

SHAILY INNOVATIONS FZCO

Financial Statements

31 March 2026

Registered Address:

2W M040, Mezzanine Floor
2 West, Dubai Airport Freezone
Dubai, UAE

SHAILY INNOVATIONS FZCO

Financial Statements

31 March 2026

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SHAILY INNOVATIONS FZCO

Director's Report

The director submits his report and financial statements for the period ended 31 March 2026.

Results

The profit for the period amounted to AED 3,707,686/-

Review of the business

The company is registered for providing pharmaceuticals consultancies.

Events since the end of the period

There were no important events, which have occurred since the period-end that materially affect the company.

Shareholder and its interest

The shareholder as at 31 March 2026 and his interest as at that date in the share capital of the company was as follows:

<u>Name of the shareholder</u>	<u>Nationality/ Country of Incorporation</u>	<u>No. of Shares</u>	<u>AED</u>
M/s Shaily Engineering Plastics Limited	India	100	100,000

Auditors

A resolution to appoint **KSI Shah & Associates** as auditors and fix their remuneration will be put to the board at the annual general meeting.



Mr. Lavish Girish Wadhvani

Director



Independent Auditors' Report to the Shareholders/ Director's of SHAILY INNOVATIONS FZCO

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **SHAILY INNOVATIONS FZCO** (the "Company"), which comprises of the statement of financial position as at 31 March 2026, and the statement of comprehensive income and statement of changes in equity and cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory notes.

In our opinion, the financial statements present fairly, in all material respects the financial position of the company as of 31 March 2026 and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

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 the UAE, and we have fulfilled our other 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.

Other information

Management is responsible for the other information. Other information comprises of the director's report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance on the conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we concluded that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Independent Auditors' Report to the Shareholders/ Directors' of SHAILY INNOVATIONS FZCO

Report on the Audit of the Financial Statements (continued)

Auditors' 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 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 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.

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.

KSI Shah of Associates



CHARTERED ACCOUNTANTS
Dubai

12 May 2026

SHAILY INNOVATIONS FZCO**Statement of Financial Position**
At 31 March 2026

	<i>Notes</i>	<i>2026</i> <i>AED</i>
ASSETS		
Non-current assets		
Fixed assets	6	<u>305,986</u>
Current assets		
Trade and other receivables	7	7,766,381
Cash and bank balances	8	<u>2,602,598</u>
		<u>10,338,978</u>
TOTAL ASSETS		<u>10,674,965</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	9	100,000
Retained earnings		<u>3,707,686</u>
Equity funds		<u>3,807,686</u>
Non-Current Liabilities		
Unsecured loans	10	6,107,458
Staff end of service benefits	15	<u>110,114</u>
		<u>6,217,572</u>
Current liabilities		
Due to related party	15	113,007
Income tax payable	14	329,606
Accrual and other payable	11	<u>207,094</u>
		<u>649,707</u>
TOTAL EQUITY AND LIABILITIES		<u>10,674,965</u>

The accompanying notes 1 to 19 form an integral part of these financial statements.

The Independent Auditors' Report is set forth on pages 2 to 3.

Approved by the director's on 12 May 2026 and signed on their behalf by:

For SHAILY INNOVATIONS FZCO

Mr. Lavish Girish Wadhvani
Director



SHAILY INNOVATIONS FZCO

Statement of Comprehensive Income
for the period ended 31 March 2026

	<i>Notes</i>	<i>01 Jan. 2025 to 31 Mar. 2026 AED</i>
Revenue	12	8,153,103
Administrative expenses	13	<u>(3,957,833)</u>
Profit from operations		4,195,270
Finance costs	10c	<u>(157,978)</u>
Profit before taxes for the period		4,037,292
Current tax expenses	14	<u>(329,606)</u>
Profit after taxes for the period		3,707,686
Other comprehensive income		<u>-</u>
Total comprehensive profit for the period		<u>3,707,686</u>

The accompanying notes 1 to 19 form an integral part of these financial statements.

SHAILY INNOVATIONS FZCO**Statement of Changes in Equity**
for the period ended 31 March 2026

	<i>Share capital <u>AED</u></i>	<i>Retained earnings <u>AED</u></i>	<i>Total <u>AED</u></i>
Introduced during the period	100,000	-	100,000
Profit for the period	<u>-</u>	<u>3,707,686</u>	<u>3,707,686</u>
As at 31 March 2026	<u>100,000</u>	<u>3,707,686</u>	<u>3,807,686</u>

The accompanying notes 1 to 19 form an integral part of these financial statements.

SHAILY INNOVATIONS FZCO

Statement of Cash Flows
for the period ended 31 March 2026

	<i>Note</i>	<i>01 Jan. 2025 to 31 Mar. 2026 <u>AED</u></i>
<u>Cash flows from operating activities</u>		
Profit for the period		4,037,292
Add:		
Finance cost		157,978
Provision for gratuity		110,114
Depreciation	6	<u>28,600</u>
Operating profit before working capital		4,333,984
Changes in trade and other receivables	7	(7,766,381)
Changes in accrual and other payable		<u>162,123</u>
Net cash (used in) from operating activities		<u>(3,270,274)</u>
<u>Cash flows from Investing activities</u>		
Purchase of fixed assets	6	<u>(334,586)</u>
Net cash (used in) from Investing activities		<u>(334,586)</u>
<u>Cash flows from financing activities</u>		
Share capital introduced	9	100,000
Proceeds from unsecured loan	10	<u>6,107,458</u>
Net cash generated from financing activities		<u>6,207,458</u>
Net Changes in cash and cash equivalents		2,602,598
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at end of the period	8	<u>2,602,598</u>

The accompanying notes 1 to 19 form an integral part of these financial statements.

SHAILY INNOVATIONS FZCO

(Incorporated in the Dubai Airport Free zone, Dubai, U. A. E.)
(Registration No. 02118)

Notes to the Financial Statements
*for the period ended 31 March 2026***1. Legal status and business activity**

- a) **SHAILY INNOVATIONS FZCO** (“The company”) is a Private Free zone company with limited liability, incorporated on 01 January 2025 in Dubai Airport Free Zone, Dubai, U.A.E. under the trading license No. 06619 issued by the Dubai Integrated Economic Zone, in accordance with the provision of Dubai Airport Free Zone Company regulations.
- b) The company is registered for providing pharmaceuticals consultancies.

2. Basis of preparation**a) Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting year beginning on or after 1 January 2023 and the applicable requirements of the UAE Commercial Companies Law No. 2 of 2015.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and financial liabilities which are being measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

c) Functional and presentation currency

These financial statements are presented in UAE Dirham (AED), which is the company’s functional and presentation currency.

3. Use of estimates and judgment

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future year affected.

Judgments made in applying accounting policies

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

SHAILY INNOVATIONS FZCO

Notes to the Financial Statements for the period ended 31 March 2026

Impairment

At each reporting date, management conducts an assessment of all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

Key sources of estimation uncertainty and assumptions

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

Residual values of fixed assets

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Estimated useful life of fixed assets

Management determines the estimated useful lives and depreciation charge for its property at the time of addition of the assets and is reviewed on annual basis.

4. Adoption of new International Financial Reporting Standards

a) New and revised International Financial Reporting Standards

During the current period, the management has adopted the above amendments to the extent applicable to them from their effective dates:

- Amendments to IAS 21 – Lack of exchangeability

These amendments have no significant impact on the amounts reported in these financial statements. Their adoption has resulted in presentation and disclosure changes only.

b) International Financial Reporting Standards issued but not effective

Amendments to IFRS 9 and IFRS 7- Amendments to the classification and measurements of financial instruments. The effective date of the amendments is set for annual periods beginning on or after 1 January 2026.

Amendments to IFRS 9 and IFRS 7- Contract Referencing Nature-Dependent Electricity
The effective date of the amendments is set for annual periods beginning on or after 1 January 2026.

Annual Improvements to IFRS Accounting Standards Volume 11-The effective date of this is set for annual periods beginning on or after 1 January 2026.

IFRS 18 - Presentation and Disclosure in Financial Statements- The effective date of the standard is set for annual periods beginning on or after 1 January 2027.

SHAILY INNOVATIONS FZCO

Notes to the Financial Statements for the period ended 31 March 2026

International Financial Reporting Standards issued but not effective (contd.)

IFRS 19 – Subsidiaries without public accountability: Disclosures- The effective date of the standard is set for annual periods beginning on or after 1 January 2027.

The company has not adopted any other standard, amendment or interpretation that has been issued but is not yet effective.

5. Significant accounting policies

a) Fixed assets

The cost of vehicle is depreciated by equal annual installments over their estimated useful lives of 5 years.

Minor purchases of fixed assets are depreciated fully in the year of purchase.

b) Financial instruments

Recognition and Initial measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable in relation to financial assets and financial liabilities, other than those carried at fair value through profit or loss (FVTPL), are added to the fair value on initial recognition.

Subsequent measurement of financial assets and financial liabilities

The Company's financial assets at amortized cost include trade and other receivables other current financial assets and cash and bank balances. Due to the short-term nature of these financial assets, their carrying amounts are considered to be the same as their fair value

The company's financial liabilities include other payables. The carrying amounts of financial liabilities are considered as to be the same as their fair values, due to their short-term nature.

Derecognition of financial assets and financial liabilities

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.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

SHAILY INNOVATIONS FZCO**Notes to the Financial Statements**
*for the period ended 31 March 2026***Impairment of financial assets (contd.)**

For trade receivables, the company applies a simplified approach in calculating expected credit losses. The company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime expected credit losses at each reporting date.

c) Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Value Added Tax

The revenue, expenses and assets are recognized net of value-added tax (VAT). In case Input VAT paid to the supplier of asset or expense is not recoverable from the Federal Tax Authority, it is disclosed as part of asset acquired or expense incurred.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable.

The net amount of VAT recoverable from or VAT payable to, Federal Tax Authority is disclosed as other payable or other receivable under current liabilities or current assets in the statement of financial position.

SHAILY INNOVATIONS FZCO**Notes to the Financial Statements**
*for the period ended 31 March 2026***d) Foreign currency transactions**

Transactions in foreign currencies are converted into UAE Dirhams at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the reporting date. Resulting exchange gains/losses are taken to the statement of comprehensive income.

e) Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

f) Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. Where the carrying amount of an asset or cash generating units exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognized in the Statement of Comprehensive Income in those expense categories consistent with the function of the impaired asset.

g) Contingent liabilities

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

h) Revenue recognition

Revenue is recognized from medical device design and development services at the point in time when control of the specified deliverables for each project phase (Phases 1–7) is transferred to the customer. Control is considered transferred upon the delivery and formal client acceptance of phase-specific outputs, such as design inputs (PRS/URS), 3D printed samples, or the final Design History File, at which point the Company has an enforceable right to payment. Revenue for ongoing project management and regulatory support is recognized as the services are performed, provided the deliverables meet the contractually defined technical milestones and the criteria for customer acceptance are satisfied.

i) Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flows statement comprise of cash and cheques on hand, bank balance in current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

SHAILY INNOVATIONS FZCO

Notes to the Financial Statements
for the period ended 31 March 2026

6. Fixed asset ^a	Vehicle <u>AED</u>
Cost	
As at 01.01.2025	-
Addition during the period ^b	334,586
As at 31.03.2026	<u>334,586</u>
Depreciation	
As at 01.01.2025	-
Charge for the period	28,600
As at 31.03.2026	<u>28,600</u>
Net book value	
As at 31.03.2026	<u>305,986</u>
As at 01.01.2025	<u>-</u>
 ^a In the opinion of management, there was no impairment in respect of fixed assets. Hence, the carrying value of the fixed assets as at the reporting date approximates their net book value	
 ^b Vehicle represents GMC Yukon, purchased in name of the company, currently in possession with director.	
	2026 <u>AED</u>
7. Trade and other receivables	
Trade receivables	4,436,467
Advances ^a (refer note 15)	3,062,311
Withholding tax	184,463
Prepayment	80,665
Other receivable (refer note 15)	2,475
	<u>7,766,381</u>
 ^a Advances includes amount of AED 2,974,725 provided to Managing Director as per the agreement dated 2025 Dec 04 for setting up his base in UAE, including setting up his residence/home office operations for the company.	
8. Cash and bank balances	
Bank balances in:	
Current accounts	2,602,598
	<u>2,602,598</u>
9. Share capital	
Authorized, issued and paid-up capital 100 shares	<u>100,000</u>

SHAILY INNOVATIONS FZCO

Notes to the Financial Statements
for the period ended 31 March 20262026
AED**10. Long term unsecured loans**

Shaily Engineering Plastics Limited, India ^a (refer note 15)	3,672,500
Shaily Innovations Ltd, UK ^b (refer note 15)	<u>2,434,958</u>
	<u>6,107,458</u>

^a Represents long-term unsecured loan (USD 1,000,000) received from related party during the period for capital expenditure in the pharmaceutical consultancies and for business development purposes under the loan agreement dated 10 October 2025, carrying interest at 8% per annum, repayable within ten years from 30 October 2025 (date of disbursement).

^b Represents long-term unsecured loan (GBP 500,000) received from related party during the period for capital expenditure in the pharmaceutical consultancies and for business development purposes under the loan agreement dated 30 June 2025, carrying interest at 0.1% over Barclays rate (minimum 2%), repayable within twenty years from date of disbursement.

^c As at the reporting date, accrued interest on these unsecured loans amounts to AED 157,978/-, which has been recognized under finance cost payable in the financial statements.

2026
AED**11. Accrual and other payable**

Accrued interest (refer note 15)	157,978
Other payables	30,046
VAT payable	<u>19,070</u>
	<u>207,094</u>

01 Jan. 2025
to
31 Dec. 2025
AED**12. Revenue**

Consultancy fee	<u>8,153,103</u>
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13. Expenses

Director remuneration (refer note 15)	3,249,996
Depreciation (refer note 6)	28,600
Other administrative expenses (refer note 15)	<u>679,237</u>
	<u>3,957,833</u>

14. Taxation

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("Corporate Tax Law" or "the Law") to enact a Federal Corporate Tax ("CT") regime in the UAE. The CT regime is effective from 1 June 2023 and accordingly, it has an income tax related impact on the financial statements for accounting periods beginning on or after 01 December 2024.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% CT rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 - Income Taxes. 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% will apply on qualifying income of qualifying free zone entities.

SHAILY INNOVATIONS FZCO

Notes to the Financial Statements
for the period ended 31 March 2026

Taxation (contd.)

The Company will be subject to the provisions of the UAE Corporate Tax Law with effect from 1 December 2024, and the possible impact for current and deferred tax shall be accounted for as appropriate in the statement of financial position for the financial period beginning 01 December 2024

	2025
	<u>AED</u>
Accounting profit for the period before tax	4,037,292
Other adjustment	-
Profit before tax after adjustments	4,037,292
Tax at application rate of 0%: up to AED 375,000	-
Tax at application rate of 9%: above AED 375,000	<u>329,606</u>
Current income tax payable	<u>329,606</u>

As at 31 March 2026, current income tax provision amounts to AED 329,606.

15. Related party transactions

For the purpose of these financial statements, parties are considered to be related to the company, if the company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making that party's financial and operating decisions, or vice versa, or where the company and the party are subject to common control or common significant influence. Related party may be individuals or other companies.

The relationship of related parties is as under –

- a) Parent Company
 - Shaily Engineering Plastics Limited, INDIA
- b) Companies with common control.
 - Shaily Innovations Ltd, UK

The nature and amount of significant related parties' transactions during the year are as under:

	<i>Parent company</i>	<i>Common control</i>	<i>Key Management Personnel</i>	<i>Total 2026</i>
	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
Director remuneration (<i>refer note 13</i>)	-	-	3,249,996	3,249,996
Director accommodation expenses (<i>refer note 13</i>)	-	-	122,850	122,850
Finance charges (<i>refer note 11</i>)	123,155	34,823	-	157,978

SHAILY INNOVATIONS FZCO

Notes to the Financial Statements
for the period ended 31 March 2026

Related party transactions (contd.)

At the reporting date the balance with related party was as follows:

	<i>Parent company</i>	<i>Common control</i>	<i>Key Management Personnel</i>	<i>Total 2026</i>
	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
<u>Included under current assets:</u>				
Advance to director (refer note 7)	-	-	2,974,725	2,974,725
Other receivable (refer note 7)	-	-	2,475	2,475
<u>Included under current liabilities:</u>				
Unsecured loan (refer note 10)	3,672,500	2,434,958	-	6,107,458
Interest payable (refer note 11)	123,155	34,823	-	157,978
Due to Shaily Engineering Plastics Limited	113,007	-	-	113,007

16. Financial instruments: Fair values

The fair values of the company's financial assets, comprising of trade and other receivables, due from related parties and bank balances and financial liabilities, comprising of trade and other payables and bank borrowings approximate to their carrying values.

17. Financial instruments

The company has exposure to the following risks from its use of financial instruments:

- a) Credit risk
 - b) Market risk
 - c) Liquidity risk
- a) **Credit risk**

Financial assets, which potentially expose the company to concentrations of credit risk comprise principally of bank balance, due from related parties and trade and other receivables.

Bank balances

The company's bank balances in current is placed with high credit quality financial institutions.

Trade and other receivables

As at reporting date, the company's exposure on account of significant concentration of credit risk outside U.A.E. amounts to AED 4,135,156 /- from four customers and Within UAE amounts to AED 485,774 /- from one customer

There is no significant concentration of credit risk from trade receivables outside the industry in which the company operates.

SHAILY INNOVATIONS FZCO

Notes to the Financial Statements for the period ended 31 March 2026

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as exchange rate risk, interest rate risk or other price risk, which will affect the company's income or the value of its holding of financial instruments.

Interest rate risk

Due to fixed rate of borrowings, the interest rate risk is minimal.

Exchange rate risk

Except for the following balances outstanding as at the reporting date, there are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which the U.A.E. Dirham is fixed:

	<i>Currency</i>	<i>2025 Equivalent AED</i>
Foreign currency financial liabilities:		
Unsecured loan	GBP	2,434,958

c) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the shareholders and the management who ensure that sufficient funds are made available to the company to meet any future commitments.

18. Contingent liability

There was no contingent liability of significant amount at the reporting date.

19. Comparative figures

This is the first financial period of the company and hence there are no comparative figures.