

**Sun Pharma Egypt (L.L.C.)**  
**Financial Statements**  
For the Year Ended 31 March 2025  
Together with Auditor's Report

**Sun Pharma Egypt  
(Limited Liability Company)  
Financial statements  
For the year ended 31 March 2025**

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## **AUDITOR'S REPORT**

**To: The Partners of Sun Pharma Egypt (L.L.C.)**

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

We have audited the accompanying financial statements of Sun Pharma Egypt (L.L.C.), represented in the statement of financial position as of 31 March 2025, and the related Income Statement, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

These financial statements are the responsibility of the Company's Management, as Management is responsible for the preparation and fair presentation of the financial statements in accordance with Egyptian Accounting Standards and applicable Egyptian laws. Management 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. This responsibility also includes 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 those financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and applicable Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that 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 professional 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 on those financial statements.

### **Opinion**

In our opinion, the financial statements referred to above, give a true and fair view, in all material respects, of the financial position of Sun Pharma Egypt (L.L.C.) as of 31 March 2025, and of its financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and the related applicable Egyptian laws and regulations.

### **Emphasis of a matter**

Without qualifying our opinion, we draw attention to note (2-1) of the notes to the financial statements, that the company's accumulated losses exceeded its issued and paid up capital amounted to EGP 133,251,957 as of 31 March 2025, which raises material uncertainty that may result in significant doubt on the company's ability to continue as going concern. The financial statements were prepared under the going concern assumption since the parent company will continue to support the company in meeting its liabilities as they fall due within the coming 12 months, the matter which necessitates calling an Extraordinary General Assembly Meeting to decide the continuity of the company in accordance with the provisions of law 159 for the year 1981.

### **Report on Other Legal and Regulatory Requirements**

The company maintains regular financial accounts that include everything required by law and the company's regulations to be recorded. The financial statements were found to be consistent with the records in these accounts, and the company applies a costing system that serves its intended purpose. The inventory has been physically counted by the company's management in accordance with established procedures.

The company has not provided the Manager's report, in violation of the requirements of Law No. 159 of 1981 and its executive regulations and amendments.

**Ahmed Mamdouh Farag**  
**R.A.A 6822**  
**EFSA's Register No. 126**  
**CBE's Register No. 125**  
**Kreston Egypt**

**Cairo, 11 / 5 / 2025**



**Sun Pharma Egypt (Limited Liability Company)****Statement of Financial Position As Of 31 March 2025**

	Notes No.	31/03/2025 EGP	31/3/2024 EGP
<b>Non-Current Assets</b>			
Fixed Assets (Net)	(3)	34,311,728	33,147,020
Intangible Assets (Net)	(4)	1,202,227	1,602,969
Right-of-use Assets (Net)	(5)	1,204,221	1,806,331
Deferred Tax Assets		2,963,286	2,963,286
Due from Related Parties	(14-1)	4,431,368	3,631,368
<b>Total Non-Current Assets</b>		<b>44,112,830</b>	<b>43,150,975</b>
<b>Current assets</b>			
Inventory (Net)	(7)	134,925,995	54,327,282
Trade and Notes Receivables (Net)	(8)	168,499,288	119,153,331
Debtors and other Debit Balances	(9)	61,298,017	22,922,330
Cash and Cash Equivalents	(10)	100,272,190	41,209,622
<b>Total Current Assets</b>		<b>464,995,490</b>	<b>237,612,565</b>
<b>Total Assets</b>		<b>509,108,320</b>	<b>280,763,540</b>
<b>Equity</b>			
Paid up Capital	(15)	4,851,000	4,851,000
Subordinated Loan - Shareholder		276,708,302	276,708,302
Legal Reserve		2,425,500	961,105
Retained Loss		(198,678,134)	(157,959,021)
Net Profit/ (Loss) of the year		65,426,177	(40,719,113)
<b>Total Equity</b>		<b>150,732,845</b>	<b>83,842,273</b>
<b>Non-Current Liabilities</b>			
Lease Liability-Long term portion	(6)	794,163	1,478,806
Due To Related Parties	(14-2)	264,047,894	149,399,771
<b>Total Non-Current Liabilities</b>		<b>264,842,057</b>	<b>150,878,577</b>
<b>Current Liabilities</b>			
Provisions for Contingent Liabilities	(11)	4,090,273	4,124,053
Suppliers		27,448,276	19,655,198
Creditors and Other Credit Balances	(12)	32,963,026	21,676,628
Lease Liability-Short term portion	(6)	684,643	586,811
Credit Facilities	(13)	28,347,200	--
<b>Total Current Liabilities</b>		<b>93,533,418</b>	<b>46,042,690</b>
<b>Total Equity and Liabilities</b>		<b>509,108,320</b>	<b>280,763,540</b>

**Financial Manager****Yasser Shaker****General Manager****Dr. Hany Mashaal**

- The accompanying notes from (6) to (24) are an integral part of these financial statements.

**Sun Pharma Egypt**  
**(Limited Liability Company)**

**Income Statement For the Year Ended 31 March 2025**

	Notes No.	For the Year ended:	
		31/03/2025 EGP	31/3/2024 EGP
Sales (Net)	(16)	490,946,130	243,607,639
Cost of sales	(17)	(274,109,660)	(156,193,829)
<b>Gross profit</b>		<b>216,836,470</b>	<b>87,413,810</b>
Selling and distribution expenses	(19)	(68,808,564)	(47,215,869)
General and administrative expenses	(18)	(54,997,996)	(39,802,646)
Amortization expense of right of use assets	(5)	(602,110)	(602,110)
Provisions for contingent liabilities	(11)	(696,840)	(35,159)
Interest Expense on lease liabilities	(6)	(165,182)	(216,656)
Foreign currency exchange losses		(16,101,430)	(39,685,394)
Financing costs		(826,862)	(465,510)
Expected Credit Losses		(12,096,394)	(3,244,248)
<b>Total Expenses</b>		<b>(154,295,378)</b>	<b>(131,267,592)</b>
<b>Net profit / (loss) for operating activities</b>		<b>62,541,092</b>	<b>(43,853,782)</b>
Credit interest income		4,288,787	171,383
Other income		30,942	--
Capital gain		29,751	--
<b>Profit / (loss) before income tax</b>		<b>66,890,572</b>	<b>(43,682,399)</b>
Deferred tax expense		--	2,963,286
<b>Net profit / (loss) for the year</b>		<b>66,890,572</b>	<b>(40,719,113)</b>

**Financial Manager**  
**Yasser Shaker**

**General Manager**  
**Dr. Hany Mashaal**

- The accompanying notes from (6) to (24) are an integral part of these financial statements

## Sun Pharma Egypt (Limited Liability Company)

### Statement of Comprehensive Income For the Year Ended 31 March 2025

	For the Year ended:	
	31/3/2025	31/3/2024
	EGP	EGP
Net loss for the year	66,890,572	(40,719,113)
Other comprehensive income	--	--
<b>Total comprehensive income for the period</b>	<b>66,890,572</b>	<b>(40,719,113)</b>

- The accompanying notes from (6) to (24) are an integral part of these financial statements

## Sun Pharma Egypt (Limited Liability Company)

### Statement of Changes in Equity For the Year Ended 31 March 2025

	Paid up capital	Subordinated loans - shareholders	Legal reserve	Retained earnings (loss)	Net profit (loss) of the year	Total
	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of 1 April 2023	4,851,000	229,925,397	961,105	(110,801,169)	(47,157,850)	77,778,483
Transferred to retained (losses)	--	--	--	(47,157,850)	47,157,850	--
Net profit/ (loss) of the year	--	--	--	--	(40,719,115)	(40,719,115)
Subordinated loan-Shareholder	--	46,782,905	--	--	--	46,782,905
<b>Total other comprehensive income</b>	--	46,782,905	--	--	(40,719,115)	6,063,790
<b>Balance as of 31 March 2024</b>	<b>4,851,000</b>	<b>276,708,302</b>	<b>961,105</b>	<b>(157,959,019)</b>	<b>(40,719,115)</b>	<b>83,842,273</b>
Balance as of 1 April 2024	4,851,000	276,708,302	961,105	(157,959,019)	(40,719,115)	83,842,273
Transferred to retained (losses)	--	--	--	(40,719,115)	40,719,115	--
Transferred to Legal Reserve	--	--	1,464,395	--	(1,464,395)	--
Net profit/ (loss) of the year	--	--	--	--	66,890,572	66,890,572
<b>Total other comprehensive income</b>	--	--	--	--	66,890,572	66,890,572
<b>Balance as of 31 March 2025</b>	<b>4,851,000</b>	<b>276,708,302</b>	<b>2,425,500</b>	<b>(198,678,134)</b>	<b>65,426,177</b>	<b>150,732,845</b>

- The accompanying notes from (6) to (24) are an integral part of these financial statements.



**Sun Pharma Egypt (Limited Liability Company)****Statement of Cash Flows For the Year Ended 31 March 2025**

	<b>Notes No.</b>	<b>31/3/2025 EGP</b>	<b>31/3/2024 EGP</b>
<b>Cash flows from operating activities</b>			
Profit (loss) before income tax		66,890,572	(43,682,399)
<b>Adjustments for:</b>			
Depreciation expense of fixed assets	(3)	5,115,911	5,828,971
Amortization expense of right of use assets	(5)	602,110	602,110
Expected Credit Losses		12,096,394	3,244,248
Capital gain		(29,751)	--
Provisions for contingent expense		696,840	35,159
Losses of slow-moving stock		5,971,049	5,012,713
Interest Expense on lease liabilities	(6)	165,182	216,656
Foreign currency exchange losses	(7)	16,101,430	39,685,394
Credit Interest income		(4,288,787)	(171,383)
		<b>103,320,950</b>	<b>10,771,469</b>
<b>Change in:</b>			
Inventory	(7)	(86,569,762)	(19,427,797)
Trade and Notes Receivables	(8)	(61,442,351)	(84,771,536)
Debtors and other debit balances	(9)	(38,375,687)	(5,081,674)
Due from Related Parties	(14)	(800,000)	800,000
Suppliers		4,417,820	1,392,097
Due to related parties	(214)	114,648,123	114,236,938
Creditors and other credit balances	(12)	11,286,398	10,409,689
<b>Cash flows provided from operating activities</b>		<b>46,485,491</b>	<b>28,329,186</b>
Provisions used		(4,633,110)	(5,877,640)
<b>Net cash flows provided from operating activities</b>		<b>41,852,381</b>	<b>22,451,546</b>
<b>Cash flows from investing activities</b>			
Acquisition of fixed assets	(3)	(6,280,619)	(3,558,775)
Credit interests collected		4,288,787	171,383
<b>Net cash flows used in investing activities</b>		<b>(1,991,832)</b>	<b>(3,387,392)</b>
<b>Cash flows from financing activities</b>			
Subordinated loan-Shareholder		--	46,782,903
Payments for lease liabilities		(751,993)	(716,184)
Proceeds from Bank Credit Facilities		56,914,217	--
Payments to Bank Credit Facilities		(20,858,775)	--
<b>Net cash provided from financing activities</b>		<b>35,303,449</b>	<b>46,066,719</b>
<b>Net change in cash and cash equivalents</b>		<b>75,163,998</b>	<b>65,130,873</b>
Foreign exchange differences		(16,101,430)	(39,685,394)
Cash and cash equivalents at the beginning of year		41,209,622	15,764,143
<b>Cash and cash equivalents at the ending of period</b>		<b>100,272,190</b>	<b>41,209,622</b>
<b>Cash and cash equivalents are as follows:</b>			
Cash at banks - local currency	(10)	90,433,649	31,144,256
Cash at banks - foreign currencies	(10)	9,838,541	10,065,232
Cash on hand	(10)	--	134
		<b>100,272,190</b>	<b>41,209,622</b>

- The accompanying notes from (6) to (24) are an integral part of these financial statements.

#### 1) Background

Sun Pharma Egypt (L.L.C.) is an Egyptian limited liability company established under the Egyptian law no. 159 of 1981 and its executive regulations.

the company's duration is 25 years starting from the date of registration in the commercial registry.

the company is a subsidiary of sun pharma Netherlands, which is considered the major shareholder with a share of 99.9%.

the company was located at 3 Ahmed Nessim St., Giza, Egypt.

- according to the extraordinary general assembly dated 31 December 2016, the company's shareholders approved the change of the main office location to be number 47 street number 270, albasaten, new Maadi.
- the company is registered in the commercial registry in Cairo under no. 103501 on 22 January 1996. the company's legal domicile is in Cairo – Arab republic of Egypt.
- the company's registration in the commercial registry in Cairo under no. 103501 has been renewed on 21 January 2021 until 20 January 2046.
- according to the extraordinary general assembly dated 10 December 2013 the financial year end was changed from 31 December to 31 march for each year.
- according to the extraordinary general assembly dated 15 January 2018 the company name was changed from Ranbaxy Egypt company (L.L.C.) to be sun pharma Egypt limited (L.L.C.) and the financial year was changed from 31 December to 31 march.

the principal activities of the company are:

1. constructing, managing and operating pharmaceutical industries and medical raw material.
2. manufacturing, trading, selling and distributing of all types of pharmaceutical and chemical products, and its related raw materials.
3. handling all exporting matters
4. manufacturing for others and at others premises.

the general manager approved the financial statements as of 31 march 2025 on 8 may 2025

#### 2) Significant Accounting Policies

The financial statements are prepared under the going concern assumption on a historical cost basis. except for the measurement at fair value of financial assets held at fair value.

##### (2-1) Going Concern

The company's accumulated losses exceeded its issued and paid up capital amounted to EGP 133,251,957 as of 31 march 2025, which raises material uncertainty that may result in significant doubt on the company's ability to continue as going concern. the financial statements were prepared under the going concern assumption since the parent company will continue to support the company in meeting its liabilities as they full due within the coming 12 months.

##### (2-2) Functional & Reporting Currency

The financial statements are prepared and presented in Egyptian pound, which is the company's functional currency.

**(2-3) Significant Accounting Judgments and Estimates**

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

estimates and their underlying assumptions are reviewed on an ongoing basis. revisions to accounting estimates are recognised in the period in which the estimates are revised.

the key judgements and estimates that have a significant impact on the financial statement of the company are discussed below:

**(2-4) Revenue Recognition For Sale Of Goods**

In making their judgment, management considered the detailed criteria for the recognition of revenue from the sale of goods as set out in "EAS 48 revenue from contracts with customers", and, in particular, whether the significant risks and rewards of ownership of the goods have passed to the buyer, which is usually upon the delivery of the goods and the issuance of an invoice.

**(2-5) Impairment Of Trade And Notes Receivables**

An estimate of the collectible amount of trade and Notes receivables is made when collection of the full amount is no longer probable. for individually significant amounts, this estimate is performed on an individual basis. amounts which are not individually significant, but are past due, are assessed collectively and a provision is applied according to the length of time past due, based on historical recovery rates.

**(2-6) Useful Lives Of Fixed Assets**

The company's management determines the estimated useful lives of its fixed assets for calculating depreciation. this estimate is determined after considering the expected usage of the asset or physical wear and tear. the management periodically reviews the estimated useful lives and the depreciation method to ensure that the method and the period of depreciation are consistent with the expected pattern of economic benefits from these assets.

**(2-7) Taxes**

The company is subject to income taxes in Egypt. significant judgment is required to determine the total provision for current and deferred taxes. the company establishes provision, based on reasonable estimates, for possible consequences of audits by the tax authorities in Egypt. the amount of such provision is based on various factors, such as experience of previous tax audits and different interpretations of tax regulations by the company and the responsible tax authority. such differences of interpretations may be on a wide variety of issues depending on the conditions prevailing in Egypt.

deferred tax assets are recognised for unused accumulated tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**(2-8) Impairment of Non-Financial Assets**

The company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. the non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. when value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

**(2-9) Foreign Currency Translation**

Transactions in foreign currencies are initially recorded using the exchange rates prevailing that on the date of the transaction.

monetary assets and liabilities denominated in foreign currencies are retranslated using the exchange rates prevailing at the statement of financial position date. all differences are recognized in the statement of profit or loss.

nonmonetary items that are measured at historical cost in foreign currencies are translated using the exchange rates prevailing at the date of the initial recognition.

nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates prevailing at the date when the fair value is determined.

**(2-10) Fixed Assets**

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 building, 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 building, plant, and equipment as a replacement if the recognition criteria are satisfied. all other repair and maintenance costs are recognized in statement of profit or loss as incurred.

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 as above :

fixed assets are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. any gain or loss arising on derecognizing of the asset is included in the statement of profit or loss when the asset is derecognized.

the assets residual values, useful lives and methods of depreciation are reviewed at each financial year end.

	<b>Years</b>
<b>Machinery and equipment</b>	10-5
<b>Building</b>	25
<b>Tools and Furniture</b>	10
<b>Office equipment</b>	3-10
<b>Computer Software</b>	3
<b>Air conditioner</b>	5-3

The company assesses at each statement of financial position date whether there is an indication that fixed assets may be impaired. where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. impairment losses are recognized in the statement of profit or loss.

a previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, or the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. such reversal is recognized in the statement of profit or loss.

#### **(2-11) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost.

after initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

the useful lives of intangible assets are assessed as either finite or infinite.

intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired, the amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at each financial year end.

**Licenses**

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#### **(2-12) Projects Under Construction**

Projects under construction represent the amounts that are incurred for the purpose of constructing or purchasing fixed assets until it is ready to be used in the operation, upon which it is transferred to fixed assets. projects under construction are valued at cost less impairment.

#### **(2-13) Inventory**

Inventory is valued at the lower of cost (using the moving average method) or net realizable value.

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 shall be recognized in cost of sales in the statement of profit or loss 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 realizable value, shall be recognized as reduction of cost of sales in the statement of profit or loss in the period in which the reversal occurs.

#### **(2-14) Financial Instrument (Financial Assets & Financial Liabilities)**

##### **(A) Financial Assets**

The company initially recognizes the financial asset in the statement of financial position when the company becomes a party to the contractual provisions of the financial asset.

the company initially measures the trade receivables at their transaction price .as for other financial assets, except for those subsequently measured at fair value through profit or loss ,the initial measurement of the acquisition of a financial asset is carried out at its fair value minus transaction cost that are directly attributable to the acquisition or issue of the financial asset the entity recognizes the purchase or sale of financial assets using the trading date accounting , and the same method is applied to all purchases and sales of financial assets.



**Subsequent Measurement**

- The company subsequently measures the financial assets that are represented in (trade receivables , notes receivables and time deposits )at amortized cost, as the company keeps the financial assets to collect contractual cash flows only and cash flows arise on specific dates that are solely payments of principal and interest on the principal amount.outstanding  
de recognition  
the entity derecognizes the asset when the contractual right to receive cash flows from the financial asset expires.or transfers the financial asset and the transfer qualifies for de recognition  
the profit (loss) on disposal of a financial asset is the difference between the carrying amount at the date of disposal and the proceeds from disposal of the financial asset.  
impairment of financial assets
- At the end of each financial period, the company measures the loss allowance at an amount equal to life time expected credit losses for (trade receivables using the simplified approach by weighting the amount of credit losses by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information available to it at the reporting date about past events, current conditions, and expectations about future economic conditions or, these events have an impact that can be reliably evaluated on the expected financial flows from the financial asset or group of assets .
- The company recognizes the amount of credit losses (or reversal of losses) that is required to adjust the loss allowance at the reporting date to the amount that should be recognizes the impairment gain or losses.

**(B) Financial Liabilities:**

**Initial Recognition and Measurement :**

- The company initially recognizes the financial liability in the statement of financial position when the company becomes a party to the contractual provisions of the instrument .
- The initial measurement of the acquisition of a financial liability is at its fair value in addition to other costs directly related to the execution of the transaction., unless the financial liability classified as subsequently measured at fair value through profit or loss.  
subsequent measurement:  
the company measures its financial liabilities at amortized cost using the effective interest method.  
de recognition:  
The company derecognizes a financial liability only when it is extinguished, is when the specified obligation is paid, canceled or expires.  
The company recognizes the difference between the carrying amount of the financial liability or part of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or obligations incurred in the profit or loss.  
offsetting takes place between the company's financial asset and its liability and presenting the net set-off in the statement of financial position when the company has the enforceable legal right to set off the recognized amounts and the company has the intention either to conduct the settlement on the basis of the net amounts or to realize the asset and settle the liability at the same time.

**(2-15) Provisions**

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources representing economic benefits will be required to settle the obligation, and reliable estimate of the amount of the obligation can be made. provisions are reviewed at each statement of financial position date and adjusted to reflect the best estimate.  
where the effect of the time value of money is material, the amount of a provision should be the present value of the expected expenditures required to settle the obligation. where discounting is used, the increase in the provision due to the passage of time is recognized as a finance expense.

**(2-16) Social Insurance**

The company makes contributions to the social insurance authority calculated as a percentage of the employees' salaries. the company's obligations are limited to these contributions, which are expensed when due.

**(2-17) Employees' Retirements Benefits**

The company contributes to the social insurance scheme for the benefits of its employees in pursuance of the social insurance law no. 79 of 1975 as amended. contributions are charged to expenses as incurred.

**(2-18) Legal Reserve**

According to the company's articles of association, 5% of the net profits of the year is transferred to the legal reserve until this reserve reaches 50% of the issued capital. the reserve is used upon a decision from the general assembly meeting based on the proposal of the board of directors.

**(2-19) Borrowings**

Borrowings are initially recognized at the value of the consideration received. amounts maturing within one year are classified as current liabilities, unless the company has the right to postpone the settlement for a period exceeding one year after the statement of financial position date, then the loan balance should be classified as non-current liabilities.

after initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. the effective interest rate amortization is included in finance expenses in the statement of profit or loss.

**(2-20) Income Taxes**

Income Tax Is Calculated In Accordance With The Egyptian Tax Law.

**(2-20-1) Current Income Tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority.

**(2-20-2) Deferred Income Tax**

Deferred income tax is recognized using the liability method on temporary differences between the amount attributed to an asset or liability for tax purposes (tax base) and its carrying amount in the statement of financial position (accounting base) using the applicable tax rate.

deferred tax asset is recognized when it is probable that the asset can be utilized to reduce future taxable profits and the asset is reduced by the portion that will not create future benefit.

current and deferred tax shall be recognized as income or an expense and included in the statement of profit or loss for the period, except to the extent that the tax arises from a transaction or an event which is recognized, in the same or a different period, directly in equity.

**(2-21) Revenue Recognition**

The company identifies the contracts as a contract with customer only when the terms of the contract have been approved by the parties to the contract, both parties can identify their rights regarding the goods, the company can identify the payment terms and the contract has commercial substance.

the company, at contract inception, evaluates the promised goods or services in the contract with the customer to determine each undertaking to transfer any of the following to the customer as a performance obligation: -

1- a distinct good or service (or)

2- a bundle of goods or services which is a series of distinct and substantially similar goods or services that retransferred to the same customer in the same manner accordingly, the company has determined its performance obligations to customers is delivering the goods which the company are made by the company

to recognize revenue from a contract with a customer, once fulfilling performance obligations, the company assesses the extent to which the promised good or service (the asset) has been transferred to the customer, and the asset is deemed to have been transferred when the customer obtains control of that asset.

the company fulfilling the performance obligations at a point in time. to determine that point in time, the company considered all the requirements of the transfer of control, which include ;the company's right to collect the consideration for the asset, and the customer's obligation to pay for the asset, and his right to obtain nearly all the remaining economic benefits from it in return, and his ability to direct the use of the asset or restricting the access of others to the asset.

when determining the transaction price, the company considers the terms of the contract and normal commercial practices to determine the consideration expected to be collected in exchange for transferring goods or services to the customer, with the exception of amounts collected on behalf of third parties. the consideration promised in the contracts with customers include only fixed considerations. the company identified that contract with customer has no significant financing component as no difference between the amount of promised consideration and the cash selling price of the promised goods or services and the expected length between when the entity transfers the promised goods or services to the customer and when the customer pays for those goods or services is a short period.

the company measures the expected credit losses for amounts receivable from customers, or for assets arising from the company's contracts with customers in accordance with the requirements of the Egyptian accounting standards (eas47: financial instruments), and classifies them separately from other impairment losses as the company recognize revenue at a point of time when the custody are transferred to the customer.

#### **(2-21-1) Interest Income**

Interest Income Is Recognized On The Basis Of The Proportion Of Time Taking Into Account The Effective Rate Of Return On The Asset.

#### **(2-21-2) Costs To Fulfil A Contract**

The company recognizes costs incurred in fulfilling a contract with a customer as an asset when those costs relate directly to a contract or a to an anticipated contract that can be specifically identified, and will enhance or generate resources for the company, and the costs are expected to be recovered.

the company recognizes the costs following as expenses when incurred:

- A. General and administrative costs.
- B. Costs of wasted materials, labour or other resources to fulfil the contract that were not reflected in the price of contract.
- C. Costs that relate to satisfied performance obligations (or partially satisfied performance obligations) in the contract (i.e. costs that relate to past performance) and
- D. Costs for which an entity cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations).

#### **(2-21-3) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. all other borrowing costs are expensed in the period they occur. borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**(2-22) Related Party Transactions**

Related parties represent associated companies, major shareholders, directors and key management personnel of the company, and entities controlled, jointly controlled or significantly influenced by such parties. pricing policies and terms of these transactions are approved by the board of directors.

**(2-23) Contingent Liabilities and Contingent Assets**

Contingent liabilities are recognized in the financial statements when the event are probable to occur and can be reasonably estimated. they are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

a contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

**(2-24) Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. the fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or the most advantageous market for the asset or liability.

the fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best Use.

For assets traded in an active market, fair value is determined by reference to quoted market bid prices.

the fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

for unquoted assets, fair value is determined by reference to the market value of a similar asset or is based on the expected discounted cash flows.

the company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

all assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – fair value measurements are those derived from quoted prices in an active market (that are unadjusted) for identical assets or liabilities.
- Level 2 – fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

for assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

for the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**(2-25) Impairment**

**(2-25-1) Impairment of Financial Assets**

The company assesses at each statement of financial position date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. a financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

**(2-25-2) Impairment of Non-Financial Assets**

The company assesses at each statement of financial position date whether there is an indication that an asset may be impaired. where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. impairment losses are recognized in the statement of profit or loss.

A previously recognized impairment loss is only reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset in prior years. such reversal is recognized in the statement of profit or loss.

**(2-26) Statement Of Cash Flows**

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

**(2-26-1) Cash And Cash Equivalent**

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

**(2-27) Leases**

At the commencement date of the lease contract, the company recognize both right to control the use of the underlying assets and lease liability. in order to identify a lease, The Following Criteria Shall Be Met

- (1) The contract conveys the right to control the use.
- (2) The underlying assets shall be identified.
- (3) The Contract Lasts For A Period Of Time Against Consideration

In assessing whether a company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, company considered all relevant facts and circumstances that create the economic incentive for the lessee to exercise the option to extend the lease or not to exercise the option to terminate the lease.

After the commencement date, the company measures the right of using assets at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of lease liability. as for lease liability, the company measures the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payment and re-measuring the carrying amount to reflect any reassessment.

**(2-28) Segment Information**

Currently the company's main business segment is manufacturing, trading, selling and distributing of all types of pharmaceutical and chemical products, and its related raw materials. the company's revenues during the year ended 31 march 2025 were reported under one segment in the separate financial statement



## Sun Pharma Egypt (Limited Liability Company)

### Notes to The Financial Statements For the Year Ended 31 March 2025

#### 3) Fixed Assets (Net)

	<u>Land</u>	<u>Building</u>	<u>Machinery &amp; Equipment</u>	<u>Tools and Furniture</u>	<u>Office Equipment</u>	<u>Computer &amp; Software</u>	<u>Air Conditioning systems</u>	<u>Total</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Historical Cost at 1 April 2023	5,508,989	21,367,162	43,465,233	4,687,154	406,261	1,719,722	4,301,680	81,456,201
Additions during the year	--	--	5,437,257	47,538	--	324,225	--	5,809,020
<b>Historical Cost at 31 March 2024</b>	<b>5,508,989</b>	<b>21,367,162</b>	<b>48,902,490</b>	<b>4,734,692</b>	<b>406,261</b>	<b>2,043,947</b>	<b>4,301,680</b>	<b>87,265,221</b>
Accumulated depreciation at 1 April 2023	--	6,413,842	33,202,162	3,074,555	318,416	1,311,968	3,968,287	48,289,230
Depreciation expense during the year	--	854,475	3,973,187	456,942	34,236	229,940	280,191	5,828,971
<b>Accumulated depreciation at 31 March 2024</b>	<b>--</b>	<b>7,268,317</b>	<b>37,175,349</b>	<b>3,531,497</b>	<b>352,652</b>	<b>1,541,908</b>	<b>4,248,478</b>	<b>54,118,201</b>
<b>Net book value at 31 March 2024</b>	<b>5,508,989</b>	<b>14,098,845</b>	<b>11,727,141</b>	<b>1,203,195</b>	<b>53,609</b>	<b>502,039</b>	<b>53,202</b>	<b>33,147,020</b>
Historical Cost at 1 April 2024	5,508,989	21,367,162	48,902,490	4,734,692	406,261	2,043,947	4,301,680	87,265,221
Additions during the year	--	--	3,940,831	543,456	182,858	1,498,562	114,912	6,280,619
Disposals of the year	--	--	(5,869)	(10,860)	(14,546)	(150,964)	(4,270)	(186,509)
<b>Historical Cost at 31 March 2025</b>	<b>5,508,989</b>	<b>21,367,162</b>	<b>52,837,452</b>	<b>5,267,288</b>	<b>574,573</b>	<b>3,391,545</b>	<b>4,412,322</b>	<b>93,359,331</b>
Accumulated depreciation at 1 April 2024	--	7,268,317	37,175,349	3,531,497	352,652	1,541,908	4,248,478	54,118,201
Depreciation expense during the year	--	854,476	3,379,695	473,409	60,817	330,533	16,981	5,115,911
Accumulated depreciation of disposals	--	--	(5,869)	(10,860)	(14,546)	(150,964)	(4,270)	(186,509)
<b>Accumulated depreciation at 31 March 2025</b>	<b>--</b>	<b>8,122,793</b>	<b>40,549,175</b>	<b>3,994,046</b>	<b>398,923</b>	<b>1,721,477</b>	<b>4,261,189</b>	<b>59,047,603</b>
<b>Net book value at 31 March 2025</b>	<b>5,508,989</b>	<b>13,244,369</b>	<b>12,288,277</b>	<b>1,273,242</b>	<b>175,650</b>	<b>1,670,068</b>	<b>151,133</b>	<b>34,311,728</b>

#### Depreciation is distributed as follows:

	<u>31/3/2025</u>	<u>31/3/2024</u>
	<u>EGP</u>	<u>EGP</u>
Depreciation expense allocated to Cost of sales	4,834,055	5,673,183
Depreciation expense allocated to general and administrative expenses	222,415.00	155,788
Depreciation expense allocated to Selling and distribution expenses	59,441	6,328
<b>Total</b>	<b>5,115,911</b>	<b>5,828,971</b>

**4) Intangible Assets (Net)**

	<b>Licenses</b>	
	<b>31/3/2025</b>	<b>31/3/2024</b>
	<b>EGP</b>	<b>EGP</b>
Historical Cost at the beginning of April	1,836,735	1,836,735
<b>Historical Cost at the end of March</b>	<b>1,836,735</b>	<b>1,836,735</b>
Accumulated amortization at the beginning of April	233,766	--
Amortization expense during the period	400,742	233,766
<b>Accumulated amortization at the end of March</b>	<b>634,508</b>	<b>233,766</b>
<b>Net book value at the end of March</b>	<b>1,202,227</b>	<b>1,602,969</b>

**5) Right-Of-Use Assets (Net)**

	<b>Building</b>	
	<b>31/3/2025</b>	<b>31/3/2024</b>
	<b>EGP</b>	<b>EGP</b>
Historical Cost at the beginning of April	3,010,551	3,010,551
<b>Historical Cost at the end of March</b>	<b>3,010,551</b>	<b>3,010,551</b>
Accumulated amortization at the beginning of April	1,204,220	602,110
Amortization expense during the period	602,110	602,110
<b>Accumulated amortization the end of March</b>	<b>1,806,330</b>	<b>1,204,220</b>
<b>Net book value at the end of March</b>	<b>1,204,221</b>	<b>1,806,331</b>

**6) Lease Liability**

	<b>31/3/2025</b>	<b>31/3/2024</b>
	<b>EGP</b>	<b>EGP</b>
Balance at the beginning of April	2,065,617	2,565,145
Interest on lease liabilities	165,182	216,656
Lease payments	(751,993)	(716,184)
<b>Balance at the end of March</b>	<b>1,478,806</b>	<b>2,065,617</b>
	<b>31/3/2025</b>	<b>31/3/2024</b>
	<b>EGP</b>	<b>EGP</b>
Lease liability – Long Term Portion	794,163	1,478,806
Lease liability – Short Term Portion	684,643	586,811
<b>Total</b>	<b>1,478,806</b>	<b>2,065,617</b>

**Sun Pharma Egypt (Limited Liability Company)**  
**Notes to The Financial Statement for the Year Ended 31 March 2025**

**7) Inventory (Net)**

	<b>31/3/2025</b>	<b>31/3/2024</b>
	<b>EGP</b>	<b>EGP</b>
Raw Material	60,940,555	18,466,737
Finished Goods	62,158,589	31,005,194
Work in process	3,505,958	2,364,665
Packing Material	14,699,333	6,833,066
Consumables and Spare parts	107,607	86,631
Goods in Transit	4,262,614	4,251,091
Provisions of slow-moving and expired stock	(10,748,661)	(8,680,104)
<b>Total</b>	<b>134,925,995</b>	<b>54,327,282</b>

As shown below the movement of Provisions of losses of slow-moving and expired stock during the financial period 31 March 2025:

<b>Description</b>	<b>Beginning balance</b>	<b>Additions during the period</b>	<b>Used during the period</b>	<b>Ending balance</b>
Provisions of slow-moving and expired stock of finished goods	4,319,355	4,143,062	(3,902,491)	4,559,925
Provisions of slow-moving and expired stock of raw material	4,360,749	1,827,987	-	6,188,736
<b>Total</b>	<b>8,680,104</b>	<b>5,971,049</b>	<b>(3,902,491)</b>	<b>10,748,661</b>

**8) Trade and Notes Receivable (Net)**

	<b>31/3/2025</b>	<b>31/3/2024</b>
	<b>EGP</b>	<b>EGP</b>
Trade receivables	92,812,470	59,433,692
Notes receivable	91,635,588	63,572,015
Expected credit loss provision	(15,948,770)	(3,852,376)
<b>Total</b>	<b>168,499,288</b>	<b>119,153,331</b>

**9) Debtors and other Debit Balances**

	<b>31/3/2025</b>	<b>31/3/2024</b>
	<b>EGP</b>	<b>EGP</b>
Advances to suppliers	37,256,209	8,114,465
Withholding taxes- (Egyptian Tax Authority)	18,814,452	12,042,621
Imprest	260,597	61,502
Prepaid expenses	453,092	255,192
Deposits with others	329,704	343,704
Other debit balances	3,194,940	1,115,823
Egyptian Tax Authority	989,023	989,023
<b>Total</b>	<b>61,298,017</b>	<b>22,922,330</b>

**Sun Pharma Egypt (Limited Liability Company)****Notes to The Financial Statement for the Year Ended 31 March 2025****10) Cash and Cash Equivalents**

	<b>31/3/2025</b>	<b>31/3/2024</b>
	<b>EGP</b>	<b>EGP</b>
Cash on hand	--	134
Cash at banks - Egyptian pound	90,433,649	31,144,256
Cash at banks - Foreign currencies	9,838,541	10,065,232
<b>Total</b>	<b>100,272,190</b>	<b>41,209,622</b>

**11) Provisions for contingent liabilities**

	<b>31/3/2025</b>	<b>31/3/2024</b>
	<b>EGP</b>	<b>EGP</b>
Provision for contingent claims	4,090,273	4,124,053
<b>Total</b>	<b>4,090,273</b>	<b>4,124,053</b>

As shown below the movement of Provisions for contingent liabilities during the financial period 31 March 2025:

<b>Description</b>	<b>Beginning balance</b>	<b>Additions during the period</b>	<b>Used during the period</b>	<b>Ending balance</b>
Provision for contingent claims	4,124,053	696,840	(730,620)	4,090,273
<b>Total</b>	<b>4,124,053</b>	<b>696,840</b>	<b>(730,620)</b>	<b>4,090,273</b>

**12) Creditors and other credit balances**

	<b>31/3/2025</b>	<b>31/3/2024</b>
	<b>EGP</b>	<b>EGP</b>
Accrued expenses	25,830,136	17,974,112
Payroll tax- (Egyptian Tax Authority)	937,084	717,312
Withholding Taxes- (Egyptian Tax Authority)	355,106	337,039
National Social Insurance Authority Liability	1,374,099	908,655
Medical Stamp Tax- (Union of Medical Profession)	1,000,127	409,228
Takaful Contribution Liability (Comprehensive Health Insurance Authority)	1,881,070	983,403
Other credit balances	1,585,404	346,879
<b>Total</b>	<b>32,963,026</b>	<b>21,676,628</b>

**13) Credit Facilities**

	<b>31/3/2025</b>	<b>31/3/2024</b>
	<b>EGP</b>	<b>EGP</b>
HSBC Bank Egypt	28,347,200	--
<b>Total</b>	<b>28,347,200</b>	<b>--</b>

- On 7 July 2024, the Company entered into a credit facility agreement with HSBC Egypt to obtain a financing limit of USD 700,000, designated for the refinancing of import transactions related to the purchase of raw materials.

In accordance with the terms of the agreement:

- Interest is charged at the Secured Overnight Financing Rate (SOFR) plus 2% per annum.
- The facility is collateralized by a letter of comfort issued by Sun Pharmaceuticals (India).
- During the financial year ended 31 March 2025, the Company utilized a total of USD 560,000 under this facility, equivalent to EGP 28,347,200 based on the applicable exchange rate at the time of drawdown.

**Sun Pharma Egypt (Limited Liability Company)****Notes to The Financial Statements for the Year Ended 31 March 2025****14) Related Parties:**

Related parties are considered related if the company has the ability to directly or indirectly control the management or decision-making process, or vice versa, where the company or the party is subject to common control. Related parties may be individuals or other entities.

**(14-1) Due from Related Parties:**

			<b>31/3/2025</b>	<b>31/3/2024</b>
<b><u>Relationship</u></b>	<b><u>Nature of transaction</u></b>	<b><u>Transaction during the year</u></b>	<b><u>Balances</u></b>	<b><u>Balances</u></b>
		<b><u>EGP</u></b>	<b><u>EGP</u></b>	<b><u>EGP</u></b>
			4,431,368	3,631,368
Rexcel Egypt	Services	642,960		
	Financing	870,000		
	Collection	(70,000)		
	Payments	(642,960)		
			<b>4,431,368</b>	<b>3,631,368</b>

**(14-2) Due to Related Parties:**

			<b>31/3/2025</b>	<b>31/3/2024</b>
<b><u>Relationship</u></b>	<b><u>Nature of transaction</u></b>	<b><u>Transaction during the year</u></b>	<b><u>Balances</u></b>	<b><u>Balances</u></b>
		<b><u>EGP</u></b>	<b><u>EGP</u></b>	<b><u>EGP</u></b>
			264,047,894	149,399,771
Sunpharma Pharmaceutical Industries Limited (India)	Net purchasing	139,039,826		
	Goods in transit	4,248,960		
	Payments	(23,143,239)		
	Foreign exchange	(5,497,424)		
			<b>264,047,894</b>	<b>149,399,771</b>



**Sun Pharma Egypt (Limited Liability Company)****Notes to The Financial Statement for the Year Ended 31 March 2025****15) Paid-up Capital**

- The company's authorized capital amounted to EGP 4,851,000 while the issued and paid up capital of the company amounts to EGP 4,851,000 divided over 48510 quotas of par value EGP 100 each.
- According to the decision of the Extraordinary General Assembly on April 14, 2024, the company's capital was changed and distributed among the partners as follows:

<b>Name of the Quota Holder and its Nationality</b>	<b>No. of Cash Quotas</b>	<b>Value in Egyptian Pounds</b>	<b>Percentage of participation</b>
Sun Pharma (Netherlands)B.V	48.460	4,846,000	% 99.9
Sun Pharma Holdings U.K LIMITED	50	5,000	% 0.1
<b>Total</b>	<b>48.510</b>	<b>4,851,000</b>	<b>% 100</b>

**16) Sales (Net)**

	<b>31/3/2025 EGP</b>	<b>31/3/2024 EGP</b>
Local Sales	652,680,831	342,796,727
Export Sales	61,297,648	21,846,742
Sales Return	(3,262,988)	(13,378,421)
Pharmacy Discount	(152,181,951)	(74,477,526)
Distribution Discount	(55,848,411)	(26,477,964)
Special Discount	(11,738,999)	(6,701,919)
<b>Total</b>	<b>490,946,130</b>	<b>243,607,639</b>

**17) Cost of sales**

	<b>31/3/2025 EGP</b>	<b>31/3/2024 EGP</b>
Consumption cost of raw material	180,669,642	89,230,142
Consumption cost of packing material	29,662,880	14,244,022
Indirect manufacturing cost overhead	16,065,216	18,570,821
Depreciation expense of fixed assets	4,834,055	5,673,183
Registration cost	2,071,880	1,526,297
Losses of slow-moving stock	5,971,049	5,012,713
Other operating cost	34,834,938	21,936,651
<b>Total</b>	<b>274,109,660</b>	<b>156,193,829</b>

**18) General and Administrative Expenses**

	<b>31/3/2025</b>	<b>31/3/2024</b>
	<b>EGP</b>	<b>EGP</b>
Wages and salaries	24,953,033	19,408,026
Fees and subscriptions	824,951	704,926
Stationary and publications	445,560	352,122
Bank charge	503,730	316,433
Insurance	1,173,329	771,664
Professional fees	1,799,888	1,911,669
Outsourcing	985,563	750,783
Depreciation expense of fixed assets	222,415	155,786
Amortization expense of intangible assets	400,742	233,766
Comprehensive Medical health insurance contribution	1,776,789	879,123
Other expenses	21,911,996	14,318,348
<b>Total</b>	<b>54,997,996</b>	<b>39,802,646</b>

**19) Selling and distribution expenses**

	<b>31/3/2025</b>	<b>31/3/2024</b>
	<b>EGP</b>	<b>EGP</b>
Brand aid tools expenses	8,548,040	5,751,894
Conference & Meeting expenses	24,189,257	16,392,597
Depreciation expense of fixed assets	59,433	6,328
Other expenses	35,389,718	24,303,942
Printing and Stationary	64,719	42,226
Prom Printing expenses	557,397	718,882
<b>Total</b>	<b>68,808,564</b>	<b>47,215,869</b>

**20) Tax Situation**

**Corporate Tax**

- The Company 'Were Inspected from Inception Till Year 2004.And The Taxes Due Were Paid.
- No Tax Inspection Took Place for The Company's Records For The Years From 2005 Till Year 31 March 2025.

**Salary Tax**

- We have received form no.9 "Stated that no inspection took a place" for years till 2011.
- Years 2012/2021 were inspected and the original tax was fully paid.
- Tax returns have been uploaded on the electronic system for the ETA for years 2020/2021/2022/2023/2024. Additionally, the monthly tax returns have been submitted till March 2025 and also the quarterly tax returns have been submitted till the first quarter for year 2025 on due dates.

**Sales Tax - Value Added Tax**

- The company's records were inspected from inception till year 2016 and the taxes due were paid.
- No tax inspection took place for the company's records for the years from 1 april 2016 till year 31 march 2025.
- The sales tax law had been changed to value added tax law in 2016 which lead to exempting the pharmaceutical companies.

**Stamp Tax**

- The company's records were inspected since inception till march 2015 and the taxes due were paid
- No tax inspection took place for the company's records from april 2015 till year 31 march 2025.

**Property Tax**

- Inspection took place for the company's records till 2021.
- The company is exempted till december 2024

**21) Financial risk management objectives and policies**

**Overview**

The Company Has Exposure to The Following Risks from Its Use of Financial Instruments:

- a) Credit Risk,
- b) Market Risk, And
- c) Liquidity Risk.

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

the company's general manager of the company has overall responsibility for the establishment and oversight of the company's risk management framework. the company's senior management are responsible for developing and monitoring the risk management policies and report regularly to the head quarter on their activities.

the company's current financial risk management framework is a combination of formally documented risk management policies in certain areas and informal risk management policies in other areas.

**a) Credit Risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. the company is exposed to credit risk principally from its receivables from customers, due from related parties, other receivables and from its financing activities, including deposits with banks and financial institutions.

**Trade and Notes Receivables**

The customer credit risk is established by the company's policies, procedures and controls relating to customer credit risk management. credit quality of a customer assessed based on extensive credit rating scorecard and individual

credit limits are defined in accordance with this assessment. outstanding customer receivables are regularly monitored. an impairment analysis is performed at each reporting date on an individual basis.

**Other Financial Assets and Cash Deposits**

With respect to credit risk arising from the other financial assets of the company, which comprise mainly bank balances and cash, the company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

Credit risk from balances with banks and financial institutions is managed by local company's treasury supported by the head quarter. the company limits its exposure to credit risk by only placing balances with international banks and local banks of good reputation. given the profile of its bankers, management does not expect any counterparty to fail to meet its obligations.

**Due From Related Parties**

Due from related parties relates to transactions arising in the normal course of business with minimal credit risk, with a maximum exposure equal to the carrying amount of these balances.

**b) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as currency risk and interest rate risk, which will affect the company's income. financial instruments affected by market risk include interest-bearing loans and borrowings and deposits. the objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. the company does not hold or issue derivative financial instruments.

**Exposure To Foreign Currency Risk**

The following tables demonstrate the sensitivity to a reasonably possible change in usd and eur exchange rates, with all other variables held constant. the impact on the company's profit before tax is due to changes in the value of monetary assets and liabilities. the company's exposure to foreign currency changes for all other currencies is not materia

**c) Liquidity Risk**

The cash flows, funding requirements and liquidity of the company are monitored by local company management the cash flows, funding requirements and liquidity of the company are monitored by local company management supported by the headquarters the company's objective is to maintain a balance between continuity of funding and flexibility using bank borrowings. the company manages liquidity risk by maintaining adequate reserves and borrowing facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

the company currently has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

the table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

**Sun Pharma Egypt (Limited Liability Company)****Notes to The Financial Statement for the Year Ended 31 March 2025****Financial Liabilities**

	<b>31 March 2025</b>			
	<b>Less Than 3 Months</b>	<b>3 To 6 Months</b>	<b>6 To 12 Months</b>	<b>Total</b>
<b>Suppliers</b>	27,448,276	--	--	<b>27,448,276</b>
<b>Creditors and other credit balances</b>	--	32,963,026	--	<b>32,963,026</b>
<b>Total Undiscounted Financial Liabilities</b>	<b>27,448,276</b>	<b>32,963,026</b>	--	<b>60,411,302</b>

	<b>31 March 2024</b>			
	<b>Less Than 3 Months</b>	<b>3 To 6 Months</b>	<b>6 To 12 Months</b>	<b>Total</b>
<b>Suppliers</b>	19,655,198	--	--	<b>19,655,198</b>
<b>Creditors and other credit balances</b>	--	21,676,628	--	<b>21,676,628</b>
<b>Total Undiscounted Financial Liabilities</b>	<b>19,483,553</b>	<b>21,676,628</b>	--	<b>41,331,826</b>