

**PIDILITE INDUSTRIES EGYPT (S.A.E)
AUDITOR'S REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AT 31 March 2026**

**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 2026

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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 2026, 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 2026, 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



Amr Arafa Hassan

Member at Egyptian society of taxation

Registered Accountants and Auditors No. 20137

Strategy Financial Advisors

Cairo, 30 April 2026

PIDILITE INDUSTRIES EGYPT S.A.E
Financial Position At 31 MARCH 2026

	<u>Note</u>	31 March 2026	31 March 2025
	<u>No.</u>	EGP	EGP
<u>Assets</u>			
<u>Non-current assets</u>			
Property, Plant and Equipments (Net book value)	(3)	8,216,462	4,043,064
Projects under process	(4)	51,500	976,382
Investment in Subsidiary Companies		5,439,900	5,439,900
Deferred tax	(16)	982,008	401,812
Total non-current assets		14,689,869	10,861,158
<u>Current assets</u>			
Inventory	(5)	40,300,890	47,530,433
Account Receivables	(6)	64,766,827	49,792,170
Other Receivables	(7)	10,137,350	15,677,723
Cash and cash equivalents	(8)	70,497,720	72,068,689
Total current assets		185,702,787	185,069,015
Total assets		200,392,656	195,930,173
<u>Shareholders' equity</u>			
Paid up capital	(9)	110,278,500	110,278,500
Paid under capital increase		77,367,237	77,367,237
Retained Losses		(26,252,892)	(35,573,053)
Net Profit / (loss) for the Year		(907,052)	9,320,161
Total shareholders' equity		160,485,793	161,392,845
<u>Current liabilities</u>			
Income tax	(16)	677,213	3,085,717
Provisions	(10)	4,286,186	760,452
Account Payables	(11)	28,062,307	24,933,865
Other Payables	(12)	6,881,157	5,757,295
Total current liabilities		39,906,863	34,537,329
Total shareholders' equity And Liabilities		200,392,656	195,930,173



The accompanying policies and the notes from page number (8) to (19) form an integral part of these financial statements
Auditor's Report Attached

Mohamed Mowafi
General Manager

Mohamed Saleh
Financial Controller

PIDILITE INDUSTRIES EGYPT S.A.E

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

		2026	2025
		EGP	EGP
Sales		156,854,778	152,685,112
Cost of goods sold	(13)	(114,031,316)	(112,936,921)
Depreciation	(3)	(1,227,125)	(762,859)
Gross Profit		41,596,337	38,985,333
Selling, General & Administrative expenses	(14)	(37,519,874)	(32,052,215)
Depreciation	(3)	(269,788)	(324,046)
Provision Expenses	(10)	(3,926,186)	(150,452)
Bad debts allowance		(427,296)	(204,297)
Bad debts write off		(392,177)	(99,530)
Gain (Loss) on Foreign Exchange		(2,210,544)	1,797,483
Other gains		91,363	115,929
Capital gains from disposal asset		700,000	-
Net profit (loss) for the year before interest and income tax		(2,358,166)	8,068,205
Finance Cost	(15)	1,548,133	4,030,145
Net profit (loss) for the year before income tax		(810,033)	12,098,350
Income Tax		(677,214)	(3,085,717)
Deferred tax		580,195	307,528
Net Profit /(loss) for the year		(907,051)	9,320,161

The accompanying policies and the notes from page number (8) to (19) 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 2026

	2026 EGP	2025 EGP
Net Profit (loss) after income tax	(907,051)	9,320,161
Other comprehensive Income	-	-
Total comprehensive Income for the year	(907,051)	9,320,161

PIDILITE INDUSTRIES EGYPT S.A.E

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2026

	Paid up Capital EGP	Paid under Capital increase EGP	Net (Loss) EGP	Retained losses EGP	Total EGP
Balance at 31 March 2024	36,980,000	150,665,736	21,969,705	(57,542,758)	152,072,684
Paid under capital increase	73,298,500	(73,298,500)	-	-	-
Transfer to Retained losses	-	-	(51,864,348)	51,864,348	-
Net loss for the year	-	-	9,320,161	-	9,320,161
Balance at 31 March 2025	110,278,500	77,367,236	(20,574,482)	(5,678,409)	161,392,845
Transfer to Retained losses	-	-	20,574,482	(20,574,482)	-
Net Profit for the year	-	-	(907,051)	-	(907,051)
Balance at 31 March 2026	110,278,500	77,367,236	(907,051)	(26,252,891)	160,485,794

The accompanying policies and the notes from page number (8) to (19) form an integral part of these financial statements

PIDILITE INDUSTRIES EGYPT S.A.E
STATEMENT OF CASH FLOWS 'FOR THE YEAR ENDED 31 MARCH 2026

	2026	2025
	EGP	EGP
<u>Cash flows from operating activities</u>		
Net Profit (loss) for the year before tax	(810,033)	12,098,349
<u>Adjustments</u>		
Depreciation	1,496,913	1,089,020
Capital gains from disposal asset	(700,000)	
Net of Bad debts allowance	427,297	204,297
Imperment of Inventory release	432,229	1,348,763
Usd of Provision for Employees Terminal Benefits - Gratuity	(400,452)	-
Provision for Employees Terminal Benefits - Gratuity	3,926,186	150,452
Operating profit before changes in working capital	4,372,140	14,890,881
<u>Change in working capital</u>		
Change in inventory	6,797,313	(20,396,245)
Change in Account Receivables	(15,401,954)	1,028,045
Change in Other Receivables	5,540,372	(2,872,800)
Change in Account Payables	3,128,442	2,532,829
Change in Other Payables	1,123,862	(2,799,060)
Income Tax Paid	(3,085,717)	-
Cash flow (used in) operating activities	2,474,458	(7,616,350)
<u>Cash flows from investing activities</u>		
Payment in respect of purchasing fixed assets	(206,454)	(510,608)
Change in Projects under process	(4,538,974)	(976,382)
Selling assets	700,000	-
Cash flows (used in) investing activities	(4,045,428)	(1,486,990)
<u>Cash flows from financing activities</u>		
Cash flows generated from financing activities	-	-
Change in cash and cash equivalents during the year	(1,570,970)	(9,103,340)
Cash and cash equivalents at the beginning of the year	72,068,689	81,172,030
Cash and cash equivalents at the end of the year	70,497,720	72,068,689

PIDILITE INDUSTRIES EGYPT S.A.E

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

1- General

1-1 The Company was established as a 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 decided 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 whatsoever 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 2026

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 2026

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 2026

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 2026

3. Property Plant and Equipments

	Machinery & Equipment EGP	Buildings- Factory EGP	Furniture & Fixtures EGP	Land EGP	Laboratory Equipment EGP	Computers & software EGP	Automobiles EGP	Office Equipment EGP	Tools EGP	Total EGP
Cost at 1 April 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
Additions	5,577,856	-	67,700	-	-	15,000	-	-	9,755	5,670,311
Disposal Of assets	-	-	-	-	-	-	(333,596)	-	-	(333,596)
Balance at 31 March 2026	20,160,066	6,856,479	4,930,003	1,147,912	369,979	1,021,566	-	226,764	647,176	35,359,945
Accumulated Depreciation										
Balance at 1 April 2025	14,582,210	5,430,113	3,886,054	-	331,386	625,261	333,596	179,466	612,081	25,980,167
Depreciation for the year	678,177	342,824	196,020	-	10,329	217,386	-	25,354	26,823	1,496,913
Disposal Of Accumulated Depreciation	-	-	-	-	-	-	(333,596)	-	-	(333,596)
Balance at end of the year	15,260,387	5,772,937	4,082,074	-	341,715	842,647	-	204,820	638,904	27,143,484
Net Book Value at 31 March 2026	4,899,679	1,083,542	847,929	1,147,912	28,264	178,919	-	21,944	8,272	8,216,462
Net book value at 31 March 2025	-	1,426,366	976,249	1,147,912	38,593	381,305	-	47,298	25,340	4,043,064

4. Projects under process

Project Name	Beginning Balance EGP	Addition EGP	Transfer To Fixed assets EGP	Ending Balance EGP
New production line for "Super Glow"	976,382	3,452,775	(4,429,157)	-
New Vam Tank (For Storage)	-	1,034,699	(1,034,699)	-
Two Rooms for packing Super Glow product	-	51,500	-	51,500
Total	976,382	4,538,974	(5,463,856)	51,500

Super Glow Production Line

The company has initiated the construction of a new production line for "Super Glow" in 2025. 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 overhead, are capitalized as part of the project's total investment and finished this construction transfer to fixed assets in the category Machinery & Equipment. There is a start in the new project under process, and further updates will be provided upon project finalization and commissioning. The projects under process as of March 31, 2026, amounted to 51,500 EGP.

	31 March 2026 EGP	31 March 2025 EGP
Note 5 : Inventory		
Raw material	19,460,203	29,046,498
Packing material	8,806,220	9,058,366
Raw material in transit	8,383,468	2,299,833
Finished goods	5,459,597	8,502,105
Promotional Goods Stock	-	-
	<u>42,109,488</u>	<u>48,906,801</u>
Provision for Inventory	(1,808,598)	(1,376,368)
Net Inventory	<u>40,300,890</u>	<u>47,530,433</u>
Note 1/5 : Provision for Inventory		
Provision for Packing material	281,324	534,473
Provision for Raw Material	1,251,416	805,122
Provision for Finished Goods	275,858	36,773
	<u>1,808,598</u>	<u>1,376,368</u>
31 March 2026 31 March 2025		
	EGP	EGP
Note 6 : Account receivables		
Account Receivables		
Unsecured	66,229,173	50,827,219
Provision for doubtful Account receivables	(1,462,346)	(1,035,049)
Total Receivables	<u>64,766,827</u>	<u>49,792,170</u>
Trade receivables from:		
Others	37,880,763	27,920,601
Related Parties	28,327,965	22,906,618
Total	<u>66,208,728</u>	<u>50,827,219</u>
Current	<u>66,208,728</u>	<u>50,827,219</u>
Movement in the allowance for doubtful debts		
Balance at beginning of the year - April 1, 2024/ 2025	1,035,049	830,752
a) Impairment losses recognised in the year based on ECL		
On receivables originated in the year	661,615	204,297
Amounts recovered during the year		
Amounts written off during the year as uncollectible	(234,318)	-
Balance at end of the year - March 31, 2025/ 2026	<u>1,462,346</u>	<u>1,035,049</u>

Note 7 : Other Receivables	31 March 2026 EGP	31 March 2025 EGP
Withholding Taxes	2,926,596	5,287,217
Other Prepaid Expense	2,554,807	1,913,716
Mis. Receivables	2,312,074	2,312,074
Advance from suppliers	1,338,519	4,327,498
Advances and loans for employees	612,690	951,217
Accrued Interest Receivable	326,664	-
Rent Deposit	66,000	66,000
Value Added Tax Authority	-	820,000
	10,137,350	15,677,723

Note 8 : Cash and cash equivalents	31 March 2026 EGP	31 March 2025 EGP
Bank EGP	10,982,452	8,004,726
Bank -USD	9,564,448	16,171,376
Cash	287,450	82,097
Checks under collection	3,497,715	-
Bank EURO	813	4,149
Deposits EGP	36,549,143	8,549,143
Deposits USD	9,615,700	39,257,198
	70,497,720	72,068,689

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 3/9 : Capital Increase

Based on Minutes of extraordinary General Assembly Meeting Of pidilite Industries Egypt a Egyptian Joint Stock Company incorporated under Low230 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	106,970,145	0.97
Pidilite Industries Ltd	India	22 246	2,205,570	0.02
Pidilite Middle East Ltd	The United Arab Emirates	11 200	1,102,785	0.01
Total		1 102 785	110,278,500	1

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 2026

	Beginning Balance EGP	Additions EGP	Used EGP	Ending Balance EGP
Note 10 : Provision				
Tax Provision	360,000	-	-	360,000
Provision for compliance penalty charges	250,000	-	(250,000)	-
Provision for Employees Terminal Benefits - Gratuity	150,452	3,926,186	(150,452)	3,926,186
Total	760,452	3,926,186	(400,452)	4,286,186

	31 March 2026 EGP	31 March 2025 EGP
Note 11 : Account payables		
Account Payables - Related Parties	23,313,867	19,781,782
Account payables	4,748,440	5,152,083
	28,062,307	24,933,865

	31 March 2026 EGP	31 March 2025 EGP
Note 12 :Other Payables		
Accrued Expense	4,655,086	3,400,489
Notes payable	881,223	1,597,541
Value Added Tax Authority	749,246	-
Social Insurance Authority	256,970	445,317
Payroll Tax Authority	249,685	225,107
Withholding Tax	60,607	48,748
Advances from Customers	28,340	28,340
Martyres support box	-	11,754
	6,881,157	5,757,295

	31 March 2026 EGP	31 March 2025 EGP
Note 13 : Cost of goods sold		
Materials Cost	99,287,894	99,016,007
Salaries	7,838,030	6,410,607
Gas & Electricity	1,244,129	1,282,957
Car Rent	1,015,195	754,608
Company Share of Social Security	989,372	701,713
Employee Welfare Expenses	880,682	934,566
Repairs and Maintenance	816,652	761,936
Inventory Impairments	432,229	1,348,763
Employees Terminal Benefits - Gratuity	-	50,000
Security Charges	253,000	211,200
Consumable Materials	249,529	234,767
Professional Fees	216,957	221,116
Petrol & Oil	168,623	178,115
Dues and Memberships Expense	153,715	191,229
Insurance	129,554	241,767
Water Expense	97,353	106,769
Other Expenses	79,644	137,604
Buffet expenses	73,262	77,503
Telephone and Fax	68,267	47,581
Stationery and Office Supplies	16,212	19,247
Travel and Entertainment	11,570	4,272
Rent – Equipment	9,350	3,660
Postage	97	935
	114,031,316	112,936,921

PIDILITE INDUSTRIES EGYPT S.A.E
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	2026	2025
Note 14 : Selling, General & Administrative expenses	EGP	EGP
Salaries	12,409,001	11,483,068
Sales Promotion	9,795,355	7,639,244
Royalty	2,664,474	2,268,226
Freight Charges - Delivery to Customers	2,808,854	2,003,980
Travel and Entertainment	2,118,392	1,835,768
Employees Terminal Benefits	1,895,798	80,113
Professional Fees	1,016,043	710,329
Employee Welfare	994,605	956,805
Export Transportation	776,715	2,036,008
Company Share of Social Security	729,431	667,475
Compliance penalty charges	250,000	-
Employee Education	-	11,200
Certification & Documentation	-	63,036
Governmental medical charges	397,986	399,583
Bank Service charges	384,164	495,274
Housekeeping expenses	120,609	163,348
Insurance	140,439	192,036
Telephone and Fax	116,494	112,093
Rent/Lease Exp. – Land and Buildings	293,700	291,068
Repairs and Maintenance	160,635	122,056
Miscellaneous	41,967	66,674
Buffet expenses	106,469	104,719
Stationery and Office Supplies	34,395	74,961
External audit fees	48,048	48,300
Dues and Memberships Expense	15,445	100,481
Internet Expenses	123,042	93,652
Postage	14,036	19,197
Heat Light and Power	20,027	13,522
Other Expenses	43,753	-
	37,519,875	32,052,215

	2026	2025
Note 15 :Finance Cost	EGP	EGP
Debit Interest	(299,105)	(303,452)
Credit Interest	1,847,238	4,333,597
	1,548,133	4,030,145

	31 March 2026	31 March 2025
	EGP	EGP
Note 16 : Deferred Tax		
Tax effect of items constituting Deferred Tax Liabilities		
On difference between book and tax depreciation	(655,553)	82,321
Tax effect of items constituting Deferred Tax Liabilities	(655,553)	82,321
Tax effect of items constituting Deferred Tax Assets		
Provision for inventory	432,230	1,348,763
Gratuity provision	3,926,186	150,452
Provision for Doubtful Debts	661,615	204,297
Tax effect of items constituting Deferred Tax Assets	5,020,031	1,703,512
Tax Income Corporate Rate	22.5%	22.5%
TOTAL NET Deferred Tax Assets/(Liability)	982,008	401,812

	31 March 2026	31 March 2025
	EGP	EGP
Reconciliation between accounting and Tax Profit		
Book Profit (loss) before tax	(810,033)	12,098,349
Add back		
Illustrative items :		
Book depreciation	1,496,913	1,089,020
Bad debts provision	661,615	204,297
Gratuity provision	3,926,186	150,452
Inventory provision	432,230	1,348,763
Governmental medical charges	397,986	399,583
Bad debts write off	392,177	99,530
Deduct		
Illustrative items :		
Tax depreciation	(2,152,466)	(1,169,225)
Capital gains from disposal asset	(700,000)	-
Amounts written off during the year as uncollectible	(234,318)	-
Used Provision	(400,452)	-
	3,009,838	14,220,769
Tax Profit (loss) before tax	3,009,838	14,220,769
Retained losses		(506,471)
Net effect profit	3,009,838	13,714,298
Tax Income Corporate Rate	22.5%	22.5%
TOTAL Income Tax	677,214	3,085,717

	31 March 2026		31 March 2025	
	EGP	USD	EGP	USD
Note 17 : Transactions in Foreign Currencies				
Export Debtors	19,386,551	353,745	18,418,884	376,722
Import Creditors	(23,449,122)	(429,891)	(85,121,078)	(1,685,566)

PIDILITE INDUSTRIES EGYPT S.A.E

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Note 18: Tax position

- **Corporate tax**

- **Years 2006:2008**

1. The company submitted its tax returns within the legal deadlines.
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 company's audit for the years 2009 through March 31, 2022, has been completed.
2. Final approval for the audit has been granted, and Form 9 is being prepared to reserve the final tax assessment for those years.

- **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.

- **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 1st April 2017 till 31st 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.

Periods from 1st April 2024 till 31st March 2025

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

- **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.