

**PIDILITE INDUSTRIES EGYPT (S.A.E)  
AUDITOR'S REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AT 31 March 2025**

**Strategy Financial Advisors  
Audit, Tax and Advisory Services**

**Pidilite Industries Egypt (S.A.E)**  
**Financial statements and auditor's report**  
**For the year ended 31 March 2025**

<b>Index</b>	<b>Page</b>
Auditor's Report	1 - 2
Financial Position Statement	3
Income Statement	4
Other Comprehensive Income Statement	5
Statement of Changes in Equity	6
Cash Flows Statement	7
Notes to the Financial Statements	8 - 20

## **Auditor's Report**

**To: The Shareholders of PIDILITE INDUSTRIES EGYPT - (S.A.E)**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **PIDILITE INDUSTRIES EGYPT - (S.A.E)** "the Company which comprise the balance sheet as of 31 March 2025, income statement, other comprehensive income, statement of changes in shareholders' equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

### **Company's Management Responsibility for the Financial Statements**

Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with Egyptian Accounting Standards and with the requirements of applicable Egyptian laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the 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 judgment, 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 financial statements present fairly, in all material respects, the financial position of the Company as of 31 March 2025, and financial performance and cash flows for the year then ended in accordance with Egyptian Accounting Standards and with the requirements of applicable Egyptian laws and regulations.

## Report on Other Legal and Regulatory Requirements

The Company keeps proper financial records, which includes all that is required by the law and the Company's statute, and the accompanying financial statements are in agreement therewith, the Company applies a proper costing system and the inventory counts were taken in accordance with recognized practices.

The financial information included in the director' report prepared in accordance with law no159 of 1981 and its executive regulations, is in agreement with the company's book of account.

  


**Amr Arafa Hassan**

Member at Egyptian society of taxation

Registered Accountants and Auditors No. 20137

**Strategy Financial Advisors**

Cairo, 29 April 2025



**PIDILITE INDUSTRIES EGYPT S.A.E**  
**Financial Position At 31 MARCH 2025**

	<u>Note</u>	31 March 2025	31 March 2024
	<u>No.</u>	EGP	EGP
<b><u>Assets</u></b>			
<b><u>Non-current assets</u></b>			
Property, Plant and Equipments ( Net book value )	(3)	4 043 064	4 621 475
Projects under process	(4)	976 382	-
Investment in Subsidiary Companies		5 439 900	5 439 900
Deferred tax	(16)	401 812	94 283
<b>Total non-current assets</b>		<b>10 861 158</b>	<b>10 155 658</b>
<b><u>Current assets</u></b>			
Inventory	(5)	47 530 433	28 482 951
Account Receivables	(6)	49 792 170	51 024 512
Other Receivables	(7)	15 677 723	12 804 923
Cash and cash equivalents	(8)	72 068 689	81 172 030
<b>Total current assets</b>		<b>185 069 015</b>	<b>173 484 416</b>
<b>Total assets</b>		<b>195,930,173</b>	<b>183,640,074</b>
<b><u>Shareholders' equity</u></b>			
Paid up capital	(9)	110 278 500	36 980 000
Paid under capital increase		77 367 237	150 665 737
Retained Losses		(35 573 053)	(57 542 758)
Net Profit / ( loss) for the Year		9 320 161	21 969 705
<b>Total shareholders' equity</b>		<b>161 392 845</b>	<b>152 072 684</b>
<b><u>Current liabilities</u></b>			
Income tax	(16)	3 085 717	-
Provisions	(10)	760 452	610 000
Account Payables	(11)	24 933 865	22 401 036
Other Payables	(12)	5 757 295	8 556 355
<b>Total current liabilities</b>		<b>34 537 329</b>	<b>31 567 391</b>
<b>Total shareholders' equity And Liabilities</b>		<b>195,930,173</b>	<b>183,640,074</b>

The accompanying policies and the notes from page number (8) to (20) form an integral part of these financial statements

Mohamed Mowafi  
General Manager

Abdellatif Mohamed  
Financial Controller

Auditor's Report issued on 29 April, 2025

**PIDILITE INDUSTRIES EGYPT S.A.E**

**INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

		2025	2024
		EGP	EGP
Sales		152 685 112	139 297 554
Cost of goods sold	(13)	(112,936,921)	(96 731 506)
Depreciation	(3)	(762,859)	( 600 654)
<b>Gross Profit</b>		<b>38 985 333</b>	<b>41 965 394</b>
Selling, General & Administrative expenses	(14)	(32,052,215)	(29 313 422)
Depreciation	(3)	(324,046)	(171,174)
Bad debts allowance		(204,297)	4 772
Bad debts write off		(99,530)	( 56 899)
Provision Expenses	(10)	(150,452)	
(Gain) Loss on Foreign Exchange		1,797,483	9 510 798
Other gains		115,929	105 771
<b>Net profit (loss) for the year before interest and income tax</b>		<b>8 068 204</b>	<b>22 045 240</b>
Finance Cost	(15)	4,030,145	(381,359)
<b>Net profit (loss) for the year before income tax</b>		<b>12 098 349</b>	<b>21 663 881</b>
Income Tax		(3,085,717)	-
Deferred tax		307,529	305 824
<b>Net Profit /( loss ) for the year</b>		<b>9 320 161</b>	<b>21 969 705</b>

The accompanying policies and the notes from page number (8) to (20) form an integral part of these financial statements

**PIDILITE INDUSTRIES EGYPT S.A.E**

**Other comprehensive income statement for the year ended at 31 March 2025**

	2025	2024
	EGP	EGP
Net Profit ( loss) after income tax	9 320 161	21 969 705
Other comperhensive Income	-	-
<b>Total comperhensive Income for the year</b>	<b>9 320 161</b>	<b>21 969 705</b>

**PIDILITE INDUSTRIES EGYPT S.A.E**

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2025**

	Paid up Capital EGP	Paid under Capital increase EGP	Net (Loss) EGP	Retained losses EGP	Total EGP
<b>Balance at 31 March 2023</b>	<b>36,980,000</b>	<b>73,298,564</b>	<b>(7,924,938)</b>	<b>(49,617,820)</b>	<b>52,735,806</b>
Paid under capital increase	-	77,367,173	-	-	77,367,173
Transfer to Retained losses	-	-	7,924,938	(7,924,938)	-
Net loss for the year	-	-	21,969,705	-	21,969,705
<b>Balance at 31 March 2024</b>	<b>36,980,000</b>	<b>150,665,736</b>	<b>21,969,705</b>	<b>(57,542,758)</b>	<b>152,072,684</b>
Capital Increase	73,298,500	(73,298,500)	-	-	-
Transfer to Retained losses	-	-	(21,969,705)	21,969,705	-
Net Profit for the year	-	-	9,320,161	-	9,320,161
<b>Balance at 31 March 2025</b>	<b>110,278,500</b>	<b>77,367,236</b>	<b>9,320,161</b>	<b>(35,573,052)</b>	<b>161,392,845</b>

The accompanying policies and the notes from page number (8) to (20) form an integral part of these financial statements



**PIDILITE INDUSTRIES EGYPT S.A.E**  
**STATEMENT OF CASH FLOWS 'FOR THE YEAR ENDED 31 MARCH 2025**

	2025	2024
	EGP	EGP
<b><u>Cash flows from operating activities</u></b>		
Net Profit ( loss) for the year before tax	12 098 349	21 663 881
<b><u>Adjustments to reconcile net loss with cash flows</u></b>		
<b><u>from operating activities</u></b>		
Depreciation	1 089 020	771 829
Bad debts allowance	204 297	( 4 772)
Imperment of Inventory release	1 348 763	( 60 946)
Provision for Employees Terminal Benefits - Gratuity	150 452	-
<b>Operating profit before changes in working capital</b>	<b>14 890 881</b>	<b>22 369 992</b>
<b><u>Change in working capital</u></b>		
Change in inventory	(20 396 245)	1 062 592
Change in Account Receivables	1 028 045	747
Change in Other Receivables	(2 872 800)	(6 763 660)
Change in Account Payables	2 532 829	(14 071 130)
Change in Other Payables	(2 799 060)	2 991 085
<b>Cash flow ( used in ) operating activities</b>	<b>(22 507 231)</b>	<b>(16 780 366)</b>
<b><u>Cash flows from investing activities</u></b>		
Payment in respect of purchasing fixed assets	( 510 608)	( 590 207)
Change in Projects under process	( 976 382)	-
<b>Cash flows (used in) investing activities</b>	<b>(1 486 990)</b>	<b>( 590 207)</b>
<b><u>Cash flows from financing activities</u></b>		
Loan	-	(12 319 520)
Paid under capital increase	-	77 367 173
<b>Cash flows generated from financing activities</b>	<b>-</b>	<b>65 047 653</b>
Change in cash and cash equivalents during the year	(9 103 340)	70 047 072
Cash and cash equivalents at the beginning of the year	81 172 030	11 124 958
<b>Cash and cash equivalents at the end of the year</b>	<b>72 068 689</b>	<b>81 172 030</b>

**PIDILITE INDUSTRIES EGYPT S.A.E**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**1- General**

- 1-1** The Company was established as an joint stock company under the investment Law and by virtue of the minister of economy and foreign trade's decree No 165 of 1997 which was published in the official investment gazette, edition 436 on April 26, 1997. The Company was registered in the Investment Commercial Registry under no. 30 178 on March 13, 1997.
- 1-2** The Company Extraordinary General Assembly meeting on 13/2/2006 decide to change the name of the Company from Sadafoo Foodstuff & Drinks Company to Pidilite Industries Egypt and the activity to producing and packing all kinds of resins and adhesives as well as sealants, paints, building chemicals and all related materials and the GAFI approved the changes by decision Number 411/2006 at April 2006 and registered in commercial registrar at 2/5/2006.

**1-3 The objectives of the Company are :**

Establishing and operating a factory for producing and packing all kinds of resins and adhesives as well as sealants, paints, building chemicals and all related materials. The Company may make other projects or amend its purpose in the light of the provisions of the investment law, also it may participate in any manner what so ever in subsidiary projects taking into consideration the provisions of law No. 59/1995 and the provisions of the investment law, provided that the Company should obtain all the licenses necessary for practicing its activity.

**2- Significant accounting policies**

**2-1 Basis of preparation**

The financial statements are prepared under the going concern assumption on a historical cost basis, except for available for sale financial assets that are measured at fair value.

**2-2 Statement of compliance**

The financial statements of the company are prepared in accordance with the Egyptian accounting standards and the applicable laws and regulations.

The Financial Statement are authorized for issue by The Board of Directors

**2-3 Changes in accounting policies**

The accounting policies adopted this year are consistent with those of the previous year.

**PIDILITE INDUSTRIES EGYPT S.A.E**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**2-4 Foreign currency translation**

The financial statements are prepared and presented in Egyptian pound, which is the company's functional currency. Transactions in foreign currencies are initially recorded using the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated using the exchange rate prevailing at the balance sheet date.

**2-5 Fixed assets and depreciation**

Fixed assets are stated at historical cost net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred, and this cost depreciated with similar annual premium during the producing life of each asset according to the following rates:

Machinery & Equipment	10%
Buildings-Factory	5%
Furniture	10%
Fixtures	20 %
Laboratory Equipment	10%
Computers	33%
Automobiles	25%
Office Equipment	10%
Tools & Dyes	20%

Depreciation of an asset begins when it is in the location and condition necessary for it to be capable of operating in the manner intended by management and is computed using the straight-line method according to the estimated useful life of the asset.



**PIDILITE INDUSTRIES EGYPT S.A.E**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**2-6 Investments in subsidiary**

The investments in subsidiary are initially recorded at cost.

**2-7 The inventory elements are valued as follows:**

Raw materials and packing materials: at the lower of cost (using the Weight Average Method) or net realizable value.

Finished products: at the lower of the cost of production (based on the costing sheets) or net realizable value.

Cost of production includes direct material, direct labor and allocated share of manufacturing overhead and excluding borrowing costs

Work in process: at the cost of production (of the latest completed phase based on the costing sheets).

Cost includes allocated share of direct material, direct labor and allocated share of manufacturing overhead until latest completed phase and excluding borrowing costs

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The amount of any write down of inventories to net realizable value and all losses of inventories shall be recognized in the statement of income in the year the write down or loss occurs according to an authorized study takes into consideration all technical and market bases to estimate any write down. The amount of any reversal of any write down of inventories, arising from an increase in net realizable value, shall be recognized in the statement of income in the year in which the reversal occurs.

**2-8 Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the financial position date and adjusted to reflect the current best estimate.

**2-9 Revenue recognition**

Revenue from sales is recognized when all the following conditions are satisfied:

- (a) The company has transferred to the buyer the significant risks and rewards of ownership of the sales;
- (b) The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) The amount of revenue can be measured reliably;
- (d) It is probable that the economic benefits associated with the transaction will flow to the company; and
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

**PIDILITE INDUSTRIES EGYPT S.A.E**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**2-10 Expenses**

All expenses including operating expenses, general and administrative expenses and other expenses are recognized and charged to the statement of income in the financial year in which these expenses were incurred.

**2-11 Accounting estimates**

The preparation of financial statements in accordance with Egyptian Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the financial years. Actual results could differ from these estimates.

**2-12 Statement of cash flows**

The statement of cash flows is prepared using the indirect method.

**2-13 Cash and cash equivalent**

For the purpose of preparing the cash flow statement, the cash and cash equivalent comprise cash on hand, current accounts with banks and time deposits maturing within three months less bank credit balance.



PIDILITE INDUSTRIES EGYPT S.A.E

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

3. Property Plant and Equipments

	Machinery & Equipment	Buildings- Factory	Furniture & Fixtures	Land	Laboratory Equipment	Computers & software	Automobiles	Office Equipment	Tools	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost at 1 April 2024	14 374 009	6 856 479	4 818 303	1 147 912	369 979	753 759	333 596	221 164	637 421	29 512 623
Additions	208 201	-	44 000	-	-	252 807	-	5 600	-	510 608
Balance at 31 March 2025	14 582 210	6 856 479	4 862 303	1 147 912	369 979	1 006 566	333 596	226 764	637 421	30 023 231
<b>Accumulated Depreciation</b>										
Balance at 1 April 2024	14 374 009	5 087 289	3 696 691	-	321 057	401 516	333 596	164 692	512 298	24 891 148
Depreciation for the year	208 201	342 824	189 363	-	10 329	223 745	-	14 774	99 784	1 089 020
Balance at end of the year	14 582 210	5 430 113	3 886 054	-	331 386	625 261	333 596	179 466	612 081	25 980 168
Net Book Value at 31 March 2025	-	1 426 367	976 249	1 147 912	38 592	381 305	-	47 298	25 340	4 043 064
Net book value at 31 March 2024	-	1 769 191	1 121 612	1 147 912	48 922	352 243	-	56 472	125 124	4 621 475

4. Projects under process

Super Glow Production Line

The company has initiated the construction of a new production line for "Super Glow" during the current fiscal year. This project is classified as a work in progress (WIP) and is expected to enhance production capacity upon completion. Costs incurred during the construction phase, including materials, labor, and overheads, are capitalized as part of the project's total investment. Further updates will be provided upon project finalization and commissioning. The projects under process as of March 31, 2025, amounted to 976,382 EGP

PIDILITE INDUSTRIES EGYPT S.A.E  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	31 March 2025 EGP	31 March 2024 EGP
<b>Note 5 : Inventory</b>		
Raw material	29 046 498	11 090 405
Packing material	9 058 366	5 813 249
Raw material in transit	2 299 833	8 466 397
Finished goods	8 502 105	2 867 269
Promotional Goods Stock	-	273 237
	<u>48 906 801</u>	<u>28 510 556</u>
Provision for Inventory	(1 376 368)	( 27 605)
Net Inventory	<u>47 530 433</u>	<u>28 482 951</u>
<b>Note 1/5 : Provision for Inventory</b>		
Provision for Packing material	534 473	-
Provision for Raw Material	805 122	-
Provision for Finished Goods	36 773	27 605
	<u>1 376 368</u>	<u>27 605</u>

	31 March 2025 EGP	31 March 2024 EGP
<b>Note 6 : Account receivables</b>		
<b>Account Receivables</b>		
Unsecured	50 827 219	51 855 264
Provision for doubtful Account receivables	(1 035 049)	( 830 752)
<b>Total Receivables</b>	<u>49 792 170</u>	<u>51 024 512</u>
<b>Trade receivables from:</b>		
Others	27 920 601	18 173 371
Related Parties	22 906 618	33 681 894
<b>Total</b>	<u>50 827 219</u>	<u>51 855 265</u>
<b>Current</b>	<u>50 827 219</u>	<u>51 855 265</u>
<b>Movement in the allowance for doubtful debts</b>		
Balance at beginning of the year - April 1, 2024/ 2023	830 752	835 525
a) Impairment losses recognised in the year based on ECL		
On receivables originated in the year	204 297	( 61 671)
Amounts recovered during the year	-	56 899
Amounts written off during the year as uncollectible	-	-
Balance at end of the year - March 31, 2025/ 2024	<u>1 035 049</u>	<u>830 752</u>

**PIDILITE INDUSTRIES EGYPT S.A.E**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

	31 March 2025	31 March 2024
	EGP	EGP
<b>Note 7 : Other Receivables</b>		
Withholding Taxes	5 287 217	4 230 510
Other Prepaid Expense	1 913 716	1 107 571
Mis. Receivables	2 312 074	1 804 312
Advance from suppliers	4 327 498	5 019 000
Advances and loans for employees	951 217	490 214
Rent Deposit	66 000	116 000
Additional Tax	-	37 315
Value Added Tax Authority	820 000	-
	<b>15 677 723</b>	<b>12 804 923</b>

	31 March 2025	31 March 2024
	EGP	EGP
<b>Note 8 : Cash and cash equivalents</b>		
Cash	82 097	188 368
Bank EGP	8 004 726	47 482 544
Bank -USD	16 171 376	33 497 141
Bank EURO	4 149	3 976
Deposits EGP	8 549 143	-
Deposits USD	39 257 198	-
	<b>72 068 689</b>	<b>81 172 030</b>

**Note 9 : Paid up capital**

**Note 1/9 : Issued capital**

The Company's issued and paid up capital amounts to EGP 36,980,000 divided into 369800 shares of par value L.E.100 each

**Note 2/9 : Paid up capital**

The paid up capital amounts to EGP 36,980,000 which represents 100% of Issued capital

**Note 4/9 : Capital Increase**

Based on Minutes of extraordinary General Assembly Meeting Of pidilite Industries Egypt a Egyptian Joint Stock Company incorporated under Low 230 for the year 1989 , In the Thursday,27th June,2024 . The shareholders agree to increase the capital .

The company Capital consists of 1,102,785 shares ( one million one hundred and two thousand seven hundred and eighty-five shares. All of the company shares are nominative . The capital has been subscribed as follows :

Name	Nationality	Quantity of shares	National Value in Egyptian Pounds	Participation rate
Pidilite International PTE Ltd	Singapore	1 069 339	106 933 900	97%
Pidilite Industries Ltd	India	22 246	2 224 600	2%
Pidilite Middle East Ltd	The United Arab Emirates	11 200	112 000	1%
<b>Total</b>		<b>1 102 785</b>	<b>110 278 500</b>	<b>100%</b>

The percentage of foreign participation is 100% , and the increase was financed from the credit balance due to the company shareholders , which appeared in the financial position on 31/03/2023 and approves by the Authority Economic Performance Sector on 02/11/2024 .

PIDILITE INDUSTRIES EGYPT S.A.E

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	Beginning Balance EGP	Movement EGP	Ending Balance EGP
<b>Note 10 : Provision</b>			
Tax Provision	360 000	-	360 000
Provision for compliance penalty charges	250 000	-	250 000
Provision for Employees Terminal Benefits - Gratuity	-	150 452	150 452
<b>Total</b>	<b>610 000</b>	<b>150 452</b>	<b>760 452</b>

	31 March 2025 EGP	31 March 2024 EGP
<b>Note 11 : Account payables</b>		
Account payables	5 152 083	6 130 003
Account Payables - Related Parties	19 781 782	16 271 033
	<b>24 933 865</b>	<b>22 401 036</b>

	31 March 2025 EGP	31 March 2024 EGP
<b>Note 12 :Other Payables</b>		
Accrued Expense	3 400 489	4 013 440
Notes payable	1 597 541	1 755 088
Payroll Tax Authority	225 107	183 203
Withholding Tax	48 748	70 221
Social Insurance Authority	445 317	300 976
Advances from Customers	28 340	1 586 013
Value Added Tax Authority	-	644 352
Martyres support box	11 754	3 062
	<b>5 757 295</b>	<b>8 556 355</b>

	EGP	EGP
<b>Note 13 : Cost of goods sold</b>		
Materials Cost	99,016,007	86,824,340
Salaries	6,410,607	5,046,207
Gas & Electricity	1,282,957	827,621
Employee Welfare Expenses	934,566	621,071
Employees Terminal Benefits - Gratuity	50,000	-
Repairs and Maintenance	761,936	712,806
Car Rent	754,608	523,415
Company Share of Social Security	701,713	553,198
Consumable Materials	234,767	350,510
Security Charges	211,200	192,000
Petrol & Oil	178,115	164,395
Insurance	241,767	184,733
Other Expenses	137,604	210,005
Water Expense	106,769	105,996
Professional Fees	221,116	163,927
Dues and Memberships Expense	191,229	156,248
Buffet expenses	77,503	64,952
Telephone and Fax	47,581	34,213
Rent – Equipment	3,660	10,350
Stationery and Office Supplies	19,247	13,197
Travel and Entertainment	4,272	24,938
Postage	935	8,330
Inventory Impairment	1,348,763	(60,946)
	<b>112,936,921</b>	<b>96,731,506</b>

<b>Note 14 : Selling, General &amp; Administrative expenses</b>	<b>2025 EGP</b>	<b>2024 EGP</b>
Sales Promotion	7 639 244	6 942 570
Salaries	11 483 068	9 781 857
Royalty	2 268 226	2 189 259
Freight Charges - Delivery to Customers	2 003 980	1 716 938
Travel and Entertainment	1 835 768	1 211 815
Export Transportation	2 036 008	1 243 312
Employee Welfare	956 805	797 126
Employee Education	11 200	-
Company Share of Social Security	667 475	613 211
Certification & Documentation	63 036	-
Professional Fees	710 329	1 047 988
Governmental medical charges	399 583	370 179
Bank Service charges	495 274	294 144
Housekeeping expenses	163 348	133 803
Insurance	192 036	162 295
Telephone and Fax	112 093	104 333
Rent/Lease Exp. – Land and Buildings	291 068	76 317
Repairs and Maintenance	122 056	157 879
Miscellaneous	66 674	85 324
Buffet expenses	104 719	80 687
Stationery and Office Supplies	74 961	41 891
External audit fees	48 300	40 250
Dues and Memberships Expense	100 481	37 940
Internet Expenses	93 652	58 282
Postage	19 197	16 588
Heat Light and Power	13 522	10 662
Employees Terminal Benefits	80 113	1 864 333
Other Expenses	-	234 440
	<b>32 052 215</b>	<b>29 313 422</b>

	<b>2025 EGP</b>	<b>2024 EGP</b>
<b>Note 15 :Finance Cost</b>		
Debit Interest	( 303 452)	( 381 359)
Credit Interest	4 333 597	-
	<b>4 030 145</b>	<b>( 381 359)</b>



PIDILITE INDUSTRIES EGYPT S.A.E

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	31 March 2025	31 March 2024		
	EGP	EGP		
<b>Note 16 : Deferred Tax</b>				
<b>Tax effect of items constituting Deferred Tax Liabilities</b>				
On difference between book and tax depreciation	82 321	484 753		
<b>Tax effect of items constituting Deferred Tax Liabilities</b>	<b>82 321</b>	<b>484 753</b>		
<b>Tax effect of items constituting Deferred Tax Assets</b>				
Provision for inventory	1 348 763	( 60 946)		
Gratuity provision	150 452			
Provision for Doubtful Debts	204 297	( 4 772)		
<b>Tax effect of items constituting Deferred Tax Assets</b>	<b>1 703 512</b>	<b>( 65 718)</b>		
Tax Income Corporate Rate	22.5%	22.5%		
<b>TOTAL NET Deferred Tax Assets/(Liability)</b>	<b>401 812</b>	<b>94 283</b>		
	31 March 2025	31 March 2024		
	EGP	EGP		
<b>Reconciliation between accounting and Tax Profit</b>				
<b>Book Profit (loss) before tax</b>	12 098 349	21 663 881		
<b>Add back</b>				
<b>Illustrative Items :</b>				
Book depreciation	1 089 020	771 829		
Bad debts provision	204 297	( 4 772)		
Gratuity provision	150 452			
Inventory provision	1 348 763	( 60 946)		
Governmental medical charges	399 583	370 179		
Bad debts write off	99 530	56 899		
<b>Deduct</b>				
<b>Illustrative Items :</b>				
Tax depreciation	(1 169 225)	(1 256 582)		
	14 220 769	21 540 488		
		-		
	14 220 769	21 540 488		
<b>Tax Profit (loss) before tax</b>	( 506 471)	(22 043 957)		
<b>Retained losses</b>	13 714 298	( 503 469)		
<b>Net effect profit</b>	22.5%	22.5%		
Tax Income Corporate Rate	3 085 717	-		
<b>TOTAL Income Tax</b>				
	31 March 2025	31 March 2024		
	EGP	USD	EGP	USD
<b>Note 17 : Transactions in Foreign Currencies</b>				
Export Debtors	18 418 884	376 722	11 405 224	355 576
Import Creditors	(85 121 078)	(1 685 566)	(44 645 358)	(1 354 064)

**Note 18 : Contingent Liabilities & Commitments**

- **Contingent Liabilities (Corporate tax)**  
**Years 2009:2022**

The tax authority has arbitrary estimated the income tax for periods 2009:2022 but alignment with the internal committee of the tax authority to close the dispute internally. The new estimate of the potential tax liabilities is EGP 3.26Mn.

- **Contingent Liabilities (Social insurance)**

- Case No. 2720 of 2019, Civilian, Shebin El-Kom, Filed by the company against the National Social Insurance Authority which was the subject of an appeal against the claim issued by the National Social Insurance Authority against the company with a total value of only 6,464,347.74 EGP, amounting to six million four hundred and four Sixty-three hundred and seventy-four pounds and only seventy-four piasters) which ended with a ruling in favor of company before the court of first instance by canceling the contested claim and recalculating it according to what was stated in the report of the assigned expert in the case, whose report concluded with calculating an amount of 83,297 pounds as wage differences for the period from 2016/ 1/4 until 3/31/2017 and an amount of 109,234 EGP for the period from 4/1/2017 until 3/31/2018. Then the National Social Insurance Authority appealed this ruling, and it was decided by rejecting it and upholding the appealed ruling.

**The current position:**

Cancel the claim amount and pay the dues ruled by the court mentioned above, which total 192,531 Egyptian pounds, in addition to legal interest Owed to this amount.

**PIDILITE INDUSTRIES EGYPT S.A.E**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**Note 19: Tax position**

• **Corporate tax**

- **Years 2006/2008**

1. The company has submitted tax returns on the legal due date.
2. Tax Authority sent a form 19 tax for 2006-2008 with a number 4129 issued on March 29, 2012 with tax differentials of 467,732 other than delayed fines. The legal deadline was challenged on April 23, 2012. The tax appeal committees were referred, and the decision was issued in support of the Mamore for not attending.
3. A court lawsuit was filed during the circulation of the tax file. A request was submitted to the Committee for the termination of disputes. The tax differences of 149,801 were agreed upon pending receipt of the recommendation decision from the Minister's Office.
4. The recommendation decision has been received and will be submitted to the Tax Authority for the execution.

- **Years 2009:2022**

1. The tax authority has arbitrary estimated the income tax for periods 2009:2022 but alignment with the internal committee of the tax authority to close the dispute internally. The new estimate of the potential tax liabilities is EGP 3.26Mn.

- **Year 2023:2025**

1. The tax authority has not yet asked for tax inspections.

• **Payroll tax position: Years 2006/2025**

1. The company submits the payroll tax report monthly to the authority.
2. The Company has not been requested for stamp tax inspection.

• **Stamp tax position: Years 2006/2025**

1. The Company has not been requested for stamp tax inspection.

**PIDILITE INDUSTRIES EGYPT S.A.E**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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- **VAT position:**

**Periods from 2016 till March 2017**

2. The company submits the VAT report monthly and the release is based on the submitted report.
3. From 2008 till March 2017 the inspections have been done, and form 15 has been sent under number 1368 dated 23-Sept-2019 and that was appealed by date 01-Oct-2019.
4. The file has been sent to the appeal committee and a decision has been issued by EGP 967,492. EGP 398,011 has been paid, and it has been decided to raise a legal case against the authority by the remaining amount. The case is still at the court for the final hearing session.

**Periods from 1<sup>st</sup> April 2017 till 31<sup>st</sup> March 2023**

1. The authority has notified the company by the inspection process and the data collection and analysis are in process to be sent to the authority.

- **Withholding tax position: Years 2006/2025**

1. The Company submitted the returns (Form No.41) on the legal due date and paid the tax due accordingly.
2. The Company has not been requested for withholding tax inspection.

- **Social insurance position:**

1. The Company paid the social insurance on the legal due date.

**Note 20: Legal position**

**Commercial Lawsuit No. 5948 of the 76 judicial year, Cairo, Filed by the company against Minister of Finance.**

1. Case No. 5948 of 1976, circulated in the State Council, regarding the value-added tax for the tax periods from 1/6/2008 to 3/31/2017.
2. The court issued a ruling on 2/28/2024, acquitting the company of the amount of the tax differences included in the value of the reasons and operative part of the ruling. Which has not yet been copied and is being followed up to receive its official copy and executive form.