

**Aarti Chem Trading - USA Inc**

**Auditor's Report & Financial Statements  
For the year ended 31st March, 2025**

**Aarti Chem Trading - USA Inc**

**Auditor's Report & Financial Statements  
For the year ended 31st March, 2025**

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## INDEPENDENT AUDITOR'S REPORT

(Ref No.- Magnus/ 2025 - NC/11393-A)

The Shareholders,  
Aarti Chem Trading - USA Inc

## Report on the audit of Financial Statements

## Opinion

We have audited the accompanying financial statements of Aarti Chem Trading - USA Inc, which comprise the Statement of Financial Position as at 31st March, 2025, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows and Changes in Equity for the year then ended, including a summary of significant accounting policies and other explanatory notes.

In our opinion, subject to the matter given in "Emphasis of matter" section of this report, the financial statements give a true and fair view of the financial position of Aarti Chem Trading - USA Inc, as of 31st March, 2025, and of its financial performance and its cash flows for the year 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.

## Emphasis of matter

We are not aware of any related tax laws and other laws of USA, due to limitation.

## 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 from page 1)

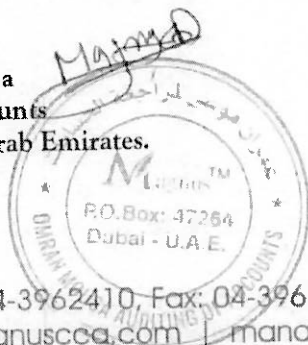
As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 year ended 31st March, 2025 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 year.

For Omran Mousa  
Auditing of Accounts  
Dubai, United Arab Emirates.  
6th May, 2025



Aarti Chem Trading - USA Inc  
16192 Coastal Highway, Lewes, Delaware 19958, Country of Sussex  
Statement of Financial Position

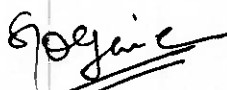
(Amount in USD)

As at 31st March, 2025

<u>ASSETS</u>	<u>Notes</u>	<u>As at March 31, 2025</u>
<b>Current Assets:</b>		
Inventories	6	7,059,150
Trade and Other Receivables	7	18,268,062
Cash at bank	8	17,346
<b>Total current assets</b>		<b>25,344,558</b>
<b>Total Assets</b>		<b>25,344,558</b>
<b>EQUITIES AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	2	10,000
Retained Earnings	9	321,079
<b>Total Equity</b>		<b>331,079</b>
<b>Current Liabilities:</b>		
Trade payables and provisions	10	25,011,829
Other Current liabilities	11	1,650
<b>Total Current liabilities</b>		<b>25,013,479</b>
<b>Total Equity and Liabilities</b>		<b>25,344,558</b>

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 Chem Trading - USA Inc



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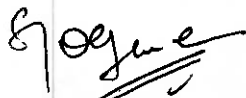
Statement of Profit or Loss and Other Comprehensive Income  
For the year ended March 31, 2025

(Amount in USD)

	Notes	2024-2025
Revenue	12	18,268,062
Cost of sales	13	(17,908,697)
<b>Gross profit</b>		<b>359,365</b>
<b>Expenses</b>		
Administrative expenses	14	(38,286)
<b>Profit/(Loss) Before Tax for the period</b>		<b>321,079</b>
<b>Tax Expense</b>		
Current tax		-
<b>Profit/(Loss) After Tax for the period</b>		<b>321,079</b>
<b>Total Comprehensive Income/(Losses) for the period attributable to the Shareholders of the Company</b>		<b>321,079</b>

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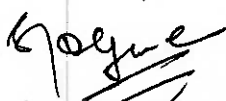
Statement of Cash Flows  
For the year ended March 31, 2025

(Amount in USD)

	2024-2025
Opening cash balance	-
Cash flows from operating activities	
Net profit/(loss) for the period	321,079
Operating cash flows before changes in net operating assets	321,079
Increase in Current Assets	
(Increase)/ Decrease in inventories	(7,059,150)
(Increase)/ Decrease in trade and other receivables	(18,268,062)
(Increase)/ Decrease in deposits, prepayments and advances	-
Increase/ (Decrease) in trade and other payables	25,013,479
Increase/ (Decrease) in short term borrowings	-
Net cash generated from operating activities	7,346
Cash flow from financing activities	
Introduction of share capital	10,000
Short term borrowings from shareholder	-
Net cash generated from financing activities (B)	10,000
Net increase in cash and cash equivalents (A+B)	17,346
Cash and cash equivalents at end of the period	17,346

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**Statement of Changes in Equity**  
**For the year ended March 31, 2025**

Particulars	Share	Reserves &	Total
	capital	Surplus	
	USD	USD	USD
Balance as at April 01, 2024	-	-	-
Additions during the year	10,000	-	10,000
Net Profit / (Loss) for the year	-	321,079	321,079
Transfers during the year	-	-	-
At 31st March, 2025	10,000	321,079	331,079

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 Chem Trading - USA Inc



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16192 Coastal Highway, Lewes, Delaware 19958, Country of Sussex

**Notes to the Financial Statements**  
**For the year ended March 31, 2025**

**1 Legal status and activities**

- 1 Aarti Chem USA Inc. was registered in the state of Delaware on 8th July, 2024 with State file number 4149397. The registered address of the company is 16192 Coastal Highway, Lewes, Delaware 19958, Country of Sussex. The name of it's registered agent at such address is Harvard Businesses, Inc.

The company is primarily engaged in trading of chemicals.

**2 Shareholding**

- 2 The shareholding of the company is as follows:

Name	Origin	No. of shares	Value per share USD	Total value USD	% age
Aarti Chemical Trading- FZCO	UAE	10,000	1	10,000	100
		10,000		10,000	100

- 2 The authorized and paid up share capital of the company is USD 10,000/- divided into 10,000 shares of USD 1/- 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, 2023.

IFRS 17 - Insurance Contracts.

Classification of Liabilities as Current or Non-Current - Amendments to IAS 1, Presentation of Financial Statements.

Disclosure of Accounting Policies - Amendments to IAS 1, Presentation of Financial Statements and IFRS Practice Statement 2.

Definition of Accounting Estimates - Amendments to IAS 8, Accounting policies, Changes in Accounting Estimates and Errors.

Deferred Tax related to Assets and Liabilities arising from Single Transaction - Amendments to IAS 12, Income Taxes.

**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 December 31, 2023. 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
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	January 01, 2024
Classification of Liabilities as Current or Non-Current - Amendments to IAS 1, Presentation of Financial Statements.	January 01, 2024
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	January 01, 2024

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#### **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) and interpretations issued by International Financial Reporting Interpretations Committee (IFRIC). The financial statements are presented in United States Dollar (USD).

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.

##### **Going concern**

The financial statements are prepared on a going concern basis.

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 States Dollar ("USD"), which is the Company's functional and presentation currency.

##### **Revenue from Contracts with Customers**

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.

#### 4 Summary of Significant Accounting Policies (Continued)

##### Revenue from Contracts with Customers (Continued)

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.

##### 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.

#### 4 Summary of Significant Accounting Policies (Continued)

##### 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.

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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.

**4 Summary of Significant Accounting Policies (Continued)**

**Financial instruments (Continued)**

**Financial assets (Continued)**

*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)*

#### **Aarti Chem Trading - USA Inc**

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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.

#### *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

#### 4 Summary of Significant Accounting Policies (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

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.

##### *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

#### 4 Summary of Significant Accounting Policies (Continued)

##### Financial instruments (Continued)

##### Financial liabilities (Continued)

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 or 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.

## 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.



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## 5 Critical Accounting Judgments and Key Sources of Estimation Uncertainty (Continued)

### Key sources of estimation uncertainty (Continued)

#### *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.

	As at March 31, 2025
<b>6 Inventories</b>	
Stock	7,059,150
<b>Closing Balance</b>	<b>7,059,150</b>
<b>7 Trade and Other Receivables</b>	<b>As at March 31, 2025</b>
Trade receivables	18,268,062
<b>Closing Balance</b>	<b>18,268,062</b>
<b>8 Cash at bank</b>	<b>As at March 31, 2025</b>
Current account with banks	17,346
<b>Closing balance</b>	<b>17,346</b>
<b>9 Retained Earnings</b>	
Reserves and Surplus for the period	321,079
<b>Closing balance</b>	<b>321,079</b>
<b>10 Trade payables and provisions</b>	<b>As at March 31, 2025</b>
Trade payables	25,011,829
<b>Closing balance</b>	<b>25,011,829</b>
<b>11 Other Current Liabilities</b>	<b>As at March 31, 2025</b>
Other Current Liabilities & Provisions	1,650
<b>Closing balance</b>	<b>1,650</b>

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<b>12 Revenue</b>	<b>2024-2025</b>
Sales	18,268,062
<b>Total</b>	<b>18,268,062</b>
<b>13 Cost of sales</b>	<b>2024-2025</b>
Opening Stock	-
Purchase	24,603,718
Other direct costs	364,129
Closing Stock	(7,059,150)
<b>Total</b>	<b>17,908,697</b>
<b>14 Administrative expenses</b>	<b>2024-2025</b>
Legal and professional charges	9,650
Inspection & Survey Charges	28,207
Bank charges	429
<b>Total</b>	<b>38,286</b>

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#### 15 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.

#### 16 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.

#### 17 Exchange rate risk

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

#### 18 Contingencies and commitments

As at 31st March, 2025, the company had no contingencies and commitments.

#### 19 Comparative figures

There are no comparative figures as these are the first financial statements of the company covering the period from 8th July, 2024 to 31st March, 2025. Figures of the company have been rounded off to nearest USD 1/-.

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 Chem Trading - USA Inc

  
Authorized Signatory