

SUN PHARMA EAST AFRICA LIMITED

INTERIM FINANCIAL STATEMENTS FOR 9 MONTHS TO

31 March 2024

PATEL SHAH JOSHI & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

SUN PHARMA EAST AFRICA LIMITED

REPORT AND FINANCIAL STATEMENTS - 31 March 2024

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SUN PHARMA EAST AFRICA LIMITED

DIRECTORS AND OTHER PARTICULARS - 31 March 2024

DIRECTORS	Kamlesh Sati Rajesh Khushalchand Shah
REGISTERED OFFICE	Plot No. L R 209/13257/1 3rd Floor, Centre Point Parklands Road P O Box 41684 - 00100 NAIROBI
PRINCIPAL PLACE OF BUSINESS	Plot No. L R 209/20162 T402, Fourth Floor, Park Place 2nd Avenue Parklands P O Box 66180 - 00800 NAIROBI
SECRETARY	Richard Maina Kamami Certified Public Secretary (Kenya) P O Box 14474 - 00100 NAIROBI
INDEPENDENT AUDITORS	Patel Shah Joshi & Associates Certified Public Accountants P O Box 41684 - 00100 NAIROBI
BANKER	Diamond Trust Bank Kenya Limited Cross Road Branch P O Box 28575 - 00100 NAIROBI

SUN PHARMA EAST AFRICA LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their annual report together with the audited financial statements of the company for the year ended 31 March 2024.

PRINCIPAL ACTIVITY

The main activity of the company is dealing in human pharmaceuticals - import, marketing, and whole-sale distribution.

RESULTS AND DIVIDEND

The profit for the year amounting to K Sh 60,288,497 (2023: loss 137,042,213 K Sh 16,035,835) has been adjusted to the revenue reserves.

The directors do not recommend the payment of any dividend during the year under review.

DIRECTORS

The directors who held office during the year and to the date of this report are set out on page 1. All the present directors continue in office in the ensuing year.

STATEMENT AS TO DISCLOSURES TO THE COMPANY'S AUDITOR

The directors in office at the date of this report confirm that, to the best of their knowledge and belief,

- a) all the relevant audit information was availed to the Company's auditor; and
- b) they took all the steps required to be taken so as to be aware of any relevant audit information and to establish that the Company's auditor is availed with such information.

INDEPENDENT AUDITORS

Messrs Patel Shah Joshi & Associates are eligible for re-appointment as independent auditors in accordance with Section 717 (2) of the Companies Act, 2015.

ON BEHALF OF THE BOARD

DIRECTOR

Date: _____

SUN PHARMA EAST AFRICA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2024

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year, that give a true and fair view of the financial position of the company as at the end of the financial year and of its profit and loss for the year. It also requires the directors to ensure that the company keeps proper accounting records that:

- a) show and explain the transactions of the company;
- b) disclose, with reasonable accuracy, the financial position of the company; and
- c) enable the directors to ensure that every financial statement required to be prepared complies with the requirements of the Companies Act, 2015.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- i) design, implementing and maintaining such internal controls as they determine necessary to enable the presentation of the financial statements that are free from material misstatements, whether due to fraud or error;
- ii) selecting suitable accounting policies and applying them consistently; and
- iii) making accounting estimates and judgments that are reasonable in the circumstances.

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on..... 2024 and signed on its behalf by:

Director

Director

Date: _____

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SUN PHARMA EAST AFRICA LIMITED

Opinion

We have audited the accompanying financial statements of Sun Pharma East Africa Limited set out on pages 6 to 19. These financial statements comprise the statement of financial position for the year ended 31 March 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company for the year ended **31 March 2024** and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Kenyan Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibility for the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SUN PHARMA EAST AFRICA LIMITED

Auditors' responsibility for the financial statements (continued)

- obtain an understanding of internal control relevant to the audit 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 company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude, on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal requirements

In our opinion the information given in the report of the directors on page 2 is consistent with the financial statements.

As required by the Kenyan Companies Act, 2015 we report to you, based on our audit, that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
- iii) the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report was **CPA K V S K Sastry**, Practising Certificate No. P1228.

Patel Shah Joshi & Associates
Certified Public Accountants

Nairobi

.....**2024**

SUN PHARMA EAST AFRICA LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March 2023

	Notes	2024 K Sh	2023 K Sh
Turnover	3	1,151,416,607	1,007,151,369
Cost of sales	4	(735,827,803)	(724,254,932)
Gross profit		415,588,803	282,896,437
Other income	5	(14,248,629)	(202,713,992)
Administration expenses	6	(89,417,148)	(88,320,685)
Selling and distribution expenses	7	(212,980,163)	(172,794,408)
Other operating expenses - Depreciation	8	(8,786,595)	(9,150,209)
Operating profit / (loss)		90,156,269	(190,082,857)
Finance cost	9	(1,318,635)	(1,706,202)
profit / (loss) before tax		88,837,634	(191,789,059)
Tax	10	(28,539,475)	54,746,846
Net profit (loss) after tax		60,298,159	(137,042,213)
Other comprehensive income		-	-
Total comprehensive income for the year transferred to statement of changes in equity		60,298,159	(137,042,213)

The accounting policies and notes on pages 6 to 15 form an integral part of these financial statements.

SUN PHARMA EAST AFRICA LIMITED

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2024

ASSETS	Notes	2024 K Sh	2023 K Sh
Non-current assets			
Furniture, equipment & vehicles	11	8,639,568	9,526,407
Right-of-use asset	12	17,129,791	23,358,806
Intangible assets	13	106,720	-
Deferred tax	14	57,842,244	86,227,958
		<u>83,718,323</u>	<u>119,113,171</u>
Current assets			
Inventories	15	549,391,275	489,773,387
Trade and other receivables	16	383,365,469	336,158,221
Cash and cash equivalents	17	103,687,243	135,927,727
Tax recoverable		1,702,602	1,774,921
		<u>1,038,146,589</u>	<u>963,634,256</u>
Total assets		<u>1,121,864,913</u>	<u>1,082,747,427</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	18	100,000	100,000
Revenue deficit		<u>(176,626,746)</u>	<u>(236,924,905)</u>
		<u>(176,526,746)</u>	<u>(236,824,905)</u>
Non-current liabilities			
Lease liabilities	19	<u>12,623,659</u>	<u>18,837,637</u>
		<u>12,623,659</u>	<u>18,837,637</u>
Current liabilities			
Lease liabilities	19	7,532,613	7,242,889
Trade and other payables	20	1,278,235,387	1,293,491,806
		<u>1,285,768,000</u>	<u>1,300,734,695</u>
Total equity and liabilities		<u>1,121,864,913</u>	<u>1,082,747,427</u>

Report of the independent auditors - page 4 & 5

The accounting policies and notes on pages 10 to 15 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on2024 and

DIRECTOR

DIRECTOR

SUN PHARMA EAST AFRICA LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Share capital K Sh	Revenue reserve K Sh	Total K Sh
Balance as at 1 April 2022	100,000	(99,882,692)	(138,327,564)
Total comprehensive income for the year	-	(137,042,213)	(137,042,213)
	-----	-----	-----
Balance as at 31 March 2023	100,000	(236,924,905)	(275,369,778)
Total comprehensive loss for the year	-	60,298,159	60,298,159
	-----	-----	-----
Balance as at 31 March 2024	100,000	(176,626,746)	(215,071,619)
	=====	=====	=====

The accounting policies and notes on pages 6 to 15 form an integral part of these financial statements.

SUN PHARMA EAST AFRICA LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 K Sh	2023 K Sh
Operating activities			
Cash used in operations	20	(39,878,673)	(67,482,323)
Tax paid		(81,442)	(54,667)
		-----	-----
Net cash used in operating activities		(39,960,114)	(67,536,990)
		-----	-----
Investing activities			
Acquisition of fixed assets	11	(2,812,400)	(6,737,272)
Proceeds from disposal of fixed assets		2,011,005	650,000
		-----	-----
Net cash used in investing activities		(801,395)	(6,087,272)
		-----	-----
Financing activities			
Payment of lease liabilities	18	(7,242,889)	(6,964,315)
		-----	-----
Net cash used in financing activities		(7,242,889)	(6,964,315)
		-----	-----
Decrease in cash and cash equivalents		(48,004,399)	(80,588,577)
		-----	-----
Movement in cash and cash equivalents			
At start of the year		135,927,728	13,353,356
Decrease during the year		(48,004,399)	(80,588,577)
Effect of exchange rate fluctuations		15,763,913	203,162,949
		-----	-----
At end of the year	16	103,687,243	135,927,728
		=====	=====

The accounting policies and notes on pages 6 to 15 form an integral part of these financial statements.

SUN PHARMA EAST AFRICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

The principal accounting policies adopted in the preparation of these financial statements are set out below:-

a) Accounting convention

The financial statements were prepared in accordance with and comply with International Financial Reporting Standards. They were prepared under the historical cost convention.

b) Depreciation

Depreciation is charged on fixed assets so as to write off their cost over their expected useful lives using the reducing balance method, at the following annual rates:-

Motor vehicles	25 %
Office equipment	12.5 %
Furniture & equipment	12.5 %
Computer & related equipment	30%

c) Intangible assets

The cost of computer software is capitalised on the basis of the total sums incurred by the company to acquire and bring to use the specific software. These costs are amortised over their estimated useful life of five years.

d) Inventories

Inventories are consistently valued by the directors at the lower of cost and net realizable value with due allowance for any obsolete and slow moving items. Cost is determined by the weighted average cost method. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

e) Trade and other receivables

Trade receivables are carried at original invoiced amounts less provision for impairment. A provision for impairment is established when there is objective evidence that the company will not be able to collect the amounts due. Such provisions are recognised in the statement of profit or loss as bad debts in the year in which they are identified.

f) Cash and cash equivalents

Cash and cash equivalents include cash in hand and balances at bank.

g) Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed.

SUN PHARMA EAST AFRICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

h) Foreign exchange fluctuations

Assets and liabilities in foreign currency are translated into Kenya shillings at the rate of exchange ruling at the statement of financial position date. Transactions during the year in foreign currency are translated at the rate of exchange ruling at the transaction date. Any exchange fluctuations are dealt with in the statement of profit or loss.

i) Taxation

Tax is provided at the rate of thirty per cent based on the results for the year as adjusted in accordance with the current tax legislation.

j) Deferred tax

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

k) Revenue recognition

Sales represents invoices raised during the year net of discounts and credit notes and excluding Value Added Tax (VAT).

All other income is recognised on receipt basis.

l) IFRS16 Leases

IFRS 16 'Leases' (issued in January 2016) effective for annual periods beginning on or after 1 January 2019, replaces IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains a lease and their interpretations (SIC-15 and SIC-27)'. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. The standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all the leases, with a term of more than 12 months, unless the underlying asset is of low value. A Lessee is required to recognise a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The adoption of this standard has a material impact on the financial statements, significantly increasing the entity's recognised assets and liabilities. The entity has leased a rental unit No. T402 (4,505 Sq.ft) situated on the fourth floor of the building known as Park Place erected on LR no.209/20162 Nairobi. The lease is reflected in the statement of financial position as a right-to-use asset and a lease liability. The right-of-use asset and lease liabilities were measured at the present value of the remaining lease payments as at 1 October 2021.

m) Comparative figures

Comparative figures are adjusted, wherever necessary, to conform to the changes in the presentation for the current year.

SUN PHARMA EAST AFRICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. MEASURES FOR THE FORTHCOMING YEAR

a) Marketing Strategy

restructuring of the target market was done in the previous year and now the company will try to consolidate and grow in these new expanded territories. The company intends to continue its aggressive focus in Cardiology, Diabeto, Central Nervous Systems (CNS) and general range to push the business further with launch of 30 new products in this year. Crossland Div for the Otho Range of Products will start contributing in the business in this year. The focus will also remain to develop the outstation markets to become meaningful players in these regions. 5 upcountry expansions will open new pockets of business

b) Operational efficiency

The Company carried out a goal setting exercise for all divisions. The focus was on market detailing, intensifying the reach to hospitals and doctors and providing useful feedback for management action and follow-up. This gave the company more operational control during the year thus no much change will happen in the year 2024-25

c) Staffing

During 2024-25, the company has a plan to expand field staff by 5 staff to cover more territories and in July (Under EM Head approval) expansions of 10 Pharmacy Reps & 2 Supervisors and also increased 2 office staff

d) Cost reduction

During 2024-25, the Company will not see any major changes in the expense head.

OUTLOOK 2024-25

company will leverage the soft credit terms availed by the parent company to ensure constant availability of the entire range of products and will enhance the marketing and promotion efficiencies through constant feed-back initiative introduced during the year, and improving control over the sales and marketing team. No changes are expected in the operating costs and hence will maintain almost the same cost in 2024-25. Also budgeted Exchange rate considered was Kshs 150 and current market rate is Kshs 132, resulting in better realization

SUN PHARMA EAST AFRICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	K Sh	K Sh
3. REVENUE		
Sales	1,151,416,607	1,007,151,369
	-----	-----
4. COST OF SALES		
Opening stock	489,773,387	605,345,670
Purchases	783,126,430	598,433,970
Product registration fees & regulatory expenses	12,319,262	10,248,678
Closing stock	(549,391,275)	(489,773,387)
	-----	-----
Cost of sales	735,827,803	724,254,932
	-----	-----
5. OTHER INCOME		
Foreign exchange fluctuations	(15,763,913)	(203,162,949)
Interest income	512,536	55,245
Gain on asset disposal	1,002,749	393,711
	-----	-----
	(14,248,629)	(202,713,992)
	-----	-----
6. ADMINISTRATIVE EXPENSES		
Accountancy fees	371,200	2,227,200
Amortisation	26,680	-
Audit fees	580,000	330,600
Bank charges	752,074	579,030
Computer expenses	232,928	332,053
Directors' remuneration	17,741,263	17,502,027
Immigration & work permit expenses	200,050	400,050
Insurance	5,582,493	3,788,723
License	301,500	57,613
Motor vehicles running expenses	406,543	386,054
Postage, telephone and internet	760,884	927,303
Printing & stationery	227,966	226,241
Professional fees	1,666,141	2,236,291
Rent expenses	239,223	180,263
Repairs and maintenance	174,261	1,118,005
Salaries and wages	50,089,291	48,946,484
Secretarial fees	25,390	42,352
Staff welfare	1,911,359	1,753,141
Subscription	55,000	45,000
Travelling expenses	7,712,072	6,570,631
Training & development	360,830	671,624
	-----	-----
	89,417,148	88,320,685
	=====	=====

SUN PHARMA EAST AFRICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	K Sh	K Sh
7. SELLING AND DISTRIBUTION EXPENSES		
Marketing expenses	94,693,728	75,878,438
Salaries and wages	69,577,561	56,369,662
Travelling expenses	48,708,873	40,546,309
	-----	-----
	212,980,163	172,794,408
	=====	=====
8. DEPRECIATION CHARGE		
Computer & computer equipment	869,615	1,228,330
Motor vehicles	1,344,076	1,297,436
Office equipment	53,478	63,529
Furniture, fittings & equipment	290,412	331,899
Right - of - use asset	6,229,014	6,229,015
	-----	-----
	8,786,595	9,150,209
	=====	=====
9. FINANCE COST		
Finance charge on leases	1,318,635	1,706,203
	-----	-----
	1,318,635	1,706,203
	=====	=====
10. TAX		
This comprises:		
Current tax	153,761	16,574
Deferred tax charge (credit) - Note 13	28,385,714	(54,763,420)
	-----	-----
Tax charge / (credit)	28,539,475	(54,746,846)
	=====	=====
The tax on the company's profit / (loss) before tax differs from the theoretical amount that would arise using the basic tax rate as follows:		
Profit (loss) before tax	88,837,634	(191,789,059)
	-----	-----
Tax calculated at the rate of 30%	26,651,290	(57,536,718)
Tax effects of :-		
Expenses not deductible for tax purposes	1,937,114	2,590,903
Permanent difference on motor vehicles restriction	(48,929)	198,969
	-----	-----
Tax credit	28,539,475	(54,746,846)
	=====	=====

SUN PHARMA EAST AFRICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

11. FURNITURE, EQUIPMENT AND VEHICLES

	Furniture & Equipment	Office Equipment	Motor Vehicles	Computers & Related Equipments	Total
	K Sh	K Sh	K Sh	K Sh	K Sh
COST					
As at 01 April 2023	3,061,357	585,875	9,295,256	4,801,571	17,744,059
Additions during the year	-	230,000	2,249,000	200,000	2,679,000
Disposal during the year	-	(200,000)	(3,802,060)	(128,760)	(4,130,820)
	-----	-----	-----	-----	-----
As at 31 March 2024	3,061,357	615,875	7,742,196	4,872,811	16,292,239
	-----	-----	-----	-----	-----
DEPRECIATION					
As at 01 April 2023	738,063	141,175	5,402,948	1,935,466	8,217,652
Disposal	-	(46,875)	(3,037,059)	(38,628)	(3,122,562)
Charge for the year	290,412	53,478	1,344,076	869,615	2,557,581
	-----	-----	-----	-----	-----
As at 31 March 2024	1,028,475	147,778	3,709,965	2,766,453	7,652,671
	-----	-----	-----	-----	-----
CARRYING VALUES					
As at 31 March 2024	2,032,882	468,097	4,032,232	2,106,358	8,639,568
	=====	=====	=====	=====	=====
As at 31 March 2023	2,323,294	444,700	3,892,309	2,866,105	9,526,407
	=====	=====	=====	=====	=====

12. RIGHT-OF-USE ASSET

	Opening Balance	Depreciation for the period	Closing Balance
	K Sh	K Sh	K Sh
Rental Unit No. T402 4th floor Park Place	23,358,806	6,229,015	17,129,791
	-----	-----	-----
Total - Note 18	23,358,806	6,229,015	17,129,791
	=====	=====	=====

Right-of-use asset represents the ongoing long-term lease held by the company as a lessee. The carrying value represents the unutilized portion of the lease. The depreciation during the year represents the portion applicable for the lease rentals for the year.

SUN PHARMA EAST AFRICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

13. INTANGIBLE ASSETS	2024	2023
	K Sh	K Sh
As at 1 April 2023	-	317,083
Addition during the year	133,400	-
	-----	-----
As at 31 March 2024	133,400	317,083
	-----	-----
Amortisation		
As at 1 April 2023	-	317,083
Charge for the year	26,680	-
	-----	-----
As at 31 March 2024	26,680	317,083
	-----	-----
Net book value	106,720	-
	=====	=====

Software addition during the year relate time software and finger print reader with RFID - 5000 A+ID

14. DEFERRED TAX

Deferred taxes are calculated, in full, on all temporary differences under the liability method using an enacted tax rate of 30%. The movement of deferred tax account is as follows:

At start of year	(86,227,958)	(31,464,538)
Charge / (Credit) / charge to profit or loss - Note 10	28,385,714	(54,763,420)
	-----	-----
At end of year	(57,842,244)	(86,227,958)
	-----	-----

Deferred tax asset and deferred tax credit in the statement of profit or loss is attributable to the following items:

	01-April 23	Credit to	31-March-24
	K Sh	P / L	K Sh
	K Sh	K Sh	K Sh
Deferred tax asset			
Accelerated tax depreciation	(132,854)	26,473	(106,381)
Tax losses carried forward	(45,502,513)	(35,508,382)	(81,010,895)
Unrealised exchange differences	(40,592,591)	63,867,623	23,275,032
	-----	-----	-----
Net deferred tax asset	(86,227,958)	28,385,714	(57,842,244)
	=====	=====	=====

15. INVENTORIES

Stock-in-trade	472,022,653	399,139,352
Merchandise-in-transit	77,368,623	90,634,034
	-----	-----
	549,391,275	489,773,387
	=====	=====

SUN PHARMA EAST AFRICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	K Sh	K Sh
16. TRADE AND OTHER RECEIVABLES		
Trade receivables	366,078,958	320,167,418
Other receivables	14,463,341	12,045,919
Prepayments	2,823,169	3,944,884
	-----	-----
	383,365,469	336,158,221
	=====	=====
17. CASH AND CASH EQUIVALENTS		
Cash in hand	64,402	211,322
Balances at bank	103,622,841	135,716,405
	-----	-----
	103,687,243	135,927,727
	=====	=====
For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise of		
18. SHARE CAPITAL		
Authorized, issued & fully paid-up:		
1,000 Ordinary Shares of K Sh 100 each	100,000	100,000
	=====	=====
19. LEASE LIABILITIES		
Lease liabilities in the statement of the financial position are made up as follows:		
Opening balance	26,080,526	31,338,638
Finance charge	1,318,635	1,706,203
Less: Lease payments during the year	(7,242,889)	(6,964,315)
	-----	-----
Balance at end of the year	20,156,272	26,080,526
	=====	=====
Made-up as follows:		
Non-current - payable after 12 months	12,623,659	18,837,637
Current - payable within the next 12 months	7,532,613	7,242,889
	-----	-----
	20,156,272	26,080,526
	=====	=====
20. TRADE AND OTHER PAYABLES		
Trade payables	8,642,593	13,305,925
Provisions and accruals	9,393,526	50,654,372
Related party balances - Note 21	1,260,199,269	1,229,531,509
	-----	-----
	1,278,235,387	1,293,491,806
	=====	=====

SUN PHARMA EAST AFRICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	K Sh	K Sh
21. CASH USED IN OPERATIONS		
Reconciliation of profit / (loss) before tax to cash used in operations:		
Profit (loss) before tax	88,837,634	(191,789,059)
Adjustments for:		
Depreciation	8,786,595	9,150,209
Amortisation	26,680	-
Effect of exchange rate fluctuations	(15,763,913)	(203,162,949)
Finance charge on leases	1,318,635	1,706,203
Gain on disposal of motor vehicle	(1,002,749)	(393,711)
Changes in working capital:		
Decrease in inventories	(59,617,889)	115,572,284
(Increase) in receivables	(47,207,247)	(3,546,116)
(Decrease) /increase in payables	(15,256,419)	204,980,817
	-----	-----
Cash used in operations	(39,878,673)	(67,482,323)
	=====	=====
22. RELATED PARTY TRANSACTIONS		
The following arm's length transactions were carried out with parties which are related through common shareholding and / or common directorships.		
Purchases of goods	<u>701,801,159</u>	<u>624,293,932</u>
The following amounts are due to related parties:		
Payables to related party - Note 19		
Sun Pharmaceuticals Industries Ltd	<u>1,260,199,269</u>	<u>1,229,531,509</u>
23. STAFF COST		
Directors' remuneration	<u>17,741,263</u>	<u>17,502,027</u>
Salaries and wages - Administrative	50,089,291	48,946,484
Salaries and wages - Marketing	69,577,561	56,369,662
Staff welfare	1,911,359	1,753,141
	-----	-----
	<u>121,578,210</u>	<u>107,069,287</u>
	=====	=====
The average number of staff in employment during the year was 78 (2023:75).		
24. INCORPORATION AND DOMICILE		
The Company is incorporated in Kenya under the Companies Act and is domiciled in Kenya.		
25. CURRENCY		
These financial statements are presented in Kenya Shillings (K Sh).		

SUN PHARMA EAST AFRICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

26. FINANCIAL RISK MANAGEMENT POLICIES

The company's activities expose it to a variety of financial risks including credit and liquidity risks, effects of changes in foreign currency, interest rates as well as changes in market prices of company's products. The company's overall risk management programme focuses on unpredictability of changes in business environment and seeks to minimize the potential adverse effects of such risks on its performance by setting acceptable levels of risk. The company's financial risk management objectives and policies are detailed below:

a) Capital risk

The company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return through the optimum use of the available resources. The capital structure of the company consists of paid up capital, retained earnings and external borrowings. The company endeavours to maximize the return on each component.

b) Credit risk

The company's credit risk is primarily attributable to trade receivables and trade payables. The company constantly monitors its credit risks on these aspects in line with its overall risk management policies and responds to specific situations within the parameters set. The company does not hedge any risks and has in place policies to ensure that credit is extended to customers with established credit history.

c) Interest rate risk

The interest rate risk exposure arises mainly from interest rate movements on the company's borrowings. Further, the company, from time to time, in order to position itself for expected demand for liquid funds, holds deposits with institutions which also is a subject of interest rate risk. The company manages the risk by a constant contact with the financial markets in order to optimize its revenue and expense and responds to any adverse situations in accordance with the general trends in financial markets.

d) Liquidity risk

The company manages its liquidity risk by intelligent treasury management practices, formulated on the basis of constant assessment of its requirements, present and future and sourcing of funds - internal or external including ploughing back of its own financial resources.

e) Market risk

The company's market risk stems from procurement of its inputs and distribution of its products. The company closely monitors the implementation of its procurement policy, inventory policy as well as credit policy with a view to optimize its market share as well as to respond to external threats. The company regularly reviews its core strengths and seeks to put such strengths to optimum use to maintain its niche in the market - present and future.

SUN PHARMA EAST AFRICA LIMITED

PIN: P051469844S

COMPUTATION FOR TAXABLE INCOME - FOR THE YEAR ENDED 31 March 2024

	K Sh	K Sh
1. Business income		
Loss as per financial statements		88,837,634
Add: Depreciation	8,786,595	
Amortisation	26,680	
Fringe benefit tax	27,064	
Finance charge on leases	1,318,635	
Disallowed - Other discount	6,164,148	
Telephone and mobile charges	94,391	
Unrealised exchange loss	(77,583,439)	

		(61,165,925)

		27,671,708
Less: Investment allowance	1,966,172	
Interest income - taxed separately	512,536	
Gain on disposal of motor vehicle	1,002,749	
Unrealised exchange loss - 2023 (March) now realized	135,308,637	
Lease payments during the year	7,242,889	

		146,032,982

Adjusted loss		(118,361,274)
		=====
SUMMARY OF TAX LOSS TO BE CARRIED FORWARD		
Tax loss brought forward	(151,675,043)	
Tax loss for the year 2024	(118,361,274)	

Tax loss carried forward	(270,036,317)	
	=====	
2. Interest income		
Interest income	512,536	

Taxable interest income		512,536
(Withholding tax K Sh 8,290)		-----
Taxable income		512,536
		=====
DETAILS OF TAX LOSS TO BE CARRIED FORWARD		
Tax loss 2015		(1,342,969)
Tax loss 2016		(68,565,046)
Tax loss 2017		(25,880,847)
Tax loss 2018		(141,456,179)
Tax profit 2019		33,465,917
Tax profit 2020		57,819,351
Tax profit 2021		14,667,395
Tax profit 2022		39,642,174
Tax loss 2023		(60,024,839)
Tax loss 2024		(118,361,274)
Tax loss carried forward		<u>(270,036,317)</u>

SUN PHARMA EAST AFRICA LIMITED

INVESTMENT ALLOWANCE SCHEDULE FOR THE YEAR ENDED 31 March 2024

Formerly	Class II 30% K Sh	Class III 25% K Sh	Class IV 10.00% K Sh	
Revised 2nd schedule	Paragraph 1 (b) (vi) 25%	Paragraph 1 (b) (v) 25%	Paragraph 1 (b) (vii) & (xii) 10.00%	Total K Sh
W D V 1 April 2023	3,150,394	2,905,675	2,926,548	8,982,617
Additions during the year	200,000	2,249,000	230,000	2,679,000
Disposal proceeds	(81,000)	(1,750,005)	(180,000)	(2,011,005)
	-----	-----	-----	-----
	3,269,394	3,404,670	2,976,548	9,650,612
W D V 1 April 2023	3,150,394	2,905,675	2,926,548	8,982,617
Annual allowance	(817,349)	(851,168)	(297,655)	(1,966,172)
	-----	-----	-----	-----
WDV 31 March 2024	2,333,045	2,054,507	2,628,893	7,016,445
	=====	=====	=====	=====
Additions to Motor Vehicles	Reg. Number	Year of Purchase	Cost K Sh	Restricted Cost K Sh
Nissan Xtrail	KDJ 466M	2023	2,249,000	2,249,000
			-----	-----
			2,249,000	2,249,000
			=====	=====
MOTOR VEHICLE DISPOSAL	Year of Purchase	Original Cost K Sh	Sales Proceeds K Sh	Restricted Sales Proceeds K Sh
KBW 349N - NissaN Qashqai	2016	2,025,000	850,005	850,005
KCW594P - Nissan Xtrail	2021	1,777,060	900,000	
		-----	-----	-----
		3,802,060	1,750,005	850,005
		=====	=====	=====

SUN PHARMA EAST AFRICA LIMITED

TAX SCHEDULE FOR THE YEAR ENDED 31 March 2024

Year	Balance B/fd K Sh	Payments during the year K Sh	Provision for the Year K Sh	Balance C/fd K Sh	Date of Payment	Receipt No
Bal b/fd	(1,774,921)					
Balance tax 2023		-				
Utilized IAV		9,168				
1st instalment						
2nd instalment		(4,610)			8-Mar-24	020240000189109
3rd instalment		(4,600)			12-Mar-24	020240000189213
4th instalment		(4,558)			20-Jul-23	020230002398961
WH Tax - Interest		(76,842)				various
WH Tax - Others						
Minimum tax installment						
Provision for the year - minimum tax			-			
Provision for the year			153,761			
	(1,774,921)	(81,442)	153,761	(1,702,602)		

Provision for Year of income 2023/24	<u>153,761</u>	
Provision enhancement - Year of income 202	169,137	
Advance tax	-	
W/H tax - interest	(76,842)	
W/H Tax - others	-	
Net Provision for Year of income 2024	<u>169,137</u>	
1st Instalment tax for the year of income 2024	<u>42,284</u>	<u>(1,660,318)</u>
2nd Instalment tax for the year of income 202	42,284	<u>(1,618,034)</u>
3rd Instalment tax for the year of income 202	42,284	<u>(1,575,749)</u>
4th Instalment tax for the year of income 202	42,284	<u>(1,533,465)</u>

SUN PHARMA EAST AFRICA LIMITED

DEFERRED TAX COMPUTATION FOR THE YEAR ENDED 31 March 2024

As at 1 April 2023	Carrying Value K Sh	Tax Base K Sh	Temporary Difference K Sh	Deferred Tax @ 30% K Sh
Deferred tax assets				
Furnitures and office equipments	2,767,993	2,926,548	(158,555)	(47,567)
Motor vehicles	3,227,407	3,227,407	-	-
Computer & computer equipments	2,866,105	3,150,394	(284,289)	(85,287)
Tax losses carried forward	-	151,675,043	(151,675,043)	(45,502,513)
Unrealised exchange loss	(135,308,637)	-	(135,308,637)	(40,592,591)
	(126,447,131)	160,979,392	(287,426,524)	(86,227,958)

As at 31 March 2024	Carrying Value K Sh	Tax Base K Sh	Temporary Difference K Sh	Deferred Tax @ 30% K Sh
Deferred tax assets				
Furnitures and office equipments	2,500,978	2,628,893	(127,915)	(38,375)
Motor vehicles	4,098,682	4,098,682	-	-
Computer & computer equipments	2,106,358	2,333,045	(226,687)	(68,006)
Tax losses carried forward	-	270,036,317	(270,036,317)	(81,010,895)
Unrealised exchange loss	77,583,439	-	77,583,439	23,275,032
	86,289,457	279,096,937	(192,807,480)	(57,842,244)

SUMMARY	01-April-23 K Sh	Credit to P / L K Sh	31-March-24 K Sh
Deferred tax assets			
Accelerated capital allowances	(132,854)	26,473	(106,381)
Tax losses carried forward	(45,502,513)	(35,508,382)	(81,010,895)
Unrealised exchange differences	(40,592,591)	63,867,623	23,275,032
Net deferred tax asset	(86,227,958)	28,385,714	(57,842,244)

SUN PHARMA EAST AFRICA LIMITED

Financial Highlights & Key Ratios

	2024	2023	2022	2021	2020
	K Sh	K Sh	K Sh	K Sh	K Sh
Turnover	1,151,416,607	1,007,151,369	965,912,275	797,910,966	746,058,630
Cost of sales	(735,827,803)	(724,254,932)	(639,716,264)	(529,376,934)	(522,417,751)
Gross profit	415,588,803	282,896,437	326,196,011	268,534,032	223,640,879
Interest income	512,536	55,245	210,350	30,457	28,577
Other income	1,002,749	393,711	47,023		
Exchange fluctuations	(15,763,913)	(203,162,949)	(43,339,803)	(35,057,563)	(23,866,777)
Administration costs	(89,417,148)	(88,320,685)	(84,020,764)	(76,544,605)	(70,180,379)
Marketing expenses	(212,980,163)	(172,794,408)	(167,506,742)	(123,170,027)	(100,236,593)
Other operating costs	(8,786,595)	(9,150,209)	(4,658,724)	(824,836)	(1,072,750)
Finance cost	(1,318,635)	(1,706,202)	(2,050,191)	(1,951,452)	(3,530,914)
(Loss) / profit before tax	88,837,634	(191,789,059)	24,877,158	31,016,006	24,782,043
Tax	(28,539,475)	54,746,846	(8,841,324)	(11,561,968)	(9,366,180)
Net (loss) / profit for the year	60,298,159	(137,042,213)	16,035,835	19,454,038	15,415,863
Growth in turnover	14.32%	4.27%	21.06%	6.95%	32.10%
GP margin	36.09%	28.09%	33.77%	33.65%	29.98%
NP margin	7.72%	-19.04%	2.58%	3.89%	3.32%

SUN PHARMA EAST AFRICA LIMITED

Financial Highlights & Key Ratios

	2024 K Sh	2023 K Sh	2022 K Sh	2021 K Sh	2020 K Sh
Non-current assets					
Furniture, equipment & vehicle:	8,639,568	9,526,407	5,966,617	2,476,325	3,229,341
Intangible assets	106,720	-	-	-	-
Right-of-use asset	17,129,791	23,358,806	29,587,820	-	-
Deferred tax asset	57,842,244	86,227,958	31,464,538	40,242,757	51,795,588
	<u>83,718,323</u>	<u>119,113,171</u>	<u>67,018,975</u>	<u>42,719,082</u>	<u>55,024,929</u>
Current assets					
Inventories	549,391,275	489,773,387	605,345,670	235,348,949	178,763,154
Trade receivables	366,078,958	320,167,418	315,105,273	314,850,423	300,576,883
Prepayments	2,823,169	3,944,884	2,543,166	1,915,500	1,650,155
Other receivables	14,463,341	12,045,919	14,963,667	16,288,103	8,951,171
Cash and cash equivalents	103,687,243	135,927,727	13,353,356	25,992,202	27,252,991
Tax recoverable	1,702,602	1,774,921	1,736,828	1,765,852	-
	<u>1,038,146,589</u>	<u>963,634,256</u>	<u>953,047,960</u>	<u>596,161,029</u>	<u>517,194,355</u>
Total assets	<u>1,121,864,913</u>	<u>1,082,747,427</u>	<u>1,020,066,935</u>	<u>638,880,111</u>	<u>572,219,284</u>
Capital & reserves					
Share capital	100,000	100,000	100,000	100,000	100,000
Revenue deficit	(176,626,746)	(236,924,905)	(99,882,692)	(115,918,527)	(138,427,564)
	<u>(176,526,746)</u>	<u>(236,824,905)</u>	<u>(99,782,692)</u>	<u>(115,818,527)</u>	<u>(138,327,564)</u>
Non-current liabilities					
Lease liabilities	12,623,659	18,837,637	24,374,323	-	-
Borrowings	-	-	-	-	54,268,145
	<u>12,623,659</u>	<u>18,837,637</u>	<u>24,374,323</u>	<u>-</u>	<u>54,268,145</u>
Current liabilities					
Trade payables	1,268,841,862	1,242,837,434	1,062,476,308	736,500,365	654,034,888
Provisions and accruals	9,393,526	50,654,372	26,034,681	18,198,273	2,243,030
Tax payable	-	-	-	-	785
Lease liabilities	7,532,613	7,242,889	6,964,315	-	-
	<u>1,285,768,000</u>	<u>1,300,734,695</u>	<u>1,095,475,304</u>	<u>754,698,637</u>	<u>656,278,703</u>
Total equity and liabilities	<u>1,121,864,913</u>	<u>1,082,747,427</u>	<u>1,020,066,935</u>	<u>638,880,111</u>	<u>572,219,284</u>
Profitability ratios					
Debtor days	116.03	116.01	119.07	147.02	116.62
Creditor days	629.40	623.48	606.20	454.06	401.00
Stock turnover days	272.52	246.83	345.39	124.90	130.10
Working capital cycle in days	(240.85)	(260.64)	(141.74)	(182.14)	(154.28)
Financial ratios					
Current ratio	0.81	0.74	0.87	0.79	0.73
Liquidity ratio	0.38	0.36	0.32	0.52	0.42
Investment ratios					
Earnings Per Share (K Sh)	60,298.16	(137,042.21)	16,035.83	15,415.86	10,321.82
Net assets per share (K Sh)	(176,526.75)	(236,824.90)	(99,782.69)	(138,327.56)	(153,743.43)

SUN PHARMA EAST AFRICA LIMITED

Audit Journal entries as at 31 March 2024

No.	Particulars	Debit K Sh	Credit K Sh
1.	Deferred tax credit P/L Deferred tax assets B/S (Being deferred tax provision for the year)	28,385,714.00	28,385,714.00
2.	Corporation tax expenses Tax liability (Being tax charge for the year)	153,760.67	153,760.67
3.	Accumulated Depn - Computers 706002 Amortisation of Software 706016 Depr Furniture & fixtures Accumulated Depreciation - Office equipment Accumulated amortisation of Computer Software Accumulated Depn - F&F 706015 Depr computer & Acc 706017 Depr Office Equipments (Being harmonisation of deprecation charge for the period)	23,179 15,080 978.57 19,947.00	15,080.00 978.57 23,179.00 19,947.00
4.	687600 Gifts & presents 357000 Non Trade vendors control A/c - Aromacare Ventures Ltd (Being recognition of unrecorded gifts & presents expense)	104,000.00	104,000.00
5.	Software 202921 -Office Equipments A/C.. 662010 - Training (Being reclassification of cost related to new software and installation)	75,400.00	58,000.00 17,400.00
6.	350159 GR/IR Clearing account - (Legacy) 503013 C.O.Gs finished goods legacy (Being adjustment of clearing charges in GR/IR control account not allocated)	5,218,629.40	5,218,629.40
7.	357000 Non Trade vendors control A/c - Speal Sas- Sponsorsh 623072 SAS /Sponsorship for Doctors (Being reversal of stale cheques not collected by the doctors)	1,767,500.00	1,767,500.00
8.	324900 Salary/wages advance to employees - Calvin Owino Ou 357000 Non Trade vendors control A/c (Being correction of the wrong entry for salary advance)	10,000.00	10,000.00
9.	324900 Salary/wages advance to employees 600102 Salaries (Being reclassification of FBT from salaries and wages account)	10,379.15	10,379.15
10.	664111 Fs Overseas Field Force Exp- Allowance - Safari Trave 357774 Monthly Provision for Expenses (Being recognition of fuel expense not booked at financial year end)	1,660,551.00	1,660,551.00
11.	352022/352102 Withholding / corporation Tax 663100 Rates & taxes accounts	4,558.00	4,558.00

SUN PHARMA EAST AFRICA LIMITED

Audit Journal entries as at 31 March 2024

No. Particulars	Debit K Sh	Credit K Sh
(Being reclassification of instalment tax)		
12. Subscriptions 644003 PR Other Regulatory Expenses (Being recognition of subscription expense)	55,000.00	55,000.00
13. Secretarial fees 643007 Professional fees (Being reclassification of secretarial fee)	25,390.00	25,390.00
14. 663100 Rates & taxes accounts 357000 Non Trade Vendors Control A/C - Speal Marketing Float Account (Being recognition of reconciliation fee for KRA audit)	50,000.00	50,000.00
15. 664104 Local Conveyance 600102 Salaries (Being reclassification of driver allowance initially booked in salary and wages)	20,000.00	20,000.00
16. 324907 Other advances to employees 623072 SAS /Sponsorship for Doctors (Being reversal of an entry booked twice in the system)	18,130.00	18,130.00
17. 664111 FS Overseas Field Force Exp- Allowance 324901 Travel advance to employees - Joan (Being recognition of travel expense relating to Joan)	25,237.00	25,237.00
18. FS Expats Other Exps -Work permit 664104 Local Conveyance (Being reclassification of work permit from local conveyance account)	200,050.00	200,050.00
19. FS Salary Directors' remuneration 600102 Salaries (Being reclassification of salaries& wages to respective accounts)	69,577,560.91 17,741,263.00	87,318,823.91
20. Accounting & Consultancy Charges 643007 Professional fees (Being reclassification of accounting fees)	371,200.00	371,200.00
	125,533,507.70	125,533,507.70

SUN PHARMA EAST AFRICA LIMITED							
EXTENDED TRIAL BALANCE							
INTERIM PERIOD TO 31 March 2024							
	Client's Trial Balance		Audit Adjustments		JE Ref.	Adjusted Trial Balance	
	Debit	Credit	Debit	Credit		Debit	Credit
	K Sh	K Sh	K Sh	K Sh		K Sh	K Sh
Non Current assets							
Computer Equipments	5,189,898.85					5,189,898.85	
Software	58,000.00		75,400.00		5	133,400.00	
Office equipment	673,875.00			58,000.00	5	615,875.00	
Motor Vehicle	7,742,196.00	-				7,742,196.00	
Furniture & Fittings	3,061,357.00					3,061,357.00	
Accumulated Depreciation - Office equipment		159,898.73	19,947.00		3		139,951.73
Accumulated Depreciation-Vehicle	-	3,709,966.32					3,709,966.32
Accumulated Depn - F&F		1,035,322.65		978.57	3		1,036,301.22
Accumulated Depn - Computers		3,106,714.52	23,179.00		3		3,083,535.52
Accumulated amortisation of Computer Software		11,600.00		15,080.00	3		26,680.00
Right of use asset	32,702,327.00	15,572,536.75				17,129,790.25	
372002 Deferred tax asset	86,227,958.00			28,385,714.00	1	57,842,244.00	
Inventories							
300305-Stock-in-trade	487,828,123.92	-				487,828,123.92	
300306-Merchandise in transit	77,368,622.57	-				77,368,622.57	
300309 - Provision for stock W/O		15,805,471.21					15,805,471.21
300397-Finished manufactured goods by other legacy						-	
Sundry Debtors							
Sunpar Pharmaceuticals Ltd-DR	-					-	
SAI PHARMACEUTICALS LTD	-					-	
Pharma Specialities Ltd-DR	-					-	
Radbone Clark	-					-	
Wessex Pharmaceuticals Ltd -DR	-					-	
302701 Trade debtors unsecured	366,078,958.35	-				366,078,958.35	-

SUN PHARMA EAST AFRICA LIMITED							
EXTENDED TRIAL BALANCE							
INTERIM PERIOD TO 31 March 2024							
	Client's Trial Balance		Audit Adjustments		JE Ref.	Adjusted Trial Balance	
	Debit	Credit	Debit	Credit		Debit	Credit
	K Sh	K Sh	K Sh	K Sh		K Sh	K Sh
Prepayments							
Prepaid license						-	
Prepaid - Work Permit						-	
Prepaid - Supplier advances						-	
Prepaid - Office Rent						-	
Prepaid - Office expenses						-	
324773 Prepaid - Expenses	2,823,168.98					2,823,168.98	
Prepaid - Product registration						-	
Other receivables: Suspense						-	
324701 rent deposit	1,594,770.00					1,594,770.00	
354001 Sec Dep-Contractors.	1,861,699.00					1,861,699.00	
325801 Vat input tax	9,195,559.00					9,195,559.00	
325805 Vat Output tax		263,534.99					263,534.99
324310 Advances to suppliers	2,298,452.05					2,298,452.05	
324900 Salary/wages advance to empl	-	415,970.15	20,379.15		8,9	(395,591.00)	
352022 Withholding tax payable	-					-	
352022 Withholding tax						-	
324903 Recoverable from employees A/c						-	
324907 Other advances to employees	24,696.66		18,130.00		16	42,826.66	
324901 Travel advance to employees	117,059.00	-				117,059.00	
324902 Advance for business expense	12,100.00	-				12,100.00	
Cash-in-hand and at bank							
304000 Petty cash	64,402.00					64,402.00	
Diamond Trust Bank main - K Sh	42,485,301.30	5,603,706.54				36,881,594.76	
Diamond Trust Bank payment - K Sh	-	-				-	
Diamond Trust Bank main - USD	66,982,759.70	241,513.05				66,741,246.65	
Diamond Trust Bank payment - USD	-					-	

SUN PHARMA EAST AFRICA LIMITED							
EXTENDED TRIAL BALANCE							
INTERIM PERIOD TO 31 March 2024							
	Client's Trial Balance		Audit Adjustments		JE Ref.	Adjusted Trial Balance	
	Debit	Credit	Debit	Credit		Debit	Credit
	K Sh	K Sh	K Sh	K Sh		K Sh	K Sh
Capital & Reserves							
Share capital account		100,000.00					100,000.00
108027 Revenue reserves	236,924,910.00					236,924,910.00	
357086 Lease liability	-	20,156,272.93					20,156,272.93
Loans							
Sun Pharma Global FZE- Loan							-
Sun Pharma Global FZE- interest							-
Director- Thomas							-
Sundry Creditors							
350196 - Sun Pharmaceuticals Industries Ltd-CR		1,298,324,737.10					1,298,324,737.10
350174 Valuation adj Inter co	38,125,468.04						(38,125,468.04)
Ranbaxy Laboratories							-
350101 GR/GI Clearing A/c		58,143,588.61					58,143,588.61
350159 GR/GI Clearing A/c - Legacy	49,847,585.75		5,218,629.40		6	55,066,215.15	
208910 Advance to capex suppliers a/c	307,806.00					307,806.00	
324310 Advance to suppliers						-	
357000 Non Trade vendors control A/c		7,158,028.93	1,767,500.00	164,000.00	4,7,8,14		5,554,528.93
357799 FC Adj creditors not trade		318,496.21					318,496.21
Accruals & other payables							
357202 Salary payable		46,462.00					46,462.00
357209 Payable to employees	-	528,627.52					528,627.52
NSSF Payable							-
PAYE Payable							-
CFC Staff Loan Deduction							-

SUN PHARMA EAST AFRICA LIMITED							
EXTENDED TRIAL BALANCE							
INTERIM PERIOD TO 31 March 2024							
	Client's Trial Balance		Audit Adjustments		JE Ref.	Adjusted Trial Balance	
	Debit	Credit	Debit	Credit		Debit	Credit
	K Sh	K Sh	K Sh	K Sh		K Sh	K Sh
352150 HELB Dues		55,097.00					55,097.00
LOMPASAGO Contributions							-
Accr expense-Audit& Professional Fee							-
Accrued Travelling Expense							-
Provision for Clearing Charges							-
Provision for Expense-Deepak							-
Provision for Expense-Dhiraj							-
Provision for Expense-Kumar							-
Provision for Expense-Shazia							-
Provision for Expense-Thomas							-
Provision for Office Rent							-
357774 Monthly Provision for Expenses		7,102,790.12		1,660,551.00	10		8,763,341.12
Taxation							-
352022/352102 Withholding / corporati	1,911,611.71	59,811.00	4,558.00	153,760.67	2,11	1,702,598.04	
Revenue							
400000 Sales domestic		1,150,987,421.76					1,150,987,421.76
400004 Sales domestic offline		429,184.92					429,184.92
Discount Allowed							-
Purchase Accounts							
Purchases- Drugs							-
503007/8 Value difference finished goo	17,845.42	1,465.52				16,379.90	-
500260 Consumption - raw materials (Legacy) - inter compa		88,686,444.00					88,686,444.00
503003 Consumption- Raw materials	809,054,404.86					809,054,404.86	
503011/14 consumption scrapping	36,634,209.01	28,710,044.79				7,924,164.22	
300397-Finished manufactured goods b	418,665.79					418,665.79	
503013 C.O.Gs finished goods legacy				5,218,629.40	6		5,218,629.40

SUN PHARMA EAST AFRICA LIMITED							
EXTENDED TRIAL BALANCE							
INTERIM PERIOD TO 31 March 2024							
	Client's Trial Balance		Audit Adjustments		JE Ref.	Adjusted Trial Balance	
	Debit	Credit	Debit	Credit		Debit	Credit
	K Sh	K Sh	K Sh	K Sh		K Sh	K Sh
Insurance						-	
Direct costs							
Clearing Charges						-	
PR Product Registration						-	
644003 PR Other Regulatory Expenses	12,374,261.94			55,000.00	12	12,319,261.94	
						-	
Change in inventory							
Inventory control a/c						-	
Other income							
474000/687707 Forex gain on revaluat	1,501,960.47	79,085,399.65				(77,583,439.18)	
474008/ 687716 Forex gain on realisati	99,399,995.75	6,052,643.44				93,347,352.31	
470002 Interest Income		512,535.58					512,535.58
472300 Profit on sale of motor vehicle		1,011,880.68					1,011,880.68
680020- Loss sale asset -Other income	9,132.00						(9,132.00)
Admin Expenses							
Accounting & Consultancy Charges			371,200.00		20	371,200.00	
Secretarial fees			25,390.00		13	25,390.00	
640007 Auditing Fees	580,000.00					580,000.00	
668001 Bank Charges	752,074.37					752,074.37	
Software Maintenance						-	
Directors' remuneration			17,741,263.00		19	17,741,263.00	
FS Expats Other Exps -Work permit			200,050.00		18	200,050.00	
Fines & penalties						-	
677001 / 2/3/7 ADM Insurance	1,779,477.10					1,779,477.10	
667002 Insurance inventories	3,122,127.88					3,122,127.88	
667003 Insurance fixed assets	371,456.00					371,456.00	
667007 Insurance	309,432.00					309,432.00	

SUN PHARMA EAST AFRICA LIMITED							
EXTENDED TRIAL BALANCE							
INTERIM PERIOD TO 31 March 2024							
	Client's Trial Balance		Audit Adjustments		JE Ref.	Adjusted Trial Balance	
	Debit	Credit	Debit	Credit		Debit	Credit
	K Sh	K Sh	K Sh	K Sh		K Sh	K Sh
663100 Rates & taxes accounts	256,058.00		50,000.00	4,558.00	11,14	301,500.00	
663135 Corporate tax						-	
687777 Miscellaneous Office Exp.	1,282,992.62					1,282,992.62	
671000 Repairs & Maintenance - Othe	174,261.35					174,261.35	
673002 Repairs & Maintenance - Car	406,543.00					406,543.00	
690827 Internet Charges	388,285.79					388,285.79	
660105 / 100 Postage, Telegram & Cou	57,961.00					57,961.00	
660102 Telephone, Fax, Mobile	314,637.00					314,637.00	
660005 Computer / IT services AMC	232,928.00					232,928.00	
660000 Printing & Stationery	227,965.79					227,965.79	
642007 Legal Fees / Consultancy	319,190.00					319,190.00	
643007 Professional fees	1,743,541.20			396,590.00	13,20	1,346,951.20	
Subscriptions			55,000.00		12	55,000.00	
663001Office Rent	1.38	-				1.38	
687402 Water & Electricity	239,222.01					239,222.01	
600102 Salaries	137,438,493.94			87,349,203.06	9,15,19	50,089,290.88	
602004 Staff Welfare	628,366.00					628,366.00	
664104 Local Conveyance	7,892,121.73		20,000.00	200,050.00	15,18	7,712,071.73	
662010 SBU Travel - Training &develop	378,230.00			17,400.00	5	360,830.00	
Marketing Expenses							
687600 Gifts & presents	6,921,478.79		104,000.00		4	7,025,478.79	
623054 Printing Material	3,930,328.73					3,930,328.73	
623059 Calenders and diaries	549,870.16					549,870.16	
623100 Conference & meetings	13,875,381.52					13,875,381.52	
623084 OPD Campaign	4,059,030.76					4,059,030.76	
620004 Other discount	6,164,148.00					6,164,148.00	
623205 Clinical Meet-MCDM	5,292,598.00					5,292,598.00	
Doctors Group Meet						-	
Visual Aids	-					-	

SUN PHARMA EAST AFRICA LIMITED							
EXTENDED TRIAL BALANCE							
INTERIM PERIOD TO 31 March 2024							
	Client's Trial Balance		Audit Adjustments		JE Ref.	Adjusted Trial Balance	
	Debit	Credit	Debit	Credit		Debit	Credit
	K Sh	K Sh	K Sh	K Sh		K Sh	K Sh
PG Development						-	
623008 Business development expense						-	
623072 SAS /Sponsorship for Doctors	45,127,500.43			1,785,630.00	7,16	43,341,870.43	
623043 Marketing expenses	850,256.00					850,256.00	
623218 Journal Ads pharmacy	1,605,323.60					1,605,323.60	
623101 SBU Sales/Cycle Meeting Expe	2,687,831.00					2,687,831.00	
SBU Commission (Other Than Doctor)						-	
S&D Custom Clearance - Promo & Saleable Goods						-	
623003 Sales promotion expenses	4,498,207.00					4,498,207.00	
Other Marketing Expenses	-					-	
623062 Disease Awareness programm	813,405.20					813,405.20	
SBU Special Discount						-	
FS Salary			69,577,560.91		18	69,577,560.91	
664111 FS Overseas Field Force Exp-	47,048,322.49		1,685,788.00	25,237.00	9,11,17	48,708,873.49	
FS Overseas Field Force Mileage						-	
Rounding Off						-	
Finance expense							
Interest on Loan						-	
Withholding tax on interest						-	
663011 Finance charge on leases	1,318,634.98					1,318,634.98	
Depreciation							
706002 Amortisation of Software	11,600.00		15,080.00		3	26,680.00	
706015 /706002 Depr computer & Acc	892,793.31	-		23,179.00	3	869,614.31	
706016 Depr Furniture & fixtures	289,433.43		978.57		3	290,412.00	
706017 Depr Office Equipments	73,425.18			19,947.00	3	53,478.18	
706018 Depr Motor Vehicles	1,344,076.51					1,344,076.51	
706032 Depreciation right of use asset	6,229,014.30	-				6,229,014.30	
Taxation							

SUN PHARMA EAST AFRICA LIMITED							
EXTENDED TRIAL BALANCE							
INTERIM PERIOD TO 31 March 2024							
	Client's Trial Balance		Audit Adjustments		JE Ref.	Adjusted Trial Balance	
	Debit	Credit	Debit	Credit		Debit	Credit
	K Sh	K Sh	K Sh	K Sh		K Sh	K Sh
Deferred tax expense			28,385,714.00		1	28,385,714.00	
Taxation expense	-		153,760.67		2	153,760.67	
	2,793,397,166.67	2,793,397,166.67	125,533,507.70	125,533,507.70		2,624,768,088.71	2,624,768,088.71