Be-Tabs Pharmaceuticals Proprietary Limited and its subsidiary
(Registration number 1993/003111/07)
Financial statements
for the period ended 31 March 2014

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Import, manufacturing and trade of pharmaceutical goods
Directors	SI Dani A Madan D Adkisson M Bharadwaj D Brothers
Registered office	121 Boshoff Street New Muckleneuk Pretoria 0181
Business address	3 Lautre Road Stormill Ext 1 Roodepoort 1724
Postal address	PO Box 43486 Industri a 2042
Holding company	Ranbaxy Netherlands BV incorporated in Netherlands
Ultimate holding company	Daiichi Sankyo Limited incorporated in Japan
Auditors	PricewaterhouseCoopers Inc.
Secretary	Grant Thorton
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.
Preparer	The financial statements were independently compiled under the supervision of: P Heslinga CA (SA)
Published	05 May 2014

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

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Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa 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 group as at the end of the financial period and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group’s cash flow forecast for the period to 31 March 2015 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's financial statements. The financial statements have been examined by the group's external auditors and their report is presented on pages 6 to 7.

The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of the directors. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The financial statements and additional schedules set out on pages 8 to 42, which have been prepared on the going concern basis, were approved by the directors on 05 May 2014 and were signed on its behalf by:

A Madan	**D Brothers**
Director	**Director**

Directors' Report

The directors submit their report for the period ended 31 March 2014.

1. Review of activities

Main business and operations

The group is engaged in import, manufacturing and trade of pharmaceutical goods and operates principally in South Africa.

The operating results and state of affairs of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

Net loss of the group was R 68,318,446 (2013: R 62,669,988 loss).

Registered office	121 Boshoff Street New Muckleneuk Pretoria 0181
Business address	3 Lautre Road Stormill Ext 1 Roodepoort 1724
Postal address	PO Box 43486 Industria 2042

2. 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. Refer to note .

3. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial period, which might have a material impact on the reported results.

4. Authorised and issued share capital

There were no changes in the authorised or issued share capital of the group during the period under review.

5. Dividends

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

Directors' Report

6. Directors

The directors of the company during the period and to the date of this report are as follows:

Name	Nationality
SI Dani	Indian
A Madan	Indian
D Adkisson	American
M Bharadwaj	Indian
D Brothers	South African

7. Secretary

The secretary of the company is Grant Thorton of:

Business address	121 Boshoff Street New Muckleneuk Pretoria 0181

8. Holding company

The company's holding company is Ranbaxy Netherlands BV incorporated in Netherlands.

9. Ultimate holding company

The company's ultimate holding company is Daiichi Sankyo Limited incorporated in Japan.

10. Interest in subsidiaries

Name of subsidiary
Be-Tabs Investments Proprietary Limited

Details of the company's investment in subsidiaries are set out in note 8.

11. Auditors

PricewaterhouseCoopers Inc. will continue in office in accordance with section 90 of the Companies Act of South Africa.

12. Change in financial year end

The company changed its financial year end from December to March during the current year, resulting in a 15 months reporting period.

To the Shareholder of Be-Tabs Pharmaceuticals Proprietary Limited and its subsidiary

INDPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BE-TABS PHARMACEUTICALS PROPRIETARY LIMITED

We have audited the consolidated and separate financial statements of Be-Tabs Pharmaceuticals Proprietary Limited set out on pages 8 to 42, which comprise the statements of financial position as at 31 March 2014, and the statements of profit and loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Be-Tabs Pharmaceuticals Proprietary Limited as at 31 March 2014, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 March 2014, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between the report and the audited financial statements. This report is the responsibility of the respective preparers. Based on reading this report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

PricewaterhouseCoopers Inc.
Director: Leon de Wet
Registered Auditor
Sunninghills
05 May 2014

Opinion

L de Wet
Partner

L de Wet
Additional description
Additional description

05 May 2014

32 Ida Street Menlo Park
0081

Statement of Financial Position as at 31 March 2014

	Note	Group		Company	
		15 Months ended 31 March 2014	15 Months ended 31 December 2012	15 Months ended 31 March 2014	15 Months ended 31 December 2012
		R	R	R	R
Assets					
Non-Current Assets					
Property, plant and equipment	6	272,281,609.00	295,434,502.00	272,281,609.00	295,434,502.00
Intangible assets	7	761,654.00	611,185.00	761,654.00	611,185.00
Investments in subsidiaries	8	-	-	2,516,233.00	2,516,233.00
		273,043,263.00	**296,045,687.00**	**275,559,496.00**	**298,561,920.00**
Current Assets					
Inventories	12	76,892,976.00	110,279,501.00	76,892,976.00	110,279,501.00
Trade and other receivables	13	111,031,016.00	53,242,780.00	110,764,753.00	52,978,310.00
Cash and cash equivalents	14	13,312,026.00	5,609,288.00	13,024,512.00	5,456,158.00
		201,236,018.00	**169,131,569.00**	**200,682,241.00**	**168,713,969.00**
Total Assets		**474,279,281.00**	**465,177,256.00**	**476,241,737.00**	**467,275,889.00**
Equity and Liabilities					
Equity					
Share capital	15	200,000,200.00	200,000,200.00	200,000,200.00	200,000,200.00
Common control reserve	16	-3,304,567.00	-3,304,567.00	-2,248,383.00	-2,248,383.00
Accumulated loss		-126,545,903.00	-58,227,457.00	-128,654,467.00	-59,263,285.00
		70,149,730.00	**138,468,176.00**	**69,097,350.00**	**138,488,532.00**
Liabilities					
Current Liabilities					
Loans from group companies	9	174,065,753.00	156,433,942.00	177,566,466.00	158,580,920.00
Current tax payable		417,175.00	-	-	-
Trade and other payables	17	229,646,623.00	170,275,138.00	229,577,921.00	170,206,437.00
		404,129,551.00	**326,709,080.00**	**407,144,387.00**	**328,787,357.00**
Total Equity and Liabilities		**474,279,281.00**	**465,177,256.00**	**476,241,737.00**	**467,275,889.00**

	Note	15 Months ended 31 March 2014	15 Months ended 31 December 2012	15 Months ended 31 March 2014	15 Months ended 31 December 2012
		INR	INR	INR	INR
Assets					
Non-Current Assets					
Property, plant and equipment	6	1,533,117,167.79	1,907,259,535.18	1,533,117,167.79	1,907,259,535.18
Intangible assets	7	4,288,592.34	3,945,674.63	4,288,592.34	3,945,674.63
Investments in subsidiaries	8	-	-	14,167,978.60	16,244,241.45
		1,537,405,760.14	**1,911,205,209.81**	**1,551,573,738.74**	**1,927,449,451.26**
		-	-	-	-
Current Assets		-	-	-	-
Inventories	12	432,955,945.95	711,939,967.72	432,955,945.95	711,939,967.72
Trade and other receivables	13	625,174,639.64	343,723,563.59	623,675,411.04	342,016,204.00
Cash and cash equivalents	14	74,955,101.35	36,212,317.62	73,336,216.22	35,223,744.35
		1,133,085,686.94	**1,091,875,848.93**	**1,129,967,573.20**	**1,089,179,916.07**
Total Assets		**2,670,491,447.07**	**3,003,081,058.75**	**2,681,541,311.94**	**3,016,629,367.33**
Equity and Liabilities					
Equity					
Share capital	15	1,299,546,458.00	1,299,546,458.00	1,299,546,458.00	1,299,546,458.00
Common control reserve	16	-21,472,170.24	-21,472,170.24	-14,609,376.00	-14,609,376.00
Accumulated loss		-760,393,111.26	-375,717,176.58	-773,164,680.20	-382,448,565.34
FCTR Created on conversion		-122,693,958.03	-8,437,317.77	-122,710,746.39	-8,437,309.43
Total Equity		**394,987,218.47**	**893,919,793.41**	**389,061,655.41**	**894,051,207.23**
Liabilities		-	-	-	-
Current Liabilities		-	-	-	-
		-	-	-	-
Loans from group companies	9	980,099,960.59	1,009,902,788.90	999,811,182.43	1,023,763,202.07
Current tax payable		2,348,958.33	-	-	-
Trade and other payables	17	1,293,055,309.68	1,099,258,476.44	1,292,668,474.10	1,098,814,958.04
		2,275,504,228.60	**2,109,161,265.33**	**2,292,479,656.53**	**2,122,578,160.10**
Total Equity and Liabilities		2,670,491,447.07	3,003,081,058.75	2,681,541,311.94	3,016,629,367.33

Statement of Profit and Loss and Other Comprehensive Income

		Group		Company	
		15 Months ended 31 March 2014	**15 Months ended 31 December 2012**	**15 Months ended 31 March 2014**	**15 Months ended 31 December 2012**
		R	**R**	**R**	**R**
Revenue	18	387,878,934.00	257,189,414.00	387,878,934.00	257,189,414.00
Cost of sales	19	-255,894,452.00	-167,898,503.00	-255,894,452.00	-167,898,503.00
Gross profit		**131,984,482.00**	**89,290,911.00**	**131,984,482.00**	**89,290,911.00**
Other income	20	5,134,010.00	1,076,298.00	3,642,969.00	1,076,298.00
Operating expenses	21	-190,880,426.00	-139,072,262.00	-190,877,604.00	-139,053,065.00
Operating loss		**-53,761,934.00**	**-48,705,053.00**	**-55,250,153.00**	**-48,685,856.00**
Interest income	22	18,216.00	7,295.00	16,524.00	7,230.00
Finance costs	23	-14,157,553.00	-13,972,230.00	-14,157,553.00	-13,970,807.00
Loss before taxation		**-67,901,271.00**	**-62,669,988.00**	**-69,391,182.00**	**-62,649,433.00**
Income tax expense	24	417,175.00	-	-	-
Loss for the period		**-68,318,446.00**	**-62,669,988.00**	**-69,391,182.00**	**-62,649,433.00**
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		**-68,318,446.00**	**-62,669,988.00**	**-69,391,182.00**	**-62,649,433.00**

		15 Months ended 31 March 2014	**15 Months ended 31 December 2012**	**15 Months ended 31 March 2014**	**15 Months ended 31 December 2012**
		INR	**INR**	**INR**	**INR**
Revenue	18	2,184,003,006.76	1,660,357,740.48	2,184,003,006.76	1,660,357,740.48
Cost of sales	19	-1,440,847,139.64	-1,083,915,448.68	-1,440,847,139.64	-1,083,915,448.68
Gross profit		743,155,867.12	576,442,291.80	743,155,867.12	576,442,291.80
Other income	20	28,907,713.96	6,948,340.87	20,512,212.84	6,948,340.87
Operating expenses	21	-1,074,777,173.42	-897,819,638.48	-1,074,761,283.78	-897,695,706.91
Operating loss		-302,713,592.34	-314,429,005.81	-311,093,203.83	-314,305,074.24
Interest income	22	102,567.57	47,094.90	93,040.54	46,675.27
Finance costs	23	-79,715,951.58	-90,201,613.94	-79,715,951.58	-90,192,427.37
Loss before taxation		-382,326,976.35	-404,583,524.85	-390,716,114.86	-404,450,826.34
Income tax expense	24	2,348,958.33	-	-	-
Loss for the period		-384,675,934.68	-404,583,524.85	-390,716,114.86	-404,450,826.34
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		-384,675,934.68	-404,583,524.85	-390,716,114.86	-404,450,826.34

Statement of Changes in Equity

	Share capital	Share premium	Total share capital	Common control reserve	Accumulated loss	Total equity
Group	**R**	**R**	**R**	**R**	**R**	**R**
Balance at 01 January 2012	**300.00**	**199,999,900.00**	**200,000,200.00**	**-3,304,567.00**	**4,442,531.00**	**201,138,164.00**
Loss for the period	-	-	-	-	-62,669,988.00	-62,669,988.00
Other comprehensive income	-	-	-	-	-	-
Total comprehensive Loss for the period	**-**	**-**	**-**	**-**	**-62,669,988.00**	**-62,669,988.00**
Balance at 31 December 2012	**300.00**	**199,999,900.00**	**200,000,200.00**	**-3,304,567.00**	**-58,227,457.00**	**138,468,176.00**
Loss for the period	-	-	-	-	-68,318,446.00	-68,318,446.00
Other comprehensive income	-	-	-	-	-	-
Total comprehensive Loss for the period	**-**	**-**	**-**	**-**	**-68,318,446.00**	**-68,318,446.00**
Balance at 31 March 2014	**300.00**	**199,999,900.00**	**200,000,200.00**	**-3,304,567.00**	**-126,545,903.00**	**70,149,730.00**
Notes	15.00	15.00	15.00	16.00		
Company						
Balance at 01 January 2012	**300.00**	**199,999,900.00**	**200,000,200.00**	**-2,248,383.00**	**3,386,148.00**	**201,137,965.00**
Loss for the period	-	-	-	-	-62,649,433.00	-62,649,433.00
Other comprehensive income	-	-	-	-	-	-
Total comprehensive Loss for the period	**-**	**-**	**-**	**-**	**-62,649,433.00**	**-62,649,433.00**
Balance at 31 December 2012	**300.00**	**199,999,900.00**	**200,000,200.00**	**-2,248,383.00**	**-59,263,285.00**	**138,488,532.00**
Loss for the period	-	-	-	-	-69,391,182.00	-69,391,182.00
Other comprehensive income	-	-	-	-	-	-
Total comprehensive Loss for the period	**-**	**-**	**-**	**-**	**-69,391,182.00**	**-69,391,182.00**
Balance at 31 March 2014	**300.00**	**199,999,900.00**	**200,000,200.00**	**-2,248,383.00**	**-128,654,467.00**	**69,097,350.00**
Notes	15	15	15	16		

	Share capital	Share premium	Total share capital	Common control reserve	Accumulated loss	Total equity
Group	**R**	**R**	**R**	**R**	**R**	**R**
Balance at 01 January 2012	1,949	1,299,544,509	1,299,546,458	-21,472,170	28,866,348	**1,306,940,636**
Loss for the period	- -		0	0	-404,583,525	**-404,583,525**
Other comprehensive income	0	0	0	0	0	**0**
Total comprehensive Loss for the period	0	0	0	0	-404583524.9	**-404,583,525**
FCTR					-8437317.77	**-8,437,318**
Balance at 31 December 2012	**1,949**	**1,299,544,509**	1,299,546,458	**-21,472,170**	**-384,154,494**	**893,919,793**
Loss for the period			0	0	-384675934.7	**-384,675,935**
Other comprehensive income			0	0	0	**0**
Total comprehensive Loss for the period				**0**	**-384675934.7**	**-384,675,935**
FCTR					-114,256,640.26	
Balance at 31 March 2014	**1,949**	**1,299,544,509**	**1,299,546,458**	**-21,472,170**	**-883,087,069**	**394,987,218**
Company						
Balance at 01 January 2012	1,949	1,299,544,509	1,299,546,458	-14,609,376	22,002,261	**1,306,939,343**
Loss for the period			0		-404,450,826	
Other comprehensive income						
Total comprehensive Loss for the period	1,949	1,299,544,509	1,299,546,458	-14,609,376	-404450826.3	**880,486,256**
FCTR					-8437309.43	
Balance at 31 December 2012	**1,949**	**1,299,544,509**	1,299,546,458	**-14,609,376**	**-390,885,875**	**894,051,207**
Loss for the period			0		-390,716,114.86	**-390,716,115**
Other comprehensive income			0			
					-114273437	**-114,273,437**
Total comprehensive Loss for the period			0	**-14,609,376**	-504,989,551.82	**-519,598,928**
FCTR						
Balance at 31 March 2014	**1,949**	**1,299,544,509**	**1,299,546,458**	**-14,609,376**	**-895,875,426.59**	**389,061,655**
Notes	15	15	15	16		

Statement of Cash Flows

	Notes	Group: 15 Months ended 31 March 2014 R	Group: 15 Months ended 31 December 2012 R	Company: 15 Months ended 31 March 2014 R	Company: 15 Months ended 31 December 2012 R
Cash flows from operating activities					
Cash generated from operations	25	8,385,794.00	19,248,233.00	6,899,367.00	19,231,399.00
Interest income		18,216.00	7,295.00	16,524.00	7,230.00
Finance costs		-14,157,553.00	-13,972,230.00	-14,157,553.00	-13,970,807.00
Net cash flows from operating activities		**-5,753,543.00**	**5,283,298.00**	**-7,241,662.00**	**5,267,822.00**
Cash flows from investing activities					
Purchase of property, plant and equ	6	-12,769,973.00	-18,930,849.00	-12,769,973.00	-18,930,849.00
Purchase of other intangible assets	7	-405,557.00	-	-405,557.00	-
Proceeds from loans from group companies		17,631,811.00	10,654,109.00	18,985,546.00	11,370,708.00
Government grant		9,000,000.00	-	9,000,000.00	-
Net cash flows from investing activities		**13,456,281.00**	**-8,276,740.00**	**14,810,016.00**	**-7,560,141.00**
Total cash movement for the period		**7,702,738.00**	**-2,993,442.00**	**7,568,354.00**	**-2,292,319.00**
Cash at the beginning of the period		5,609,288.00	8,602,730.00	5,456,158.00	7,748,477.00
Total cash at end of the period	14	**13,312,026.00**	**5,609,288.00**	**13,024,512.00**	**5,456,158.00**

		15 Months ended 31 March 2014 INR	15 Months ended 31 December 2012 INR	15 Months ended 31 March 2014 INR	15 Months ended 31 December 2012 INR
Cash flows from operating activities					
Cash generated from operations	25	47,217,308.56	124,262,317.62	38,847,787.16	124,153,641.06
Interest income		102,567.57	47,094.90	93,040.54	46,675.27
Finance costs		-79,715,951.58	-90,201,613.94	-79,715,951.58	-90,192,427.37
Net cash flows from operating activities		-32,396,075.45	34,107,798.58	-40,775,123.87	34,007,888.96
		-	-	-	-
Cash flows from investing activities		-	-	-	-
		-	-	-	-
Purchase of property, plant and equ	6	-71,903,001.13	-122,213,357.00	-71,903,001.13	-122,213,357.00
Purchase of other intangible assets		-	-	-	-
		-2,283,541.67	-	-2,283,541.67	-
Proceeds from loans from group companies		99,278,215.09	68,780,561.65	106,900,596.85	73,406,765.66
Government grant		50,675,675.68	-	50,675,675.68	-
Net cash flows from investing activities		75,767,347.97	-53,432,795.35	83,389,729.73	-48,806,591.35
		-	-	-	-
Total cash movement for the period		43,371,272.52	-19,324,996.77	42,614,605.86	-14,798,702.39
Cash at the beginning of the period		36,212,317.62	55,537,314.40	35,223,744.35	50,022,446.74
Forex Movement on opening Balance		-4,628,488.80		-4,502,133.99	
Total cash at end of the period	14	74,955,101.35	36,212,317.62	73,336,216.22	35,223,744.35

Accounting Policies

1. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis, except for the measurement of investment properties and certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the sales growth assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use and tangible assets are inherently uncertain and could materially change over time.

1.2 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Property, plant and equipment is depreciated on the straight line basis over it's expected useful lives to the estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Accounting Policies

1.2 Property, plant and equipment (continued)

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

Item	**Average useful life**
Buildings	30 years
Plant and machinery	5 - 25 years
Furniture and fixtures	6 years
Motor vehicles	5 years
Office equipment	6 years
IT equipment	3 years

The residual value, useful life and depreciation method of each asset is reviewed, and adjusted if appropriate, at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

1.3 Intangible assets

Intangible assets are initially recognised at cost.

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

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

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

Item	**Useful life**
Patents	5 years
Computer software	2 years

Accounting Policies

1.4 Investments in subsidiaries

Company financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

Group financial statements

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. The group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition- by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Accounting Policies

1.5 Financial instruments

Classification

The group classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition.

Initial recognition and measurement

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments.

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm’s length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

At each reporting date the group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

Impairment losses are recognised in profit or loss.

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 as financial liabilities measured at amortised cost.

Accounting Policies

1.5 Financial instruments (continued)

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. If collection is expected in one year or less (or in normal operating cycle of business if longer), they are classified as current liabilities. If not, they are presented as non-current liabilities.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments with original maturities of 3 months or less and bank overdrafts that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.6 Income tax

Current income tax assets and liabilities

Current income 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 income 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.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

1.6 Income tax (continued)

Deferred income tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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 not recognised when it arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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 the unused tax losses can be utilised.

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.

Income tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or 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 items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax 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.

1.7 Leases

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.8 Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

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. It excludes borrowing costs.

Accounting Policies

1.8 Inventories (continued)

When inventories are sold, the carrying amount of those inventories are 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, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.9 Impairment of non-financial assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.10 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Accounting Policies

1.11 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service), 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.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. The group has no further payment obligations once the contributions have been paid.

For defined contribution plans, the groups pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

1.12 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.13 Borrowing costs

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

Accounting Policies

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.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

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.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current period

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

IFRS 10 Consolidated Financial Statements

Standard replaces the consolidation sections of IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation – Special Purpose Entities. The standard sets out a new definition of control, which exists only when an entity is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to effect those returns through power over the investee.

The effective date of the standard is for years beginning on or after 01 January 2013.

The group has adopted the standard for the first time in the 2014 financial statements.

The impact of the standard is not material.

IAS 27 Separate Financial Statements

Consequential amendment as a result of IFRS 10. The amended Standard now only deals with separate financial statements.

The effective date of the amendment is for years beginning on or after 01 January 2013.

The group has adopted the amendment for the first time in the 2014 financial statements.

The impact of the amendment is not material.

IFRS 12 Disclosure of Interests in Other Entities

The standard sets out disclosure requirements for investments in Subsidiaries, associates, joint ventures and unconsolidated structured entities. The disclosures are aimed to provide information about the significance and exposure to risks of such interests. The most significant impact is the disclosure requirement for unconsolidated structured entities or off statement of financial position vehicles.

The effective date of the standard is for years beginning on or after 01 January 2013.

The group has adopted the standard for the first time in the 2014 financial statements.

The impact of the standard is not material.

IAS 1 Presentation of Financial Statements

The amendment now requires items of other comprehensive income to be presented as:

Those which will be reclassified to profit or loss
Those which will not be reclassified to profit or loss.

The related tax disclosures are also required to follow the presentation allocation.

In addition, the amendment changed the name of the statement of comprehensive income to the statement of profit or loss and other comprehensive income.

2. New Standards and Interpretations (continued)

The effective date of the amendment is for years beginning on or after 01 July 2012.

The group has adopted the amendment for the first time in the 2014 financial statements.

The impact of the amendment is not material.

IAS 1 – Annual Improvements for 2009 – 2011 cycle

Clarification is provided on the requirements for comparative information. Specifically, if a retrospective restatement is made, a retrospective change in accounting policy or a reclassification, the statement of financial position at the beginning of the previous period is only required if the impact on the beginning of the previous period is material. Related notes are not required, other than disclosure of specified information.

The effective date of the amendment is for years beginning on or after 01 January 2013.

The group has adopted the amendment for the first time in the 2014 financial statements.

The impact of the amendment is not material.

IAS 16 – Annual Improvements for 2009 – 2011 cycle

Spare parts, stand by equipment and servicing equipment should only be classified as property, plant and equipment if they meet the definition.

The effective date of the amendment is for years beginning on or after 01 January 2013.

The group has adopted the amendment for the first time in the 2014 financial statements.

The impact of the amendment is not material.

Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance.

Transitional guidance for the application of IFRS 10, IFRS 11 and IFRS 12. The amendment limits the requirement to provide adjusted comparative information to only the preceding comparative period.

The effective date of the amendment is for years beginning on or after 01 January 2013.

The group has adopted the amendment for the first time in the 2014 financial statements.

The impact of the amendment is not material.

Notes to the Financial Statements

2. New Standards and Interpretations (continued)

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 April 2014 or later periods:

IFRS 9 Financial Instruments

This new standard is the first phase of a three phase project to replace IAS 39 Financial Instruments: Recognition and Measurement. To date, the standard includes chapters for classification, measurement and derecognition of financial assets and liabilities. The following are main changes from IAS 39:

- Financial assets will be categorised as those subsequently measured at fair value or at amortised cost.
- Financial assets at amortised cost are those financial assets where the business model for managing the assets is to hold the assets to collect contractual cash flows (where the contractual cash flows represent payments of principal and interest only). All other financial assets are to be subsequently measured at fair value.
- Under certain circumstances, financial assets may be designated as at fair value.
- For hybrid contracts, where the host contract is an asset within the scope of IFRS 9, then the whole instrument is classified in accordance with IFRS 9, without separation of the embedded derivative. In other circumstances, the provisions of IAS 39 still apply.
- Voluntary reclassification of financial assets is prohibited. Financial assets shall be reclassified if the entity changes its business model for the management of financial assets. In such circumstances, reclassification takes place prospectively from the beginning of the first reporting period after the date of change of the business model.
- Financial liabilities shall not be reclassified.
- Investments in equity instruments may be measured at fair value through other comprehensive income. When such an election is made, it may not subsequently be revoked, and gains or losses accumulated in equity are not recycled to profit or loss on derecognition of the investment. The election may be made per individual investment.
- IFRS 9 does not allow for investments in equity instruments to be measured at cost.
- The classification categories for financial liabilities remains unchanged. However, where a financial liability is designated as at fair value through profit or loss, the change in fair value attributable to changes in the liabilities credit risk shall be presented in other comprehensive income. This excludes situations where such presentation will create or enlarge an accounting mismatch, in which case, the full fair value adjustment shall be recognised in profit or loss.

In December 2011, the effective date of IFRS 9 was delayed. The original effective date for annual periods beginning on/after 1 January 2013 has been delayed to annual periods beginning on/after 1 January 2015. The amendment also modifies the relief from restating prior periods, in that if IFRS 9 is adopted for reporting periods: beginning before 1 January 2012, comparatives need to be restated nor does the additional disclosure requirements of IFRS 7 need to be provided; beginning on/after 1 January 2012 and before 1 January 2013, either the additional disclosure required by IFRS 7 must be provided or the prior periods need to be restated; beginning on/after 1 January 2013, the IFRS 7 additional disclosure is required but the entity need not restate prior periods.

The effective date of the standard is for years beginning on or after 01 January 2015.

The group expects to adopt the standard for the first time in the 2016 financial statements.

It is unlikely that the standard will have a material impact on the group's financial statements.

2. New Standards and Interpretations (continued)

Amendments to IFRS 10, consolidated financial statements', IFRS 12 and IAS 27 for investment entities

The amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics.

Changes have also been made in IFRS 12 to introduce disclosures that an investment entity needs to make.

The effective date of the amendment is for years beginning on or after 01 January 2014.

The group expects to adopt the amendment for the first time in the 2015 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

Amendments to IAS 36, Impairment of assets

These amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal

The effective date of the amendment is for years beginning on or after 01 January 2014.

The group expects to adopt the amendment for the first time in the 2015 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

Amendment to IAS 19 regarding defined benefit plan

These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group expects to adopt the amendment for the first time in the 2016 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

Amendment to IFRS 13, Fair value measurement

When IFRS 13 was published, paragraphs B5.4.12 of IFRS 9 and AG79 of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group expects to adopt the amendment for the first time in the 2016 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

Notes to the Financial Statements

2. New Standards and Interpretations (continued)

IAS 16, Property, plant and equipment, and IAS 38, Intangible assets

Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is restated to the revalued amount.

The split between gross carrying amount and accumulated depreciation is treated in one of the following ways:
- either the gross carrying amount is restated in a manner consistent with the revaluation of the carrying amount, and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses; or
- the accumulated depreciation is eliminated against the gross

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group expects to adopt the amendment for the first time in the 2016 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

IAS 24, Related party disclosures

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (‘the management entity’).

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group expects to adopt the amendment for the first time in the 2016 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

2. Risk management Liquidity risk

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

Group	**R**
At 31 March 2014	**Less than 1 year**
Trade and other payables	228,279,312.00
Loan from group company	174,065,753.00
At 31 December 2012	**Less than 1 year**
Trade and other payables	170,275,137.00
Loan from group company	156,433,942.00
Company	
At 31 March 2014	**Less than 1 year**
Trade and other payables	228,210,610.00
Loan from group company	174,065,753.00
Loan from subsidiary	3,500,713.00
At 31 December 2012	**Less than 1 year**
Trade and other payables	170,206,438.00
Loan from group company	156,433,942.00
Loan from subsidiary	2,146,978.00

Group	**INR**
At 31 March 2014	**Less than 1 year**
Trade and other payables	1,285,356,486.49
Loan from group company	980,099,960.59
At 31 December 2012	**Less than 1 year**
Trade and other payables	1,099,258,469.98
Loan from group company	1,009,902,788.90
Company	
At 31 March 2014	**Less than 1 year**
Trade and other payables	1,284,969,650.90
Loan from group company	980,099,960.59
Loan from subsidiary	19,711,221.85
At 31 December 2012	**Less than 1 year**
Trade and other payables	1,098,814,964.49
Loan from group company	1,009,902,788.90
Loan from subsidiary	13,860,413.17

Interest rate risk

At 31 March 2014, if interest rates on Rand-denominated borrowings for had been 1% higher/lower with all other variables held constant, post-tax profit for the period would have been R 1,740,658 for group and company (2012: R 2,082,247).

3. Risk management (continued) Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors.
The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at period end were as follows:

	Group - 2014	**Group - 2012**	**Company - 2014**	**Company - 2012**
	R	**R**	**R**	**R**
Financial instrument				
Trade and other receivables	110,823,969.00	51,003,575.00	110,764,753.00	50,944,359.00
Cash and cash equivalents	13,312,026.00	5,609,289.00	13,024,512.00	5,456,158.00

	Group - 2014	**Group - 2012**	**Company - 2014**	**Company - 2012**
	INR	**INR**	**INR**	**INR**
Financial instrument				
Trade and other receivables	624,008,834.46	329,267,753.39	623,675,411.04	328,885,468.04
Cash and cash equivalents	74,955,101.35	36,212,324.08	73,336,216.22	35,223,744.35

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

At 31 March 2014, if the currency had weakened/strengthened by 10% against the US dollar with all other variables held constant, post-tax profit for the year would have been R 101,122 (2013: R 219,560) higher/lower as a result of foreign exchange gains or losses

Foreign currency exposure at the end of the reporting period

	2014	2012	2014	2012
	R	R	R	R
Non current liabilities				
Uncovered foreign liabilities USD 95,270 (2012: USD 259,163	1,011,224.00	2,195,599.00	1,011,224.00	2,195,599.00

Exchange rates used for conversion of foreign items were:

	R	R	R	R
	2014	2012	2014	2012
USD	1,061,430.00	84,719.00	1,061,430.00	84,719.00

Foreign currency exposure at the end of the reporting period

	2014	2012	2014	2012
Non current liabilities	INR	INR	INR	INR
Uncovered foreign liabilities USD 95,270 (2012: USD 259,163	5,693,828.83	14,174,299.55	5,693,828.83	14,174,299.55

Exchange rates used for conversion of foreign items were:

	INR	INR	INR	INR
	2014	2012	2014	2012
	5,976,520.27	546,927.05	5,976,520.27	546,927.05

Price risk

The company is not exposed to price risk.

4. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

Group - 2014	R	R
	Loans and receivables	Total
Trade and other receivables	110,823,969.00	110,823,969.00
Cash and cash equivalents	13,312,026.00	13,312,026.00
	124,135,995.00	124,135,995.00

Group - 2012	R	R
	Loans and receivables	Total
Trade and other receivables	51,003,575.00	51,003,575.00
Cash and cash equivalents	5,609,288.00	5,609,288.00
	56,612,863.00	**56,612,863.00**

Company - 2014	R	R
	Loans and receivables	Total
Trade and other receivables	110,764,753.00	110,764,753.00
Cash and cash equivalents	13,024,512.00	13,024,512.00
	123,789,265.00	**123,789,265.00**

Company - 2012	R	R
	Loans and receivables	Total
Trade and other receivables	50,944,359.00	50,944,359.00
Cash and cash equivalents	5,456,158.00	5,456,158.00
	56,400,517.00	**56,400,517.00**

Group - 2014	INR	INR
	Loans and receivables	Total
Trade and other receivables	624,008,834.46	624,008,834.46
Cash and cash equivalents	74,955,101.35	74,955,101.35
	698,963,935.81	698,963,935.81

Group - 2012	INR	INR
	Loans and receivables	Total
Trade and other receivables	329,267,753.39	329,267,753.39
Cash and cash equivalents	36,212,317.62	36,212,317.62
	365,480,071.01	365,480,071.01

Company - 2014	INR	INR
	Loans and receivables	Total
Trade and other receivables	623,675,411.04	623,675,411.04
Cash and cash equivalents	73,336,216.22	73,336,216.22
	697,011,627.25	697,011,627.25

Company - 2012	INR	INR
	Loans and receivables	Total
Trade and other receivables	328,885,468.04	328,885,468.04
Cash and cash equivalents	35,223,744.35	35,223,744.35
	364,109,212.40	364,109,212.40

5. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

Group - 2014	R Financial liabilities at amortised cost	R Total
Loans from group companies	174,065,753.00	174,065,753.00
Trade and other payables	228,279,312.00	228,279,312.00
	402,345,065.00	**402,345,065.00**

Group - 2012	R Financial liabilities at amortised cost	R Total
Loans from group companies	156,433,942.00	156,433,942.00
Trade and other payables	170,275,138.00	170,275,138.00
	326,709,080.00	**326,709,080.00**

Company - 2014	R Financial liabilities at amortised cost	R Total
Loans from group companies	177,566,466	177,566,466
Trade and other payables	228,210,610	228,210,610
	405,777,076.00	**405,777,076.00**

Company - 2012	R Financial liabilities at amortised cost	R Total
Loans from group companies	158,580,920.00	158,580,920.00
Trade and other payables	170,206,437.00	170,206,437.00
	328,787,357.00	**328,787,357.00**

Group - 2014	INR Financial liabilities at amortised cost	INR Total
Loans from group companies	980,099,961	980,099,960.59
Trade and other payables	1,285,356,486.49	1,285,356,486.49
	2,265,456,447.07	**2,265,456,447.07**

Group - 2012	INR Financial liabilities at amortised cost	INR Total
Loans from group companies	1,009,902,788.90	1,009,902,788.90
Trade and other payables	1,099,258,476.44	1,099,258,476.44
	2,109,161,265.33	**2,109,161,265.33**

Company - 2014	INR Financial liabilities at amortised cost	INR Total
Loans from group companies	999,811,182.43	999,811,182.43
Trade and other payables	1,284,969,650.90	1,284,969,650.90
	2,284,780,833.33	**2,284,780,833.33**

Company - 2012	INR Financial liabilities at amortised cost	INR Total
Loans from group companies	1,023,763,202.07	1,023,763,202.07
Trade and other payables	1,098,814,958.04	1,098,814,958.04
	2,122,578,160.10	**2,122,578,160.10**

6. Property, plant and equipment

Group	2014			2012		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	16,420,902.00	-	16,420,902.00	16,976,500.00	-	16,976,500.00
Buildings	116,097,257.00	-13,824,108.00	102,273,149.00	112,827,461.00	-8,677,487.00	104,149,974.00
Plant and machinery	208,779,870.00	-59,439,468.00	149,340,402.00	209,334,996.00	-39,527,836.00	169,807,160.00
Furniture and fixtures	7,187,388.00	-3,650,825.00	3,536,563.00	6,017,954.00	-2,485,990.00	3,531,964.00
Motor vehicles	687,067.00	-601,701.00	85,366.00	893,243.00	-683,683.00	209,560.00
Office equipment	392,047.00	-202,769.00	189,278.00	1,190,033.00	-919,043.00	270,990.00
IT equipment	1,628,013.00	-1,192,064.00	435,949.00	1,279,017.00	-790,663.00	488,354.00
Total	**351,192,544.00**	**-78,910,935.00**	**272,281,609.00**	**348,519,204.00**	**-53,084,702.00**	**295,434,502.00**

Company	2014			2012		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	16,420,902.00	-	16,420,902.00	16,976,500.00	-	16,976,500.00
Buildings	116,097,257.00	-13,824,108.00	102,273,149.00	112,827,461.00	-8,677,487.00	104,149,974.00
Plant and machinery	208,779,870.00	-59,439,468.00	149,340,402.00	209,334,996.00	-39,527,836.00	169,807,160.00
Furniture and fixtures	7,187,388.00	-3,650,825.00	3,536,563.00	6,017,954.00	-2,485,990.00	3,531,964.00
Motor vehicles	687,067.00	-601,701.00	85,366.00	893,243.00	-683,683.00	209,560.00
Office equipment	392,047.00	-202,769.00	189,278.00	1,190,033.00	-919,043.00	270,990.00
IT equipment	1,628,013.00	-1,192,064.00	435,949.00	1,279,017.00	-790,663.00	488,354.00
Total	**351,192,544.00**	**-78,910,935.00**	**272,281,609.00**	**348,519,204.00**	**-53,084,702.00**	**295,434,502.00**

Reconciliation of property, plant and equipment - Group - 2014

	Opening balance	Additions	Disposals	Government grant*	Depreciation	Closing balance
Land	16,976,500.00	-	-	-555,598.00	-	16,420,902.00
Buildings	104,149,974.00	3,269,795.00	-	-	-5,146,620.00	102,273,149.00
Plant and machinery	169,807,160.00	7,971,154.00	-73,153.00	-8,444,402.00	-19,920,357.00	149,340,402.00
Furniture and fixtures	3,531,964.00	1,172,473.00	-2,956.00	-	-1,164,918.00	3,536,563.00
Motor vehicles	209,560.00	-	-2.00	-	-124,192.00	85,366.00
Office equipment	270,990.00	-	-35.00	-	-81,677.00	189,278.00
IT equipment	488,354.00	356,551.00	-419.00	-	-408,537.00	435,949.00
	295,434,502.00	**12,769,973.00**	**-76,565.00**	**-9,000,000.00**	**-26,846,301.00**	**272,281,609.00**

Reconciliation of property, plant and equipment - Group - 2012

	Opening balance	Additions	Disposals	Transfers	Depreciation	Closing balance
Land	16,976,500.00	-	-	-	-	16,976,500.00
Buildings	86,014,778.00	-	-	22,417,662.00	-4,282,466.00	104,149,974.00
Plant and machinery	189,089,034.00	18,930,849.00	-263,704.00	-24,684,683.00	-13,264,336.00	169,807,160.00
Furniture and fixtures	2,388,161.00	-	-7,886.00	1,856,251.00	-704,562.00	3,531,964.00
Motor vehicles	345,627.00	-	-14,292.00	-	-121,775.00	209,560.00
Office equipment	310,545.00	-	-9.00	24,676.00	-64,222.00	270,990.00
IT equipment	384,967.00	-	-6,010.00	386,094.00	-276,697.00	488,354.00
	295,509,612.00	**18,930,849.00**	**-291,901.00**	**-**	**-18,714,058.00**	**295,434,502.00**

Reconciliation of property, plant and equipment - Company - 2014

	Opening balance	Additions	Disposals	Government grant*	Depreciation	Closing balance
Land	16,976,500.00	-	-	-555,598.00	-	16,420,902.00
Buildings	104,149,974.00	3,269,795.00	-	-	-5,146,620.00	102,273,149.00
Plant and machinery	169,807,160.00	7,971,154.00	-73,153.00	-8,444,402.00	-19,920,357.00	149,340,402.00
Furniture and fixtures	3,531,964.00	1,172,473.00	-2,956.00	-	-1,164,918.00	3,536,563.00
Motor vehicles	209,560.00	-	-2.00	-	-124,192.00	85,366.00
Office equipment	270,990.00	-	-35.00	-	-81,677.00	189,278.00
IT equipment	488,354.00	356,551.00	-419.00	-	-408,537.00	435,949.00
	295,434,502.00	**12,769,973.00**	**-76,565.00**	**-9,000,000.00**	**-26,846,301.00**	**272,281,609.00**

Reconciliation of property, plant and equipment - Company - 2012

	Opening balance	Additions	Disposals	Transfers	Depreciation	Closing balance
Land	16,976,500.00	-	-	-	-	16,976,500.00
Buildings	86,014,778.00	-	-	22,417,662.00	-4,282,466.00	104,149,974.00
Plant and machinery	189,089,034.00	18,930,849.00	-263,704.00	-24,684,683.00	-13,264,336.00	169,807,160.00
Furniture and fixtures	2,388,161.00	-	-7,886.00	1,856,251.00	-704,562.00	3,531,964.00
Motor vehicles	345,627.00	-	-14,292.00	-	-121,775.00	209,560.00
Office equipment	310,545.00	-	-9.00	24,676.00	-64,222.00	270,990.00
IT equipment	384,967.00	-	-6,010.00	386,094.00	-276,697.00	488,354.00
	295,509,612.00	**18,930,849.00**	**-291,901.00**	**-**	**-18,714,058.00**	**295,434,502.00**

Notes to the Financial Statements

	Group		Company	
	15 months ended 31 March 2014 R	12 months ended 31 December 2012 R	15 months ended 31 March 2014 R	12 months ended 31 Decmeber 2012 R

29. 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 immediate holding company, Ranbaxy (Netherlands) B.V. has agreed to provide the company with financial assistance, so as to continue as a going concern.

30. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year, which might have a material impact on the reported results.

Note : Conversion rate used against Indian Rupees for the year 2014/2013 and 2012 are:
i) Items relating to Profit and Loss account at Average rate: 1 ZAR= 0.1667 [2012: 1 ZAR =0.1535]
ii) Items relating to Balance sheet at Closing rate: 1 Euro = 0.1776 [2012: 1 ZAR=0.1549]

6. Property, plant and equipment INR

Group	2014			2012		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	92,460,033.78	-	92,460,033.78	109,596,513.88	-	109,596,513.88
Buildings	653,700,771.40	-77,838,445.95	575,862,325.45	728,389,031.63	-56,019,928.99	672,369,102.65
Plant and machinery	1,175,562,331.08	-334,681,689.19	840,880,641.89	1,351,420,245.32	-255,182,930.92	1,096,237,314.40
Furniture and fixtures	40,469,527.03	-20,556,447.07	19,913,079.95	38,850,574.56	-16,048,999.35	22,801,575.21
Motor vehicles	3,868,620.50	-3,387,956.08	480,664.41	5,766,578.44	-4,413,705.62	1,352,872.82
Office equipment	2,207,471.85	-1,141,717.34	1,065,754.50	7,682,588.77	-5,933,137.51	1,749,451.26
IT equipment	9,166,739.86	-6,712,072.07	2,454,667.79	8,257,049.71	-5,104,344.74	3,152,704.97
Total	**1,977,435,495.50**	**-444,318,327.70**	**1,533,117,167.79**	**2,249,962,582.31**	**-342,703,047.13**	**1,907,259,535.18**

Company	2014			2012		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	92,460,033.78	-	92,460,033.78	109,596,513.88	-	109,596,513.88
Buildings	653,700,771.40	-77,838,445.95	575,862,325.45	728,389,031.63	-56,019,928.99	672,369,102.65
Plant and machinery	1,175,562,331.08	-334,681,689.19	840,880,641.89	1,351,420,245.32	-255,182,930.92	1,096,237,314.40
Furniture and fixtures	40,469,527.03	-20,556,447.07	19,913,079.95	38,850,574.56	-16,048,999.35	22,801,575.21
Motor vehicles	3,868,620.50	-3,387,956.08	480,664.41	5,766,578.44	-4,413,705.62	1,352,872.82
Office equipment	2,207,471.85	-1,141,717.34	1,065,754.50	7,682,588.77	-5,933,137.51	1,749,451.26
IT equipment	9,166,739.86	-6,712,072.07	2,454,667.79	8,257,049.71	-5,104,344.74	3,152,704.97
Total	**1,977,435,495.50**	**-444,318,327.70**	**1,533,117,167.79**	**2,249,962,582.31**	**-342,703,047.13**	**1,907,259,535.18**

Reconciliation of property, plant and equipment - Group - 2014

	Opening balance	Additions	Disposals	Government grant*	Depreciation	Closing balance
Land	95,588,400.90	-	-	-3,128,367.12	-	92,460,033.78
Buildings	586,430,033.78	18,411,007.88	-	-	-28,978,716.22	575,862,325.45
Plant and machinery	956,121,396.40	44,882,623.87	-411,897.52	-47,547,308.56	-112,164,172.30	840,880,641.89
Furniture and fixtures	19,887,184.68	6,601,762.39	-16,644.14	-	-6,559,222.97	19,913,079.95
Motor vehicles	1,179,954.95	-	-11.26	-	-699,279.28	480,664.41
Office equipment	1,525,844.59	-	-197.07	-	-459,893.02	1,065,754.50
IT equipment	2,749,740.99	2,007,606.98	-2,359.23	-	-2,300,320.95	2,454,667.79
	1,663,482,556.31	**71,903,001.13**	**-431,109.23**	**-50,675,675.68**	**-151,161,604.73**	**1,533,117,167.79**

Reconciliation of property, plant and equipment - Group - 2012 INR

	Opening balance	Additions	Disposals	Transfers	Depreciation	Closing balance
Land	109,596,513.88	-	-	-	-	109,596,513.88
Buildings	555,292,304.71	-	-	144,723,447.39	-27,646,649.45	672,369,102.65
Plant and machinery	1,220,716,810.85	122,213,357.00	-1,702,414.46	-159,358,831.50	-85,631,607.49	1,096,237,314.40
Furniture and fixtures	15,417,437.06	-	-50,910.26	11,983,544.22	-4,548,495.80	22,801,575.21
Motor vehicles	2,231,291.16	-	-92,265.98	-	-786,152.36	1,352,872.82
Office equipment	2,004,809.55	-	-58.10	159,302.78	-414,602.97	1,749,451.26
IT equipment	2,485,261.46	-	-38,799.23	2,492,537.12	-1,786,294.38	3,152,704.97
	1,907,744,428.66	**122,213,357.00**	**-1,884,448.03**	**-**	**-120,813,802.45**	**1,907,259,535.18**

Reconciliation of property, plant and equipment - Company - 2014

	Opening balance	Additions	Disposals	Government grant*	Depreciation	Closing balance
Land	95,588,400.90	-	-	-3,128,367.12	-	92,460,033.78
Buildings	586,430,033.78	18,411,007.88	-	-	-28,978,716.22	575,862,325.45
Plant and machinery	956,121,396.40	44,882,623.87	-411,897.52	-47,547,308.56	-112,164,172.30	840,880,641.89
Furniture and fixtures	19,887,184.68	6,601,762.39	-16,644.14	-	-6,559,222.97	19,913,079.95
Motor vehicles	1,179,954.95	-	-11.26	-	-699,279.28	480,664.41
Office equipment	1,525,844.59	-	-197.07	-	-459,893.02	1,065,754.50
IT equipment	2,749,740.99	2,007,606.98	-2,359.23	-	-2,300,320.95	2,454,667.79
	1,663,482,556.31	**71,903,001.13**	**-431,109.23**	**-50,675,675.68**	**-151,161,604.73**	**1,533,117,167.79**

Reconciliation of property, plant and equipment - Company - 2012

	Opening balance	Additions	Disposals	Transfers	Depreciation	Closing balance
Land	109,596,513.88	-	-	-	-	109,596,513.88
Buildings	555,292,304.71	-	-	144,723,447.39	-27,646,649.45	672,369,102.65
Plant and machinery	1,220,716,810.85	122,213,357.00	-1,702,414.46	-159,358,831.50	-85,631,607.49	1,096,237,314.40
Furniture and fixtures	**15,417,437.06**	**-**	**-50,910.26**	**11,983,544.22**	**-4,548,495.80**	**22,801,575.21**
Motor vehicles	**2,231,291.16**	**-**	**-92,265.98**	**-**	**-786,152.36**	**1,352,872.82**
Office equipment	**2,004,809.55**	**-**	**-58.10**	**159,302.78**	**-414,602.97**	**1,749,451.26**
IT equipment	**2,485,261.46**	**-**	**-38,799.23**	**2,492,537.12**	**-1,786,294.38**	**3,152,704.97**
	1,907,744,428.66	**122,213,357.00**	**-1,884,448.03**	**-**	**-120,813,802.45**	**1,907,259,535.18**

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the company.

Assets under construction

Property, plant and equipment includes assets under construction as detailed below:

	R	R	R	R
Plant and machinery	924,686	5,791,510	924,686	5,791,510.00
	INR	INR	INR	INR
Plant and machinery	5,206,565.32	37,388,702.39	5,206,565.32	37,388,702.39

7. Intangible assets

Group

	2014			2012		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Patents	1,582,630.00	-1,226,538.00	356,092.00	1,582,630.00	-972,187.00	610,443.00
Computer software	519,665.00	-114,103.00	405,562.00	114,108.00	-113,366.00	742.00
Total	**2,102,295.00**	**-1,340,641.00**	**761,654.00**	**1,696,738.00**	**-1,085,553.00**	**611,185.00**

Company

	2014			2012		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Patents	1,582,630	-1,226,538	356,092	1,582,630.00	-972,187	610,443
Computer software	519,665	-114,103	405,562	114,108.00	-113,366	742
Total	**2,102,295**	**-1,340,641**	**761,654**	**1,696,738.00**	**-1,085,553**	**611,185**

Reconciliation of intangible assets - Group - 2014

	Opening balance	Additions	Amortisation	Closing Balance
Patents	610,443	-	-254,351	356,092.00
Computer software	742	405,557	-737	405,562.00
	611,185	**405,557**	**-255,088**	**761,654**

INR

7. Intangible assets

Group

	2014			2012		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Patents	8,911,204.95	-6,906,182.43	2,005,022.52	10,217,107.81	-6,276,223.37	3,940,884.44
Computer software	2,926,041.67	-642,471.85	2,283,569.82	736,655.91	-731,865.72	4,790.19
Total	**11,837,246.62**	**-7,548,654.28**	**4,288,592.34**	**10,953,763.72**	**-7,008,089.09**	**3,945,674.63**

Company

	2014			2012		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Patents	8,911,204.95	-6,906,182.43	2,005,022.52	10,217,107.81	-6,276,223.37	3,940,884.44
Computer software	2,926,041.67	-642,471.85	2,283,569.82	736,655.91	-731,865.72	4,790.19
Total	**11,837,246.62**	**-7,548,654.28**	**4,288,592.34**	**10,953,763.72**	**-7,008,089.09**	**3,945,674.63**

Reconciliation of intangible assets - Group - 2014

	Opening balance	Additions	Amortisation	Closing Balance
Patents	3,437,179.05	-	-1,432,156.53	2,005,022.52
Computer software	4,177.93	2,283,541.67	-4,149.77	2,283,569.82
	3,441,356.98	**2,283,541.67**	**-1,436,306.31**	**4,288,592.34**

7. Intangible assets (continued)

Reconciliation of intangible assets - Group - 2012

	Opening balance	Additions	Amortisation	Closing Balance
Patents	813,924.00	-	-203,481.00	610,443.00
Computer software	24,730.00	-23,988.00	-	742.00
	838,654.00	**-23,988.00**	**-203,481.00**	**611,185.00**

Reconciliation of intangible assets - Company - 2014

	Opening balance	Additions	Amortisation	Closing Balance
Patents	610,443.00	-	-254,351.00	356,092.00
Computer software	742.00	405,557.00	-737.00	405,562.00
	611,185.00	**405,557.00**	**-255,088.00**	**761,654.00**

Reconciliation of intangible assets - Company - 2012

	Opening balance	Additions	Amortisation	Closing Balance
Patents	813,924.00	-	-203,481.00	610,443.00
Computer software	24,730.00	-23,988.00	-	742.00
	838,654.00	**-23,988.00**	**-203,481.00**	**611,185.00**

7. Intangible assets (continued)

INR

Reconciliation of intangible assets - Group - 2012

	Opening balance	Additions	Amortisation	Closing Balance
Patents	5,254,512.59	-	-1,313,628.15	3,940,884.44
Computer software	159,651.39	-154,861.20	-	4,790.19
	5,414,163.98	**-154,861.20**	**-1,313,628.15**	**3,945,674.63**

Reconciliation of intangible assets - Company - 2014

	Opening balance	Additions	Amortisation	Closing Balance
Patents	3,437,179.05	-	-1,432,156.53	2,005,022.52
Computer software	4,177.93	2,283,541.67	-4,149.77	2,283,569.82
	3,441,356.98	**2,283,541.67**	**-1,436,306.31**	**4,288,592.34**

Reconciliation of intangible assets - Company - 2012

	Opening balance	Additions	Amortisation	Closing Balance
Patents	5,254,512.59	-	-1,313,628.15	3,940,884.44
Computer software	159,651.39	-154,861.20	-	4,790.19
	5,414,163.98	**-154,861.20**	**-1,313,628.15**	**3,945,674.63**

8. Investment in subsidiary

Company

Name of company	Carrying amount 2014 100%	Carrying amount 2012 100%
Be-Tabs Investments Proprietary Limited	**2,516,233**	**13,000,000**
Impairment of investment in subsidiaries	**-**	**-10,483,767**
	2,516,233	**2,516,233**

8. Investment in subsidiary

Company

Name of company	Carrying amount 2014 100%	Carrying amount 2012 100%
Be-Tabs Investments Proprietary Limited	14,167,978.60	83,925,112.98
Impairment of investment in subsidiaries	-	-67,680,871.53
	14,167,978.60	**16,244,241.45**

	Group		Company	
	15 Months ended 31 March 2014 R	15 Months ended 31 December 2012 R	15 Months ended 31 March 2014 R	15 Months ended 31 December 2012 R
9. Loans to (from) group companies				
Subsidiaries				
Be-Tabs Investments Proprietary Limited	-	-	-3,500,713.00	-2,146,978.00
Holding company				
Ranbaxy Netherlands BV	-174,065,753.00	-156,433,942.00	-174,065,753.00	-156,433,942.00

The loan from Ranbaxy Netherlands BV is unsecured and bears interest between JIBAR+2.5% and prime - 0.5%.

9. Loans to (from) group companies				
Subsidiaries				
Be-Tabs Investments Proprietary Limited	-	-	-19,711,221.85	-13,860,413.17
Holding company				
Ranbaxy Netherlands BV	-980,099,960.59	-1,009,902,788.90	-980,099,960.59	-1,009,902,788.90
	-	-	-	-

The loan from Ranbaxy Netherlands BV is unsecured and bears interest between JIBAR+2.5% and prime - 0.5%.

10. Deferred tax				
Deferred tax liability				
Capital allowances	-47,522,971.00	-47,381,219.00	-47,522,971.00	-47,381,219.00
Deferred tax asset				
Provisions	439,836.00	382,221.00	439,836.00	382,221.00
Tax losses available for set off against future taxable income	47,083,135.00	46,998,998.00	47,083,135.00	46,998,998.00
Total deferred tax asset	**47,522,971.00**	**47,381,219.00**	**47,522,971.00**	**47,381,219.00**

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	-47,522,971	-47,381,219	-47,522,971	-47,381,219
Deferred tax asset	47,522,971	47,381,219	47,522,971	47,381,219
Total net deferred tax asset	**-**	**-**	**-**	**-**

10. Deferred tax				
Deferred tax liability				
Capital allowances	-267,584,296.17	-305,882,627.50	-267,584,296.17	-305,882,627.50
Deferred tax asset				
Provisions	2,476,554.05	2,467,533.89	2,476,554.05	2,467,533.89
Tax losses available for set off against future taxable income	265,107,742.12	303,415,093.61	265,107,742.12	303,415,093.61
Total deferred tax asset	**267,584,296.17**	**305,882,627.50**	**267,584,296.17**	**305,882,627.50**

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	-267,584,296.17	-305,882,627.50	-267,584,296.17	-305,882,627.50
Deferred tax asset	267,584,296.17	305,882,627.50	267,584,296.17	305,882,627.50
Total net deferred tax asset	-	-	-	-

11. Retirement benefits

It is the policy of the group to provide retirement benefits to all its full-time employees. Two defined contribution provident funds, which is subject to the Pensions Fund Act exists for this purpose. The funds are funded both by member and by group contributions which are charged as they are incurred. The total group contribution to the fund on the current year was R 4,433,574 INR 24,963,818 (2012: R 3,254,965 INR 21,013,331).

12. Inventories

				R
Raw materials, components	29,112,615.00	65,588,605.00	29,112,615.00	65,588,605.00
Work in progress	6,135,754.00	10,698,292.00	6,135,754.00	10,698,292.00
Finished goods	25,704,721.00	6,847,329.00	25,704,721.00	6,847,329.00
Packaging materials	6,547,518.00	10,311,261.00	6,547,518.00	10,311,261.00
Goods in transit	9,392,368.00	16,834,014.00	9,392,368.00	16,834,014.00
	76,892,976.00	**110,279,501.00**	**76,892,976.00**	**110,279,501.00**

12. Inventories

				INR
Raw materials, components	163,922,381.76	423,425,468.04	163,922,381.76	423,425,468.04
Work in progress	34,548,164.41	69,065,797.29	34,548,164.41	69,065,797.29
Finished goods	144,733,789.41	44,204,835.38	144,733,789.41	44,204,835.38
Packaging materials	36,866,655.41	66,567,211.10	36,866,655.41	66,567,211.10
Goods in transit	52,884,954.95	108,676,655.91	52,884,954.95	108,676,655.91
	432,955,945.95	**711,939,967.72**	**432,955,945.95**	**711,939,967.72**

13. Trade and other receivables

				R
Trade receivables	110,141,239.00	38,969,575.00	110,141,239.00	38,969,575.00
Impairment on trade receivables	-166,412.00	-50,000.00	-166,412.00	-50,000.00
	109,974,827.00	38,919,575.00	109,974,827.00	38,919,575.00
Employee costs in advance	94,406.00	125,383.00	94,406.00	125,383.00
Prepayments	532,023.00	588,409.00	532,023.00	588,409.00
Deposits	196,291.00	126,291.00	137,075.00	67,075.00
VAT	207,047.00	2,239,205.00	-	2,033,951.00
Advances to suppliers	26,422.00	11,243,917.00	26,422.00	11,243,917.00
	111,031,016.00	**53,242,780.00**	**110,764,753.00**	**52,978,310.00**

Trade and other receivables past due but not impaired

13. Trade and other receivables

				INR
Trade receivables	620,164,634.01	251,578,921.89	620,164,634.01	251,578,921.89
Impairment on trade receivables	-937,004.50	-322,788.90	-937,004.50	-322,788.90
	619,227,629.50	251,256,132.99	619,227,629.50	251,256,132.99
Employee costs in advance	531,565.32	809,444.80	531,565.32	809,444.80
Prepayments	2,995,625.00	3,798,637.83	2,995,625.00	3,798,637.83
Deposits	1,105,242.12	815,306.65	771,818.69	433,021.30
VAT	1,165,805.18	14,455,810.20	-	13,130,735.96
Advances to suppliers	148,772.52	72,588,231.12	148,772.52	72,588,231.12
	625,174,639.64	**343,723,563.59**	**623,675,411.04**	**342,016,204.00**

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired.

At 31 March 2014, R 11,456,359 INR 64,506,526 (2012: R 4,443,396 INR 28,685,578) for group and company were past due but not impaired. The ageing of amounts past due but not impaired is as follows:

15. Share capital

				R
Authorised				
1000 Ordinary shares of R1 each	1,000	1,000	1,000	1,000
Issued				
300 Ordinary shares of R1 each	300	300	300	300
Share premium	199,999,900	199,999,900	199,999,900	199,999,900
	200,000,200	**200,000,200**	**200,000,200**	**200,000,200**

15. Share capital

				INR
Authorised				
1000 Ordinary shares of R1 each	6,498	6,498	6,498	6,498
Issued				
300 Ordinary shares of R1 each	1,949.00	1,949.00	1,949.00	1,949.00
Share premium	1,299,544,509.00	1,299,544,509.00	1,299,544,509.00	1,299,544,509.00
	1,299,546,458.00	1,299,546,458.00	1,299,546,458.00	1,299,546,458.00

16. Common control reserve

				R
Common control reserve	-3,304,567	-3,304,567	-2,248,383	-2,248,383

Effective 3 August 2010, Be-Tabs Pharmaceuticals Proprietary Limited purchased the shares in Be-Tabs Investments Proprietary Limited from Ranbaxy Netherlands BV. The business combination arises from a transaction that transfers interest in an entity that is under common control of the shareholder and to the extent that the purchase consideration exceeded the value of the identifiable net assets purchase it was allocated to reserves.

On 25 May 2011, Be-Tabs Investments Proprietary Limited declared an in species dividend, of property of R97 598 617 INR 585,474,607 to Be-Tabs Pharmaceuticals Proprietary Limited. The group however carried property at a net book value of R 95 350 234 INR 571,987,007 at the time of the distribution. As Be-Tabs Investments Proprietary Limited is an investment under the common control of the company, the principles as adopted for common control transactions has been applied and to the extent that the dividend exceeded the value of the group's net book value it was allocated to equity.

16. Common control reserve

				INR
Common control reserve	-21,472,170.24	-21,472,170.24	-14,609,376.00	-14,609,376.00

17. Trade and other payables

Trade payables				R
	191,501,669.00	156,507,355.00	191,432,967.00	156,507,354.00
VAT	1,367,311.00	-	1,367,311.00	-
Accrued expenses	36,777,643.00	13,767,783.00	36,777,643.00	13,699,083.00
	229,646,623.00	**170,275,138.00**	**229,577,921.00**	**170,206,437.00**

17. Trade and other payables

				INR
Trade payables				
	1,078,275,163.29	1,010,376,726.92	1,077,888,327.70	1,010,376,720.46
VAT	7,698,823.20	-	7,698,823.20	-
Accrued expenses	207,081,323.20	88,881,749.52	207,081,323.20	88,438,237.57
	1,293,055,309.68	**1,099,258,476.44**	**1,292,668,474.10**	**1,098,814,958.04**

18. Revenue

				R
Sale of goods	387,878,934.00	257,189,414.00	387,878,934.00	257,189,414.00
				INR
Sale of goods	**2,326,808,242.4**	**1,675,501,068.4**	**2,326,808,242.4**	**1,675,501,068.4**

19. Cost of sales

				R
Sale of goods				
Cost of goods sold	255,894,452	167,898,503	255,894,452	167,898,503

19. Cost of sales

				INR
Sale of goods				
Cost of goods sold	1,535,059,700	1,093,801,322	1,535,059,700	1,093,801,322

20. Other income

			R	
Insurance claim received	728,309.00	830,568.00	662,707.00	830,568.00
Other income	4,405,701.00	245,730.00	2,980,262.00	245,730.00
	5,134,010.00	**1,076,298.00**	**3,642,969.00**	**1,076,298.00**

20. Other income

				INR
Insurance claim received	4,368,980.20	5,410,866.45	3,975,446.91	5,410,866.45
Other income	26,428,920.22	1,600,846.91	17,877,996.40	1,600,846.91
	30,797,900.42	**7,011,713.36**	**21,853,443.31**	**7,011,713.36**

21. Expenses by nature

				R
Changes in inventories of finished goods and work in progress	33,386,525.00	-63,297,986.00	33,386,525.00	-63,297,986.00
Raw materials and consumables used				
	222,507,927.00	231,196,489.00	222,507,927.00	231,196,489.00
Advertising costs	2,669,836.00	2,924,217.00	2,669,836.00	2,924,217.00
Auditors remuneration	886,746.00	849,150.00	886,746.00	849,150.00
Depreciation, amortisation and	27,101,389.00	18,917,539.00	27,101,389.00	18,917,539.00
impairments Employee Costs				
	90,791,317.00	67,384,790.00	90,791,317.00	67,384,790.00
Write off of property, plant and equipment	2,400,457.00	315,890.00	2,400,457.00	315,890.00
Loss on exchange differences	1,020,119.00	367,198.00	1,020,119.00	367,198.00
Management fees paid to related parties	-	345,932.00	-	345,932.00
Other expenses	66,010,562.00	47,967,546.00	66,007,740.00	47,948,349.00
Total cost of sales, distribution costs and administrative expenses	**446,774,878.00**	**306,970,765.00**	**446,772,056.00**	**306,951,568.00**

21. Expenses by nature

				INR
Changes in inventories of finished goods and work in progress	200,279,094.18	-412,364,729.64	200,279,094.18	-412,364,729.64
Raw materials and consumables used				
	1,334,780,605.88	1,506,166,052.12	1,334,780,605.88	1,506,166,052.12
Advertising costs	16,015,812.84	19,050,273.62	16,015,812.84	19,050,273.62
Auditors remuneration	5,319,412.12	5,531,921.82	5,319,412.12	5,531,921.82
Depreciation, amortisation and	162,575,818.84	123,241,296.42	162,575,818.84	123,241,296.42
impairments Employee Costs				
	544,638,974.21	438,988,859.93	544,638,974.21	438,988,859.93
Write off of property, plant and equipment	14,399,862.03	2,057,915.31	14,399,862.03	2,057,915.31
Loss on exchange differences	6,119,490.10	2,392,169.38	6,119,490.10	2,392,169.38
Management fees paid to related parties	-	2,233,260.17	-	2,233,260.17
Other expenses	395,984,175.16	312,492,156.35	395,967,246.55	312,367,094.46
Total cost of sales, distribution costs and administrative expenses	**2,680,113,245.35**	**1,999,809,543.97**	**2,680,096,316.74**	**1,999,684,482.08**

22. Interest income

R

Finance income				
Bank	18,216.00	7,295.00	16,524.00	7,230.00

22. Interest income

INR

Finance income				
Bank	109,274.15	47,524.43	99,124.18	47,100.98

23. Finance costs

R

Group companies	14,157,553.00	13,970,807.00	14,157,553.00	13,970,807.00
Bank	-	3,265.00	-	1,842.00
	14,157,553.00	**13,974,072.00**	**14,157,553.00**	**13,972,649.00**

23. Finance costs

INR

Group companies	84,928,332.33	91,015,029.32	84,928,332.33	91,015,029.32
Bank	-	21,270.36	-	12,000.00
	84,928,332.33	**91,036,299.67**	**84,928,332.33**	**91,027,029.32**

24. Income tax expense

Reconciliation of the income tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	28.00%	28.00%	28.00%	28.00%
Non-deductible expenditure Tax losses not recognised	0%	0.41%	0%	-0.42%
	-28.00%	-27.59%	-28.00%	-27.58%

No provision has been made for 2014 tax as the group has no taxable income. The estimated tax loss available for set off again st future taxable income is R 385,165,841 I \R 2,310,532,939 2012: R 340,90 0,799. INR 2,220,852,11 .

25. Cash generated from operations

R

Loss before taxation	-67,901,271.00	-62,669,988.00	-69,391,182.00	-62,649,433.00
Adjustments for:				
Depreciation and amortisation	27,101,389.00	18,917,539.00	27,101,389.00	18,917,539.00
Provision for write off	2,400,457.00	315,890.00	2,400,457.00	315,890.00
Interest received	-18,216.00	-7,295.00	-16,524.00	-7,230.00
Finance costs	14,157,553.00	13,972,230.00	14,157,553.00	13,970,807.00
Changes in working capital:				
Inventories	33,386,525.00	-63,297,986.00	33,386,525.00	-63,297,986.00
Trade and other receivables	-57,788,236.00	-8,660,679.00	-57,786,444.00	-8,696,710.00
Trade and other payables	57,047,593.00	120,678,522.00	57,047,593.00	120,678,522.00
	8,385,794.00	**19,248,233.00**	**6,899,367.00**	**19,231,399.00**

25. Cash generated from operations

INR

Loss before taxation	-382,326,976.35	-404,583,524.85	-390,716,114.86	-404,450,826.34
Adjustments for:				
Depreciation and amortisation	152,597,911.04	122,127,430.60	152,597,911.04	122,127,430.60
Provision for write off	13,516,086.71	2,039,315.69	13,516,086.71	2,039,315.69
Interest received	-102,567.57	-47,094.90	-93,040.54	-46,675.27
Finance costs	79,715,951.58	90,201,613.94	79,715,951.58	90,192,427.37
Changes in working capital:	-	-	-	-
Inventories	187,987,190.32	-408,637,740.48	187,987,190.32	-408,637,740.48
Trade and other receivables	-325,384,211.71	-55,911,420.27	-325,374,121.62	-56,144,028.41
Trade and other payables	321,213,924.55	779,073,737.90	321,213,924.55	779,073,737.90
	47,217,308.56	**124,262,317.62**	**38,847,787.16**	**124,153,641.06**

26. Commitments
Authorised capital expenditure

Already contracted for but not provided for

Ÿ Property, plant and equipment		-192,500.00		-192,500.00

This committed expenditure relates to plant and equipment and will be financed by internally generated funds and loan facilities.

Operating leases – as lessee (expense)

Minimum lease payments due

- within one year	1,153,722.00	1,340,462.00	1,153,722.00	1,340,462.00
- in second to fifth year inclusive	1,336,495.00	261,046.00	1,336,495.00	261,046.00
	2,490,217.00	**1,601,508.00**	**2,490,217.00**	**1,601,508.00**

Operating lease payments represent rentals payable by the group for certain of its warehouses. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

26. Commitments
Authorised capital expenditure

Already contracted for but not provided for

Ÿ Property, plant and equipment	-	-1,242,737.25	-	-1,242,737.25

This committed expenditure relates to plant and equipment and will be financed by internally generated funds and loan facilities.

Operating leases – as lessee (expense)

Minimum lease payments due

- within one year	6,496,182.43	8,653,724.98	6,496,182.43	8,653,724.98
- in second to fifth year inclusive	7,525,309.68	1,685,255.00	7,525,309.68	1,685,255.00
	14,021,492.12	**10,338,979.99**	**14,021,492.12**	**10,338,979.99**

Operating lease payments represent rentals payable by the group for certain of its warehouses. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

27. Contingencies

The bank has issued guarantees in favour of the company amounting to R 326,000 (2012: R 2,711,450).

28. Related parties

Relationships

Ultimate holding company	Daiichi Sankyo Limited
Holding company	Ranbaxy Netherlands BV
Subsidiary	Be-Tabs Investments Proprietary Limited

Related party balances

Loan accounts - Owing to related parties				
Ranbaxy Netherlands BV	174,065,753.00	156,433,942.00	174,065,753.00	156,433,942.00
Be-Tabs Investments (Pty) Ltd	-	-	3,500,713.00	2,146,978.00
	174,065,753.00	**156,433,942.00**	**177,566,466.00**	**158,580,920.00**

28. Related parties (continued)

Amounts included in trade and other payables				
Ranbaxy South Africa (Pty) Ltd	77,195,553.00	58,422,396.00	77,195,553.00	58,422,396.00
Sonke Pharmaceuticals (Pty) Ltd	96,871,095.00	69,402,734.00	96,871,095.00	69,402,734.00
	174,066,648.00	**127,825,130.00**	**174,066,648.00**	**127,825,130.00**
Amounts included in trade and other receivables				
Sonke Pharmaceuticals (Pty) Ltd	53,382,229.00	3,558,012.00	53,382,229.00	3,558,012.00
Ranbaxy South Africa (Pty) Ltd	155,578.00	17,304.00	155,578.00	17,304.00
Ranbaxy Laboratories Limited	6,148.00	63,839.00	6,148.00	63,839.00
	53,543,955.00	**3,639,155.00**	**53,543,955.00**	**3,639,155.00**

Related party transactions

Interest paid				
Ranbaxy Netherlands BV	-14,065,753.00	-10,654,109.00	-14,065,753.00	-10,654,109.00
Ranbaxy South Africa (Pty) Ltd	-	-3,269,934.00	-	-3,269,934.00
	-14,065,753.00	**-13,924,043.00**	**-14,065,753.00**	**-13,924,043.00**
Management Fees				
Ranbaxy South Africa (Pty) Ltd	-	345,932.00	-	345,932.00
Purchases of inventory				
Ranbaxy Laboratories Limited	-	27,028,125.00	-	27,028,125.00
Sonke Pharmaceuticals (Pty) Ltd	87,387,483.00	91,427,804.00	87,387,483.00	91,427,804.00
	87,387,483.00	**118,455,929.00**	**87,387,483.00**	**118,455,929.00**
Sales to				
Sonke Pharmaceuticals (Pty) Ltd	162,204,987.00	88,875,343.00	162,204,987.00	88,875,343.00
Compensation to directors and other key management				
Short-term employee benefits	2,192,772	1,766,291	2,192,772	1,766,291

28. Related parties

Relationships
Ultimate holding company
Holding company
Subsidiary

Related party balances

Loan accounts - Owing to related parties				
Ranbaxy Netherlands BV	980,099,960.59	1,009,902,788.90	980,099,960.59	1,009,902,788.90
Be-Tabs Investments (Pty) Ltd	-	-	19,711,221.85	13,860,413.17
	980,099,960.59	**1,009,902,788.90**	**999,811,182.43**	**1,023,763,202.07**
28. Related parties (continued)				
Amounts included in trade and other payables				
Ranbaxy South Africa (Pty) Ltd	434,659,645.27	377,162,014.20	434,659,645.27	377,162,014.20
Sonke Pharmaceuticals (Pty) Ltd	545,445,354.73	448,048,637.83	545,445,354.73	448,048,637.83
	980,105,000.00	**825,210,652.03**	**980,105,000.00**	**825,210,652.03**
Amounts included in trade and other receivables				
Sonke Pharmaceuticals (Pty) Ltd	300,575,613.74	22,969,735.31	300,575,613.74	22,969,735.31
Ranbaxy South Africa (Pty) Ltd	876,002.25	111,710.78	876,002.25	111,710.78
Ranbaxy Laboratories Limited	34,617.12	412,130.41	34,617.12	412,130.41
	301,486,233.11	**23,493,576.50**	**301,486,233.11**	**23,493,576.50**
Related party transactions				
Interest paid				
Ranbaxy Netherlands BV	-84,377,642.47	-69,407,876.22	-84,377,642.47	-69,407,876.22
Ranbaxy South Africa (Pty) Ltd	-	-21,302,501.63	-	-21,302,501.63
	-84,377,642.47	**-90,710,377.85**	**-84,377,642.47**	**-90,710,377.85**
Management Fees				
Ranbaxy South Africa (Pty) Ltd	-	2,253,628.66	-	2,253,628.66
Purchases of inventory				
Ranbaxy Laboratories Limited	-	176,078,990.23	-	176,078,990.23
Sonke Pharmaceuticals (Pty) Ltd	524,220,053.99	595,620,872.96	524,220,053.99	595,620,872.96
	524,220,053.99	**771,699,863.19**	**524,220,053.99**	**771,699,863.19**
Sales to				
Sonke Pharmaceuticals (Pty) Ltd	973,035,314.94	578,992,462.54	973,035,314.94	578,992,462.54
Compensation to directors and other key management				
Short-term employee benefits	13,154,001.20	11,506,781.76	13,154,001.20	11,506,781.76

Notes to the Financial Statements

	Group		Company	
	15 months ended 31 March 2014 R	12 months ended 31 December 2012 R	15 months ended 31 March 2014 R	12 months ended 31 Decmeber 2012 R

29. 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 immediate holding company, Ranbaxy (Netherlands) B.V. has agreed to provide the company with financial assistance, so as to continue as a going concern.

30. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year, which might have a material impact on the reported results.

Note : Conversion rate used against Indian Rupees for the year 2014/2013 and 2012 are:
i) Items relating to Profit and Loss account at Average rate: 1 ZAR= 0.1667 [2012: 1 ZAR =0.1535]
ii) Items relating to Balance sheet at Closing rate: 1 Euro = 0.1776 [2012: 1 ZAR=0.1549]