

Blue Water Trading & Treatment (FZE) (under liquidation)  
Sharjah Airport International Free Zone  
Sharjah - United Arab Emirates

Auditor's Report and Financial Statements  
For the year ended March 31, 2025



**Blue Water Trading & Treatment (FZE) (under liquidation)**

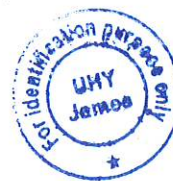
Sharjah Airport International Free Zone

Sharjah - United Arab Emirates

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Ref: JM/AR/2025/25443

**Independent Auditor's Report**

To,

The Shareholder

**M/s. Blue Water Trading & Treatment (FZE) (under liquidation)**

Sharjah Airport International Free Zone

Sharjah - United Arab Emirates

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **M/s. Blue Water Trading & Treatment (FZE) (under liquidation)** (the "Entity") which comprise the statement of net assets in liquidation as at March 31, 2025 and the statements of profit or loss and comprehensive income, changes in net assets attributable, cash flows for the year ended and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2025 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting 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 Entity in accordance with the requirements of International Code of Ethics for Professional Accountants (including International Independence Standards), issued by International Ethics Standards Board for Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, 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.

**Emphasis of Matter - Discontinued Operations**

We draw attention to note 2 to the financial statements which explains that the shareholder made a resolution on February 13, 2025 to discontinue the operations of the Entity and to initiate the liquidation process voluntarily. As a result, the going concern assumption is no longer valid for the Entity and therefore, these financial statements have been prepared on the basis of accounting convention of realisable/settlement values of assets and liabilities. Our opinion is not modified in respect of this matter.

**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 IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), and their preparation in compliance with the requirements of applicable provisions of the Emiri Decree No. (2) of 1995 issued on May 08, 1995 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.

**Independent Auditor's Report to the Shareholder of Blue Water Trading & Treatment (FZE) (under liquidation)  
(continued)**

**Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)**

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Entity's financial reporting process.

**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 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 judgement 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 Entity'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 Entity'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 Entity to cease to continue as a going concern. Since the shareholder decided to liquidate the Entity and are in process of liquidating the Entity, we concluded that the management has appropriately prepared the financial statements on a basis other than 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.

**Independent Auditor's Report to the Shareholder of Blue Water Trading & Treatment (FZE) (under liquidation)  
(continued)**

**Report on Other Legal and Regulatory Requirements**

Further, as required by the Emiri Decree No. (2) of 1995 issued on May 08, 1995, we confirm that:

- 1 We have obtained all the information and explanations which we consider necessary for our audit.
- 2 The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Emiri Decree No. (2) of 1995 issued on May 08, 1995 and the Memorandum and Articles of Association of the Entity.
- 3 Proper books of accounts have been maintained by the Entity.
- 4 Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Entity has contravened, during the financial year ended March 31, 2025 any of the applicable provisions of the Emiri Decree No. (2) of 1995 issued on May 08, 1995 or the Memorandum and Articles of Association of the Entity, which would materially affect its activities or its financial position as at March 31, 2025.

**For UHY James Chartered Accountants LLC**



James Mathew FCA, CPA

Managing Partner

Reg. No. 548

May 20, 2025

Dubai - United Arab Emirates



**Blue Water Trading & Treatment (FZE) (under liquidation)**  
Sharjah Airport International Free Zone  
Sharjah - United Arab Emirates

Statement of Net Assets in Liquidation as at March 31, 2025  
(In Arab Emirates Dirham)

	Notes	2025	2024
<b>Assets</b>			
<i>Non current assets</i>			
Property, plant and equipment		-	13,100,680
Other financial assets		-	84,825
<i>Total non-current assets</i>		-	13,185,505
<i>Current assets</i>			
Other financial assets	8	84,825	-
Due from related parties	17	1,348,369	1,348,369
Cash and bank balances	9	5,943	3,399
Fixed deposits	10	2,731,056	2,153,161
Prepayments, advances and other receivable	11	326,906	1,112,344
Other financial assets	12	88,642	92,772
Non-current assets held for sale	7	3,649,561	-
<i>Total current assets</i>		8,235,302	4,710,045
<b>Total assets</b>		<b>8,235,302</b>	<b>17,895,550</b>
<b>Equity and liabilities</b>			
<i>Equity</i>			
Share capital	13	150,000	150,000
Retained earnings	14	3,293,007	12,626,602
<i>Total equity</i>		<b>3,443,007</b>	<b>12,776,602</b>
<i>Non- current liabilities</i>			
Employee's end of service benefits		-	509,673
<i>Total non- current liabilities</i>		-	509,673
<i>Current liabilities</i>			
Trade and other payables	18	637,568	939,275
Borrowings	16	4,154,727	3,670,000
<i>Total current liabilities</i>		<b>4,792,295</b>	<b>4,609,275</b>
<b>Total liabilities</b>		<b>4,792,295</b>	<b>5,118,948</b>
<b>Total equity and liabilities</b>		<b>8,235,302</b>	<b>17,895,550</b>

The accompanying notes from page 8 to 25 form an integral part of these financial statements.

The report of the auditor is set out on pages 1 to 3.

The financial statements on pages 4 to 25 were approved on May 20, 2025 and signed on behalf of the Entity, by:



**Mr. Ashish Singal**  
Manager



**Blue Water Trading & Treatment (FZE) (under liquidation)**

Sharjah Airport International Free Zone

Sharjah - United Arab Emirates

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

(In Arab Emirates Dirham)

	Notes	2025	2024
<b>Discontinued operations</b>			
Revenue	19	-	26,535,211
Other income	20	<u>3,223,031</u>	<u>3,102,320</u>
<b>Total income</b>		<u>3,223,031</u>	<u>29,637,531</u>
<b>Expenses</b>			
Cost of raw materials consumed	21 (i)	-	(16,950,075)
Decrease in inventories of finished goods	21 (ii)	-	(6,173,470)
Employee benefits expenses	22	-	(1,955,168)
Finance costs	23	(237,514)	(446,457)
Depreciation expense	24	(1,943,354)	(2,478,980)
Administrative expenses	25	<u>(835,153)</u>	<u>(1,290,036)</u>
		<u>(3,016,021)</u>	<u>(29,294,186)</u>
<b>Profit for the year</b>		<b>207,010</b>	<b>343,345</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u><b>207,010</b></u>	<u><b>343,345</b></u>

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**Blue Water Trading & Treatment (FZE) (under liquidation)**  
Sharjah Airport International Free Zone  
Sharjah - United Arab Emirates

**Statement of Changes in Net Assets Attributable for the year ended March 31, 2025**  
(In Arab Emirates Dirham)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance as at April 01, 2023	150,000	42,830,257	42,980,257
Profit for the year	-	343,345	343,345
Dividend		(30,547,000)	(30,547,000)
Balance as at March 31, 2024	150,000	12,626,602	12,776,602
Profit for the year	-	207,010	207,010
Dividend	-	(9,540,605)	(9,540,605)
<b>Balance as at March 31, 2025</b>	<b>150,000</b>	<b>3,293,007</b>	<b>3,443,007</b>

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**Blue Water Trading & Treatment (FZE) (under liquidation)**

Sharjah Airport International Free Zone

Sharjah - United Arab Emirates

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

(In Arab Emirates Dirham)

	2025	2024
<b>Cash flows from operating activities</b>		
Profit for the year	207,010	343,345
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	1,943,354	2,478,980
Provision for employee's end of service benefits	-	509,673
Interest income	(94,915)	(80,921)
Other income	(3,123,015)	-
Finance costs	237,514	446,457
Liabilities written off	(5,101)	-
<b>Operating (loss)/profit before changes in operating assets and liabilities</b>	<b>(835,153)</b>	<b>3,697,534</b>
<i>(Increase)/decrease in current assets</i>		
Inventories	-	17,206,170
Accounts receivable	650,000	(26,239,465)
Prepayments, advances and deposits	785,438	685,607
Other financial assets	4,130	20,075
Provision for employee's end of service benefits	(509,673)	-
<i>Increase/(decrease) in current liabilities</i>		
Trade and other payables	(296,606)	(757,466)
<b>Cash (used in) operations</b>	<b>(201,864)</b>	<b>(5,387,545)</b>
Interest received	50,363	10,134
<b>Net cash (used in) operating activities</b>	<b>(151,501)</b>	<b>(5,377,411)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	-	(44,487)
Movement in fixed deposit	(577,895)	5,501,288
<b>Net cash (used in)/from investing activities</b>	<b>(577,895)</b>	<b>5,456,801</b>
<b>Cash flows from financing activities</b>		
Borrowings	484,727	(3,401,711)
Finance costs paid	(237,514)	(446,457)
<b>Net cash from/(used in) financing activities</b>	<b>247,213</b>	<b>(3,848,168)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(482,183)</b>	<b>(3,768,778)</b>
Cash and cash equivalents at the beginning of the year	3,399	3,772,177
<b>Cash and cash equivalents at the end of the year (note 9)</b>	<b>(478,784)</b>	<b>3,399</b>
<b>Cash and cash equivalents</b>		
Cash on hand (note 9)	175	175
Cash at banks (note 9)	5,768	3,224
Bank overdrafts (note 16)	(484,727)	-
	<b>(478,784)</b>	<b>3,399</b>
<b>Significant non-cash transactions:</b>		
<b>Significant non-cash transactions from financing activities:</b>		
Dividend payable adjusted with related party balances	9,540,605	-

The accompanying notes from page 8 to 25 form an integral part of these financial statements.

The report of the auditor is set out on pages 1 to 3.



**Blue Water Trading & Treatment (FZE) (under liquidation)**

Sharjah Airport International Free Zone

Sharjah - United Arab Emirates

Notes to the Financial Statements for the year ended March 31, 2025

**1 Legal status and business activities**

- 1.1** M/s. Blue Water Trading & Treatment (FZE), Sharjah International Airport Free Zone, Sharjah - United Arab Emirates (the "Entity") was incorporated on July 03, 2006 as a Free Zone Establishment with Limited Liability and operates in the United Arab Emirates under Commercial license no. 04119 and Industrial license no. 04769 issued by Sharjah Airport International Free Zone, Government of Sharjah, Sharjah - United Arab Emirates.
- 1.2** The Entity is licensed to engage in trading in water treatment equipment and manufacturing of water filters.
- 1.3** The registered office of the Entity is SAIF Executive Office, P6-051 & 052, P.O. Box: 120523, Sharjah - United Arab Emirates.
- 1.4** The management and control of the Entity is vested with the with the Manager, Mr. Ashish Singhal (Indian national).

**2 Discontinued Operations**

As per the Shareholder's Resolution passed on February 13, 2025, it was decided to discontinue the operations of the Entity voluntarily. The legal formalities are in process as at the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a non-going concern basis.

**3 New standards and amendments**

**3.1 New standards and amendments applicable as on April 01, 2024**

The following standards and amendments apply for the first time to the financial reporting periods commencing on or after April 01, 2024.

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16
- Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The management believes that the adoption of the above amendments effective for the current accounting period has not had any material impact on the recognition, measurement, presentation and disclosure of items in the separate financial statements.

**3.2 Changes in the accounting policies and disclosures**

**New standards, interpretations and amendments adopted by the Entity**

**a) Adoption of Income Taxes - IAS 12**

On December 09, 2022, the United Arab Emirates (U.A.E) Ministry of Finance ("MoF") released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the U.A.E. The new CT regime has become effective for accounting periods beginning on or after June 01, 2023 having effective rate of 9%. The Entity adopted IAS 12 with the date of initial application of April 01, 2024. There is no impact of IAS 12 application on the opening balances or retained earnings as per the U.A.E. CT Law.

M/s. Blue Water Trading & Treatment (FZE) (the "Entity") is eligible to claim a 0% tax benefit available to qualifying free zone entities, as it meets all conditions outlined in Article 18 of Federal Decree Law No. 47 of 2022 on the taxation of corporations and businesses, in conjunction with Cabinet Decision No. 100 of 2023 and Ministerial Decision No. 265 of 2023.



**Blue Water Trading & Treatment (FZE) (under liquidation)**

Sharjah Airport International Free Zone

Sharjah - United Arab Emirates

Notes to the Financial Statements for the year ended March 31, 2025

**3 New standards and amendments (continued)**

**3.2 Changes in the accounting policies and disclosures (continued)**

**New standards, interpretations and amendments adopted by the Entity (continued)**

**b) Accounting policy related to Income Taxes - IAS 12**

**Current tax assets and liabilities**

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset. The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax liabilities/assets for the current and prior periods are measured at the amount expected to be paid to/recovered from the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

**Deferred tax assets and liabilities**

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). Deferred taxes are recognized using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amount used for taxation purposes (tax base of the asset or liability). The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantially enacted by the reporting date.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of the dividends are recognised at the same time when the liability to pay the related dividend is recognised.

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

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

**Tax expenses**

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.



**Blue Water Trading & Treatment (FZE) (under liquidation)**

Sharjah Airport International Free Zone

Sharjah - United Arab Emirates

Notes to the Financial Statements for the year ended March 31, 2025

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**3 New standards and amendments (continued)**

**3.3 New standards and amendments issued but not effective for the current annual period**

The following standards and interpretations had been issued but not yet mandatory for annual reporting periods ending March 31, 2025.

- Amendments to IAS 21 - Lack of Exchangeability
- IFRS 18 Presentation and Disclosures in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

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.

**4 Statement of compliance**

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and applicable U.A.E. laws. These financial statements are presented in Arab Emirates Dirham (AED) which is the Entity's functional and presentation currency.

**5 Basis of preparation**

These financial statements are prepared on the basis of the accounting convention of realisable/settlement values of assets and liabilities whereby assets are carried at amount of cash and cash equivalents that could currently be obtained by selling the assets in an orderly disposal and liabilities are carried at the undiscounted amounts of cash or cash equivalents expected to be paid to satisfy the liabilities in the normal course of business. Realisable/settlement values of assets and liabilities are based on the management's best estimate considering any impairment to the historical cost and presented as current assets and current liabilities.

The principal accounting policies applied in these financial statements are set out as follows.

**6 Material accounting policies**

**6.1 Current/non-current classification**

The Entity presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in normal operating cycle or held primarily for the purpose of trading or expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Entity classifies all other liabilities as non-current.

**6.2 Fair value measurement**

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.



**Blue Water Trading & Treatment (FZE) (under liquidation)**

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Notes to the Financial Statements for the year ended March 31, 2025

**6 Material accounting policies (continued)**

**6.2 Fair value measurement (continued)**

The principal or the most advantageous market must be accessible to by the Entity.

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

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

**6.3 Foreign currency**

The transactions in currencies other than the Entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. The non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit or loss and other comprehensive income in the period in which they arise.

**6.4 Non-current assets held for sale**

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

**6.5 Financial instruments**

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instrument.

**Financial assets**

Classification

The Entity classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI "FVTOCI", or through profit or loss "FVTPL"), and
- those to be measured at amortised cost.

The classification depends on the Entity's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

At initial recognition, the Entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the statement of profit or loss and other comprehensive income.

Financial assets comprise of cash and cash equivalents, due from related parties, other receivables, fixed deposits and other financial assets.



**Blue Water Trading & Treatment (FZE) (under liquidation)**

Sharjah Airport International Free Zone

Sharjah - United Arab Emirates

Notes to the Financial Statements for the year ended March 31, 2025

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**6 Material accounting policies (continued)**

**6.5 Financial instruments (continued)**

**Financial assets (continued)**

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and current account with banks.

Other receivables

Other receivables balances that are held to collect are subsequently measured at the lower of amortized cost or the present value of estimated future cash flows. The present value of estimated future cash flows is determined through the use of value adjustments for uncollectable amounts. The Entity assesses on a forward-looking basis the expected credit losses associated with its other receivables and adjusts the value to the expected collectible amounts.

Other receivables are written off when they are deemed uncollectible because of bankruptcy or other forms of receivership of the debtors. The assessment of expected credit losses on other receivables takes into account credit-risk concentration, collective debt risk based on average historical losses, specific circumstances such as serious adverse economic conditions in a specific country or region and other forward-looking information.

Due from related parties

Amounts due from related parties are measured at amortised cost.

Fixed deposits

Fixed deposits are stated at amortised cost.

Other financial assets

Other financial assets include both debt instrument and equity instruments. Debt instruments include those subsequently carried at amortized cost, those carried at FVTPL and those carried at FVTOCI.

Impairment of financial assets

For other receivables and due from related parties, the Entity applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets

The Entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognises its retained interest in the asset and an associated liability for the amounts, it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognise the financial asset.

**Financial liabilities**

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. The Entity's financial liabilities include trade and other payables and loans and other borrowings including bank overdraft.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.



**Blue Water Trading & Treatment (FZE) (under liquidation)**

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Notes to the Financial Statements for the year ended March 31, 2025

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**6 Material accounting policies (continued)**

**6.5 Financial instruments (continued)**

**Financial liabilities (continued)**

Loans and other borrowings

Loans and other borrowings are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted on accrual basis and are added to the carrying value of the instruments to the extent that they are not settled in the period in which they arise.

Derecognition of financial liabilities

The Entity derecognises financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or they expire. 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 recognised in the statement of profit or loss and other comprehensive income.

**6.6 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**6.7 Provisions**

Provisions are recognised when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**6.8 Employees' end of service benefits**

The Entity provides end of service benefits to its expatriate employees. The entitlement to these benefits is usually based upon the employees' final salary and length of service subject to the completion of a minimum service period as per the U.A.E laws. The expected costs of these benefits are accrued over the period of employment.

**6.9 Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Entity expects to be entitled in exchange for those goods or services. The Entity recognises revenue from contracts with customers based on a five step model as set out in IFRS 15:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.



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**6 Material accounting policies (continued)**

**6.9 Revenue recognition (continued)**

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Entity allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Entity expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Entity satisfies a performance obligation.

Sale of goods

Revenue from the sale of goods in normal course of business is recognised at a point in time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration to which the Entity expects to be entitled in exchange for transferring promised goods or services to the customer.

The consideration expected by the Entity may include fixed or variable amounts which can be impacted by sales returns, trade discounts and volume rebates. Revenue for the sale of goods is recognized when control of the asset is transferred to the buyer and only when it is highly probable that a significant reversal of revenue will not occur when uncertainties related to a variable consideration are resolved.

Transfer of control varies depending on the individual terms of the contract of sale. Revenue from transactions that have distinct goods or services are accounted for ly based on their stand-alone selling prices. Revenue is recorded net of Value Added Tax (VAT). A variable consideration is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

For products for which a right of return exists during a defined period, revenue recognition is determined based on the historical pattern of actual returns, or in cases where such information is not available, revenue recognition is postponed until the return period has lapsed.

**6.9.1 Performance obligations**

Information about the Entity's performance obligations are summarised as follows:

Sale of goods

Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been handed over to the customer, the risks of obsolescence and loss have been transferred to the customer and the customer has accepted the products.

**6.10 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Entity's accounting policies, which are described in policy notes, the management are required to make judgements, 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 recognised 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.

The significant judgments and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described as follows.



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**6 Material accounting policies (continued)**

**6.10 Critical accounting judgements and key sources of estimation uncertainty (continued)**

**Critical judgements in applying accounting policies**

In the process of applying the Entity's accounting policies, which are described above, and due to the nature of operations, management makes the following judgement that has the most significant effect on the amounts recognised in the financial statements.

*Determining the timing of satisfaction of performance obligations - revenue recognition*

In making their judgement, the Entity considers the detailed criteria for the recognition of revenue set out in IFRS 15, and in particular, whether the Entity has transferred control of the services to the customer. The management is satisfied that control has been transferred and that recognition of revenue in the current year is appropriate.

**Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, 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 as follows.

*Impairment of financial assets*

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Entity uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Entity's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the relevant notes to the financial statements.



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<b>7 Non-current assets held for sale</b>	<b>Plant and machinery</b>	<b>Vehicles</b>	<b>Office equipment</b>	<b>Furniture and fixtures</b>	<b>Total</b>
<b>Cost</b>					
As at April 01, 2023	35,578,054	136,600	470,138	929,171	37,113,963
Additions during the year	29,290	-	15,197	-	44,487
As at March 31, 2024	35,607,344	136,600	485,335	929,171	37,158,450
Transfer to related party (note 17)*	(28,727,366)	(136,600)	(485,335)	(929,171)	(30,278,472)
<b>As at March 31, 2025</b>	<b>6,879,978</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,879,978</b>
<b>Accumulated depreciation</b>					
As at April 01, 2023	20,411,536	57,420	416,227	693,607	21,578,790
Charge for the year (note 24)	2,245,723	49,799	42,763	140,695	2,478,980
As at March 31, 2024	22,657,259	107,219	458,990	834,302	24,057,770
Charge for the year (note 24)	1,879,826	7,645	13,452	42,432	1,943,355
Transfer to related party (note 17)*	(21,306,668)	(114,864)	(472,442)	(876,734)	(22,770,708)
<b>As at March 31, 2025</b>	<b>3,230,417</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,230,417</b>
<b>Carrying value as at March 31, 2025</b>	<b>3,649,561</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,649,561</b>
Carrying value as at March 31, 2024	12,950,085	29,381	26,345	94,869	13,100,680

Note:

\* Asset has been transferred to M/s. Concord Enviro FZE, Sharjah - U.A.E on March 31, 2025 at fair value.



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<b>8 Other financial assets</b>	<b>2025</b>	<b>2024</b>
Deposits - unsecured	<u>84,825</u>	<u>84,825</u>
<b>9 Cash and bank balances</b>	<b>2025</b>	<b>2024</b>
Cash on hand	<u>175</u>	<u>175</u>
Cash at banks	<u>5,768</u>	<u>3,224</u>
	<u>5,943</u>	<u>3,399</u>

Management has concluded that the Expected Credit Loss (ECL) for all bank balances is immaterial as these balances are held with banks/financial institutions whose credit risk rating by international rating agencies has been assessed as low.

<b>10 Fixed deposits</b>	<b>2025</b>	<b>2024</b>
Fixed deposits - under lien (*)	<u>2,731,056</u>	<u>2,153,161</u>

\* Fixed deposits of AED 2,731,056 (including accrued interest) is pledged in favour of National Bank of Fujairah, Sharjah - U.A.E.

<b>11 Prepayments, advances and other receivable</b>	<b>2025</b>	<b>2024</b>
Due from a shareholder (note 17)	-	650,000
Advance paid to suppliers	55,064	149,600
Prepayments	21,127	76,119
VAT receivable - net	<u>250,715</u>	<u>236,625</u>
	<u>326,906</u>	<u>1,112,344</u>

<b>12 Other financial assets</b>	<b>2025</b>	<b>2024</b>
Security deposits	835	21,985
Interest accrued on fixed deposits with banks	<u>87,807</u>	<u>70,787</u>
	<u>88,642</u>	<u>92,772</u>

**13 Share capital**

Authorised, issued and paid up capital of the Entity is AED 150,000 divided into 1 share of AED 150,000 each fully paid.

The details of the shareholding as at the reporting date are as follows:

<u>Name of the shareholder</u>	<u>Domicile</u>	<u>Percentage</u>	<u>No. of share</u>	<u>2025</u>	<u>2024</u>
M/s. Concord Enviro (FZE) (Represented by Mr. Prerak Goel, Indian national)	U.A.E.	<u>100</u>	<u>1</u>	<u>150,000</u>	<u>150,000</u>
<b>14 Retained earnings</b>				<b>2025</b>	<b>2024</b>
Balance at the beginning of the year				12,626,602	42,830,257
Profit for the year				207,010	343,345
Dividend (*) (note 17)				<u>(9,540,605)</u>	<u>(30,547,000)</u>
Balance at the end of the year				<u>3,293,007</u>	<u>12,626,602</u>



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**14 Retained earnings (continued)**

\* During the previous year, the Board of Directors of the Entity passed a resolution in their meeting held on March 31, 2025, to declare and pay dividend amounting to AED 9,540,605. This dividend was executed as a non-cash transaction and adjusted against the total balance of the Parent Entity as at March 31, 2025.

**15 Employees' end of service benefits**

	2025	2024
Balance at the beginning of the year	509,673	-
Add: Charge for the year (note 22)	-	509,673
Less: Transferred during the year	(509,673)	-
Balance at the end of the year	-	509,673

Amounts required to cover end of service indemnity at the statement of financial position date are computed pursuant to the applicable Labour Law based on the employees' accumulated period of service and current basic remuneration at the end of reporting period.

**16 Borrowings****a) Unsecured borrowings**

M/s. AF Holdings - Mauritius

Balance at the end of the year	3,670,000	3,670,000
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**b) Short term borrowings**

Trust receipts - National Bank of Fujairah, Sharjah - U.A.E.

Balance at the beginning of the year	-	3,401,711
Received during the year	-	-
Repaid during the year	-	(3,401,711)
Balance at the end of the year	-	-

**c) Due to banks**

Bank overdrafts

	484,727	-
<b>Total borrowings</b> (a+b+c)	<b>4,154,727</b>	<b>3,670,000</b>

i) The terms and conditions for the unsecured loan are as follows:

- 1 Unsecured loan obtained from a related party, M/s. AF Holdings ("lender") organized under the laws of Mauritius, and having its principal place of business at c/o M/s. International Financial Services Limited, IFS Court, Bank Street, TwentyEight Cybercity, Ebene 72201, Republic of Mauritius - Mauritius.
- 2 In the previous reporting year, extension letter dated October 26, 2023 signed by the lender, states the rate of interest is fixed @ 8% p.a. compounded and payable in USD on semi-annual basis from November 01, 2022 (rate of interest prior to November 01, 2022 was 8.80% p.a. compounded and payable in USD on semi-annual basis).

ii) Business loans and overdraft facility from National Bank of Fujairah is secured by the following:

- 1 Joint and several personal guarantees of Mr. Ashish Singal and Mr. Prerak Goel (the "Guarantors").
- 2 Cross corporate guarantees between M/s. Blue Water Trading & Treatment (FZE) and M/s. Concord Enviro (FZE), SAIF Zone, Sharjah - U.A.E. (the "Guarantors").



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**16 Borrowings (continued)**

ii) Business loans and overdraft facility from National Bank of Fujairah is secured by the following (continued):

- 3 Pledge over fixed deposit of AED 2,731,056 (including accrued loan) in the name of M/s. Blue Water Trading & Treatment (FZE), in favour of National Bank of Fujairah, Sharjah - U.A.E.
- 4 Settlement cheque covering total facilities amount (less fixed deposit under pledge) drawn on National Bank of Fujairah, Sharjah - U.A.E.

**17 Related party balances and transactions**

The Entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related Party Disclosures. Such balances and transactions are in the normal course of business and at terms that correspond to those on normal arms-length transactions with third parties. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

a) Balances with related parties	2025	2024
- Due from related parties (included in other receivables) (note 11)		
Shareholder		
M/s. Concord Enviro (FZE), Sharjah - U.A.E.	-	650,000
Entity under common management and control		
M/s. Rochem Separation Systems (India) Private Limited - India	1,348,369	1,348,369
	<u>1,348,369</u>	<u>1,998,369</u>
- Due to a related party (included in borrowings) (note 16)		
Entity having significant influence		
M/s. AF Holdings - Mauritius	3,670,000	3,670,000

**b) Transactions with related parties**

The nature of significant related party transactions and the amounts involved were as follows:

	For the year ended March 31,	
	2025	2024
Shareholder		
Dividend (note 14)		
M/s. Concord Enviro FZE, Sharjah - U.A.E.	9,540,605	30,547,000
Purchase of goods		
M/s. Concord Enviro FZE, Sharjah - U.A.E.	-	4,646,387
Sale of goods (Within U.A.E) (note 19)		
M/s. Concord Enviro FZE, Sharjah - U.A.E.	-	17,601,747
Provision for end of service benefits		
M/s. Concord Enviro FZE, Sharjah - U.A.E.	509,673	-
Expenses recharged to the shareholder (note 20)		
M/s. Concord Enviro FZE, Sharjah - U.A.E.	843,015	2,850,000
Transfer of fixed assets		
M/s. Concord Enviro FZE, Sharjah - U.A.E.	7,507,764	-
Machinery rental income (note 20)		
M/s. Concord Enviro FZE, Sharjah - U.A.E.	2,280,000	-



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**17 Related party balances and transactions (continued)****b) Transactions with related parties (continued)***Entities under common management and control*

Interest expense on unsecured borrowings (note 23)

M/s. AF Holdings, Mauritius

Sale of goods (Outside U.A.E) (note 19)

M/s. Rochem Separation Systems (India) Private Limited - India

Purchase of goods

M/s. WHE Systems FZC, Sharjah- U.A.E

**18 Trade and other payables**

Trade payables

Other payables

**19 Revenue**

Revenue from contracts with customers

**19.1 Disaggregated revenue information**

Set out below is the disaggregation of the Entity's revenue from contracts with customers.

**Segments****Type of revenue**

Sale of goods

Total revenue from contracts with customers

**Geographical markets**

Within U.A.E. (note 17)

Outside U.A.E. (note 17)

Total revenue from contracts with customers

**Timing of revenue recognition**

Goods transferred at a point in time

Total revenue from contracts with customers

**20 Other income**

Machinery rental income (note 17)

Expenses recharged to the shareholder (note 17) (\*)

Interest income

Liabilities written back

Net gain on foreign exchange

**For the year ended March 31,****2025****2024****221,205****294,203****-****8,933,464****-****404,537****2025****2024****31,764****442,495****605,804****-****637,568****442,495****For the year ended March 31,****2025****2024****-****26,535,211****-****26,535,211****-****26,535,211****-****17,601,747****-****8,933,464****-****26,535,211****-****26,535,211****-****26,535,211****For the year ended March 31,****2025****2024****2,280,000****-****843,015****2,850,000****94,915****80,921****5,101****138,893****-****32,506****3,223,031****3,102,320**

\* The Entity has incurred expenses related to freight charges, employee benefit expenses, bank charges, interest expenses, legal and professional fees, power and water charges, rent, repairs and maintenance which are recharged at cost to the shareholder, M/s. Concord Enviro (FZE), Sharjah - United Arab Emirates.



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		For the year ended March 31,	
		2025	2024
<b>21 (i) Cost of raw materials consumed</b>			
Raw materials at the beginning of the year	-	11,032,700	
Add: Purchases	-	5,890,785	
Direct expenses	-	26,590	
	-	16,950,075	
<b>(ii) Decrease in inventories of finished goods</b>			
Finished goods at the end of the year	-	6,173,470	
<b>22 Employee benefit expenses</b>			
Salaries and other related benefits	-	1,355,060	
Staff welfare expenses	-	90,435	
Provision for employee's end of service benefits (note 15)	-	509,673	
	-	1,955,168	
<b>23 Finance costs</b>			
Interest expense on unsecured borrowings (note 17)	221,205	294,203	
Interest on short-term borrowings	16,309	152,254	
	237,514	446,457	
<b>24 Depreciation expense</b>			
Depreciation of non-current assets held for sale (note 7)	1,943,354	2,478,980	
<b>25 Administrative expenses</b>			
Rent	306,422	-	
Power and fuel	192,427	175,017	
Travelling expenses	151,430	14,818	
Insurance charges	82,520	53,812	
Professional charges	56,157	361,789	
Bank charges and commission	9,020	20,570	
Telephone and communication charges	6,872	67,056	
Repairs and maintenance	6,770	26,752	
Auditors remuneration	5,000	17,000	
Freight, clearing and forwarding	700	188,633	
Lease rent and license fees	-	283,651	
Consumables	-	2,601	
Advertisement and sales promotion	-	55,110	
Printing and stationery	-	3,767	
Sundry balances written off	-	1,837	
Miscellaneous expenses	17,835	17,623	
	835,153	1,290,036	



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**26 Taxation**

The Entity is eligible to claim a 0% tax benefit available to qualifying free zone entities, as it meets all conditions outlined in Article 18 of Federal Decree Law No. 47 of 2022 on the taxation of corporations and businesses, in conjunction with Cabinet Decision No. 100 of 2023 and Ministerial Decision No. 265 of 2023.

**27 Financial instruments****a) Material accounting policies**

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liabilities are disclosed in note 6 to the financial statements.

**b) Financial assets and financial liabilities**

Below are the principal financial instruments used by the Entity and their categories, from which financial instrument risk arises:

	Amortised cost	
	2025	2024
<i>Financial assets</i>		
Due from related parties	1,348,369	1,348,369
Other financial assets	173,467	177,597
Fixed deposits	2,731,056	2,153,161
Cash and bank balances	5,943	3,399
	<u>4,258,835</u>	<u>3,682,526</u>
<i>Financial liabilities</i>		
Trade and other payables	637,568	939,275
Borrowings	4,154,727	3,670,000
	<u>4,792,295</u>	<u>4,609,275</u>

**c) Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties.

Financial instruments not measured at fair value includes consist of cash and bank balances, due from related parties other financial assets, fixed deposits, trade and other payables and borrowings.

As at the reporting date, financial assets and financial liabilities approximate their carrying values, due to their short term nature

**28 Financial risk management objectives**

The Entity management set out the Entity's overall business strategies and its risk management philosophy. The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Entity. The Entity policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), liquidity risk and credit risk. Periodic reviews are undertaken to ensure that the Entity's policy guidelines are complied with.

There has been no change to the Entity's exposure to these financial risks or the manner in which it manages and measures the risk.



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**28 Financial risk management objectives (continued)**

The Entity is exposed to the following risks related to financial instruments. The Entity has not framed formal risk management policies, however, the risks are monitored by management on a continuous basis. The Entity does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

*a) Foreign currency risk management*

The Entity undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

There are no significant exchange rate risks, as substantially all financial assets and financial liabilities are denominated in Arab Emirates Dirham, other GCC currencies or US Dollar to which the Arab Emirates Dirham is fixed.

*b) Interest rate risk management*

The Entity's exposure to the risk of changes in market interest rates relates primarily to the Entity's borrowings with floating interest rates. The Entity's policy is to manage its interest cost using a mix of fixed and variable rate debts. Interest on financial instruments having floating rates is re-priced at intervals of less than one year and interest on financial instruments having fixed rate is fixed until the maturity of the instrument.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 50 basis point increase or decrease is used for reporting interest rate risk internally to key management and represents management's assessment of the reasonable possible change in interest rates.

*c) Liquidity risk management*

Ultimate responsibility for liquidity risk management rest with the management which has built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk table:

The table on the following page summarises the maturity profile of the Entity's financial assets and financial liabilities. The contractual maturities of the financial assets and financial liabilities have been determined on the basis of the remaining period at the statement of financial position date to the contractual maturity date. The maturity profile of the assets and liabilities at the statement of financial position date based on contractual repayment arrangements were shown on the following page:



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**28 Financial risk management objectives (continued)***c) Liquidity risk management (continued)**Liquidity and interest risk table (continued)*

Particulars	Interest bearing			Non Interest bearing		Total
	On demand or less than 3 months	Within 1 year	More than 1 year	On demand or less than 3 months	Within 1 year	
As at March 31, 2025						
Financial assets						
Accounts receivable	-	-	-	-	1,348,369	1,348,369
Other financial assets	-	-	-	-	173,467	173,467
Fixed deposits	-	-	2,731,056	-	-	2,731,056
Cash and bank balances	-	-	-	5,943	-	5,943
	-	-	2,731,056	5,943	1,521,836	4,258,835
Financial liabilities						
Trade and other payables	-	-	-	-	637,568	637,568
Borrowings	-	4,154,727	-	-	-	4,154,727
	-	4,154,727	-	-	637,568	4,792,295
As at March 31, 2024						
Financial assets						
Accounts receivable	-	-	-	-	1,348,369	1,348,369
Other financial assets	-	-	-	-	177,597	177,597
Fixed deposits	-	-	2,153,161	-	-	2,153,161
Cash and bank balances	-	-	-	3,399	-	3,399
	-	-	2,153,161	3,399	1,525,966	3,682,526
Financial liabilities						
Trade and other payables	-	-	-	-	939,275	939,275
Borrowings	-	3,670,000	-	-	-	3,670,000
	-	3,670,000	-	-	939,275	4,609,275

*d) Credit risk management*

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Entity. The Entity has adopted a policy of only dealing with creditworthy counterparties. The Entity's exposure are continuously monitored and their credit exposure is reviewed by the management regularly.

Further details of credit risks on other receivables are disclosed in note 11 to the financial statements.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amounts of the financial assets recorded in the financial statements, which is net of impairment losses, represents the Entity's maximum exposure to credit risks.



**Blue Water Trading & Treatment (FZE) (under liquidation)**

Sharjah Airport International Free Zone

Sharjah - United Arab Emirates

Notes to the Financial Statements for the year ended March 31, 2025

(In Arab Emirates Dirham)

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**29 Contingent liabilities**

Except for the ongoing business obligations which are under normal course of business, there has been no other known contingent liability on the Entity's financial statements as at the reporting date.

**30 Commitments**

Except for the ongoing business obligations which are under normal course of business, there has been no other known commitment on the Entity's financial statements as at the reporting date.

**31 Comparative figures**

Certain amounts for the prior year were reclassified to conform to current period's presentation. However, such reclassifications do not have any impact on the Entity's previously reported financial result or equity.

