Liabilities			
Trade and other payables	9	-	2,070
Total Equity and Liabilities		**3,576,277**	**3,579,357**

BE-TABS INVESTMENTS (PTY) LTD

(Registration Number 1993/003349/07)

Audited Annual Financial Statements for the year ended 31 March 2018

Statement of Profit or Loss and Comprehensive Income

Figures in R	2018	2017
Operating costs	(1,010)	26,524
Operating (loss)/profit	**(1,010)**	**26,524**
(Loss)/profit for the year	**(1,010)**	**26,524**
Other comprehensive income		
Other comprehensive income	-	-
Total other comprehensive income	-	-
Total comprehensive (loss)/income for the year	**(1,010)**	**26,524**

BE-TABS INVESTMENTS (PTY) LTD

(Registration Number 1993/003349/07)

Audited Annual Financial Statements for the year ended 31 March 2018

Statement of Changes in Equity

Figures in R	Stated Capital	Retained earnings	Total
Balance at 1 April 2016	200	3,550,563	3,550,763
Total comprehensive income for the year			
Profit for the year		26,524	26,524
Total other comprehensive income		-	-
Total comprehensive loss for the year	-	26,524	26,524
Balance at 31 March 2017	**200**	**3,577,087**	**3,577,287**
Balance at 1 April 2017	200	3,577,087	3,577,287
Total comprehensive income for the year			
Loss for the year		(1,010)	(1,010)
Total comprehensive income for the year	-	(1,010)	(1,010)
Balance at 31 March 2018	**200**	**3,576,077**	**3,576,277**
Note	8		

BE-TABS INVESTMENTS (PTY) LTD

(Registration Number 1993/003349/07)

Audited Annual Financial Statements for the year ended 31 March 2018

Statement of Cash Flows

Figures in R	2018	2017
Cash flows from operating activities		
Profit before tax	(1,010)	26,524
Operating cash flow before working capital changes	(1,010)	26,524
Working capital changes		
Increase in trade and other receivables	(530,501)	-
(Decrease)/increase in trade and other payables	(2,070)	56
Cash (utilised in)/generated by operating activities	(533,581)	26,580
Income tax paid	-	-
Net cash from operating activities	**(533,581)**	**26,580**
Cash flows from financing activities		
Decrease in loans from group companies	749,976	174,798
Net cash generated by financing activities	**749,976**	**174,798**
Increase in cash and cash equivalents	216,395	201,378
Cash and cash equivalents at beginning of the year	985,678	784,300
Cash and cash equivalents at end of the year	**1,202,073**	**985,678**

Accounting Policies

1. Basis of preparation

The annual financial statements of the company have been prepared in accordance with all applicable International Financial Reporting Standards (IFRSs) and the Companies Act 71 of 2008. The annual financial statements have been prepared under the historical cost convention, and are presented in South African Rands.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in note 3.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Financial assets

Classification

The company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

Derivatives are also categorised as held for trading unless they are designated as hedges.

Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Accounting Policies

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest rate method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'Other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of other income when the company's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as 'Gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest rate method is recognised in the statement of comprehensive income as part of other income. Dividends on available-for-sale equity instruments are recognised in the statement of comprehensive income as part of other income when the company's right to receive payments is established.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets

Assets carried at amortised cost

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Accounting Policies

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

Assets classified as available for sale

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the company uses the criteria referred to in
(a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated statement of comprehensive income on equity instruments are not reversed through the consolidated statement of comprehensive income.

If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated statement of comprehensive income.

Trade and other receivables

Trade and other receivables are initially measured at fair value and, after initial recognition, at amortised cost less impairment losses for bad and doubtful debts, if any, except for the following receivables:

- Interest-free loans made to related parties without any fixed repayment terms or the effect of discounting being immaterial, that are measured at cost less impairment losses for bad and doubtful debt, if any; and
- Short-term receivables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount less impairment losses for bad and doubtful debt, if any.

At each reporting date, the company assesses whether there is any objective evidence that a receivable or company of receivables is impaired. Impairment losses on trade and other receivables are recognised in profit or loss when there is objective evidence that an impairment loss has been incurred and are measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at its original effective interest rate, i.e. the effective interest rate computed at initial recognition. The impairment loss is reversed if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised.

Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Accounting Policies

For the purpose of statement of cash flows, bank overdrafts which are repayable on demand form an integral part of the company's cash management are included as a component of cash and cash equivalents.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs. Loans to group companies are classified as loans and receivables. Loans from group companies are classified financial liabilities measured at amortised cost.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.2 Income taxation

Income taxation for the year includes current taxation and deferred taxation. Current taxation and deferred taxation are recognised in profit or loss, except to the extent that the taxation arises from a transaction or event which is recognised directly in equity. In the case if the taxation relates to items that are recognised directly to equity, current taxation and deferred taxation are also recognised directly to equity.

Current taxation liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the taxation rates and taxation laws that have been enacted or substantively enacted by the statement of financial position date. Current taxation is the amount of income taxation payable or recoverable in respect of the taxable profit or loss for a period.

Deferred taxation assets and liabilities arise from deductible and taxable temporary differences respectively. Temporary differences are the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their taxation bases. Deferred taxation assets also arise from unused taxation losses and unused taxation credits.

A deferred taxation liability is recognised for all taxable temporary differences, except to the extent that the deferred taxation liability arises from the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (taxation loss).

A deferred taxation 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, unless the deferred taxation asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (taxation loss).

Accounting Policies

At each statement of financial position date, the company reviews and assesses the recognised and unrecognised deferred taxation assets and the future taxable profit to determine whether any recognised deferred taxation assets should be derecognised and any unrecognised deferred taxation assets should be recognised.

Deferred taxation assets and liabilities are measured at the taxation rates that are expected to apply to the period when the asset is realised or the liability is settled, based on taxation rates and taxation laws that have been enacted or substantively enacted by the statement of financial position date. Deferred taxation assets and liabilities are not discounted.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit and loss for the period, except to the extent that the tax arises from:
- A transaction or event which is recognised, in the same or A different period, to other comprehensive income, or
- a business combination

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to the items that are credited or charged, in the same or a different period, to other comprehensive income.

Current and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

2.3 Interest income

Interest income is recognised using the effective interest rate method. When a loan and receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

2.4 Related parties

For the purposes of these financial statements, a party is considered to be related to the company if:

a. directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company, has an interest in the company that gives it significant influence over the company, or has joint control over the company;
b. the party is an associate of the company;
c. the party is a joint venture in which the company is a venture;
d. the party is a member of the key management personnel of the company or its parent;
e. the party is a close member of the family of any individual referred to in (i) or (iv);
f. the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
g. the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

Accounting Policies

3. Critical accounting judgements and key sources of estimation uncertainty

The company's management makes assumptions, estimates and judgements in the process of applying the company's accounting policies that affect the assets, liabilities, income and expenses in the consolidated annual financial statements prepared in accordance with IFRSs. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision policy affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.1.1 Trade receivables

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. The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio.

3.1.2 Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and changes in tax laws on foreign withholding tax.The company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amounts of such provisions are based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective investment’s domicile. As the company assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognised.

Accounting Policies

4. Changes in accounting policies and disclosures
4.1 Adoption of new and revised pronouncements

In the current year, the company has adopted all new and revised IFRSs that are relevant to its operations and effective for annual reporting periods beginning on or after 1 April 2017.

At the date of authorisation of these financial statements for the year ended 31 March 2018, the following IFRSs were adopted:

Details of Standard / Interpretation
Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)
Amends IAS 12 Income Taxes to clarify the following aspects:
• Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
• The carrying amount of an asset does not limit the estimation of probable future taxable profits.
• Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
• An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.
Disclosure Initiative (Amendments to IAS 7)
Amends IAS 7 Statement of Cash Flowsto clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Application of the above standards did not impact these annual financial statements.

Accounting Policies

4.2 New standards and interpretations not yet adopted

The company has not applied the following new, revised or amended pronouncements that have been issued by the IASB as they are not yet effective for the annual financial year beginning 1 April 2017 (the list does not include information about new requirements that affect interim financial reporting or first-time adopters of IFRS since they are not relevant to the company). The Board anticipates that the new standards, amendments and interpretations will be adopted in the Group's consolidated financial statements when they become effective. The company has assessed, where practicable, the potential impact of all these new standards, amendments and interpretations that will be effective in future periods.

Details of Standard / interpretation	Anticipated impact	Mandatory application date and expected implementation date
IFRS 9 Financial Instruments (2014)	It is unlikely that the amendment will have a material impact on the company's annual financial statements.	Effective for annual periods beginning on or after 1 January 2018. The company expects to adopt the standard for the first time in the 2019 annual financial statements.
A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:		
• Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.		
• Impairment. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.		
• Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures		
• Derecognition. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.		

Accounting Policies

IFRS 15 Revenue from Contracts with Customers IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are as follows: • Identify the contract with the customer • Identify the performance obligations in the contract • Determine the transaction price • Allocate the transaction price to the performance obligations in the contracts • Recognise revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.	It is unlikely that the amendment will have a material impact on the company's annual financial statements.	Applicable to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2018. The company expects to adopt the standard for the first time in the 2019 annual financial statements.
IFRS 16 Leases IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	It is unlikely that the amendment will have a material impact on the company's annual financial statements.	Applicable for annual periods beginning on or after 1 January 2019. The company expects to adopt the standard for the first time in the 2020 annual financial statements.

Accounting Policies

Transfers of Investment Property (Amendments to IAS 40) The amendments to IAS 40 Investment Property: • Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. • The list of examples of evidence in paragraph 57(a) – (d) is now presented as a non-exhaustive list of examples instead of the previous exhaustive list.	It is unlikely that the amendment will have a material impact on the company's annual financial statements.	Applicable to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2018. The company expects to adopt the standard for the first time in the 2019 annual financial statements.
Annual Improvements to IFRS Standards 2014–2016 Cycle Makes amendments to the following standards: • IFRS 1 - Deletes the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose. • IAS 28 - Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.	It is unlikely that the amendment will have a material impact on the company's annual financial statements.	Applicable to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2018. The company expects to adopt the standard for the first time in the 2019 annual financial statements.

Additional accounting policy 3

Notes to the Annual Financial Statements

Figures in R	2018	2017

5. Loans to group companies

Holding Company		
Ranbaxy Pharmaceuticals Proprietary Limited	1,843,703	2,593,679

The loan is unsecured and interest free, and no fixed terms of repayment

6. Trade and other receivables

Value Added Tax	530,501	-

7. Cash and cash equivalents

Favourable cash balances		
Bank balances	1,202,073	985,678

8. Stated Capital

Authorised		
1000 Ordinary shares of R1 each	1,000	1,000
Issued		
200 Ordinary shares of R1 each	200	200

9. Trade and other payables

Value Added Tax	-	2,070

10. Income taxation expense

Reconciliation of rate of taxation	%	%
South African normal taxation rate	28	28
Adjusted for:		
Assessed loss utilised	(28)	(28)
Net reduction	(28)	(28)

Notes to the Annual Financial Statements

Figures in R	2018	2017

11. Director's emoluments

Name	Remuneration excl bonus and post retirement	Post retirement benefits	Bonus	Total
Director A				-

2017

Name	**Remuneration excl bonus and post retirement**	**Post retirement benefits**	**Bonus**	**Total**
Director A	2,502,651	176,540	636,336	3,315,527

12. Event after the balance sheet date

No events occurred between 31 March 2018 and the date the director approved the financial statements that would have a material impact on the results as disclosed in the financial statements as set out on pages 9 to 25 or the continued existence of the company as a going concern.

13. Related party transactions

Relationships

Names	**Relationship**
Sun Pharmaceutical Industries Limited	Ultimate holding company
Ranbaxy Pharmaceuticals Proprietary Limited (Erstwhile Be-Tabs Pharmaceuticals (Pty) Ltd)	Holding company

			Amounts owed (to) / by the related party at year-end	
Name	**Relationship**	**Transactions**	2018	2017
Ranbaxy Pharmaceuticals Propriety Limited	Holding company	Loan to holding company	1,843,703	2,593,679

Notes to the Annual Financial Statements

Figures in R	2018	2017

14. Financial instruments

The company has classified its financial assets in the following categories:

	Fair value through profit loss (held for trading)	Held-to-maturity investments	Loans and receivables	Available-for-sale financial assets	Total
2018					
Current financial assets					
Loans receivable (refer note 5)	-	-	1,843,703	-	1,843,703
Cash and cash equivalents	-	-	1,202,073	-	1,202,073
2017					
Current financial assets					
Loans to group companies	-	-	2,593,679	-	2,593,679
Cash and cash equivalents	-	-	985,678	-	985,678

Financials assets are not measured at fair value, the carrying value approximates fair value. All fair value measurements are recurring fair value measurements.

14.1 Liquidity risk

Cash flow forecasting is performed in the operating entities of the company in and aggregated by company finance. Company finance monitors rolling forecasts of the company's liquidity requirements to ensure it has sufficient cash to meet operational needs.

14.2 Interest rate risk

The company has interest bearing assets in the form of cash balances at year end, the company's income and operating cash flows are substantially independent of changes in market interest rates.

14.3 Credit risk

Credit risk consists mainly of cash deposits, cash equivalents. The company only deposits cash with major banks with high quality credit standing and limits exposure to one counter-party (Ranbaxy Pharmaceuticals (Pty) Ltd)

15. Going Concern

The financial statements have been prepared on the basis that assets will be realised and liabilities will be discharged within the next 12 months as the entity will not continue to operate in the future. Therefore, the going concern basis has not been adopted in the preparation of the financial statements.