Aarti Chemical Trading - FZCO

Auditor's Report & Financial Statements
Dubai Integrated Economic Zones,
Dubai, U.A.E.

Auditor's Report & Financial Statements
For the period from 1st April, 2025
to 31st March, 2026

Aarti Chemical Trading - FZCO
Dubai Integrated Economic Zones, Dubai, U.A.E.

Auditor's Report & Financial Statements
For the period from 1st April, 2025 to 31st March, 2026

Content **Page**

INDEPENDENT AUDITOR'S REPORT

(Ref No.- Magnus/ NC - 2026/18745)

The Shareholders,
Aarti Chemical Trading - FZCO
Dubai Integrated Economic Zones, Dubai, U.A.E.

Report on the audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **Aarti Chemical Trading - FZCO,** which comprise the Statement of Financial Position as at **31st March, 2026,** and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows and Changes in Equity for the period from 1st April, 2025 to 31st March, 2026, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of **Aarti Chemical Trading - FZCO,** as of **31st March, 2026,** and of its financial performance and its cash flows for the period then ended, in accordance with International Financial Reporting Standards.

Basis of 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 of Accountants Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the company's Memorandum and Articles of Association and pursuant to Law No. (16) of 2021 by the Ruler of Dubai and implementing issued thereunder by the Dubai Integrated Economic Zones Authority, and for such internal control as management determines 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of 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 International Standards on Auditing 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.

(Continued on page 2)

Tel: 04-3962410, Fax: 04-3962415, P.O. Box # 47264, Nasir Ahamed Lootah Bldg, Office # 123, Umm Hurair First
Bur Dubai - U.A.E. E-mail: info@magnuscca.com | manager@magnuscca.com | www.magnuscca.com

(Continued from page 1)

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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.

- 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 our 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.

Report on other legal and regulatory requirements

- We have obtained all the information and explanation we considered necessary for our audit.

- The financial statements comply, in all material respect with pursuant to Law No. (16) of 2021 by the Ruler of Dubai and implementing issued thereunder by the Dubai Integrated Economic Zones Authority, and the Articles of Association of the Company.

- Based on the information and explanation that has been made available to us nothing came to our attention which causes us to believe that the Company has contravened during the financial period ended **31st March, 2026** any of the applicable provisions with pursuant to Law No. (16) of 2021 by the Ruler of Dubai and implementing issued thereunder by the Dubai Integrated Economic Zones, or the Articles of Association of the Company which would have a material effect on the Company's activities or on its financial position for the period.

For Omran Mousa
Auditing of Accounts
Dubai, United Arab Emirates.
23rd April, 2026

عمران موسى لمراجعة الحسابات
Magnus®
P.O.Box: 47264
Dubai - U.A.E.
OMRAN MOUSA AUDITING OF ACCOUNTS

Tel: 04-3962410, Fax: 04-3962415, P.O. Box # 47264, Nasir Ahamed Lootah Bldg, Office # 123, Umm Hurair First
Bur Dubai - U.A.E. E-mail: info@magnuscca.com | manager@magnuscca.com | www.magnuscca.com

Aarti Chemical Trading - FZCO
Dubai Integrated Economic Zones Authority, Dubai Silicon Oasis, Dubai, U.A.E.

Statement of Financial Position as at March 31, 2026
(Amount in AED)

ASSETS	Notes	Audited as at March 31, 2026	Audited as at March 31, 2025
Non-current assets:			
Property, Plant and Equipment	6	2,741	-
Investment in subsidiary	-	36,725	36,725
Total Non - current assets		**39,466**	**36,725**
Current Assets:			
Inventories	7	47,741,131	665,983
Deposits, prepayment and advances	8	1,517	1,517
Trade and Other Receivables	9	8,530,645	30,991,108
Cash at bank	10	21,666,795	340,121
Other current assets	11	126,289	58,713
Total current assets		**78,066,377**	**32,057,442**
Total Assets		**78,105,843**	**32,094,167**
EQUITIES AND LIABILITIES			
Equity			
Share capital	2	50,000	50,000
Statutory Reserve	-	25,000	38,191
Retained Earnings	12	3,749,304	298,416
Total Equity		**3,824,304**	**386,607**
Current Liabilities:			
Trade payables and provisions	13	73,066,904	31,707,560
Other Current Liabilities	14	1,214,635	-
Total Current liabilities		**74,281,539**	**31,707,560**
Total Equity and Liabilities		**78,105,843**	**32,094,167**

The accompanying notes form an integral part of these financial statements.
The Report of the Auditors is set out on page 1 & 2.

For Aarti Chemical Trading - FZCO

Authorized Signatory

ماجنوس ®
magnus

Aarti Chemical Trading - FZCO
Dubai Integrated Economic Zones Authority, Dubai Silicon Oasis, Dubai, U.A.E.

Statement of Profit or Loss and Other Comprehensive Income
For the period from April 1, 2025 to March 31, 2026
(Amount in AED)

	Notes	Audited for the quarter ended March 31, 2026	Audited for the quarter ended March 31, 2025	Audited for the year ended March 31, 2026	Audited for the year ended March 31, 2025
Revenue	15	5,888,140	116,801,689	399,922,538	243,840,314
Cost of sales	16	(5,833,127)	(116,252,741)	(395,944,602)	(243,291,516)
Gross profit		**55,013**	**548,948**	**3,977,936**	**548,798**
Expenses					
Administrative expenses	17	(79,681)	(89,384)	(247,858)	(166,205)
Depreciation	-	(346)	-	(1,381)	-
Profit/(Loss) Before Tax for the period		**(25,014)**	**459,564**	**3,728,697**	**382,594**
Tax Expense					
Current tax		10,000	(683)	(291,000)	(683)
Profit/(Loss) After Tax for the period		**(15,014)**	**458,881**	**3,437,697**	**381,910**
Total Comprehensive Income/(Losses) for the period attributable to the Shareholders of the Company		**(15,014)**	**458,881**	**3,437,697**	**381,910**

The accompanying notes form an integral part of these financial statements.
The Report of the Auditors is set out on page 1 & 2.

For Aarti Chemical Trading - FZCO

Authorized Signatory

ماجنوس
magnus

Aarti Chemical Trading - FZCO
Dubai Integrated Economic Zones Authority, Dubai Silicon Oasis, Dubai, U.A.E.

Statement of Cash Flow for the period ended March 31, 2026
For the period from April 1, 2025 to March 31, 2026
(Amount in AED)

	Audited for the year ended March 31, 2026	Audited for the year ended March 31, 2025
Opening cash balance	340,121	98,772
Cash flows from operating activities		
Net profit/(loss) for the period before tax	3,437,697	381,910
Adjustments for:		
Depreciation on property, plant and equipment	1,381	-
Operating cash flows before changes in net operating assets	**3,779,199**	**480,682**
Increase in Current Assets		
(Increase)/ Decrease in inventories	(47,075,148)	(665,983)
(Increase)/ Decrease in trade and other receivables	22,460,463	(31,003,134)
(Increase)/ Decrease in deposits, prepayments and advances	(67,576)	-
Increase/ (Decrease) in trade and other payables	42,573,979	31,690,524
Net cash generated from operating activities (A)	**21,670,917**	**502,089**
Cash flow from financing activities		
Short term borrowings from shareholder	-	(125,243)
Net cash generated from financing activities (B)	**-**	**(125,243)**
Cash flow from investing activities		
Purchase of property, plant & equipment	(4,122)	-
Investment in subsidiary	-	(36,725)
Net cash generated from investing activities (C)	**(4,122)**	**(36,725)**
Net increase in cash and cash equivalents (A+B+C)	21,666,795	**340,121**
Cash and cash equivalents at end of the period	**21,666,795**	**340,121**

The accompanying notes form an integral part of these financial statements.
The Report of the Auditors is set out on page 1 & 2.

For Aarti Chemical Trading - FZCO

Authorized Signatory

ماجنوس
magnus

Aarti Chemical Trading - FZCO
Dubai Integrated Economic Zones Authority, Dubai Silicon Oasis, Dubai, U.A.E.

Statement of Changes in Equity Funds
For the period from April 1, 2025 to March 31, 2026
(Amount in AED)

Particulars	Share capital	Statutory Reserves	Reserves & Surplus	Total
	AED	AED	AED	AED
Balance as at April 01, 2024	50,000	-	(45,303)	4,697
Additions during the year		38,191	-	38,191
Net Profit /(Loss) for the year	-	-	381,910	381,910
Transfers during the year	-	-	(38,191)	(38,191)
At 31st March, 2025	**50,000**	**38,191**	**298,416**	**386,607**
Balance as at April 01, 2025	50,000	38,191	298,416	386,607
Additions during the year	-	-	13,191	13,191
Net Profit /(Loss) for the year	-	-	3,437,697	3,437,697
Transfers during the year	-	(13,191)	-	(13,191)
At 31st March, 2026	**50,000**	**25,000**	**3,749,304**	**3,824,304**

The accompanying notes form an integral part of these financial statements.
The Report of the Auditors is set out on page 1 & 2.

For Aarti Chemical Trading - FZCO

Authorized Signatory

ماجنوس
magnus

Aarti Chemical Trading - FZCO
Dubai Integrated Economic Zones Authority, Dubai Silicon Oasis, Dubai, U.A.E.

Notes to the Condensed Financial Statements for the period ended March 31, 2026
(Amount in AED)

1 Legal status and activities

1.1 **Aarti Chemical Trading - FZCO** was registered in Dubai Silicon Oasis on 25th September, 2023 as a Free Zone Company with Trade License No. 35353 issued by Dubai Integrated Economic Zones Authority (DIEZA), Government of Dubai. The registered address of the company is Unit C-10, 2nd level. Technohub building, Dubai Silicon Oasis, Dubai, U.A.E.

1.2 The company is managed and controlled by Ms. Jeel Haresh Chheda, an Indian national.

1.3 The company is primarily engaged in trading business of basic industrial chemicals (Outside U.A.E.) and investment in commercial enterprises and management.

2 Shareholding

2.1 The shareholding of the company is as follows:

Name	Origin	No. of shares	Value per share AED	Total value AED	% age
1. M/s. Aarti Industries Ltd.	India	500	100	50,000	100
		500		**50,000**	**100**

2.2 The authorized and paid up share capital of the company is AED 50,000/- divided into 500 shares of AED 100/- each.

3 Adoption of New and Revised International Financial Reporting Standards (IFRs) & Interpretations

i) Standards and Interpretations effective in the current year

The following standards and amendments apply for the first time to the financial reporting periods commencing on or after January 01, 2025.

- Lack of Exchangeability – Amendments to IAS 21
- Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
- Annual Improvements to IFRS Accounting Standards – Volume 11

ii) New & Revised IFRS in issue but not effective or early adopted

The following standards and interpretations had been issued but not yet mandatory for annual reporting periods ending 31st March, 2026. Management anticipates that these new standards, interpretations, and amendments will be adopted in the financial statements as and when they are applicable and adoption of these new standards, interpretations, and amendments, may have no material impact on the financial statements in the period of initial application.

Particulars		Effective for Annual periods beginning from
IFRS 19 Subsidiaries without Public Accountability: Disclosures		January 01, 2027
IFRS 18 Presentation and Disclosure in Financial Statements		January 01, 2027

4 Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by International Financial Reporting Interpretations Committee (IFRIC), and applicable requirements of the U.A.E. Law. The financial statements are presented in Arab Emirates Dirham (AED).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed.

Management believes that the underlying assumptions are appropriate and that the Company's financial statements therefore fairly present the financial position and results.

There are no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

ماجنوس
magnus

4 Summary of Significant Accounting Policies (Continued)

Going concern

When preparing the financial statements, management makes an assessment of the Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB).

Accounting convention

These financial statements have been prepared under the historical cost convention. The fair / net realizable value concept of measurement of assets and liabilities has also been applied wherever applicable under IFRSs.

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency in which the majority of its transactions are denominated ("the functional currency"). The financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the Company's functional and presentation currency.

Revenue from Contracts with Customers

The company recognises revenue mainly from contracts with customers for sale of chemicals when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Revenue is measured at fair value of the consideration received or receivable, taking into account contractually defined terms of payments excluding discounts, rebates, customer returns and other taxes.

IFRS 15 *"Revenue from contracts with customers"* replaces IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

A new five-step process must be applied before revenue can be recognized: i) Identify contracts with customers: ii) Identify the separate performance obligation: iii) Determine the transaction price of the contract: iv) Allocate the transaction price to each of the separate performance obligations, and v) Recognize the revenue as each performance obligation is satisfied.

Key changes to current practice are:

Any bundled goods or services that are distinct must be separately recognized, and any discounts or rebates on the contract price must generally be allocated to the separate elements.

Revenue may be recognized earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc.) – minimum amounts must be recognized if they are not at significant risk of reversal.

The point at which revenue is able to be recognized may shift: some revenue which is currently recognized at a point in time at the end of a contract may have to be recognized over the contract term and vice versa.
There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements, to name a few.

Increased required disclosures.

Property, plant and equipment

As per IAS 16, Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment losses, if any. Cost consists of purchase cost, together with any incidental expenses of acquisition. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Company and the cost can be measured reliably. Repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the period in which they are incurred. Land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their cost, less estimated residual values, over the estimated useful lives of the assets or the lease term, if shorter. The estimated useful lives of the assets, as follows:

	Depreciation (Years)
Furniture and office equipment	3 years

ماجنوس® magnus

4 Summary of Significant Accounting Policies (Continued)

Inventories

Inventories are valued at the lower of cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

Trade Receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less they are classified as current assets otherwise as non-current assets. Trade receivables are carried at the invoice amounts less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of Cash Flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the Statement of Financial Position.

Trade payables, provisions and accruals

Liabilities are recognized for amounts to be paid in future for goods and services rendered, whether or not billed to the Concern.

Provisions are recognized when the Concern has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Statutory Reserves

In accordance with the Article 239 of the Commercial Companies Law No. 32 of 2021 and the company's article of association, 5% of the profit of the company is required to be transferred to a statutory reserve until the reserves equals 50% of the share capital.

Value added tax

As per the Federal Decree-Law No. (08) of 2017, effective from January 1, 2018 for companies incorporated in UAE. Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person. The Company is required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax periods and deposit the same within the prescribed due dates of filing VAT return and tax payment.

Corporate tax

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No.47 of 2022 on the taxation of Corporations and Business (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023 and accordingly, it has an income tax related impact on the financial statements for the accounting periods beginning on or after June, 1, 2023.

The Cabinet of Ministry Decision No. 116/2022 effective from 2023, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of free zone entities.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

As per IFRS 9, Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

4 Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model or managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

Financial assets at amortised cost (debt instruments);

Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);

Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);

Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

The contractual terms of the financial asset give rise on a specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivable, deposits and other receivables.

Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

4 Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

The rights to receive cash flows from the asset have expired; or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and reward of the asset, not transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continued involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

For trade receivable, the Company has applied a combination of the simplified and general approach permitted by IFRS 9. Simplified approach is applied to a portfolio of trade receivable that are homogeneous in nature and carry similar credit risk. Under general approach, the Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, simplified approach requires expected lifetime losses to be recognized from initial recognition of the receivables.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities includes bank borrowings and trade and other payables.

4 Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial liabilities (Continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit of loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Foreign currency transactions

As per IAS 21, Foreign currency transactions should be recorded initially at the rate of exchange at the date of the transaction (use of averages is permitted if they are a reasonable approximation of actual).

At each subsequent balance sheet date.

Foreign currency monetary amounts should be reported using the closing rate.

Non-monetary items carried at historical cost should be reported using the exchange rate at the date of the transaction.

Non-monetary items carried at fair value should be reported at the rate that existed when the fair values were determined.

Exchange differences arising when monetary items are settled or when monetary items are translated at rates different from those at which they were translated when initially recognized or in previous financial statements are reported in the 'Statement of Profit or Loss and Other Comprehensive Income'. on net basis as either 'Foreign exchange gains' or 'Foreign exchange losses' and included in 'Other operating income' or "Other operating expenses' respectively.

ماجنوس®
magnus

4 Summary of Significant Accounting Policies (Continued)

Impairment of Assets

As per IAS 36, At the end of each reporting period, the entity is require to reviews the carrying amounts of its tangible and intangible assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill are reviewed at the end of each reportingperiod for possible reversal of the impairment loss.

5 Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, which are described in note 3, the management of the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Satisfaction of performance obligations under IFRS 15 Revenue from contracts with customers

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. Revenue is recognized when the Company satisfies a performance obligation by transferring the promised good or service to the customer, which is when the customer obtains control of the good or service.

Determination of transaction prices

In the process of determining transaction prices in respect of its contracts with customers, the Company assesses impact of any variable consideration in the contract due to discounts, penalties, the existence of any significant financing component or any non cash consideration. In determining the impact of variable consideration the Company uses the most likely amount method under IFRS 15 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Any difference between the amounts actually collected in a future period and the amounts expected, will be recognized in the income statement in that period.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

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 must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

6 Property, Plant and Equipment

Particulars	Office Equipments	Total
Cost		
Balance as at April 1, 2024	-	-
Additions during the year	-	-
Disposals during the year	-	-
At March 31, 2025	-	-
Depreciation/Amortisation		
Balance as at April 1, 2024	-	-
Additions during the year	-	-
Disposals during the year	-	-
Net book value as at March 31, 2025	-	-
Cost		
Balance as at April 1, 2025	-	-
Additions during the year	4,122	4,122
Disposals during the year	-	-
At March 31, 2026	**4,122**	**4,122**
Depreciation/Amortisation		
Balance as at April 1, 2025	-	-
Additions during the year	1,381	1,381
Disposals during the year	-	-
Net book value as at March 31, 2026	**2,741**	**2,741**

7 Inventories	Audited as at March 31, 2026	Audited as at March 31, 2025
Trading Goods	47,741,131	665,983
Closing Balance	**47,741,131**	**665,983**

8 Deposits, prepayment and advances	Audited as at March 31, 2026	Audited as at March 31, 2025
Deposits	1,517	1,517
Closing Balance	**1,517**	**1,517**

9 Trade and Other Receivables	Audited as at March 31, 2026	Audited as at March 31, 2025
Trade receivables	8,530,645	30,991,108
Closing Balance	**8,530,645**	**30,991,108**

10 Cash at bank	Audited as at March 31, 2026	Audited as at March 31, 2025
Current account with banks	21,666,795	340,121
Closing balance	**21,666,795**	**340,121**

11 Other current assets	Audited as at March 31, 2026	Audited as at March 31, 2025
Prepaid expenses	126,289	58,713
Closing balance	**126,289**	**58,713**

12 Retained Earnings

Reserves and Surplus for the period	**3,749,304**	**298,416**

13 Trade payables and provisions	Audited as at March 31, 2026	Audited as at March 31, 2025
Trade payables	72,754,404	31,691,127
Provision for Audit fees	8,500	15,750
Provision for tax	291,000	683
Provision for professional fees	13,000	0
Closing balance	**73,066,904**	**31,707,560**

14 Other Current Liabilities	Audited as at March 31, 2026	Audited as at March 31, 2025
Advance from customers	1,214,635	523,307.18
Closing balance	**1,214,635**	**523,307.18**

15 Revenue	Audited for the quarter ended March 31, 2026	Audited for the quarter ended March 31, 2025	Audited for the year ended March 31, 2026	Audited for the year ended March 31, 2025
Sales	5,888,140	116,801,689	399,922,538	243,840,314
Total	**5,888,140**	**116,801,689**	**399,922,538**	**243,840,314**

16 Cost of sales	Audited for the quarter ended March 31, 2026	Audited for the quarter ended March 31, 2025	Audited for the year ended March 31, 2026	Audited for the year ended March 31, 2025
Opening Stock	293,224	1,097,923	665,983	-
Purchase	53,275,535	115,820,801	443,125,923	243,957,499
Other direct costs	5,499	-	(106,173)	-
Closing Stock	(47,741,131)	(665,983)	(47,741,131)	(665,983)
Total	**5,833,127**	**116,252,741**	**395,944,602**	**243,291,516**

Aarti Chemical Trading - FZCO
Dubai Integrated Economic Zones Authority, Dubai Silicon Oasis, Dubai, U.A.E.

17 Administrative expenses

	Audited for the quarter ended March 31, 2026	Audited for the quarter ended March 31, 2025	Audited for the year ended March 31, 2026	Audited for the year ended March 31, 2025
Employment benefit expenses	3,410	-	3,410	-
Legal and professional charges	29,281	53,693	133,737	102,938
Audit Fees	8,500	15,750	30,250	19,250
Rent	5,550	4,550	20,200	18,200
Insurance	11,135	-	11,104	470
Bank charges	10,777	4,965	21,521	11,117
Software License	1,188	2,399	5,823	3,810
Other expenses	9,840	8,027	21,813	10,420
Total	**79,681**	**89,384**	**247,858**	**166,205**

18 Fair value of financial instruments

The company's financial instruments are accounted for under the historical cost convention. Fair value represents the amount at which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction, therefore, differences can arise between values under the historical cost method and fair value estimates. The fair value of the company's financial instruments is not materially different from the carrying value at 31st March, 2025.

19 Liquidity and interest risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn.

The Company aims to maintain adequate cash and bank balances to meet its operating commitments. In addition, the Company has an arrangement to settle its liabilities and obligations on a timely basis in order to ensure that the Company has sufficient liquidity to meet its operating requirements.

Interest rate risk arises from mismatches in the interest rate profile of the Company's assets and liabilities. Cash flow interest risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Company takes on minimal exposure to the effects of fluctuations in the prevailing levels of market interest rates on cash flow as the Company's interest earning assets and interest bearing liabilities carry a fixed rate of interest. The Company takes on minimal exposure to the effects of fluctuations in the prevailing levels of market interest rates on fair value interest rate risk. The Company strives to maintain an interest rate profile that will lead to financial performance consistent with its long term objectives.

20 Exchange rate risk

Since the main underlying currencies of the financial instruments, other assets, other liabilities and transactions are in U.A.E. Dirhams, the company is not exposed to a significant exchange rate risk.

21 Contingencies and commitments

As at March 31, 2026, the company had no contingencies and commitments.

22 Comparative figures

Comparative figures for the previous period have been regrouped and reclassified, wherever necessary to confirm the current period presentation.

The accompanying notes form an integral part of these financial statements.
The Report of the Auditors is set out on page 1 & 2.

For Aarti Chemical Trading - FZCO

Authorized Signatory

ماجنوس®
magnus