



**Concord Enviro Systems Limited**  
(Formerly known as "Concord Enviro Systems Private Limited")

101, HDIL Towers, Anant Kanekar Marg,  
Bandra East, Mumbai 400051, India.

T +91 22-6704 9000

F +91 22-6704 9010

E [cs@concordenviro.in](mailto:cs@concordenviro.in)

W [www.concordenviro.in](http://www.concordenviro.in)

CIN U45209MH1999PLC120599

## NOTICE

NOTICE is hereby given that the 24<sup>th</sup> Annual General Meeting ("AGM") of CONCORD ENVIRO SYSTEMS LIMITED (Formerly Known as "Concord Enviro Systems Private Limited") will be at the Registered Office of the Company at 101, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai City MH 400051 IN on **Monday, 11<sup>th</sup> September 2023** at 11:00 A.M.

To transact the following businesses: -

### ORDINARY BUSINESS:

1) **ADOPTION OF AUDITED STANDALONE & CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2023, REPORTS OF THE AUDITORS & BOARD OF DIRECTORS**

To receive, consider and adopt the Audited Standalone & Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2023, including the Balance Sheet as at 31<sup>st</sup> March, 2023 and Statement of Profit and Loss account for the Financial Year ending as on that date along with the Report of the Auditor and the Board of Directors Report thereon.

To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

**"RESOLVED THAT** the audited balance sheet as at 31st March 2023, the statement of profit and loss, notes forming part thereof, the cash flow statement for the year ended on that date and the consolidated financial statements together with auditors' report thereon and the Board's report as presented to the meeting be and are hereby approved and adopted."

2) **ELECTION OF MR. RAJESH PAI (DIN: 02930658) AS DIRECTOR LIABLE FOR RETIREMENT BY ROTATION**

To appoint a Director in place of Mr. Rajesh Pail (DIN: 02930658) who retires by rotation and, being eligible, offers himself for reappointment.

**RESOLVED THAT** pursuant to the provisions of section 152 of the Companies Act, 2013 and rules made thereunder (including any statutory modification and re-enactment thereof) and other applicable

provisions, if any of the Companies Act, 2013, Mr. Rajesh R Pai (DIN: 02930658) who is liable to retire by rotation and being eligible has offered himself for appointment, be and is hereby re-appointed as a Non-Executive Director of the Company, liable to retire by rotation.”

**SPECIAL BUSINESS:**

3) **RATIFICATION OF RELATED PARTY TRANSACTIONS OF FY 2022-23**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of section 188 and other applicable provisions, if any of the Companies Act, 2013 and Rules made thereunder, including statutory modification(s) or re-enactment thereof for the time being in force and as may be notified from time to time, consent of the members of the company be and is hereby accorded to the Board of Directors of the company to enter into contract(s)/ arrangement(s)/ transaction(s) with parties as detailed in the table forming part of the Explanatory Statement annexed to this notice with respect to sale, purchase or supply of goods or materials, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or appointment of such parties to any office or place of profit in the company or any other transactions of whatever nature, at arm’s length basis and in the ordinary course of business, notwithstanding that such transactions value not exceeding the threshold limits as may be specified as detailed in the table forming part of the Explanatory Statement up to such extent and on such terms and conditions as specified in the table forming part of the Explanatory Statement annexed to this notice.

**RESOLVED FURTHER THAT** the members hereby ratify the material related party transactions for the financial years 2022-23, at arm’s length basis and in the ordinary course of business, under the existing related party arrangement as detailed in the Explanatory Statement to this Notice.

**RESOLVED FURTHER THAT** the terms and conditions of the transactions with the Related Parties shall be approved by the Audit Committee.”

4) **APPROVE THE PROPOSED RELATED PARTY TRANSACTIONS FOR FY 2023-24**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) (subject to any modification and re-enactment thereof, the consent, sanction, approval of the Shareholders of the Company be and is hereby approved to enter into purchase and or/sale of parts/components/equipment’s/plants from time to time during the period ending on



31st March, 2024 from/to various fellow subsidiary/group companies at market driven price (s) depending upon the quality of products and/or specifications not exceeding forty five percentage of the annual turnover.

**RESOLVED FURTHER THAT** board of Directors of the Company be and is hereby authorized to take such steps as may be necessary in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental theretofore the purpose of giving effects to this resolution.”

5) **REAPPOINTMENT & EXTENSION OF EMPLOYMENT AGREEMENT OF MR. PRAYAS GOEL (DIN: 00348519) MANAGING DIRECTOR OF THE COMPANY**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 read with Schedule V and other provisions, if any, of the Companies Act, 2013 (“the Act’), and the rules made thereunder (including any statutory modification(s) or re-eancatment(s) thereof for the time being in force and Articles of Association of the Company, consent and approval of the Members, be and is hereby accorded for re-appointment of Mr. Prayas Goel (Din:00348519) as the Managing Director of the Company for a period of six months effective from 1st October 2023 till 31st March 2024 including the payment of remuneration to Mr. Prayas Goel on the same terms and conditions as per the employment agreement placed before the committee.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized severally to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution and matters incidental thereto.

6) **REAPPOINTMENT & EXTENSION OF EMPLOYMENT AGREEMENT OF MR. PRERAK GOEL (DIN: 00348563) AS EXECUTIVE DIRECTOR OF THE COMPANY**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 read with Schedule V and other provisions, if any, of the Companies Act, 2013 (“the Act’), and the rules made thereunder (including any statutory modification(s) or re-eancatment(s) thereof for the time being in force and Articles of Association of the Company, consent and approval of the Members, be and is hereby accorded for re-appointment of Mr. Prerak Goel (Din: 00348563) as the Executive Director of the Company for a period of six months effective from 1st October 2023 till 31st March 2024 including the payment of

remuneration to Mr. Prerak Goel on the same terms and conditions as per the employment agreement placed before the committee.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized severally to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution and matters incidental thereto.

By Order of the Board of Directors

A blue ink signature of Prerak Goel.

Prerak Goel  
Director  
DIN: 00348563

Registered Office:  
101, HDIL Towers,  
Anant Kanekar Road,  
Bandra (East),  
Mumbai 400 051  
CIN: U45209MH1999PLC120599

9<sup>th</sup> August 2023



**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
2. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of meeting.
3. The Explanatory Statement in terms of Section 102 of the Companies Act, 2013, relating to special business is annexed to the Notice.
4. The request for consenting the meeting to be held at shorter period has been attached thereto.
5. All documents referred to in the notice and the explanatory statement annexed hereto are open for inspection at the Registered Office of the Company on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual Ordinary General Meeting.
6. For the convenience of the shareholders, attendance slip is annexed to this notice and Shareholders/Proxies/Authorised Representatives are requested to fill in, affix their signatures at the space provided therein, and surrender the same at the venue. Proxy/Authorised Representative of a shareholder should state on the attendance slip as 'Proxy' or 'Authorised Representative' as the case may be. Shareholders / Proxies / Authorised Representatives may note that the admission to the meeting will be subject to verification / checks, as may be deemed necessary and they are advised to carry valid proof of identity viz., Voters ID Card / Employer Identity Card / Pan Card / Passport / Driving license etc. Entry to the venue will be permitted only on the basis of valid Attendance Slip

### **ANNEXURE TO NOTICE**

The following is the explanatory statement pursuant to Section 102 of the Companies Act, 2013.

#### **Explanatory Statement:**

#### **ITEM NOS. 3:**

The Company has entered into transactions over a period of time with Related Parties. A statement giving brief summary of these transactions and threshold limit as given below.

#### **Transaction during the year with related party:**

(In millions)			
S.No	Nature of the transaction	Name of the related party	Amount as on 31st March 2023
1.	Sale of goods	Rochem Separation Systems (India) Private Limited	21.14
2.	Service Charges	-Reva Enviro Systems Private Limited - Rochem Services Private Limited	6.23 12.37
3.	Interest Income	-Reva Enviro Systems Private Limited - Rochem Services Private Limited	0.75 0.07
4.	Sale of Service	Concord Enviro FZE	16.71
5.	Rent expenses	Concord Shipping Private Limited	0.06
6.	Corporate guarantee charges	Concord Shipping Private Limited	0.10
7.	Corporate guarantee commission	-Rochem Separation Systems (India) Private Limited - Concord Enviro FZE - Roserve Enviro Private Limited - Concord Shipping Private Limited - Rochem Green Energy Private Limited	6.58 0.66 0.55 0.13 0.17

The transactions as mentioned above were in the Ordinary course of business and at Arm's Length price. The Audit Committee & the Board of Directors of the Company have considered these Contracts / Arrangement and limits at their respective meetings and ratified and approved the Contracts/ Arrangements with the Related Party (ies) and have also decided to seek ratification and approval of Shareholders pursuant to Section 188 of the Act, read with the Companies (Meetings of Board and its Powers) Rules, 2014.

Members are hereby informed that pursuant to second proviso of Section 188 of the Act, no member of the Company shall vote on the resolution to approve any contract or arrangement which may be entered into by the Company if such member is a related party.

The Board of Directors of the Company recommends the Ordinary Resolution as set out at Item No.4 in the accompanying Notice for ratification and approval of the members.

None of Director, key managerial personnel and their relatives, is concerned or interested in the said resolution except to the extent of their directorship and shareholding in the Company.

#### ITEM NOs. 4:

Pursuant to the provisions of Section 188 of the Companies Act, 2013 and Rules made thereunder, a list of proposed related party transactions to be entered into during FY 2023-24 is given below. Members are requested to consider and approve the proposed limits.

#### Transactions during the year with Holding Company (Concord Enviro Systems Limited)

(In millions)

S.No	Nature of the transaction	Name of the related party	Proposed Limit approved for FY 2023-24
1	Sale of goods	Rochem Separation Systems (India) Private Limited	400
2	Service Charges	Reva Enviro Systems Private Limited	20
		Rochem Services Private Limited	20
3	Interest Income	Reva Enviro Systems Private Limited	2
		Rochem Services Private Limited	2
4	Sale of service	Concord Enviro FZE	20
5	Rent Expenses	Concord Shipping Private Limited	0.06
6	Corporate guarantee charges	Concord Shipping Private Limited	0.10
7	Corporate guarantee commission	-Rochem Separation Systems (India) Private Limited	21
		- Concord Enviro FZE	0.66
		- Roserve Enviro Private Limited	1.5
		-Concord Shipping Private Limited	0.13
		-Rochem Green Energy Private Limited	0.17

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in these Resolutions. The Board recommends the resolution as set out in item no.4 for your approval.



**ITEM NOs. 5:**

The Board of Directors, at their meeting held on 9<sup>th</sup> August, 2023 on the recommendation of the Nomination and Remuneration Committee, approved the appointment of Mr. Prayas Goel as a Managing Director of the Company for the period of Six months w.e.f. 1st October, 2023 till 31<sup>st</sup> March 2024, along with managerial remuneration of Rs. 1,00,000/- p.m. The perquisites shall be evaluated as per the Income Tax Rules, wherever applicable, and in the absence of any such rules, the perquisites shall be evaluated at actual cost.

Mr. Prayas Goel has been associated with the Company for more than 15 years. He holds a bachelor's degree in mechanical engineering from University of Mumbai. He has over 24 years of experience in organizational strategy, business process re-engineering and envisioning future technology and leading innovation.

Considering Mr. Prayas Goel qualifications, knowledge, and enriched experience, it would be beneficial for the Company to reappoint him as a Managing Director of the Company. Mr. Prayas Goel fulfilled the conditions specified in the Act and the Rules thereunder for his appointment.

Mr. Prayas Goel currently not drawing any salary.

Additional information as required to be provided pursuant to SS-2, in respect of Mr. Prayas Goel, is provided in the Annexure to this Notice, which forms part of the Explanatory Statement.

The appointment as well as the payment of remuneration were approved by the Board based on the nature of services provided by him, industry standards, and responsibilities handled by him as an Managing Director of the Company.

In order to comply with Section 197 of the Companies Act, 2013 read with Schedule V, the consent of members of the Company is sought by way of a Special Resolution for payment of remuneration to Mr. Prayas Goel as per the terms and conditions already approved, notwithstanding that such remuneration exceeds the limits prescribed under Schedule V.

The aggregate of salary and perquisites in any one financial year shall not exceed the limits prescribed under sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the said Act. In the event of absence or inadequacy of profit during the period, Mr. Prayas Goel shall be paid the above remuneration as minimum remuneration.

The Board considers that appointing Mr. Prayas Goel as Managing Director designated as an Executive Director would be of immense benefit to the Company in view of his vast experience and expertise. The Board recommends the Special Resolution for Item No. 5 of the Notice for approval by the members.

None of the other Directors or Key Managerial Personnel (KMP) or their relatives except Mr. Prayas Goel have any concern or interest, financial or otherwise, in the proposed resolution.

The statement as required under Clause (iv) Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to the item no. 5 is as follows:

## I. General Information:

### (1) Nature of Industry:

engaged in the business of manufacturing water treatment systems, water pollution control equipment, bio filters, resource recovery systems using membrane technology and operational and maintenance services. The Company caters to both domestic and international markets..

### (2) Date or expected date of commencement of commercial production:

Existing Company, hence already commenced business.

### (3) In case of new Companies, expected date of commencement of activities as per project approved by financial

#### institutions appearing in the prospectus:

Existing Company, not applicable

#### Financial performance based on given indicators:

(Rs. in Millions)

PARTICULARS	For the F.Y. ended on 31.03.2023	For the F.Y. ended on 31.03.2022
Revenue from operation	37.85	35.28
Other Income	32.96	32.10
Profit /loss before Depreciation, Finance cost, Exceptional items & Tax Expenses	(82.86)	9.5
Less: Depreciation/ Amortisation / Impairment	0.22	0.22
Less: Finance Cost	1.16	0.36
Profit / Loss before Exceptional item & Tax expenses	(84.24)	8.92
Less: Exceptional item	0	0
Profit / Loss before Tax Expenses	(84.24)	8.92
Less: Tax Expenses (Current & deferred)	(0.09)	(0.96)
Net Profit (Loss)	(84.15)	9.88

### (5) Foreign Investment of Collaborators, if any:

The Company does not have any investments in foreign Company.

**II. Information about the Appointee:** The information with respect to Mr. Prayas Goel is given in Item no. 5 of the explanatory statement.

**III. Disclosures:** The disclosures in the Directors' report under the heading "Corporate Governance Report" of the Company are not required as mentioned in Clause (iv) Section II, Part II of the Schedule V of the Companies Act, 2013.

The Explanatory Statement along with the notice is and shall be deemed to be an abstract of the terms and memorandum of interest under section 190 of the Companies Act, 2013.

**ITEM NOS. 6:**

The Board of Directors, at their meeting held on 9<sup>th</sup> August, 2023 on the recommendation of the Nomination and Remuneration Committee, approved the appointment of Mr. Prerak Goel as Executive Director of the Company for the period of Six months w.e.f. 1st October, 2023 till 31<sup>st</sup> March 2024, along with managerial remuneration of Rs. 1,00,000/- p.m. The perquisites shall be evaluated as per the Income Tax Rules, wherever applicable, and in the absence of any such rules, the perquisites shall be evaluated at actual cost.

Mr. Prerak Goel has been associated with the Company for more than 14 years. He holds a bachelor's degree in commerce from University of Mumbai and a master's degree in business management from Asian Institute of Management. He has over 20 years of experience in organizational strategy, financial strategy and management, fund raising and investor management and international sales.

Considering Mr. Prerak Goel qualifications, knowledge, and enriched experience, it would be beneficial for the Company to reappoint him as Executive Director of the Company. Mr. Prerak Goel fulfilled the conditions specified in the Act and the Rules thereunder for his appointment.

Mr. Prerak Goel currently not drawing any salary.

Additional information as required to be provided pursuant to SS-2, in respect of Mr. Prerak Goel, is provided in the Annexure to this Notice, which forms part of the Explanatory Statement.

The appointment as well as the payment of remuneration were approved by the Board based on the nature of services provided by him, industry standards, and responsibilities handled by him as an Executive Director of the Company.

In order to comply with Section 197 of the Companies Act, 2013 read with Schedule V, the consent of members of the Company is sought by way of a Special Resolution for payment of remuneration to Mr. Prerak Goel as per the terms and conditions already approved, notwithstanding that such remuneration exceeds the limits prescribed under Schedule V.

The aggregate of salary and perquisites in any one financial year shall not exceed the limits prescribed under sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the said Act. In the event of absence or inadequacy of profit during the period, Mr. Prerak Goel shall be paid the above remuneration as minimum remuneration.





The Board considers that appointing Mr. Prerak Goel as Executive Director designated as an Executive Director would be of immense benefit to the Company in view of his vast experience and expertise. The Board recommends the Special Resolution for Item No. 5 of the Notice for approval by the members.

None of the other Directors or Key Managerial Personnel (KMP) or their relatives except Mr. Prerak Goel have any concern or interest, financial or otherwise, in the proposed resolution.

The statement as required under Clause (iv) Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to the item no. 5 is as follows:

**I. General Information:**

**(1) Nature of Industry:**

engaged in the business of manufacturing water treatment systems, water pollution control equipment, bio filters, resource recovery systems using membrane technology and operational and maintenance services. The Company caters to both domestic and international markets.

**(2) Date or expected date of commencement of commercial production:**

Existing Company, hence already commenced business.

**(3) In case of new Companies, expected date of commencement of activities as per project approved by financial**

**institutions appearing in the prospectus:**

Existing Company, not applicable

**Financial performance based on given indicators:**

**(Rs. in millions)**

<b>PARTICULARS</b>	<b>For the F.Y. ended on 31.03.2023</b>	<b>For the F.Y. ended on 31.03.2022</b>
Revenue from operation	37.85	35.28
Other Income	32.96	32.10
Profit /loss before Depreciation, Finance cost, Exceptional items & Tax Expenses	(82.86)	9.5
Less: Depreciation/ Amortisation / Impairment	0.22	0.22
Less: Finance Cost	1.16	0.36
Profit / Loss before Exceptional item & Tax expenses	(84.24)	8.92
Less: Exceptional item	0	0
Profit / Loss before Tax Expenses	(84.24)	8.92
Less: Tax Expenses (Current & deferred)	(0.09)	(0.96)
Net Profit (Loss)	(84.15)	9.88

**(5) Foreign Investment of Collaborators, if any:**

The Company does not have any investments in foreign Company.

**II. Information about the Appointee:** The information with respect to Mr. Prerak Goel is given in Item no.6 of the explanatory statement.

**III. Disclosures:** The disclosures in the Directors' report under the heading "Corporate Governance Report" of the Company are not required as mentioned in Clause (iv) Section II, Part II of the Schedule V of the Companies Act, 2013.

The Explanatory Statement along with the notice is and shall be deemed to be an abstract of the terms and memorandum of interest under section 190 of the Companies Act, 2013.

By Order of the Board of Directors

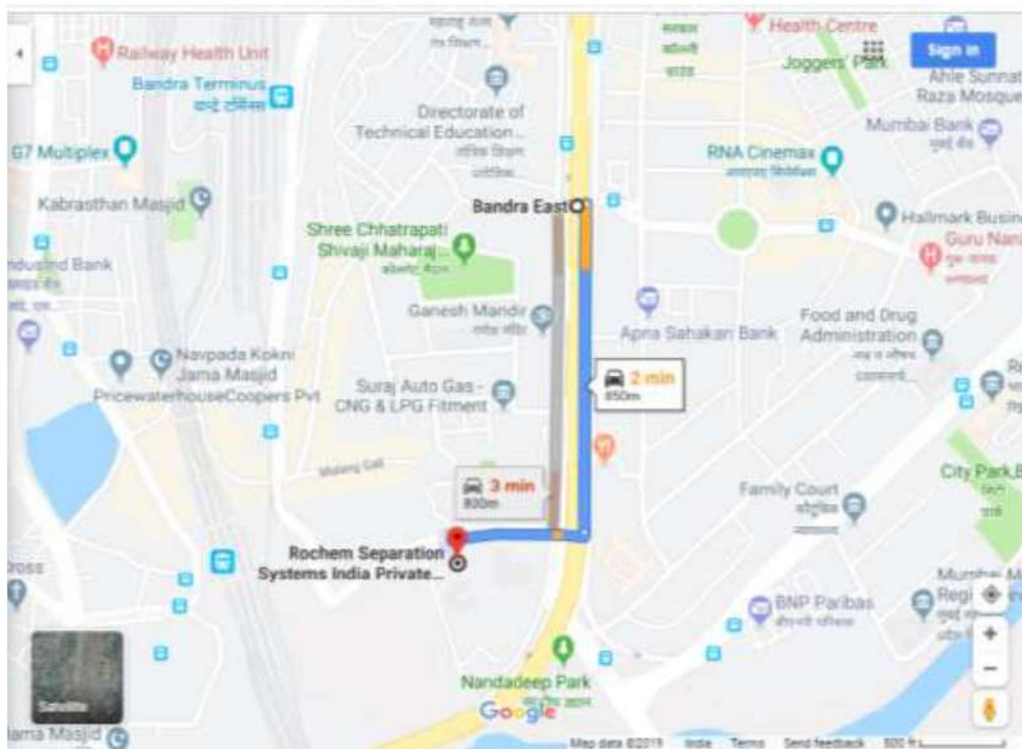
A blue ink signature of Prerak Goel.

Prerak Goel  
Director  
DIN: 00348563

Registered Office:  
101, HDIL Towers,  
Anant Kanekar Road,  
Bandra (East),  
Mumbai 400 051  
CIN: U45209MH1999PLC120599

9<sup>th</sup> August 2023

## ROUTE MAP TO THE VENUE OF ANNUAL GENERAL MEETING





Form No. MGT-11

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U45209MH1999PLC120599

Name of the Company: CONCORD ENVIRO SYSTEMS LIMITED

Registered office: 101, HDIL TOWERS, ANANT KANEKAR MARG, BANDRA(EAST), MUMBAI MH 400051 IN

<b>Name of the member(s)</b>	
<b>Registered Address</b>	
<b>Email ID</b>	
<b>Folio No./ Client ID</b>	
<b>DP ID</b>	-

I/ We being the member(s) of \_\_\_\_\_ equity shares of the above named company, hereby appoint:

1. Name: .....

Address: .....

E-mail Id: .....

Signature: ..... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 24<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, 11<sup>th</sup> September 2023 at 11:00 AM at 101, HDIL Towers, Anant Kanekar Marg, Bandra(East), Mumbai Mumbai City Mh 400051 In , and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS	Optional*	
		For	Against
ORDINERY BUSINES			
1.	Adoption Of Audited Standalone & Consolidated Financial Statements Of The Company For The Financial Year Ended 31st March, 2023, Reports Of The Auditors & Board Of Directors		
2.	Election of Mr. Prayas Goel (din: 00348519) as director liable for retirement by rotation		
SPECIAL BUSINESS			
3.	Ratification Of Related Party Transactions Of FY 2022-23		
4.	Approve The Proposed Related Party Transactions For Fy 2023-24		
5.	Re-appointment And Remuneration Of Mr. Prayas Goel As Managing Director Of The Company		
6.	Re-Appointment And Remuneration Of Mr. Prerak Goel As Executive Director Of The Company		

Signed this ..... day of..... 2023

Signature of Shareholder: .....

Signature of Proxy holder(s): .....

Affix Revenue  
Stamp

**Notes: (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

(2) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.

\* (3) It is optional to put a 'X' in the appropriate column against the Resolutions indicated in these Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.

(4) Please complete all details including details of member(s) in above box before submission.



### ATTENDANCE SLIP

Only Shareholders or the Proxies will be allowed to attend the meeting

D.P. ID*	
Client ID*	

L.F. No.	
No. of shares held	

I/ We hereby record my / our presence at the 24<sup>th</sup> Annual General Meeting of the Company being held on Monday, 11<sup>th</sup> September 2023 at 11:00 A.M at 101, HDIL Towers, Anant Kanekar Marg, Bandra(East), Mumbai Mumbai City Mh 400051.

Signature of Shareholder(s): 1. \_\_\_\_\_ 2. \_\_\_\_\_

Signature of Proxyholder: \_\_\_\_\_

\*Applicable for investors holding shares in electronic form.

**Note: Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.**



**PARTICULARS OF THE DIRECTORS SEEKING APPOINTMENT/ RE- APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING:**

<b>Name of Director</b>	<b>Date of Appointment</b>	<b>Expertise / Qualification</b>	<b>Disclosure of relationships between directors inter-se</b>	<b>List of Companies in which Directorship and membership of Committees held</b>	<b>Shareholding in the Company</b>
Mr. Prayas Goel	01 <sup>st</sup> October 2023	He holds a bachelor's degree in mechanical engineering from University of Mumbai. He has over 24 years of experience in organizational strategy, business process re-engineering and envisioning future technology and leading innovation.	Brother of Director Mr. Prerak Goel	1. Concord Shipping Private Limited 2. Rochem (India) Private Limited 3. Rochem Services Private Limited 4. Concord Enviro Systems Limited (formerly "Concord Enviro Systems Private Limited") 5. Reva Enviro Systems Private Limited 6. Rochem Green Energy Private Limited 7. RGE Pune Waste Processing Private Limited 8. Rochem Technical Services Private Limited 9. Inventa Research Private Limited 10. Blue Zone Ventures Private Limited	
Mr. Prerak Goel	01 <sup>st</sup> October 2023	holds a bachelor's degree in commerce from University of Mumbai and a master's degree in	Brother of Director Mr. Prayas Goel	1. Concord Shipping Private Limited 2. Rochem (India) Private Limited 3. Rochem Services Private Limited 4. Reva Enviro Systems Private Limited	

		business management from Asian Institute of Management. He has over 20 years of experience in organizational strategy, financial strategy and management, fund raising and investor management and international sales.		5. Rochem Energy Limited Green Private 6. RGE Pune Waste Processing Private Limited 7. Rochem Technical Services Private Limited 8. Blue Zone Ventures Private Limited 9. Concord Shipping & Marine Services LLP 10. Reine Clothing LLP	
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## DIRECTORS' REPORT

To the Members of  
**CONCORD ENVIRO SYSTEMS LIMITED**  
 ("Formerly known as Concord Enviro Systems Private Limited")

Your Directors have pleasure in presenting the Twenty Third Directors' Report of your Company together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2023.

### 1. FINANCIAL HIGHLIGHTS

The highlights of the Financial Statements of the Company for the Financial Year 2022-23 are as under:-

(Rs. In Millions)

Period	Financial Year Ended March 31, 2023		Financial Year Ended March 31, 2022	
	Standalone	Consolidated	Standalone	Consolidated
Particulars				
Revenue from operation	37.85	3,432.19	35.28	3,293.66
Other Income	32.96	72.78	32.10	82.04
Profit /loss before Depreciation, Finance cost, Exceptional items & Tax Expenses	(82.86)	506.42	9.5	625.22
Less: Depreciation/ Amortisation / Impairment	0.22	243.39	0.22	254.80
Less: Finance Cost	1.16	187.50	0.36	185.11
Profit / Loss before Exceptional item & Tax expenses	(84.24)	75.53	8.92	185.31
Less: Exceptional item	0	0	0	0
Profit / Loss before Tax Expenses	(84.24)	75.53	8.92	185.31
Less: Tax Expenses (Current & deferred)	(0.09)	18.31	(0.96)	20.81
Net Profit / (Loss)	(84.15)	57.22	9.88	164.50



2.	<p><b>STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK OF THE COMPANY</b></p> <p>The consolidated financial statements of your Company include the performance of its subsidiaries, and associates.</p> <p>The standalone financial statements of the Company reflect the performance of the Company on individual basis.</p> <p>The financial statements for the year ended on March 31, 2022 and March 31, 2023 have been prepared in accordance with IndAS method of accounting.</p> <p>During the financial year under review, the Company's total revenue was Rs. 70.81 million as against Rs. 67.38 million for FY 31st March, 2022.</p>
3.	<p><b>DIVIDEND, TRANSFER TO RESERVE(S)</b></p> <p>The Directors of the company has decided that it would be prudent, not to recommend any Dividend for the year under review.</p> <p>During the year under review, the Company has not transferred any amount to reserves.</p>
4.	<p><b>CHANGES IN THE CAPITAL STRUCTURE</b></p> <p><b><u>Authorized Capital:</u></b></p> <p>At the beginning of the year, the authorized share capital of the Company was INR 42,50,00,000 comprising of 50,000 Equity Shares of Rs. 100 each and 4,20,000 0.001% Compulsory Convertible Non- Cumulative Preference Shares of Rs 1000 each.</p> <p>During the year, the authorized share capital of the Company has been reclassified and as on date of the report, the authorized share capital of the Company is INR 42,50,00,000 comprising of 4,00,00,000 Equity Shares of Rs. 5 each and 2,25,000 0.001% Compulsory Convertible Non-Cumulative Preference Shares of Rs 1000 each.</p> <p><b><u>Issued, Subscribed, Paid-up Share Capital:</u></b></p> <p>At the beginning of the financial year the issued, subscribed and paid up capital, the issued, subscribed and paid up capital of the Company was INR 1,22,54,600 comprising of 42,556 Equity Shares of Rs. 100 each and 7,999 0.001% Compulsory Convertible Non- Cumulative Preference Shares of Rs 1000 each.</p> <p>Further, during the year, the Company has undertaken split or consolidation of the Equity shares pursuant to a resolution of our Board dated May 23, 2022 and Shareholders' resolution dated May 25, 2022, equity shares of face value of ₹ 100 each of our Company were sub-divided into equity shares of face value of ₹ 5 each.</p> <p>Consequently, the issued and subscribed share capital of our Company comprising 42,556 equity shares of face value of ₹ 100 each was subdivided into 851,120 equity shares of face value of ₹ 5 each.</p> <p>Further during the year, the Company converted below mentioned CCPS into Equity shares:</p> <ol style="list-style-type: none"> <li>1) 3,762 Series A 0.001% Compulsory Convertible Non- Cumulative Preference Shares of Rs. 1000/- each, into 13,54,320 Equity Shares of Rs. 5/- each.</li> </ol>

- 2) 1,294 Series A1 0.001% Compulsory Convertible Non- Cumulative Preference Shares of Rs. 1000/- each, into 4,65,840 Equity Shares of Rs. 5/- each.
- 3) 2,943 Series A2 0.001% Compulsory Convertible Non- Cumulative Preference Shares of Rs. 1000/- each, into 10,59,480 Equity Shares of Rs. 5/- each.

At the end of the financial year the issued, subscribed and paid-up capital, the issued, subscribed and paid up capital of the Company is INR 9,09,99,000 comprising of 1,81,99,800 Equity Shares of Rs. 5 each.

#### 5. NUMBER OF BOARD MEETINGS

During the year under review, fourteen (14) Board Meetings were duly held on 20.05.2022, 23.05.2022, 15.06.2022, 21.06.2022 (2 board meeting), 23.06.2022, 30.06.2022, 29.09.2022, 09.11.2022, 10.11.2022, 15.11.2022, 31.01.2023, 17.02.2023 & 27.03.2023. The intervening gap between the Meetings was complied as per the provision of Section 173 under the Companies Act, 2013.

Details of attendance by each Director at the said Board meetings are as under:

Name of Director (s)	DIN	Designation	Board Meetings attended during Financial Year 2022-23
Mr. Prayas Goel	00348519	Managing Director	9
Mr. Prerak Goel	00348563	Executive Director	13
Mr. Rajesh R Pai	02930658	Non- Executive Director	12
Mrs. Kamal Shanbhag	09578441	Independent Director	10
Mr. Shiraz Bugwadia	01213884	Independent Director	5
Mr. Prakash Shah	00286277	Independent Director	6
Mr. Abhishek Loonker	02069419	Non- Executive Director	2

#### 6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the period under review, the Board comprise of Six Director's and 2 KMP's as on financial period ended 31st March, 2023.

Sr. No	Name	DIN	Designation
1.	Mr. Prayas Goel	00348519	Chairman & Managing Director
2.	Mr. Prerak Goel	00348563	Executive Director
3.	Mr. Rajesh R Pai	02930658	Non- Executive Director
4.	Mr. Shiraz Homi Bugwadia	01213884	Independent Director
5.	Mr. Prakash Dharshibhai Shah	00286277	Independent Director
6.	Mrs. Kamal Sandeep Shanbhag	09578441	Independent Director
7.	Mr. Sudarshan Gopinath Kamath	NA	Chief Financial Officer
8.	Ms. Priyanka Pramod Nayak	NA	Company Secretary & Compliance Officer



	<p>During the financial year under review, the following appointments of Directors &amp; KMP have been made:</p> <ol style="list-style-type: none"><li>1. Mr. Shiraz Homi Bugwadia as an Independent Director with effect from June 20, 2022</li><li>2. Mr. Prakash Dharshibhai Shah as an Independent Director with effect from May 25, 2022</li><li>3. Mrs. Kamal Sandeep Shanbhag as an Independent Director with effect from May 25, 2022</li><li>4. Mr. Sudarshan Gopinath Kamath as Chief Financial Officer with effect from May 23, 2022</li><li>5. Ms. Priyanka Pramod Nayak as Company Secretary &amp; Compliance Officer with effect from May 23, 2022</li></ol> <p>Mr. Abhishek Loonker resigned from the position of Nominee Director with effect from June 13, 2022.</p>						
<b>7.</b>	<b>AUDIT COMMITTEE</b>						
	<p>During the year under review, there was a change in the composition of Audit Committee.</p> <p>On 21<sup>st</sup> June, 2022 the Audit committee was re-constituted the revised composition of Audit Committee was as follows:</p> <table><tr><th>Name of the Committee</th><th>Composition of Committee</th><th>Number of meeting held during FY 2022-23</th></tr><tr><td>Audit Committee</td><td><ol style="list-style-type: none"><li>1. Mr. Prerak Goel, Executive Director</li><li>2. Mr. Shiraz Bugwadia, Independent Director</li><li>3. Mr. Prakash Shah, Independent Director</li><li>4. Mrs. Kamal Shanbhag, Independent Director</li></ol></td><td>2</td></tr></table> <p>Further, during the financial year under review, In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board committees:</p> <ol style="list-style-type: none"><li>1. Nomination and Remuneration Committee;</li><li>2. Stakeholders' Relationship Committee;</li><li>3. Risk Management Committee.</li><li>4. Initial Public Offer (IPO) Committee</li></ol>	Name of the Committee	Composition of Committee	Number of meeting held during FY 2022-23	Audit Committee	<ol style="list-style-type: none"><li>1. Mr. Prerak Goel, Executive Director</li><li>2. Mr. Shiraz Bugwadia, Independent Director</li><li>3. Mr. Prakash Shah, Independent Director</li><li>4. Mrs. Kamal Shanbhag, Independent Director</li></ol>	2
Name of the Committee	Composition of Committee	Number of meeting held during FY 2022-23					
Audit Committee	<ol style="list-style-type: none"><li>1. Mr. Prerak Goel, Executive Director</li><li>2. Mr. Shiraz Bugwadia, Independent Director</li><li>3. Mr. Prakash Shah, Independent Director</li><li>4. Mrs. Kamal Shanbhag, Independent Director</li></ol>	2					
<b>8.</b>	<b>SUBSIDIARIES / ASSOCIATES / JOINT VENTURES</b>						
	<p>The Company has four wholly owned subsidiaries namely:</p> <ol style="list-style-type: none"><li>1) Rochem Separation Systems (India) Pvt Ltd</li><li>2) Rochem Services Private Limited (formerly known as Concord Blue Technology Pvt Ltd)</li><li>3) Reva Enviro Systems Pvt Ltd</li><li>4) Concord Enviro FZE,</li></ol> <p>The Company has 2 step down subsidiary and two associate company namely:</p> <ol style="list-style-type: none"><li>1) Blue Water Trading &amp; Treatment (FZE), UAE.</li><li>2) Concord Enviro S.A.De.C.V., Mexico</li><li>3) Roserve Enviro Private Limited, Associate company</li><li>4) WHE Systems (FZC), Associate company</li></ol>						



	<p>During the year Board of Directors reviewed the affairs of the subsidiaries.</p> <p>In terms of Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company are laid before the ensuing Annual General Meeting. Further a statement containing salient features of the financial statement of our Subsidiaries in the prescribed format AOC-1 is included in the Report as Annexure A and forms an integral part of this Report. The statement also provides the details of performance, financial position of each of the Subsidiaries.</p>
<b>9.</b>	<p><b>ANNUAL RETURN</b></p> <p>The Annual Return of the Company as on March 31, 2023 in Form MGT – 7 in accordance with Section 92(3) and Section 134(3)(a) of the Act as amended from time to time and the Companies (Management and Administration) Rules, 2014, will be made available on the website of the Company at <a href="https://www.concordenviro.in">https://www.concordenviro.in</a></p>
<b>10</b>	<p><b>PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY COMPANY</b></p> <p>The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.</p>
<b>11</b>	<p><b>PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:</b></p> <p>All the transactions entered into with the Related Parties as defined under the Companies Act, 2013, during the financial year were in the ordinary course of business and on an arm's length pricing basis.</p> <p>Particulars of related party transactions are given in prescribed Form AOC-2 annexed as Annexure 'B'.</p>
<b>12</b>	<p><b>STRATEGIC INITIATIVES DURING THE FINANCIAL YEAR AND TILL THE DATE OF THIS REPORT</b></p> <p><b>A. PROPOSED INITIAL PUBLIC OFFERING &amp; LISTING OF EQUITY SHARES OF THE COMPANY</b></p> <p>The company proposed to undertake an initial public offer of the equity shares of the Company ("<b>Equity Shares</b>") which shall comprise a fresh issuance aggregates up to Rs. 1750 million by the Company ("<b>Fresh Issue</b>") and an offer for sale of Equity Shares aggregating up to 3,569,180 by certain existing shareholders of the Company ("<b>Selling Shareholders</b>") ("<b>Offer for Sale</b>" and together with the Fresh Issue, the "<b>Offer</b>") and to list the Equity Shares on one or more of the recognised stock exchanges in India in accordance with the applicable laws, regulations, policies, rules, guidelines, notifications, circulars, directions, clarifications and orders, as may be applicable including, without limitation, the Securities Contracts (Regulation) Act, 1956, along with the rules made thereunder, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Companies Act, 2013 along with the rules made thereunder, each as amended ("<b>Companies Act</b>").</p> <p>The Company intends to undertake the Offer and list its Equity Shares at an opportune time in consultation with the book running lead managers appointed for the Offer ("<b>BRLMs</b>") and other advisors to be appointed for the Offer.</p> <p>The BRLMs appointed by the company are as given below:</p>

S. No.	Name of BRLMs	Website
1.	DAM Capital Advisors Limited (Formerly IDFC Securities Limited)	<a href="http://www.damcapital.in">www.damcapital.in</a>
2.	Equirus Capital Private Limited	<a href="http://www.equirus.com">www.equirus.com</a>

Further the company have got SEBI observation letter and approval with reference to the Draft red herring prospectus (DRHP) in respect of the proposed IPO and received the In-principle approval from Exchange for listing of its Equity shares at the BSE and NSE ("Exchange") for the proposed public issue.

**B. EMPLOYEE STOCK OPTION SCHEMES (ESOS)**

*Concord Enviro Employee Stock Option Plan 2022 ("the ESOP 2022 Scheme")*

Your Company, pursuant to the resolution passed by our Board on June 21, 2022 and Shareholders on June 22, 2022, adopted the ESOP 2022 Scheme. The total number of options available under the Scheme and which are exercisable should not be more than 20,600 Equity Shares.

The Nomination and Remuneration Committee has been authorised to administer the Scheme. The ESOP 2022 Scheme is administered by the Nomination and Remuneration Committee.

The objective of the ESOP 2022 Scheme is, among others, to reward the Employees for their association, retention, dedication and contribution to the goals of the Company.

<b>13</b>	<p><b>MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:</b></p> <p>There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate.</p>
<b>14</b>	<p><b>RISK MANAGEMENT POLICY</b></p> <p>The Board of Directors periodically as a part of its review of the business consider and discuss the external and internal risk factors like markets related, foreign currency rate fluctuations, supply / logistics related, debtors collections, Government policy related matters that may threaten the existence of the Company. The Company manages, monitors and reports on the principal risks and uncertainties that can impact its abilities to achieve its strategic objectives. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuous basis.</p> <p>The Company has also taken appropriate Directors' &amp; Officers' Liability Insurance Policy to cover the risk on account of claims, if any, filed against the Company.</p>
<b>15</b>	<p><b>VIGIL MECHANISM</b></p> <p>In accordance with Section 177 of the Companies Act, 2013, the Company has a Vigil Mechanism Policy to deal with instances of fraud and mismanagement, if any. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. There were no grievances received during the financial year under review.</p>



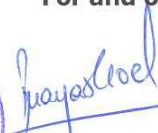
<b>16</b>	<b>INTERNAL AUDITOR &amp; INTERNAL FINANCIAL CONTROLS</b>  M/s. Sahajwani Narang and Associates, Chartered Accountant, FRN: 130142W are appointed as Internal Auditors of the company. The Company has adequate procedures for internal financial controls commensurate with the size, scale and nature of its operations. During the financial year under review such controls were tested and no material weakness in the mechanism or operation was observed.
<b>17</b>	<b>STATUTORY AUDITOR &amp; AUDITOR'S REPORT</b>  Statutory Auditors:  In the Annual General Meeting (AGM) of the Company held for the year 2019 M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, FRN: 117366W/W-100018 were appointed as the Statutory Auditors of the Company for a term of 5 years from FY. 2019-20 to FY. 2023-24.  Further the Auditors' Report for the Standalone and Consolidated financial period ended, 31 <sup>st</sup> March, 2023 is annexed herewith for your kind perusal and information.
<b>18</b>	<b>SECRETARIAL AUDIT</b>  During the year under review to comply with the SEBI Listing Regulations for IPO purpose, the Board appointed M/s. Ferrao MSR & Associates, Practising Company Secretaries (FRN: P2016MH05100) as the Secretarial Auditor of the Company to conduct auditing of the secretarial and related records of the company and to furnish secretarial audit report (s) for the Financial year 2022-23.  The company has presently postponed the IPO process for another year due to a variety of factors. The company does not fall under the applicability of Section 204 (1) of the Companies Act of 2013. As a result, the section 204 (1) is not applicable to the company.
<b>19</b>	<b>BONUS ISSUE</b>  During the Financial year a Bonus issue had taken place wherein the Company had allotted bonus equity shares on 15 <sup>th</sup> June 2022 to the existing shareholders in the ratio of 17:1 equity shares of Rs. 5 each for every 8,51,120 equity shares of Rs. 5 each held by the shareholders of the Company in order to achieve the minimum post-listing capitalisation requirement imposed for an issuer by stock exchanges.
<b>20</b>	<b>STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149</b>  The Independent Directors have submitted declaration of independence, as required pursuant to sub-section (7) of Section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149.
<b>21</b>	<b>REGISTRATION OF INDEPENDENT DIRECTORS IN INDEPENDENT DIRECTORS DATABANK</b>



	All the Independent Directors of your Company have been registered and are members of Independent Directors Databank maintained by the Indian Institute of Corporate Affairs (IICA)
<b>22</b>	<b>SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS</b>  There are no significant / material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.
<b>23</b>	<b>PUBLIC DEPOSITS</b>  The Company has not accepted any deposits covered under Chapter V of the Act.
<b>24</b>	<b>INVESTOR EDUCATION AND PROTECTION FUND (IEPF)</b>
	The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid during last period.
<b>25</b>	<b>DIRECTORS' RESPONSIBILITY STATEMENT</b>  Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that: <ul style="list-style-type: none"> <li>a In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;</li> <li>b The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial period and of the profit of the company for that period;</li> <li>c The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;</li> <li>d The directors had prepared the annual accounts on a going concern basis; and</li> <li>e Company being unlisted sub clause (e) of section 134(3) is not applicable.</li> <li>F The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.</li> </ul>
<b>26</b>	<b>CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO</b>  <b>(A) Conservation of energy-</b>  (i) the steps taken or impact on conservation of energy:- whenever possible energy conservation measures have been implemented. However efforts to conserve & optimize the use of energy through improved operational methods & other means will continue. (ii) the steps taken by the company for utilizing alternate sources of energy:- Company is constantly in search of alternative mostly renewable sources of energy.

	<p>(iii) the capital investment on energy conservation equipment's - NIL</p> <p><b>(B) Technology absorption</b> During the current year there was no introduction of any new technology.</p> <p><b>(C) Foreign exchange earnings and Outgo-</b> Foreign Exchange earned in terms of actual inflows during the year: Rs. 3,26,53,130/- Foreign Exchange outgo during the year in terms of actual outflows: Rs. 1,12,28,690/-</p>
<b>27</b>	<p><b>CORPORATE SOCIAL RESPONSIBILITY (CSR)</b></p> <p>CSR related provisions of the Companies act, 2013 do not apply to the Company as the Company does not meet profit, turnover or net worth criteria prescribed in this regard.</p>
<b>28</b>	<p><b>DISCLOSURES PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013</b></p> <p>The Company is committed to provide a safe and conducive work environment to its employees. During the year under review there were no cases was reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.</p>
<b>29</b>	<p><b>PARTICULARS OF EMPLOYEES</b></p> <p>There are no particulars to be disclosed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.</p>
<b>30</b>	<p><b>MAINTENANCE OF COST RECORDS</b></p> <p>During the year under review, maintenance of cost records as specified by the Central government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable for the company.</p>
<b>31</b>	<p><b>ACKNOWLEDGEMENT</b></p> <p>Your Directors take this opportunity to place on record their warm appreciation for the valuable contribution, untiring efforts and spirit of dedication demonstrated by the employees and officers at all levels, in the sure and steady progress of the Company.</p> <p>Your Directors also express their deep gratitude to its Bankers and concerned governmental authorities. They are thankful to the Shareholders, Brands and Customers for the co-operation and trust they have reposed in the Company.</p>

For and on behalf of the Board

**Prayas Goel**  
Managing Director  
DIN 00348519



**Prerak Goel**  
Director  
DIN 00348563

**Date: August 9<sup>th</sup>, 2023**  
**Place: Mumbai**

**"Annexure A"**

**Form AOC-1**

*(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)*

**CONCORD ENVIRO SYSTEMS LIMITED**

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

**(In Figure Rs/AED/Peso)**

Sr. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover/Total Income	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	Rochem Services Private Limited (formerly known as Concord Blue Technology	31.03.2023	-	20,00,000	(1,88,53,000 )	11,26,70,000	12,95,23,000	-	27,19,58,000	10,34,000	(20,04,000 )	30,38,000		100





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**CONCORD**  
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**Part "B": Associates and Joint Ventures**

Sr. No.	Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance sheet	Profit / Loss for the year	
			No.	Amount of Investment in Associates/Joint Venture	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation
1	Roserve Systems Private Limited (Associate)	2022-23	Equity 208,312	43,10,000	48.97 %	Holding is more than 20%	It has been consolidated	INR 243.45 million	INR 8.52 million	INR 8.88 million
2	WHE Systems (FZC) (Joint venture of Fellow Subsidiary – Concord Enviro FZE))	2022-23	Equity	AED 75,000	50 % holding through concord enviro FZE	Holding is 50 %	It has been consolidated	INR 153.16 million	INR -3.05 million	INR -3.05 million

**FOR AND ON BEHALF OF THE BOARD**

*Prayas Goel*  
Prayas Goel  
Managing Director  
DIN 00348519

*Prerak Goel*  
Prerak Goel  
Director  
DIN 00348563



Place: Mumbai  
Dated: 09<sup>th</sup> August 2023

## Annexure B

### Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

### CONCORD ENVIRO SYSTEMS LIMITED

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

#### 1. Details of contracts or arrangements or transactions not at arm's length basis - NIL

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Not Applicable								

#### 2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements / transactions	Transaction Value (Amount in Millions.)	Date(s) of approval by the Board , if any:	Salient terms of the transactions	Amount paid as advances, if any:
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
1	Rochem Services Private Limited	Interest income	2022-2023	0.07	N.A.	The related party transactions entered during the year were in the ordinary course of business and on arms length basis.	
2.	Reva Enviro Systems Private Limited (Subsidiary)	Interest income	2022-2023	0.75	N.A.	The related party transactions entered during the year were in the ordinary course of business and on arms length basis.	-
3.	Concord Enviro FZE	Sale of Services	2022-2023	16.71	N.A.	The related party transactions entered during the year were in the ordinary course	



						of business and on arms length basis.	
4.	Rochem Separations Systems (India) Private Limited	Sale of Services	2022-2023	21.14	N.A.	The related party transactions entered during the year were in the ordinary course of business and on arms length basis.	
5.	Reva Enviro Systems Private Limited	Service charges	2022-2023	6.23	N.A.	The related party transactions entered during the year were in the ordinary course of business and on arms length basis.	
6.	Rochem Services Private Limited	Service charges	2022-2023	12.37	N.A.	The related party transactions entered during the year were in the ordinary course of business and on arms length basis.	
7.	Concord Shipping Private Limited	Rent expenses	2022-2023	0.06	N.A.	The related party transactions entered during the year were in the ordinary course of business and on arms length basis.	
8.	Rochem Separations Systems (India) Private Limited	Corporate Guarantee Commission	2022-2023	6.58	N.A.	The related party transactions entered during the year were in the ordinary course of business and on arms length basis	
9.	Concord Enviro (FZE)	Corporate Guarantee Commission	2022-2023	0.66	N.A.	The related party transactions entered during the year were in the ordinary course of business and on arms length basis	
10.	Roserve Enviro Private Limited	Corporate Guarantee Commission	2022-2023	0.55	N.A.	The related party transactions entered during the year were in the ordinary course of business and on arms length basis	

11.	Concord Shipping Private Limited	Corporate Guarantee Commission	2022-2023	0.13	N.A	The related party transactions entered during the year were in the ordinary course of business and on arms length basis
12.	Rochem Green Energy Private Limited	Corporate Guarantee Commission	2022-2023	0.17	N.A	The related party transactions entered during the year were in the ordinary course of business and on arms length basis
13.	Concord Shipping Private Limited	Corporate Guarantee Charges	2022-2023	0.10	N.A	The related party transactions entered during the year were in the ordinary course of business and on arms length basis

**FOR AND ON BEHALF OF THE BOARD**  
**CONCORD ENVIRO SYSTEMS LIMITED**



  
 Prayas Goel  
 Managing Director  
 DIN 00348519

  
 Prerak Goel  
 Director  
 DIN 00348563

Place: **Mumbai**  
 Dated: **9<sup>th</sup> August, 2023**

## INDEPENDENT AUDITOR'S REPORT

### **To The Members of Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited) Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.





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- If, based on the work we have performed, we conclude that there is a material misstatement of this 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 Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the



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Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.



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- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 33 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 43.8 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 43.8 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.





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- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



*Nilesh Shah*

**Nilesh Shah**

Partner

(Membership No. 049660)

UDIN:23049660BGYEFZ2995

Place: Mumbai

Date: August 16, 2023

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of Concord Enviro Systems Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.



**Meaning of Internal Financial Controls with reference to standalone financial statements**

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



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**Nilesh Shah**

Partner

(Membership No. 049660)

UDIN:23049660BGYEFZ2995

Place: Mumbai

Date: August 16, 2023



**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Concord Enviro Systems Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that,

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (B) As the Company does not hold any intangible assets, reporting under clause 3(i) of the Order is not applicable.
- (b) The Property, Plant and Equipment were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) during the year. The Company does not have any intangible assets.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year and hence reporting under clause (iii)(a) of the Order is not applicable. The Company has made investment in the companies during the year, in respect of which:
  - (a) The investment made during the year are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
  - (b) In earlier years, the Company has granted loans to its subsidiaries, which are repayable on demand. During the year such loans have been settled by subsidiaries along-with interest. Having regard to the fact that the demand of the repayment of principal and payment of interest has been settled by the subsidiaries, in our opinion the repayments of principal amounts and receipts of interest are regular.



- (c) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (d) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties..
- (e) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities. We have been informed that the provisions of the duty of Excise and Value added tax are not applicable to the Company.
- There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) Details of statutory dues referred to (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Forum where Dispute is Pending</b>	<b>Period to which the Amount Relates</b>	<b>Amount involved (Rs. in millions)</b>	<b>Amount unpaid (Rs. in millions)</b>
Income Tax Act, 1961	Income Tax	CIT(Appeals)	2010-11	336.99	336.99

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.



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- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x)
  - (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
  - (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi)
  - (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
  - (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) In our opinion the Company is not required to have an internal audit system under section 138 of the Companies Act, 2013, hence reporting under clause (xiv) is not applicable.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.



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(xvi)

(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) The Group does not have any Investment Company (CIC) as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has incurred cash losses amounting to Rs. 10.15 millions during the financial year covered by our audit. The Company has not incurred cash losses during the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



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**Nilesh Shah**

Partner

(Membership No. 049660)

UDIN:23049660BGYEFZ2995

Place: Mumbai

Date: August 16, 2023



**Standalone Balance Sheet as at 31st March, 2023**  
(Amount in millions, unless otherwise stated)

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
<b>ASSETS</b>			
<b>A Non-current assets</b>			
(a) Property, plant and equipment	4	0.01	0.02
(b) Right of use assets	5	9.95	10.17
(c) Financial assets			
(i) Investment in subsidiaries and joint ventures	6A	482.88	489.43
(ii) Other investments	6B	0.03	0.03
(d) Deferred tax asset (net)	14	4.66	2.49
(e) Current tax assets (net)	7	1.74	-
(f) Other non current assets	8	0.29	0.38
(A)		<b>499.56</b>	<b>502.52</b>
<b>B Current assets</b>			
(a) Financial assets			
(i) Trade receivables	9	3.22	10.61
(ii) Cash and cash equivalents	10	0.29	2.15
(iii) Loans	11	-	-
(iv) Other financial assets	12	0.05	8.56
(b) Other current assets	13	20.11	35.33
(B)		<b>23.67</b>	<b>56.65</b>
<b>TOTAL (A) + (B)</b>		<b>523.23</b>	<b>559.17</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A EQUITY</b>			
(a) Equity share capital	15	91.00	4.26
(b) Other equity	16	320.64	493.22
(A)		<b>411.64</b>	<b>497.48</b>
<b>LIABILITIES</b>			
<b>B Non-current liabilities</b>			
(a) Financial liabilities			
(i) Other financial liabilities	17	5.18	10.87
(b) Provisions	18	5.56	3.52
(B)		<b>10.74</b>	<b>14.39</b>
<b>C Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	19		
- Dues to micro enterprises and small enterprises		5.11	4.50
- Dues to other than micro enterprises and small enterprises		43.26	25.35
(b) Other current liabilities	20	1.05	1.56
(c) Provisions	21	0.53	0.35
(d) Contract liabilities	22	50.90	14.18
(e) Current tax liabilities	23	-	1.36
(C)		<b>100.85</b>	<b>47.30</b>
<b>TOTAL (A) + (B) + (C)</b>		<b>523.23</b>	<b>559.17</b>

**Significant accounting policies and notes to Standalone Financial Statements**

1 to 44

The accompanying notes are an integral part of Standalone Financial Statements.

As per our report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No : 117366W/W-100018

*Nilesh Shah*

Nilesh Shah

Partner

Membership No: 049660

For and on behalf of the Board of Directors

Concord Enviro Systems Limited

*Prayas Goel*

Prayas Goel

Managing Director

DIN: 00348519

*Prerak Goel*

Prerak Goel

Executive Director

DIN: 00348563

*Sudarshan Kamath*

Sudarshan Kamath

Chief Financial Officer



*Priyanka Nayak*

Priyanka Nayak

Company Secretary

Membership No: A55602

Place: Mumbai

Date: 16th August, 2023



Place: Mumbai

Date: 9th August, 2023

Place: Mumbai

Date: 9th August, 2023

Place: Mumbai

Date: 9th August, 2023

Place: Mumbai

Date: 9th August, 2023

**Standalone Statement of Profit and Loss for the year ended 31st March, 2023**  
(Amount in millions, unless otherwise stated)

Particulars	Notes	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>Income</b>			
Revenue from operations	24	37.85	35.28
Other income	25	32.96	32.10
<b>Total income</b>		<b>70.81</b>	<b>67.38</b>
<b>Expenses</b>			
Cost of raw materials consumed	26	-	0.07
Purchase of stock-in-trade	27	-	1.04
Employee benefits expense	28	29.38	17.62
Finance costs	29	1.16	0.36
Depreciation expense	30	0.22	0.22
Other expenses	31	124.29	39.15
<b>Total expenses</b>		<b>155.05</b>	<b>58.46</b>
<b>Profit before tax</b>		<b>(84.24)</b>	<b>8.92</b>
<b>Tax expense</b>			
Current tax	14	-	1.48
Deferred tax (income)/ charge	14	(2.17)	(2.44)
Earlier year tax adjustments	14	2.08	0.00
		<b>(0.09)</b>	<b>(0.96)</b>
<b>Profit for the year</b>		<b>(84.15)</b>	<b>9.88</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans - (loss)		(0.72)	(0.04)
Income tax relating to above		-	-
<b>Other comprehensive loss for the year</b>		<b>(0.72)</b>	<b>(0.04)</b>
<b>Total comprehensive profit for the year</b>		<b>(84.87)</b>	<b>9.84</b>
<b>Earnings per equity share*</b>			
Basic (in Rs.)	32	(4.62)	0.54
Diluted (in Rs.)	32	(4.62)	0.54

Significant accounting policies and notes to Standalone Financial Statements

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The accompanying notes are an integral part of Standalone Financial Statements.

As per our report of even date  
For Deloitte Haskins & Sells LLP  
Chartered Accountants  
Firm's Registration No : 117366W/W-100018

For and on behalf of the Board of Directors  
Concord Enviro Systems Limited



*N. Shah*

Nilesh Shah  
Partner  
Membership No: 049660

*Prayas Goel*

Prayas Goel  
Managing Director  
DIN: 00348519

*Prerak Goel*

Prerak Goel  
Executive Director  
DIN: 00348563

*Sudarshan Kamath*

Sudarshan Kamath  
Chief Financial Officer

*P. Nayak*

Priyanka Nayak  
Company Secretary  
Membership No: A55602

Place: Mumbai  
Date: 16th August, 2023

Place: Mumbai  
Date: 9th August, 2023

Place: Mumbai  
Date: 9th August, 2023

Place: Mumbai  
Date: 9th August, 2023

Place: Mumbai  
Date: 9th August, 2023



**Standalone Statement of Cash Flows for the year ended 31st March, 2023**  
(Amount in millions, unless otherwise stated)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>A. Cash flows from operating activities</b>		
Net Profit/(Loss) before tax	(84.24)	8.92
Adjustments for:		
Depreciation	0.22	0.22
Corporate guarantee income	(8.10)	(6.62)
Provision for impairment of loans	(14.55)	(3.52)
Dividend income	(7.46)	(20.74)
Interest income	(0.82)	(1.22)
Finance costs	1.16	0.36
<b>Operating Loss before working capital changes</b>	<b>(113.79)</b>	<b>(22.60)</b>
Decrease / (Increase) in trade receivables	7.39	(10.55)
Decrease / (Increase) in other assets	15.23	(30.21)
(Decrease) / Increase in trade payables	17.58	19.44
(Decrease) / Increase in provisions and liabilities	37.74	20.29
<b>Cash used in operations</b>	<b>(35.85)</b>	<b>(23.63)</b>
Income taxes paid	(5.17)	(0.04)
<b>Net cash used in operating activities (A)</b>	<b>(41.02)</b>	<b>(23.67)</b>
<b>B. Cash flows from investing activities</b>		
Redemption of investments in debentures	-	8.93
Increase in investment of Joint Venture	(24.51)	-
Loan given to subsidiaries	-	(8.92)
Redemption of investments in preference shares	32.50	-
Repayment of loans made to the subsidiaries	14.55	12.44
Dividend Income	15.01	13.19
Interest Income	1.83	0.31
<b>Net cash generated from investing activities (B)</b>	<b>39.38</b>	<b>25.95</b>
<b>C. Cash flow from financing activities</b>		
Finance costs paid	(0.22)	(0.26)
<b>Net cash used in financing activities (C)</b>	<b>(0.22)</b>	<b>(0.26)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(1.86)</b>	<b>2.02</b>
Cash and cash equivalents at the beginning of year	2.15	0.13
Cash and cash equivalents at the end of year	0.29	2.15
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(1.86)</b>	<b>2.02</b>

**Notes :**

- Cash flow statement has been prepared under "indirect method" as set out in Ind AS 7 - "Cash Flow Statement".
- The above cashflows excludes items of non-cash nature in relation to accounting for fair value of corporate guarantees.
- Analysis of movement in borrowings\*

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Borrowings at the beginning of the year	-	2,600.00
Movement due to cash transactions as per statement of cash flow statement	-	-
Movement due to non-cash transactions	-	(2,600.00)
Borrowings at the end of the year	-	-

The accompanying notes are an integral part of Standalone Financial Statements.

1 to 44

As per our report of even date  
For Deloitte Haskins & Sells LLP  
Chartered Accountants  
Firm's Registration No : 117366W/W-100018

Nilesh Shah  
Partner  
Membership No: 049660

For and on behalf of the Board of Directors of  
Concord Enviro Systems Limited

Prayas Goel  
Managing Director  
DIN: 00348519

Prerak Goel  
Executive Director  
DIN: 00348563

Sudarshan Kamath  
Chief Financial Officer

Priyanka Nayak  
Company Secretary  
Membership No: A55602



Place: Mumbai  
Date: 16th August, 2023

Place: Mumbai  
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Place: Mumbai  
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Place: Mumbai  
Date: 9th August, 2023



Standalone Statement of changes in equity for the year ended 31st March, 2023

(Amount in millions, unless otherwise stated)

(A) Equity share capital

Particulars	Amount
Balance at 1st April, 2021	3.08
Reclassification from financial liability	1.18
Issue of equity shares	-
Balance at 31st March, 2022	4.26
Conversion of preference shares into equity shares (Refer note 15.8)	0.80
Addition on account of bonus issue in the ratio of 17:1 (Refer note 15.12 (iv))	85.94
Balance at 31st March, 2023	91.00

(B) Other equity

Particulars	Reserves & Surplus			Financial instrument classified as equity	Other comprehensive income	Total other Equity
	General Reserve	Securities Premium	Retained earnings	0.001% compulsorily convertible non cumulative preference shares	Remeasurement gain/(loss) of defined benefit plan	
Balance as at 1st April, 2021	0.10	-	(2,115.55)	-	-	(2,115.45)
Profit for the year	-	-	9.88	-	-	9.88
Reclassification from financial liability (Refer note 15.10)	-	913.03	1,677.80	8.00	-	2,598.83
Other comprehensive income / (loss) for the year	-	-	-	-	(0.04)	(0.04)
Balance as at 1st April, 2022	0.10	913.03	(427.67)	8.00	(0.04)	493.22
Profit for the year	-	-	(84.15)	-	-	(84.15)
Other comprehensive income for the year	-	-	-	-	(0.72)	(0.72)
Conversion of preference shares to equity	-	7.20	-	(8.00)	-	(0.80)
Issue of bonus shares	-	(85.94)	-	-	-	(85.94)
Deemed distribution*	-	-	(0.97)	-	-	(0.97)
Balance as at 31st March, 2023	0.10	834.29	(512.99)	-	(0.76)	320.64

\* Deemed distribution pertains fair valuation of the corporate guarantee provided to related parties which has not been recovered

The accompanying notes are an integral part of Standalone Financial Statements

1 to 44

As per our report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No : 117366W/W-100018

*N. Shah*

Nilesh Shah

Partner

Membership No: 049660

Place: Mumbai

Date: 16th August, 2023

For and on behalf of the Board of Directors

Concord Enviro Systems Limited

*Prayash Goel*

Prayash Goel

Managing Director

DIN: 00348519

Place: Mumbai

Date: 16th August, 2023

*Prerak Goel*

Prerak Goel

Executive Director

DIN: 00348563

Place: Mumbai

Date: 16th August, 2023

*Sudarshan Kamath*

Sudarshan Kamath

Chief Financial Officer

Place: Mumbai

Date: 16th August, 2023

*Priyanka Nayak*

Priyanka Nayak

Company Secretary

Membership No: A55602

Place: Mumbai

Date: 16th August, 2023





**Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited)**

**CIN No: U45209MH1999PLC120599**

**Notes to Standalone Financial Statements**

**1. Company's background**

Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited) ("the Company") is an unlisted public limited company domiciled and incorporated in India under the Companies Act, 1956 vide CIN No. U45209MH1999PTC120599 on 1<sup>st</sup> July 1999. The Company is an unlisted public limited company w.e.f. June 09, 2022 with new CIN No. U45209MH1999PLC120599. The registered office of the Company is located at 101, HDIL Towers Limited, Anant Kanekar Marg, Mumbai - 400 051, India.

Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited) is engaged in the business of manufacturing and trading of components of water treatment plants and providing technical consultancy and design services.

**2. Basis of preparation**

**2.1. Basis of preparation and presentation and Statement of compliance**

The Standalone Financial Statements are prepared in accordance with the Indian Accounting Standards (referred to as Ind AS) notified under the section 133 of the Act ('the Act') read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, considering other relevant provisions of the Act.

The Ind AS financial statements as at and for the year ended March 31, 2023 have been approved by the Board of Directors at their meeting held on August 9, 2023.

**3. Significant Accounting Policies**

**3.1. Current and non-current classification**

The Company presents assets and liabilities in the Standalone Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- 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.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- 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 Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of service and the time between rendering of services and their realization in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current / non-current classification of assets and liabilities.

**3.2. Functional and presentation currency**

Standalone Financial Statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Standalone Financial Statements are presented in Indian rupee (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Millions, up to two places of decimal, unless otherwise indicated. Amounts having absolute value of less than INR 1,000,000 have been rounded and are presented as INR Millions in the Standalone Financial Statements.



### 3.3. 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. A fair value measurement assumes 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. The principal market or the most advantageous market must be accessible to the Company.

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 economic best 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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs

All assets and liabilities for which fair value is measured or disclosed in the Standalone Financial Statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 – Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 – Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised in the Standalone Financial Statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in "Ind AS 113 Fair Value Measurement".

### 3.4. Use of estimates, judgements and assumptions

The preparation of these Standalone Financial Statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions in application of accounting policies that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of Standalone Financial Statements and reported amounts of income and expenses for the periods presented. The Company based its assumptions and estimates on parameters available when the Standalone Financial Statements were prepared. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

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. Significant estimates and critical judgement in applying these accounting policies are described below:

#### 3.4.1. Estimates and assumptions

##### (i) Impairment of non-financial assets (property, plant and equipments and right of use asset)

The Company assesses at each reporting date whether there is an indication that an 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. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's



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(CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

(ii) Defined benefit obligations

The cost of the defined benefit gratuity plan, other defined benefit plan and other post-employment plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, expected returns on plan assets and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, discount rate and return on planned assets are based on expected future inflation rates for India.

(iii) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Company also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

(iv) Income tax and deferred tax

Deferred tax assets are not recognised for unused tax losses as it is not probable that taxable profit will be available against which the losses can be utilised. Significant management judgement/estimate is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in note 3.13

(v) Fair value of financial assets and financial liabilities

Some of the Company's financial assets and financial liabilities are measured at fair value for financial reporting purposes. The Company determines the appropriate valuation techniques and input for fair value measurements. For estimates relating to fair value measurement refer note 3.3.

### 3.5. Property, Plant and Equipment and Depreciation

#### Recognition and measurement

Under the previous GAAP, property, plant and equipment were carried at historical cost less depreciation and impairment losses, if any. On transition to Ind AS, the Company has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transitions as the deemed cost of the property, plant & equipment under Ind AS.

Properties plant and equipment are stated at their cost of acquisition. Cost of an item of property, plant and equipment includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset.



Parts (major components) of an item of property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipments.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date. Advances paid towards the acquisition of PPE outstanding at each reporting date is classified as Capital Advances under "Other Non-Current Assets" and assets which are not ready for intended use as on the date of Standalone Financial Statements are disclosed as "Capital Work-in-Progress".

#### Depreciation and useful lives

Depreciation on the property, plant and equipment (other than capital work in progress) is provided on a written down value method (WDV) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013 or useful lives as determined based on internal technical evaluation. The estimated useful lives are as under:

Type of asset	Useful lives estimated by the management (years)
Furniture and fixture	10
Computer	3

Depreciation methods, useful lives and residual values, determined based on internal technical evaluation are reviewed at each financial year end and adjusted prospectively.

#### De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is de-recognised.

### 3.6. Right of Use Asset

The Company applies single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. On the commencement of the lease, the Company, in its Standalone Statement of Assets and Liabilities, recognised the right of use asset at cost and lease liability at present value of the lease payments to be made over the lease term.

Subsequently, the right of use asset is measured at cost less accumulated depreciation [calculated on straight line method] and any accumulated impairment loss. Right-of-use assets are depreciated on a straight-line basis over the lease term as follows:

Asset category	Lease Term
Leasehold land	59 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 3.7 on impairment of non-financial assets.

### 3.7. Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of a) fair value of assets less cost of disposal and b) its value in use. Value in use is the present value of future cash flows expected to derive from an assets or Cash-Generating Unit (CGU).





Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortisation had no impairment loss been recognised in earlier years.

### 3.8. Inventories

Inventories include raw materials and components, work-in-progress, traded and manufactured finished goods.

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials, components is ascertained based on weighted average method. However, raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Net realizable value for work in progress is determined with reference to the selling price of related finished goods. Trade goods are considered at landed cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provision is made for the cost of obsolescence and other anticipated losses, whenever considered necessary.

### 3.9. Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The policy of recognizing the revenue is determined by the five stage model proposed by Ind AS 115 "Revenue from contract with customers".

#### (a) Revenue from operations:

- Revenue from sale of goods is recognised at the point in time when control of the assets is transferred to the customer, generally on delivery of the goods.
- Revenue from sale of services is recognized on rendering of services to the customers based on contractual arrangements. Revenue is recorded exclusive of goods and service tax. Contract prices are either fixed or subject to price escalation clauses.
- Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services
- Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts and incentives, if any, as specified in the contract with the customer.
- Revenue also excludes taxes collected from customers.
- Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.



**(b) Interest income**

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

**(c) Dividends**

Dividend income is recognised when the Company's right to receive the payment is established.

**(d) Other income**

Other incomes are accounted on accrual basis, except interest on delayed payment by debtors and liquidated damages which are accounted on acceptance of the Company's claim.

**3.10. Foreign currency transaction**

Transactions in foreign currencies are initially recorded by the Company in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or the statement of profit and loss are also recognised in OCI or the statement of profit and loss, respectively)

**3.11. Employee benefits**

• Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.

• Post-employment benefits & other long term benefits

a. Defined contribution plan

The defined contribution plan is a post-employment benefit plan under which the Company contributes fixed contribution to a Government Administered Fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Labour Welfare Fund, Employee State Insurance Scheme, National Pension Scheme, and Employee Pension Scheme. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

b. Post-employment benefit and other long term benefits

The Company has defined benefit plans comprising of gratuity and other long term benefits in the form of leave benefits. Company's obligation towards gratuity liability is funded / unfunded. The present value of the defined benefit obligations and other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.



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For gratuity plan, re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the post-employment benefits liability) are recognised immediately in the balance sheet with a corresponding debit or credit to the other comprehensive income in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions for employee benefit plan [other than gratuity] are recognized immediately in the Statement of Profit and Loss as income or expense.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

### 3.12. Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary cost of borrowings in respect of loans not disbursed are carried forward and accounted as borrowing cost in the year of disbursement of loan. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

### 3.13. Taxes on income

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year and any adjustments to the tax payable or receivable in respect of previous years as determined in accordance with the provisions of the Income Tax Act, 1961 that have been enacted or subsequently enacted at the end of the reporting period.

Current tax assets and current tax liabilities are offset when there is legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis or simultaneously.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Company has unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.



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At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allows deferred tax assets to be recovered.

**3.14. Cash & cash equivalent**

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

**3.15. Statement of cash flows**

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

**3.16. Provisions, contingent liabilities, contingent assets**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

**3.17. Earnings per share**

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

**3.18. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.





### 3.18.1. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair value through profit or loss (FVTPL). Interest income is recognised in profit or loss and is included in the "Other income" line item.

#### Investments in equity instruments at Fair value through Other Comprehensive Income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee. Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.



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### Financial assets at FVTPL

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach' for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

### De-recognition of financial asset

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

## 3.18.2. Financial liability and equity instrument

### Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.



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### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Finance Cost' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.



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#### Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

#### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

#### Compound financial instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

#### Offsetting of financial instruments

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

#### Reclassification

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.





**Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited)**

**CIN No: U45209MH1999PLC120599**

**Notes to Standalone Financial Statements**

**De-recognition of financial liabilities**

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in statement of profit or loss.



Notes to the Standalone Financial Statement for the year ended 31st March 2023  
(Amount in millions, unless otherwise stated)

4 Property, plant and equipment

Particulars	Furniture and fixture	Computer	Total
<b>Cost/Valuation</b>			
As at 1st April, 2021	0.02	0.01	0.03
Additions	-	-	-
Deductions/ disposal	-	-	-
As at 31st March, 2022	0.02	0.01	0.03
Additions	-	-	-
Deductions/ disposal	-	-	-
As at 31st March, 2023	0.02	0.01	0.03
<b>Accumulated depreciation</b>			
As at 1st April, 2021	0.01	-	0.01
Charge for the year	0.00	-	0.00
Deductions/ disposal	-	-	-
As at 31st March, 2022	0.01	-	0.01
Charge for the year	0.00	-	0.00
Deductions/ disposal	-	-	-
As at 31st March, 2023	0.02	-	0.02
<b>Carrying amount</b>			
As at 31st March, 2022	0.01	0.01	0.02
As at 31st March, 2023	-	0.01	0.01

5 Right of use assets

Particulars	Leasehold land
<b>Cost/Valuation</b>	
As at 1st April, 2021	10.61
Additions	-
Deductions/ disposal	-
As at 31st March, 2022	10.61
Additions	-
Deductions/ disposal	-
As at 31st March, 2023	10.61
<b>Accumulated depreciation</b>	
As at 1st April, 2021	0.22
Charge for the year	0.22
Deductions/ disposal	-
As at 31st March, 2022	0.44
Charge for the year	0.22
Deductions/ disposal	-
As at 31st March, 2023	0.66
<b>Carrying amount</b>	
As at 31st March, 2022	10.17
As at 31st March, 2023	9.95

5.1 The lease agreement for leasehold land aggregating Rs. 9.95 millions (31 st March 2022 : Rs. 10.17 millions) are in the name of the Company.

5.2 The company does not have any lease apart from above. The payment for the same has been done in lumpsum at the inception. Hence, there is no lease liability in the books.



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Notes to the Standalone Financial Statement for the year ended 31st March 2023  
(Amount in millions, unless otherwise stated)

6 Investments (Non-current)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(A) Investment in Subsidiaries and Joint Venture		
(i) Unquoted equity shares, fully paid up, measured at cost		
(a) Subsidiaries		
Rochem Separation Systems (India) Private Limited		
50,003 (50,003) shares of Rs.100/- each	248.12	248.12
Concord Enviro FZE	248.12	248.12
1 (1) share of UAE Dirhams 150,000/- each	1.84	1.84
Reva Enviro Systems Private Limited	1.84	1.84
49,999 (49,999) shares of Rs.100/- each	15.70	15.70
Less: Provision for impairment of investment	(15.70)	(15.70)
Rochem Services Private Limited	-	-
20,000 (20,000) shares of Rs 100 /- each	1.02	1.02
Less: Provision for impairment of investment	(1.02)	(1.02)
(b) Joint Venture		
Roserve Enviro Private Limited		
208,312 (183,804 ) shares of Rs.1000 /- each	208.31	183.80
	208.31	183.80
Total of unquoted equity shares (A)	458.27	433.76
(ii) Preference shares, fully paid up, measured at cost		
(a) Subsidiaries		
Rochem Separation Systems Private Limited		
325,000 (325,000) 4.5% Redeemable cumulative preference shares of Rs. 100 /- each	-	32.50
Rochem Separation Systems Private Limited	-	32.50
4,000 (4,000) 0.001% Redeemable cumulative preference shares of Rs. 100 /- each	0.40	0.40
Rochem Services Private Limited	0.40	0.40
325,000 (325,000) 4.5% Redeemable cumulative preference shares of Rs. 100 /- each	32.50	32.50
Less: Provision for impairment of investment	(32.50)	(32.50)
Rochem Services Private Limited	-	-
4,000 (4,000) 0.001% Redeemable cumulative preference shares of Rs. 100 /- each	17.10	17.10
Less: Provision for impairment of investment	(17.10)	(17.10)
Total of unquoted preference shares (B)	0.40	32.90
Deemed Investment with respect to financial guarantee issued in favour of subsidiaries and related parties(C) (Refer note 6.3)	24.21	22.77
Total investment in subsidiaries and joint venture (A+B+C)	482.88	489.43

Particulars	As at 31st March, 2023	As at 31st March, 2022
(B) Other investment - Unquoted, fully paid up, measured at FVTPL		
(i) Investments in preference shares		
Rochem Green Energy Private Limited		
10,000 (10,000) redeemable preference shares of Rs.1000 /- each	447.50	447.50
Less: Fair value written down	(447.50)	(447.50)
(ii) Investments in equity shares		
Saraswat Cooperative Bank		
2,500 (2,500) shares of Rs.10 /- each	0.03	0.03
	0.03	0.03
Total of other investment	0.03	0.03

6.1 Other disclosure related to investment

Aggregate carrying amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying amount of unquoted investments	996.73	1,003.29
Aggregate impairment in value of investments measured at cost (Refer Note 6.2)	(66.32)	(66.32)
Aggregate fair value written down for investments measured at FVTPL (Refer Note 6.2)	(447.50)	(447.50)



Notes to the Standalone Financial Statement for the year ended 31st March 2023  
(Amount in millions, unless otherwise stated)

- 6.2 Due to the continuous losses incurred by the subsidiaries and related parties of the company, the company has recognized impairment in its investments in subsidiaries and other investments to the extent of Rs 513.82 millions (31st March 2022 : Rs. 513.82 millions).
- 6.3 The Company has provided financial guarantees in favour of certain subsidiaries and related parties (refer the list in note 6.4 below). The Company has not charged any commission from such subsidiaries and related parties. Therefore, the effect of fair valuation of such financial guarantees has been recognised as deemed investment in such subsidiaries and related parties.

- 6.4 The table below outlines the subsidiaries and related parties referred in note 6.3 above

Particulars	As at 31st March, 2023	As at 31st March, 2022
Rochem Separation Systems (India) Private Limited	17.52	17.52
Concord Enviro FZE	2.38	2.38
Roserve Enviro Private Limited	4.31	1.90
Rochem Green Energy Private Limited	-	0.97
<b>Total</b>	<b>24.21</b>	<b>22.77</b>

- 7 Current tax assets (net)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Non-current</b>		
Current tax asset (refer note 7.1)	1.74	-
<b>Total</b>	<b>1.74</b>	<b>-</b>

- 7.1 The above income tax asset is net of provision of income tax of Rs. 1.70 millions (31st March 2022: Rs. Nil)

- 8 Other non-current assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
Prepaid expenses	0.29	0.38
<b>Total</b>	<b>0.29</b>	<b>0.38</b>

- 9 Trade receivables

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured Considered good	3.22	10.61
<b>Total</b>	<b>3.22</b>	<b>10.61</b>
The above amount includes -		
- Receivable from related parties (Refer note 9.1)	3.22	10.61
- Receivable from others	-	-
<b>Total</b>	<b>3.22</b>	<b>10.61</b>

- 9.1 Trade receivables includes due from private company in which director of the Company is a director or a member

	As at 31st March, 2023	As at 31st March, 2022
Concord Enviro FZE	3.22	10.61

- 9.2 Trade receivable ageing:

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Undisputed Trade Receivables-considered good</b>		
- Less than 6 months	3.22	10.61
- 6 Months - 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
More than 3 years	-	-
<b>Sub-total</b>	<b>3.22</b>	<b>10.61</b>

- 9.3 Disputed trade receivables are Rs. Nil (31st March 2022 : Rs. Nil).

- 9.4 There were no receivables due by directors or any of the officers of the Company.

- 9.5 The average credit of goods is 90 days. No interest is charged on outstanding trade receivables. The Company always measures the loss allowance for trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.



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Notes to the Standalone Financial Statement for the year ended 31st March 2023  
(Amount in millions, unless otherwise stated)

10 Cash and cash equivalents

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash in hand	0.01	0.01
Balances with banks in current accounts	0.28	2.14
<b>Total</b>	<b>0.29</b>	<b>2.15</b>

11 Loans (Current)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Current</b>		
Loan to Related Party (Refer note 38)		
Rochem Services Private Limited	-	1.22
Less: Impairment of loans (Refer note 11.1)	-	(1.22)
		-
Reva Enviro Systems Private Limited	-	13.33
Less: Impairment of loans (Refer note 11.1)	-	(13.33)
		-
<b>Total</b>	<b>-</b>	<b>-</b>

- 11.1 The impairment provisions for Loans advanced are based on assumptions about risk of default. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward - looking estimates at the end of each reporting. Accordingly impairment on the entire loans advanced is recorded in the financial statements.

12 Other financial assets (Current)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Current</b>		
Dividend receivable from subsidiary	-	7.55
Interest receivable from related parties (Refer note 38)	-	1.01
Security Deposit	0.05	-
<b>Total</b>	<b>0.05</b>	<b>8.56</b>

13 Other current assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Current</b>		
Prepaid expenses	0.78	0.05
Balance with government authorities	19.13	4.86
Share issue expense recoverable (Refer note 13.1)	-	8.98
Advances for supply of goods and services	0.20	0.44
Unbilled revenue	-	21.00
<b>Total</b>	<b>20.11</b>	<b>35.33</b>

- 13.1 Note- Share issue expense recoverable of Rs. Nil (31<sup>st</sup> March 2022 8.98 millions) are incurred towards proposed Initial Public Offer.



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Notes to the Standalone Financial Statement for the year ended 31st March 2023

(Amount in millions, unless otherwise stated)

14 Deferred Tax Asset (Net) / Tax Expense

(A) Deferred tax relates to the following:

Particulars	As at 1st April, 2022	Recognized in statement of profit and loss	As at 31st March, 2023
<b>Deferred tax asset arising on account of:</b>			
Property, Plant & Equipment	0.01	(0.01)	-
Provision for employee benefits	0.97	0.56	1.53
Disallowance under section 40(a)(ia)	1.51	(1.51)	-
Disallowance under section 43(b)	-	0.34	0.34
Unabsorbed losses	-	2.79	2.79
<b>Deferred tax assets (net)</b>	<b>2.49</b>	<b>2.17</b>	<b>4.66</b>

(B) Income tax expense

Particulars	As at 31st March, 2023	As at 31st March, 2022
- Current tax taxes	-	1.48
- Deferred tax charge / (income)	(2.17)	(2.44)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>(2.17)</b>	<b>(0.96)</b>

(C) Reconciliation of tax charge

Particulars	As at 31st March, 2023	As at 31st March, 2022
Profit before tax	(84.24)	8.92
Tax Rate	25.17%	25.17%
<b>Income tax expense at applicable tax rates</b>	<b>-</b>	<b>2.25</b>
Expenses that are not deductible in determining taxable profit	-	(0.10)
Others	(2.17)	(3.11)
<b>Income tax (income)/expense</b>	<b>(2.17)</b>	<b>(0.96)</b>

(D) Deductible temporary differences for which no deferred tax asset is recognised in the Balance Sheet in respect of :

Particulars	Period of expiry	Carry forward losses for Future period (as at 31st March, 2023)	Carry forward losses for Future period (as at 31st March, 2022)
<b>Short term capital loss:</b>			
AY 2019-20	March 2027	0.02	0.02
AY 2021-22	March 2029	3.20	3.20
<b>Total</b>		<b>3.22</b>	<b>3.22</b>

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Notes to the Standalone Financial Statement for the year ended 31st March 2023  
(Amount in millions, unless otherwise stated)

15 Equity share capital

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Authorised share capital</b>		
Equity Shares		
Face value (Refer note 15.11)	5.00	100.00
No. of shares	4,00,00,000	50,000
Amount	200.00	5.00
<b>Total</b>	<b>200.00</b>	<b>5.00</b>
<b>Issued, subscribed and paid-up share capital</b>		
Equity Shares		
Face value (Refer note 15.11)	5.00	100.00
No. of shares	1,81,99,800	42,556
Amount	91.00	3.08
Add: Reclassified from Financial Liability (Refer note 15.10)	-	1.18
<b>Total</b>	<b>91.00</b>	<b>4.26</b>

15.1 Equity share capital as per Companies Act, 2013

Fully paid equity shares, which have a par value of Rs. 5 carry one vote per share and carry a right to dividend (Refer Note 15.11).

15.2 Rights, preferences and restrictions attached to equity shares

The Company has single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

15.3 Fully paid equity shares under Companies Act, 2013

Particulars	Number of shares	Share capital (Amount)
Balance at 1st April, 2021	42,556	4.26
Changes in share capital during the year	-	-
Balance at 31st March, 2022	42,556	4.26
Conversion of preference shares into equity shares (Refer note 15.12 (b)(ii))	7,999	0.80
Total number of equity shares post conversion	50,555	5.06
Split of equity shares from Rs 100 per share to Rs 5 per share (Refer note 15.8)	10,11,100	5.06
Addition on account of bonus issue in the ratio of 17:1 (Refer note 15.12 (b))	1,71,88,700	85.94
Balance at 31st March, 2023	1,81,99,800	91.00

15.4 Details of shareholders holding more than 5 % shares

Particulars	Details	As at 31st March, 2023	As at 31st March, 2022
Mrs. Pushpa Goel	Number of Shares	16,63,560	12,600
	Shareholding percentage	9.14%	29.61%
Mr. Prayas Goel	Number of Shares	50,88,960	7,530
	Shareholding percentage	27.96%	17.69%
Mr. Prerak Goel	Number of Shares	32,03,280	7,525
	Shareholding percentage	17.60%	17.68%
AFHoldings, Mauritius (Body Corporate)	Number of Shares	71,10,000	11,751
	Shareholding percentage	39.07%	27.61%

15.5 Details of Promoter Shareholding in the Company

Name of the promoter	Details	As at 31st March, 2023	As at 31st March, 2022
Mr. Prayas Goel	Number of Shares	50,88,960	7,530
	Shareholding percentage	27.96%	17.69%
	Percentage change during the year	10.27%	-
Mr. Prerak Goel	Number of Shares	32,03,280	7,525
	Shareholding percentage	17.60%	17.68%
	Percentage change during the year	(-0.08)%	-

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Notes to the Standalone Financial Statement for the year ended 31st March 2023  
(Amount in millions, unless otherwise stated)

15.6 Preference Share Capital as per Companies Act, 2013

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Authorized Share Capital</b>		
<b>0.001% compulsorily convertible non cumulative preference shares</b>		
Face value (in Rs) (Refer note 15.11)	1,000.00	1,000.00
No. of shares	2,25,000	4,20,000
Amount	225.00	420.00
<b>Issued, subscribed and paid-up Share Capital</b>		
<b>0.001% compulsorily convertible non-cumulative preference shares</b>		
Face value (Refer note 15.11)	1,000.00	1,000.00
No. of shares	7,999	7,999
Amount	8.00	8.00
Less: 0.001% compulsorily convertible non cumulative preference shares redeemed (Refer note 15.12 (ii))	(8.00)	-
<b>Total</b>	<b>-</b>	<b>8.00</b>

15.7 Reconciliation of Instruments entirely of equity nature outstanding at the beginning and at the end of the year

Particulars	Number of shares	Share capital (Amount)
Balance at 1st April, 2021	-	-
Add - Reclassified from financial liability	7,999	8.00
Balance at 31st March, 2022	7,999	8.00
Changes in share capital during the year (Refer note 15.12 (ii))	(7,999)	(8.00)
Balance at 31st March, 2023	-	-

15.8 Rights, preferences and restrictions attached to preference shares

**0.001% compulsorily convertible non cumulative preference shares**

The Company has series A and A1 0.001% non cumulative convertible preference shares (Rs.1000/- each) having a term of 20 periods. The preference shares holders has right to convert their shares into equity shares at conversion ratio of 1:1 and as per the terms of agreement. The non cumulative preference shares shall rank senior to equity shares and all other preference shares at all times and in all events. The preference shares are entitled to receive dividend @ 0.001% as declared from time to time. The voting rights of a preference shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up preference capital of the company. As a result series A and A1 0.001% non cumulative convertible preference shares (Rs.1000/- each) are converted and split into ratio of 20:1 into ordinary equity shares and bonus issue of 17:1 is allotted dated 9th November 2022.

15.9 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the promoter	Details	As at 31st March, 2023	As at 31st March, 2022
AFHoldings, Mauritius (Body Corporate)	Number of Shares	-	7,999
	Shareholding percentage	0.00%	100.00%

15.10 Approval of Concord Enviro System Employee Stock Option Plan 2022

The Company has, vide Shareholders' approval dated 22nd June, 2022, introduced, implemented "Concord Enviro System Employee Stock Option Plan 2022" ("ESOP 2022") and approved the plan authorizing the committee to grant not exceeding 20,600 (twenty thousand six hundred only) options ("option pool") to the eligible employee in one or more tranches, from time to time which in aggregate shall be exercisable into not more than 20,600 (twenty thousand six hundred only) shares with each such option conferring a right upon the employee to apply for one share in the company in accordance with the terms and conditions as may be decided under the plan.

15.11 Change in Authorised Capital and Sub-division of equity shares:

The Shareholders in their extra-ordinary general meeting dated 25th May, 2022 approved sub-division of each authorised and issued equity shares of face value Rs. 100 into twenty equity shares of face value of Rs. 5 each.  
The Authorised Share Capital of the Company is changed to Rs. 425 millions divided into 4,00,00,000 Equity Shares of Rs. 5 each and 2,25,000 Preference shares of Rs. 1000 each.

15.12 For the period of five years immediately preceding the date as at which the Balance Sheet is prepared :

(a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash: NIL

(b) Aggregate number and class of shares allotted as fully paid up by way of bonus shares:

i. Pursuant to the approval of Board of Directors in its meeting held on November 09, 2022 and approval of the shareholders in the Extraordinary General Meeting held on November 09, 2022, the Company has approved issuance of bonus shares of face value of equity shares of Rs. 5 in the ratio of 17 equity share having face value of Rs. 5 for every equity share of Rs. 5. As a result the number of equity share of the Company has increased from 8,51,120 to 1,53,20,160.

ii. Pursuant to the approval of Board of Directors in its meeting held on dated November 10, 2022 and approval of the shareholders in the Extraordinary General Meeting held on dated November 10, 2022, the Company has approved conversion of compulsory convertible preference shares of face value Rs. 1000 to equity shares of face value Rs. 5. Subsequently the number of shares increase from 7999 to 28,79,460. As a result the number of equity share of the Company has increased from 1,53,28,159 to 1,81,99,800.

(c) Aggregate number and class of shares bought back: NIL

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Notes to the Standalone Financial Statement for the year ended 31st March 2023  
(Amount in millions, unless otherwise stated)

16 Other equity

Particulars	As at 31st March, 2023	As at 31st March, 2022
General reserve	0.10	0.10
Securities premium reserve	834.29	913.03
Retained earnings	(512.99)	(427.87)
Financial instrument classified as equity (Refer note 15.12 (ii))	-	8.00
Remeasurement benefits	(0.76)	(0.04)
<b>Total</b>	<b>320.64</b>	<b>493.22</b>

16.1 Nature and Purpose of Reserve

Particulars	Description
General Reserve	General reserve represents portion of profits mandatorily transferred to it before declaring dividend pursuant to the provisions of Companies Act, 1956. Such mandatory transfer is not required under the Companies Act, 2013.
Securities Premium Reserve	Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only in accordance with the provisions of the Companies Act, 2013.
Retained earnings	This represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. It will be utilized in accordance with the provisions of the Companies Act, 2013.
Financial instrument classified as equity	0.001% compulsorily convertible non cumulative preference shares issued by the Company are classified separately as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.
Remeasurement benefits	This reserve contains cumulative gains and losses on remeasurement of post-employment defined benefits obligations.

16.2 Other equity

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(A) Reserve and surplus</b>		
<b>(a) General Reserve</b>		
Opening balance	0.10	0.10
Add/(less): Movement during the year	-	-
Closing balance	<b>0.10</b>	<b>0.10</b>
<b>(b) Securities Premium Reserve</b>		
Opening balance	913.03	-
Add/(less): Movement during the year	-	913.03
Conversion of preference shares to equity	7.20	-
Issue of bonus shares	(85.94)	-
Closing balance	<b>834.29</b>	<b>913.03</b>
<b>(c) Retained earnings</b>		
Opening balance	(427.87)	(2,115.55)
Add/(Less): Net Profit attributable to owners of the company	(84.15)	9.88
Add: Reclassified from financial liability	-	1,677.80
Less: Deemed distribution	(0.97)	-
Closing balance	<b>(512.99)</b>	<b>(427.87)</b>
<b>Total of reserves and surplus</b>	<b>321.40</b>	<b>485.26</b>
<b>(B) Financial instrument classified as equity</b>		
0.001% compulsorily convertible non cumulative preference shares		
Opening Balance	8.00	-
Add/(less): Movement during the year (Refer note 15.12 (ii))	(8.00)	8.00
Closing Balance	<b>-</b>	<b>8.00</b>
<b>(C) Other comprehensive income</b>		
<b>(a) Remeasurement Benefits</b>		
Opening Balance	(0.04)	-
Add/(less): Movement during the year	(0.72)	(0.04)
Closing balance	<b>(0.76)</b>	<b>(0.04)</b>
<b>Total (A+B+C)</b>	<b>320.64</b>	<b>493.22</b>

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Notes to the Standalone Financial Statement for the year ended 31st March 2023  
(Amount in millions, unless otherwise stated)

17 Other financial liabilities (Non-Current)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fair value of of financial guarantee contracts*	5.18	10.87
<b>Total</b>	<b>5.18</b>	<b>10.87</b>

\* Financial guarantee contracts has been issued in the favour of related parties.

18 Provisions (Non-Current)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Provision for employee benefits</b>		
- Provision for gratuity (Refer note 36)	4.75	2.87
- Provision for leave encashment (Refer note 36)	0.81	0.65
<b>Total</b>	<b>5.56</b>	<b>3.52</b>

19 Trade payables

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total outstanding dues of micro, small and medium enterprises (Refer note 19.1)	5.11	4.50
Total outstanding dues of creditors other than micro, small and medium enterprises	43.26	25.35
<b>Total</b>	<b>48.37</b>	<b>29.85</b>

19.1 The amount due to Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act (MSMED Act), 2006 has been determined to the extent such parties have been identified on the basis of information collected by the management. The disclosure relating to Micro, Small and Medium Enterprises is as under:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Dues remaining unpaid at the year end:		
(a) The principle amount remaining unpaid to supplier as at the end of the accounting period	3.61	3.94
(b) The interest thereon remaining unpaid to supplier as at the end of the accounting period	1.50	0.56
(c) The amount of interest paid by the buyer under MSMED Act, 2006 alongwith the amounts of the payment made to the suulier beyond the appointed day during each accounting period.	-	-
(d) The amount of interest due and payable for the of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act, 2006	-	-
(e) Amount of interest accrued and remaining unpaid at the end of the accounting period	1.50	0.56
(f) The amount of further interest remaining due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	-	-



Notes to the Standalone Financial Statement for the year ended 31st March 2023  
(Amount in millions, unless otherwise stated)

19.2 Trade payable analysis

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Micro, small and medium enterprises- Undisputed		
Less than 1 year	1.50	1.61
1-2 years	0.33	2.76
2-3 years	3.28	0.13
More than 3 years	-	-
<b>Total</b>	<b>5.11</b>	<b>4.50</b>
(ii) Others - Undisputed		
Less than 1 year	42.96	24.95
1-2 years	-	0.08
2-3 years	-	0.02
More than 3 years	0.30	0.30
<b>Total</b>	<b>43.26</b>	<b>25.35</b>

19.3 Disputed trade payables are Rs. Nil (31st March 2022 : Rs. Nil).

19.4 Trade payables principally comprise amounts outstanding for operational activities. The average credit taken for trade purchases is 90 days. For most suppliers, no interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the pre - agreed terms.

20 Other current liabilities

Particulars	As at 31st March, 2023	As at 31st March, 2022
Statutory dues	1.05	1.56
<b>Total</b>	<b>1.05</b>	<b>1.56</b>

21 Provision (Current)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Provision for gratuity (Refer note 36)	0.38	0.23
Provision for leave encashment (Refer note 36)	0.15	0.12
<b>Total</b>	<b>0.53</b>	<b>0.35</b>

22 Contract liabilities

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances received from customers (Refer note 38)	50.90	14.18
<b>Total</b>	<b>50.90</b>	<b>14.18</b>

23 Current tax liabilities (net)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current tax payable	-	1.36
<b>Total</b>	<b>-</b>	<b>1.36</b>

The above income tax liability is net of income tax asset of Rs. Nil (31st March 2022 : Rs. 0.12 millions).



Notes to the Standalone Financial Statement for the year ended 31st March 2023

(Amount in millions, unless otherwise stated)

24 Revenue from operations

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Sale of goods	-	1.09
Sale of services	37.85	34.19
<b>Total</b>	<b>37.85</b>	<b>35.28</b>

24.1 Disclosure pursuant to Ind AS 115: Revenue from contract with customers

Geographical markets

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
India	21.14	22.09
Outside India	16.71	13.19
<b>Total revenue from contract with customers</b>	<b>37.85</b>	<b>35.28</b>

Timing of revenue recognition

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
At a point in time	-	1.09
Over the period of time	37.85	34.19
<b>Total revenue from contract with customers</b>	<b>37.85</b>	<b>35.28</b>

Revenue that representing more than 10% of the Company revenue from operations

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Number of Customer (Nos) *	2	2
Amount (in millions) *	37.85	34.19

\* Refer note 38

Movement of contract liability

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Amounts included in contract liability as at the beginning of the year	14.18	-
Amount received during the period for which performance obligation pending to be satisfied	36.72	14.18
Performance obligation satisfied during the year	-	-
Amounts included in contract liability as at the end of the year	50.90	14.18

25 Other income

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>(a) Dividend Income</b>		
Dividends received from preference investments measured at amortised cost :		
- Relating to investments not redeemed during the reporting year	7.46	-
- Relating to investments redeemed during the reporting year	-	20.74
<b>(b) Interest Income</b>		
Financial instruments measured at amortised cost :		
- Interest income on Loans given to related parties	0.82	1.22
<b>(c) Other gains and losses</b>		
Amortisation of financial guarantee liability	8.10	6.62
Foreign exchange gain (Net)	0.89	-
Reversal of provision for impairment of loans	14.55	3.52
Miscellaneous income	1.14	-
<b>Total</b>	<b>32.96</b>	<b>32.10</b>

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Notes to the Standalone Financial Statement for the year ended 31st March 2023  
(Amount in millions, unless otherwise stated)

26 Cost of materials consumed

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening balance	-	-
Add: Purchases	-	0.07
Less: Closing balance	-	-
<b>Total</b>	<b>-</b>	<b>0.07</b>

27 Purchase of stock-in-trade

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Purchase of stock-in-trade	-	1.04
<b>Total</b>	<b>-</b>	<b>1.04</b>

28 Employee benefits expense

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries and wages	27.24	16.31
Contribution to provident and other funds (Refer note 36)	1.46	0.87
Gratuity expenses (Refer note 36)	0.68	0.44
<b>Total</b>	<b>29.38</b>	<b>17.62</b>

29 Finance costs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest on MSME parties	0.94	0.26
Loan Processing Charges	0.12	-
Corporate guarantee charges	0.10	0.10
<b>Total</b>	<b>1.16</b>	<b>0.36</b>

30 Depreciation expense

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Depreciation on property, plant and equipment (Refer note 4)	0.00	0.00
Depreciation on right of use assets (Refer note 5)	0.22	0.22
<b>Total</b>	<b>0.22</b>	<b>0.22</b>

31 Other expenses

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Director's sitting fees	2.30	-
<u>Repairs &amp; maintenance</u>		
Plant and machinery	0.37	0.34
Insurance	0.41	0.12
Legal & professional fees (Refer note 31.2)	99.41	12.31
Rates and taxes	0.09	4.57
Net loss on foreign exchange	-	0.03
Payments to auditors (Refer note 31.1)	1.55	1.30
Service charges	18.81	20.29
Bank charges	0.06	0.04
Miscellaneous expenses	1.29	0.15
<b>Total</b>	<b>124.29</b>	<b>39.15</b>

31.1 Break-up of Auditor's remuneration

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
For audit	1.55	1.25
For other services	-	-
For reimbursement of expense	-	0.05
<b>Total</b>	<b>1.55</b>	<b>1.30</b>

31.2 Note- Legal & professional fees includes share issue expense recoverable of Rs. 98.33 millions (31<sup>st</sup> March 2022 Rs. Nil) incurred towards proposed Initial Public Offer. Further this amount includes Rs. 22.85 millions as fees to statutory auditor.



Notes to the Standalone Financial Statement for the year ended 31st March 2023  
(Amount in millions, unless otherwise stated)

32 Earnings per share

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Basic and diluted earning/loss per share		
(a) Net profit/loss after tax as per the statement of profit and loss	(84.15)	9.88
(b) Weighted average number of equity shares outstanding for Basic EPS and diluted EPS calculation (in No.)*	1,81,99,800	1,81,99,800
(c) Nominal value per share (in Rs)*	5	5
(d) Basic [(a)/(b)] Rs	(4.62)	0.54
(e) Diluted [(a)/(b)] Rs	(4.62)	0.54

\*Pursuant to a resolution passed in extra-ordinary general meeting dated 25th May, 2022, shareholders have approved split of each equity share of face value of Rs. 100 each into twenty equity shares of face value of Rs. 5 each (the "Split"). Further the Company in extra-ordinary general meeting dated 9th November, 2022 have approved the issue of bonus shares to the equity shareholders in the ratio of 17 shares for each share held. As required under Ind AS 33 "Earning per share" the effect of such split is required to be adjusted for the purpose of computing earning per share for all the presented retrospectively. As a result, the effect of split has been considered in Standalone Financial Statement for the purpose of calculating of earning per share.

33 Contingent liability

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Disputed income tax demands	337.00	337.00
(b) Corporate guarantee	1,826.91	1,649.59
<b>Total</b>	<b>2,163.91</b>	<b>1,986.59</b>

Note:

- (a) In respect of (a) above, future cash outflows (including interest/penalty, if any) are determinable on receipt of judgement from tax authorities / settlement of claims. Further, the Company does not expect any reimbursement in respect of above.
- (b) The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has no long term contracts.

34 Capital commitment

As per the provisions of the Shareholders agreement regarding Roserve Enviro Private Limited signed by and between Danish Climate Investment Fund I K/S, Concord Enviro Systems Private Limited, Prayas Goel, Prerak Goel and Roserve Enviro Private Limited, if the preferred exit to the Investor (Danish Climate Investment Fund I K/S) is not provided before 1st January 2024, the Company would have to acquire the shares held by Danish Climate Investment Fund I K/S at higher of Fair Market Value subject to a XIRR of 12% or book value per share.

35 Segment Reporting

In accordance with Ind AS 108, "Operating Segments" the Company has disclosed the segment information in the consolidated financial statement.

36 Employee benefits

(A) Defined Contribution Plans

The Company has certain defined contribution plans. The obligation of the Company is limited to the amount contributed and it has no further contractual obligation. Following is the details regarding Company's contributions made during the year:

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Employers' Contribution to Pension Scheme (Refer note 28)	0.21	0.10
Employers' Contribution to Provident Fund (Refer note 28)	1.25	0.77

(B) Defined Benefit plans

(I) Compensated leave absences

The Compensated leave absences benefit scheme is a defined benefit plan and is wholly unfunded. Hence, there are no plan assets attributable to the obligation. The long term employee benefits in the form of compensated leave absences have been determined using the projected unit credit method as at the balance date on the basis of actuarial valuation.

The leave wages are payable to all eligible employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement on attaining superannuation age.

Following amounts are recognised in respect of unfunded obligation towards compensated leave absences-

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Amount recognised in the Balance Sheet		
Non-current	0.81	0.65
Current	0.15	0.12
<b>Total</b>	<b>0.96</b>	<b>0.77</b>
Amount recognised in salary and other benefits in the Statement of Profit and Loss in respect of compensated leave liability.	(0.07)	0.09



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Notes to the Standalone Financial Statement for the year ended 31st March 2023  
(Amount in millions, unless otherwise stated)

(II) Gratuity

The Company has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five periods of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. Every employee who has completed five periods or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed period of service as per the provisions of the Payment of Gratuity Act, 1972. The scheme is unfunded.

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

Interest rate risk	A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision.
Salary inflation risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
Asset liability matching risk	The plan faces the ALM risk as to the matching cashflow. Entity has to manage pay-out based on pay as you go basis from own funds.
Mortality risk:	Since the benefits under the plan is not payable for lifetime and payable till retirement age only, plan does not have any longevity risk.

For determination of the liability in respect of compensated gratuity, the Company has used following actuarial assumptions:

i) Actuarial assumptions

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Discount rate (per annum)	7.39%	6.84%
Expected rate of return on plan Assets	7.39%	6.84%
Rate of increase in Salary(per annum)	5.00%	5.00%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)#	Indian Assured Lives Mortality 2012-14 (Urban)#
Attrition rate	For service 2 periods and below 20.00% p.a. For service 3 periods to 4 periods 15.00% p.a. For service 5 periods and above 6.00% p.a.	For service 2 periods and below 20.00% p.a. For service 3 periods to 4 periods 15.00% p.a. For service 5 periods and above 6.00% p.a.

# Extract of Mortality Rate (India Assured Lives Mortality (2012-2014) Urban):

Age	Rate
18	0.000675
25	0.000941
35	0.001253
45	0.002688
55	0.006576
65	0.013526

ii) Changes in the present value of defined benefit obligation

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Present value of obligation at the beginning of the year	3.10	0.15
Interest cost	0.25	0.17
Past service cost	-	-
Liability transferred on transfer of employees	0.63	2.47
Current service cost	0.42	0.27
Curtailments	-	-
Benefits directly paid by employer	-	-
Actuarial (gain)/ loss on obligations - Due to change in Demographic	-	-
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	(0.13)	-
Actuarial (gain)/ loss on obligations - Due to experience	0.86	0.04
Present value of obligation at the end of the year	5.13	3.10

iii) Expense recognized in the Statement of Profit and Loss

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Current service cost	0.42	0.27
Past service cost	-	-
Interest cost	0.25	0.17
Expense transferred on transfer of employees	0.63	-
Expected return on plan assets	-	-
Actuarial (gain) / loss on obligations	-	-
Total expenses recognized in the Statement Profit and Loss*	1.30	0.44



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Notes to the Standalone Financial Statement for the year ended 31st March 2023  
(Amount in millions, unless otherwise stated)

iv) Expense recognized in Other comprehensive income

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Actuarial (gain) / loss on Obligation for the year	0.72	0.04
Return on Plan Assets, Excluding Interest Income	-	-
Net actuarial (gains) / losses recognised in OCI	0.72	0.04

v) Assets and liabilities recognized in the Balance Sheet:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Present value of obligation as at the end of the year	5.13	3.10
Fair Value of Plan Assets at the end of the year	-	-
(Surplus)/Deficit	5.13	3.10
Net (asset) / liability recognized in Balance Sheet	5.13	3.10

vi) A quantitative sensitivity analysis for significant assumption as at reporting date is as shown below:

Impact on defined benefit obligation	As at 31st March, 2023	As at 31st March, 2022
Discount rate		
1% increase	(0.22)	(0.16)
1% decrease	0.25	0.17
Rate of increase in salary		
1% increase	0.24	0.17
1% decrease	(0.23)	(0.16)
Rate of employee turnover		
1% increase	0.03	0.01
1% decrease	(0.03)	(0.01)

vii) Maturity profile of defined benefit obligation

period	As at 31st March, 2023	As at 31st March, 2022
1st Following year	0.38	0.23
2nd Following year	0.39	0.23
3rd Following year	1.68	0.24
4th Following year	1.08	1.24
5th Following year	0.21	0.14
Sum of years 6 to 10	1.97	1.28
Sum of years 11 and above	2.03	1.39

37 Financial Ratio

(a) Ratios:

Financial ratios	Numerator	Denominator	Year ended 31st March, 2023	Year ended 31st March, 2022	% change from 31 March 2022 to 31 March 2023
(a) Current ratio	Current Assets	Current Liabilities	0.23	1.20	80%
(b) Debt equity ratio	Total Debt <sup>1</sup>	Shareholder's equity	-	-	0%
(c) Debt service coverage ratio	Earnings available for debt service <sup>2</sup>	Debt service <sup>3</sup>	(0.01)	0.03	141%
(d) Return on equity (%)	Net profit after tax	Average shareholder's equity	-19%	-1%	-1414%
(e) Trade receivable turnover ratio	Revenue from operations	Average closing trade receivables	5.47	6.62	17%
(f) Trade payable turnover ratio	Purchases of material and expenses (Net of Notional Expense <sup>7</sup> )	Average trade payables (excluding dues payable to employees)	3.18	2.06	-54%
(g) Net capital turnover ratio	Revenue from operations	Working capital <sup>5</sup>	(0.49)	3.77	113%
(h) Net profit (%)	Net profit after tax	Revenue from operations	(2.22)	27.99%	894%
(i) Return on capital employed	Earning before interest and taxes	Capital Employed <sup>6</sup>	(0.21)	0.02	1248%
(j) Inventory turnover ratio	Cost of goods <sup>4</sup>	Average inventory	-	-	0%

Total Debt<sup>1</sup> - Current borrowings (including current maturity of long term borrowings) + Non current borrowing.

Earnings available for debt service<sup>2</sup> - Profit after tax + Depreciation + Finance cost.

Debt service<sup>3</sup> - Finance cost + Principal repayment of borrowing, debenture and Lease liability

Cost of goods<sup>4</sup> - Cost of raw materials and components consumed, Purchase of Stock in Trade and increase/(decrease) in inventories of finished goods and work-in-progress

Working capital<sup>5</sup> - Current asset - Current liabilities

Capital Employed<sup>6</sup> - Tangible net worth (includes total asset and total liabilities excludes intangible assets (except ROU) + Total debt<sup>1</sup> - Deferred tax asset

Net of Notional Expense<sup>7</sup> includes Net loss on foreign exchange, Sundry balances written off, and Net impairment losses on financial assets.

(c) Reason for change more than 25%

Particulars	% change from 31 March 2022 to 31 March 2023
(a) Current ratio	NA
(b) Debt Equity Ratio	NA
(c) Debt Service coverage ratio	Decrease primarily on account of increase in finance cost
(d) Return on Equity (%)	Increase primarily on account of increase in equity
(e) Trade receivable Turnover ratio	NA
(f) Trade payable Turnover ratio	Increase on account of increase in services expenses and increase in payable
(g) Net capital turnover ratio	Increase on account of increase in sales and increase in Working Capital
(h) Net profit (%)	NA
(i) Return on capital employed	Decrease primarily on account of increase in other current asset (share issue expenses)
(j) Inventory Turnover ratio	NA

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Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited)

CIN: U45209MH1999PLC120599

Notes to the Standalone Financial Statement for the year ended 31st March 2023

(Amount in millions, unless otherwise stated)

38 Related party disclosures

A. Name and relationships of related parties:

I Entity having significant influence over the Company : AFHoldings, Mauritius

II Subsidiaries and joint ventures

Name of the Company	Country of Incorporation	% equity interest	
		As at 31st March, 2023	As at 31st March, 2022
<b>Wholly owned subsidiaries</b>			
<b>Direct</b>			
Rochem Separations Systems (India) Private Limited	India	100%	100%
Reva Enviro Systems Private Limited	India	100%	100%
Concord Enviro FZE	UAE	100%	100%
Rochem Services Private Limited (formerly known as "Concord Blue Technology Private Limited")	India	100%	100%
<b>Step down subsidiaries (wholly owned subsidiaries of Concord Enviro FZE)</b>			
Blue Water Trading & Treatment FZE	UAE	100%	100%
Concord Enviro S.A.De.C.V.	Mexico	100%	100%
<b>Joint Venture</b>			
Roserve Enviro Private Limited	India	48.98%	48.88%
<b>Subsidiary of Joint Venture</b>			
Roserve Enviro FZE (100% subsidiary of Roserve Enviro Private Limited)	UAE	48.98%	48.88%
<b>Joint Venture of Fellow Subsidiary</b>			
WHE Systems (FZC) (50% holding through Concord Enviro FZE)	UAE	50.00%	50.00%

III Enterprises over which key managerial personnel is able to exercise significant influence

Concord Shipping Private Limited  
Rochem Green Energy Private Limited

IV Key managerial personnel

Managing Director	Mr. Prayas Goel
Executive Director	Mr. Prerak Goel
Independent Director	Mr. Prakash Shah (w.e.f. 25th May, 2022)
Independent Director	Mrs. Kamal Shanbag (w.e.f. 25th May, 2022)
Independent Director	Mr. Shiraz Bugwadia (w.e.f. 20th June, 2022)

Mr



Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited)

CIN: U45209MH1999PLC120599

Notes to the Standalone Financial Statement for the year ended 31st March 2023

(Amount in millions, unless otherwise stated)

B. Transactions during the year with related party

Nature of transaction	Name of the related party	Year ended 31st March, 2023	Year ended 31st March, 2022
Sale of goods	- Rochem Separation Systems (India) Private Limited	-	1.09
Proceeds from redemption of Preference shares	- Rochem Separation Systems (India) Private Limited	32.50	8.93
Investment made	- Roserve Enviro Private Limited	24.51	-
Rent expenses	- Concord Shipping Private Limited	0.06	0.03
Service charges	- Reva Enviro Systems Private Limited	6.23	8.00
	- Rochem Services Private Limited	12.37	12.00
Interest income	- Rochem Separation Systems (India) Private Limited	-	0.09
	- Reva Enviro Systems Private Limited	0.75	1.03
	- Rochem Services Private Limited	0.07	0.09
Receipt against loan	- Rochem Separation Systems (India) Private Limited	-	8.90
	- Rochem Services Private Limited	1.22	-
	- Reva Enviro Systems Private Limited	13.33	3.54
Loans given	- Rochem Separation Systems (India) Private Limited	-	8.90
	- Reva Enviro Systems Private Limited	-	0.02
	- Rochem Services Private Limited	-	-
Dividend Income	- Concord Enviro FZE	-	20.74
	- Rochem Separation Systems (India) Private Limited	7.46	-
Sale of service	- Concord Enviro FZE	16.71	13.19
	- Rochem Separation Systems (India) Private Limited	21.14	21.00
Reversal of Impairment of loans	- Reva Enviro Systems Private Limited	13.33	3.52
	- Rochem Services Private Limited	1.22	-
Corporate guarantee commission	- Rochem Separation Systems (India) Private Limited	6.58	5.36
	- Concord Enviro FZE	0.66	0.35
	- Roserve Enviro Private Limited	0.55	0.39
	- Concord Shipping Private Limited	0.13	0.16
	- Rochem Green Energy Private Limited	0.17	0.36
Reclassification of financial instrument from financial liability to equity	- AFHoldings, Mauritius	-	2,600.00
Corporate Guarantee Given	- Rochem Separation Systems (India) Private Limited	-	500.00
Corporate Guarantee Charges	- Concord Shipping Private Limited	0.10	0.10

C. Remuneration to Key Managerial Personnel

Nature of transaction	Name of the related party	As at 31st March, 2023	Year ended 31st March, 2022
Director's Remuneration	Mr. Prayas Goel	1.20	-
	Mr. Prerak Goel	1.20	-
Director's sitting fees	Mr. Prakash Shah	0.65	-
	Mrs. Kamal Shanbag	1.10	-
	Mr. Shiraz Bugwadia	0.55	-

Mr



Notes to the Standalone Financial Statement for the year ended 31st March 2023  
(Amount in millions, unless otherwise stated)

D. Related party outstanding balances:

Nature of transaction	Name of the related party	As at 31st March, 2023	As at 31st March, 2022
Interest receivable	- Rochem Services Private Limited - Reva Enviro Systems Private Limited	- -	0.08 0.93
Trade receivables	- Concord Enviro FZE - Concord Shipping Private Limited	3.19 0.03	10.61 -
Unbilled revenue	- Rochem Separation Systems (India) Private Limited	-	21.00
Current loans given	- Reva Enviro Systems Private Limited - Rochem Services Private Limited	- -	13.33 1.22
Impairment of Current loans given	- Reva Enviro Systems Private Limited - Rochem Services Private Limited	- -	(13.33) (1.22)
Trade payables	- Reva Enviro Systems Private Limited - Rochem Services Private Limited	2.78 27.26	8.00 12.00
Advance from Customers	- Rochem Separation Systems (India) Private Limited	50.90	14.18
Investment in related parties	- Rochem Separation Systems (India) Private Limited - Reva Enviro Systems Private Limited - Rochem Services Private Limited - Concord Enviro FZE - Roserve Enviro Private Limited - Rochem Green Energy Private Limited	248.52 15.70 50.62 1.84 208.31 447.50	281.02 15.70 50.62 1.84 183.80 447.50
Impairment of Investment	- Reva Enviro Systems Private Limited - Rochem Services Private Limited - Rochem Green Energy Private Limited	(15.70) (50.62) (447.50)	(15.70) (50.62) (447.50)
Bank guarantee given	- Rochem Separation Systems (India) Private Limited	1,349.10	1,349.10
Corporate guarantee given	- Concord Enviro FZE - Roserve Enviro Private Limited - Concord Shipping Private Limited - Rochem Green Energy Private Limited	492.92 700.00 50.90 -	453.06 700.00 50.90 221.22
Deemed investments	- Rochem Separation Systems (India) Private Limited - Concord Enviro FZE - Roserve Enviro Private Limited - Rochem Green Energy Private Limited	17.52 2.38 4.31 -	17.52 2.38 1.90 0.97
Prepaid Expenses	- Concord Shipping Pvt. Ltd.	0.29	0.38
Director's Reimbursement payable	Mr. Prerak Goel	0.30	0.30
Director's Remuneration payable	Mr. Prayas Goel Mr. Prerak Goel	0.09 0.09	- -



**Notes to the Standalone Financial Statement for the year ended 31st March 2023**  
 (Amount in millions, unless otherwise stated)

**39 Financial instruments - Accounting classifications and fair value measurement**  
**(a) Financial asset and liabilities (Non-current and Current)**

Sr. No.	Particulars	As at 31st March, 2023		As at 31st March, 2022	
		FVTPL	Amortized Cost	FVTPL	Amortized Cost
<b>A</b>	<b>Financial assets</b>				
(i)	Investments (Refer note (iii))	0.03	-	0.03	-
(ii)	Trade receivables (net)	-	3.22	-	10.61
(iii)	Cash and cash equivalents	-	0.29	-	2.15
(iv)	Other Financial Assets	-	0.05	-	8.56
	<b>Total financial assets</b>	<b>0.03</b>	<b>3.56</b>	<b>0.03</b>	<b>21.32</b>
<b>B</b>	<b>Financial liabilities</b>				
(i)	Trade Payable	-	48.37	-	29.85
(ii)	Other Financial Liabilities	-	5.18	-	10.87
	<b>Total financial liabilities</b>	<b>-</b>	<b>53.55</b>	<b>-</b>	<b>40.72</b>

Note:

- Since there is no Financial Asset/Financial Liability which is measured at fair value through other comprehensive income, no separate disclosure has been made for the same in the above table.
- Above disclosure excludes investments in subsidiaries and joint ventures as these are accounted at cost and under equity method respectively in accordance with Ind AS 27 Separate Financial Statements and Ind AS 28 Investments in Associates and Joint Ventures.
- Fair value determined using level - 3 inputs. The carrying value is considered to be representative of the fair value.
- There were no transfers between level - 1, level - 2 and level - 3 during the years presented.





Notes to the Standalone Financial Statement for the year ended 31st March 2023  
(Amount in millions, unless otherwise stated)

39 Financial instruments - Accounting classifications and fair value measurement

(a) Financial asset and liabilities (Non-current and Current) continued...

- (v) This section explains the judgement and the estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value.

Sr. No.	Particulars	As at 31st March, 2023			As at 31st March, 2022		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A	Financial assets						
(i)	Financial investment at FTVPL	-	-	0.03	-	-	
	Total Financial assets	-	-	0.03	-	-	

(b) Fair valuation techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount 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 of financial assets and financial liabilities are approximately equal to their carrying amounts.

(c) Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.



Notes to the Standalone Financial Statement for the year ended 31st March 2023

(Amount in millions, unless otherwise stated)

**40 Risk management framework**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk
- Interest rate risk

**(a) Credit risk :**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

**Trade receivable**

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. To manage trade receivable, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 39(a). The Company does not hold collateral as security.

**Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the management in accordance with the Company's policy. Counterparty credit limits are reviewed by the management on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**(b) Liquidity risk :**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

**(i) Maturities of financial liabilities:**

The following are the remaining contractual maturities of financial liabilities at the reporting date:

Particulars	Less than 1 year	1 to 5 years	Above 5 years	Total
<b>As at 31st March, 2023</b>				
Trade payables	48.37	-	-	48.37
Other Financial Liabilities	-	5.18	-	5.18
<b>As at 31st March, 2022</b>				
Trade payables	29.85	-	-	29.85
Other Financial Liabilities	-	10.87	-	10.87

**(c) Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of certain commodities. Thus, its exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities. The objective of market risk management is to avoid excessive exposure in revenues and costs.

**(d) Capital risk management**

The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. (Refer note 37 for Debt equity ratio and Debt service coverage ratio).

**(e) Interest Rate Risk**

The Company has no interest bearing borrowings and therefore it is not subject to interest rate risk.



**Notes to the Standalone Financial Statement for the year ended 31st March 2023**  
(Amount in millions, unless otherwise stated)

**41 Foreign currency exposure**

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations will arise.

The carrying amounts of the foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year are as follows:

Foreign Currency exposure	Currency	As at 31st March, 2023		As at 31st March, 2022	
		Amount in Foreign Currency	Amount in Reporting Currency	Amount in Foreign Currency	Amount in Reporting Currency
Financial Liabilities	USD	0.00	0.31	0.01	1.01
Financial Assets	USD	0.04	3.19	0.14	10.61

**Foreign Currency Sensitivity**

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax (PBT)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	1% Increase - Decrease in PBT	1% Decrease - Increase in PBT	1% Increase - Decrease in PBT	1% Decrease - Increase in PBT
USD	0.03	(0.03)	0.10	(0.10)



Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited)  
CIN: U45209MH1999PLC120599

Notes to the Standalone Financial Statement for the year ended 31st March 2023  
(Amount in millions, unless otherwise stated)

42 Disclosures as per section 186(4) of the Companies Act, 2013

Sr. no.	Name of the recipient entity	Relationship with the company	Purpose	As at 31st March, 2023	As at 31st March, 2022
1	<b>Loans given</b>				
	Reva Enviro Systems Private Limited	Wholly owned subsidiary	Operational Purpose	-	13.33
	Rochem Services Private Limited	Wholly owned subsidiary	Operational Purpose	-	1.22
2	<b>Investments made</b>				
(i)	<b>Investments in equity shares</b>				
	Rochem Separations Systems (India) Private Limited	Wholly owned subsidiary	-	248.12	248.12
	Concord Enviro FZE	Wholly owned subsidiary	-	1.84	1.84
	Reva Enviro Systems Private Limited	Wholly owned subsidiary	-	15.70	15.70
	Rochem Services Private Limited (formerly known 'Concord Blue Technology Private Limited')	Wholly owned subsidiary	-	1.02	1.02
	Roserve Enviro Private Limited	Joint Venture	-	208.31	183.80
	Saraswat Cooperative Bank	None	-	0.03	0.03
(ii)	<b>Investments in Preference shares</b>				
	Rochem Services Private Limited (formerly known 'Concord Blue Technology Private Limited')	Wholly owned subsidiary	-	49.60	49.60
	Rochem Separations Systems (India) Private Limited	Wholly owned subsidiary	-	0.40	32.90
	Rochem Green Energy Private Limited	Enterprises over which key managerial personnel is able to exercise significant influence	-	447.50	447.50
3	<b>Guarantees given</b>				
	Rochem Separations Systems (India) Private Limited	Wholly owned subsidiary	Working Capital facility	1349.10	1349.10
	Rochem Green Energy Private Limited	Enterprises over which key managerial personnel is able to exercise significant influence	Term Loan	-	221.22
	Concord Enviro FZE	Wholly owned subsidiary	Term Loan	492.92	453.06
	Roserve Enviro Private Limited	Joint Venture	ECB	700.00	700.00
	Concord Shipping Private Limited	Enterprises over which key managerial personnel is able to exercise significant influence	Term Loan	50.90	50.90

43 Other notes

- 43.1 The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 43.2 The Company does not have any borrowings from banks and financial institutions.
- 43.3 The Company is not declared as a wilful defaulter by any bank or financial institution or other lender during the any reporting period.
- 43.4 The company has not identified any transactions or balances in the reporting period with companies whose name is struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- 43.5 **Details of delay in registration of charges or satisfaction with Registrar of Companies (ROC) Mumbai**  
There is no delay in registration of charges or satisfaction with Registrar of Companies (ROC) Mumbai during the current year.
- 43.6 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.



(Amount in millions, unless otherwise stated)

- 43.7 There are no scheme of arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the reporting period.
- 43.8 The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:  
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or  
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.  
The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:  
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or  
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 43.9 The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 43.10 The Company have not traded or invested in Crypto currency or Virtual Currency during reporting period.
- 43.11 The Company does not have any investment property during the reporting period, the disclosure related to fair value of investment property is not applicable.
- 43.12 The Company is not covered under Section 8, thus related disclosure is not applicable.
- 44 **Code of Social Security, 2020**  
The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the when the Code becomes effective.

For and on behalf of the Board of Directors  
Concord Enviro Systems Limited



Prayas Goel  
Managing Director  
DIN: 00348519



Prerak Goel  
Executive Director  
DIN: 00348563



Sudarshan Kamath  
Chief Financial Officer



Priyanka Nayak  
Company Secretary  
Membership No: A55602

Place: Mumbai  
Date: 9th August, 2023

Place: Mumbai  
Date: 9th August, 2023

Place: Mumbai  
Date: 9th August, 2023

Place: Mumbai  
Date: 9th August, 2023





## INDEPENDENT AUDITOR'S REPORT

### To The Members of Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited) Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Concord Enviro Systems Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



**Information Other than the Financial Statements and Auditor's Report Thereon**

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint ventures is traced from their financial statements audited by the other auditors. If, based on the work we have performed, we conclude that there is a material misstatement of this 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 Consolidated Financial Statements**

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies included in the Group and its joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its joint ventures are also responsible for overseeing the financial reporting process of the Group and its joint ventures.



**Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 SAs 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 ability of the Group and its joint ventures 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 consolidated 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 Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in



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the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

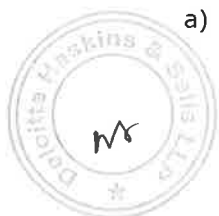
#### **Other Matters**

- (a) We did not audit the financial statements 5 subsidiaries and whose financial statements reflect total assets of Rs. 3,070.86 millions as at March 31, 2023, total revenues of Rs. 1,582.22 millions and net cash inflows amounting to Rs. 233.76 millions for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 3.56 millions for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of 3 joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.



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- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on March 31, 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and a joint venture company incorporated in India, none of the directors of the Group companies and its joint venture company incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, its subsidiary companies and its joint venture company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us the remuneration paid by the Parent to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

In our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies and joint venture company incorporated in India, the said subsidiary companies and joint venture company being private companies, section 197 of the Act related to the managerial remuneration is not applicable.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures Refer Note 47 to the consolidated financial statements;





- ii) The Group and its joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies and joint venture company incorporated in India.
- iv) (a) The respective Managements of the Parent and its subsidiaries and a joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of their knowledge and belief, as disclosed in the note 52.4 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries and joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries and joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Parent and its subsidiaries and a joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of their knowledge and belief, as disclosed in the note 52.5 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries and joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries and joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and a joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The Parent and its subsidiaries and a joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent and



**Deloitte  
Haskins & Sells LLP**

its subsidiaries and a joint venture which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



A handwritten signature in blue ink, which appears to be 'N. Shah', written in a cursive style.

**Nilesh Shah**

Partner

(Membership No. 049660)

UDIN:23049660BGYEFY5309

Place: Mumbai

Date: August 16, 2023

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT  
(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Concord Enviro Systems Limited (hereinafter referred to as "the Parent") and its subsidiary companies, which includes internal financial controls with reference to consolidated financial statements of the Company's subsidiaries and joint venture, which is a company incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent, its subsidiary companies and a joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies and its joint venture, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected



depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and a joint venture, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies and its joint venture, which are companies incorporated in India.

**Meaning of Internal Financial Controls with reference to consolidated financial statements**

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



A handwritten signature, possibly "S. S.", written in ink.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 3 subsidiary companies and a joint venture, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



*N. Shah*

**Nilesh Shah**

Partner

(Membership No. 049660)

UDIN: 23049660BGYEFY5309

Place: Mumbai

Date: August 16, 2023



**Consolidated Balance Sheet**  
(Amount in millions, unless otherwise stated)

Particulars	Note no.	As at 31st March, 2023	As at 31st March, 2022
<b>ASSETS</b>			
<b>A Non-current assets</b>			
a) Property, plant and equipment	4	680.58	736.47
b) Right of use assets	7	438.69	498.60
c) Capital work in Progress	6	3.56	0.80
d) Intangible assets	5	272.98	259.12
e) Financial assets			
i) Investments			
(a) Investments accounted for using equity method	8(A)	551.14	211.04
(b) Other investments	8(B)	9.17	7.45
ii) Other financial assets	9	89.54	83.25
f) Deferred tax assets (net)	10	69.28	62.77
g) Current tax assets (net)	11	14.07	8.27
h) Other Non Current assets	12	33.50	196.86
(A)		<b>2,162.51</b>	<b>2,064.63</b>
<b>B Current assets</b>			
a) Inventories	13	1,499.27	1,343.64
b) Financial assets			
i) Trade receivables	14	1,058.68	1,284.98
ii) Cash and cash equivalents	15	602.60	196.06
iii) Bank balances other than (ii) above	16	221.53	96.67
iv) Loans	17	2.84	11.59
v) Other financial assets	18	31.60	31.29
c) Other Current assets	19	343.17	340.13
(B)		<b>3,759.69</b>	<b>3,304.36</b>
<b>TOTAL (A + B)</b>		<b>5,922.20</b>	<b>5,368.99</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A Equity</b>			
a) Equity share capital	20	91.00	4.26
b) Other equity	21	2,718.61	2,681.19
<b>Total Equity</b>	(A)	<b>2,809.61</b>	<b>2,685.45</b>
<b>B Liabilities</b>			
<b>Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	22	330.98	411.35
ii) Lease liabilities	23	265.18	330.83
iii) Other financial liabilities	24	3.54	1.99
b) Provisions	25	60.34	44.81
c) Other non-current liabilities	26	0.60	1.47
(B)		<b>660.64</b>	<b>790.45</b>
<b>C Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	27	979.63	846.21
ii) Lease liabilities	28	128.89	125.86
iii) Trade payables	29		
- Amount due to micro and small enterprises		89.72	84.70
- Amount due to other than micro and small enterprises		777.91	643.39
iv) Other financial liabilities	30	22.84	31.26
b) Provisions	31	22.27	19.48
c) Contract liabilities	32	370.25	72.40
d) Current tax liabilities (net)	33	8.50	13.57
e) Other Current liabilities	34	51.94	56.22
(C)		<b>2,451.95</b>	<b>1,893.09</b>
<b>TOTAL (A+B+C)</b>		<b>5,922.20</b>	<b>5,368.99</b>

Significant accounting policies and notes forming part of Consolidated Financial Statements I to 59

The notes accompanied form an integral part of the Consolidated Financial Statements

As per our report of even date  
For Deloitte Haskins & Sells LLP  
Chartered Accountants  
Firm's Registration No : 117366W/W-100018

Nilesh Shah  
Partner  
Membership No: 049660

Place: Mumbai  
Date: 16th August, 2023

For and on behalf of the Board of Directors  
Concord Enviro Systems Limited

Prayas Goel  
Chairman & Managing Director  
DIN: 00348519

Place: Mumbai  
Date: 9th August, 2023

Prerak Goel  
Executive Director  
DIN: 00348563

Place: Mumbai  
Date: 9th August, 2023

Sudarshan Kamath  
Chief financial officer

Place: Mumbai  
Date: 9th August, 2023

Priyanka Nayak  
Company secretary  
Membership No: A55602

Place: Mumbai  
Date: 9th August, 2023



**Consolidated Statement of Profit and Loss**  
(Amount in millions, unless otherwise stated)

Particulars	Note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A Income</b>			
Revenue from operations	35	3,432.19	3,293.66
Other income	36	72.78	82.04
<b>Total income (A)</b>		<b>3,504.97</b>	<b>3,375.70</b>
<b>B Expenses</b>			
Cost of raw materials and components consumed	37	1,334.51	1,213.84
Purchase of stock-in-trade	38	117.72	169.07
(Increase)/decrease in inventories of finished goods and work-in-progress	39	0.36	(0.70)
Employee benefits expenses	40	578.77	520.31
Finance costs	41	187.50	185.11
Depreciation and amortisation expenses	42	243.39	254.80
Other expenses	43	970.75	856.35
<b>Total expenses (B)</b>		<b>3,433.00</b>	<b>3,198.78</b>
<b>C Share of profit / (loss) of joint ventures</b>	8.2	3.56	8.39
<b>D Profit before tax (A-B+C)</b>		<b>75.53</b>	<b>185.31</b>
<b>E Tax expense:</b>			
- Current tax	44	22.74	41.77
- Deferred tax charge / (credit)	44	(6.51)	(14.07)
- Income tax pertaining to earlier years		2.08	(6.89)
		<b>18.31</b>	<b>20.81</b>
<b>F Profit for the year (D-E)</b>		<b>57.22</b>	<b>164.50</b>
<b>G Other comprehensive income / (loss)</b>			
(i) Items that will not be reclassified subsequently to profit or loss			
- Remeasurement of defined benefit plans - gain/(loss)		(9.29)	(0.53)
- Income tax relating to above - (charge) / credit		0.01	0.12
(ii) Items that may be reclassified subsequently to profit or loss			
- Foreign exchange differences on translation of foreign operations		75.16	27.85
- Foreign exchange differences on share of joint ventures		2.04	0.50
		<b>67.92</b>	<b>27.94</b>
<b>H Profit for the year attributable to:</b>			
Owners of the Company		57.22	164.50
		<b>57.22</b>	<b>164.50</b>
<b>I Other comprehensive income / (loss) for the year attributable to:</b>			
Owners of the Company		67.92	27.94
		<b>67.92</b>	<b>27.94</b>
<b>J Total comprehensive income for the year attributable to:</b>			
Owners of the Company		125.14	192.44
		<b>125.14</b>	<b>192.44</b>
<b>Basic and diluted earnings per share</b>			
Equity shares [face value of Rs. 5 each] (Refer note 49)	49	3.14	9.04

Significant accounting policies and notes forming part of Consolidated Financial Statements 1 to 59

The notes accompanied form an integral part of the Consolidated Financial Statements

As per our report of even date  
For Deloitte Haskins & Sells LLP  
Chartered Accountants  
Firm's Registration No : 117366W/W-100018

**Nilesh Shah**  
Partner  
Membership No: 049660

Place: Mumbai  
Date: 16th August, 2023

For and on behalf of the Board of Directors of  
Concord Enviro Systems Limited

**Prayas Goel**  
Chairman & Managing  
Director  
DIN: 00348519

Place: Mumbai  
Date: 9th August, 2023

**Prerak Goel**  
Executive Director  
DIN: 00348563

Place: Mumbai  
Date: 9th August, 2023

**Sudarshan Kamath**  
Chief financial officer

Place: Mumbai  
Date: 9th August, 2023

**Priyanka Naryak**  
Company secretary  
Membership No: A55602

Place: Mumbai  
Date: 9th August, 2023



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**Concord Enviro Systems Limited (Formerly known as Concord Enviro Systems Private Limited)**

CIN: U45209MH1999PLC120599

**Consolidated Financial Information**

**Consolidated Statement of Cash Flow**

(Amount in millions, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	75.53	185.31
<b>Adjustments for:</b>		
Finance costs	187.50	185.11
Interest income	(10.58)	(10.95)
Depreciation and amortisation	243.39	254.80
Share of profit of Joint ventures	(3.56)	(8.39)
Liquidated damages	0.53	0.83
Foreign currency exchange loss / (gain) (Net)	16.48	16.75
Amortisation of financial guarantee liability	(0.86)	(0.90)
Liabilities written back to the extent no longer required	(1.66)	(7.85)
Provision / (reversal) for expected credit losses on financial assets	(44.88)	(52.25)
Provision for doubtful advances	3.73	8.84
Bad debts written off	47.49	29.34
Fixed assets written off	0.26	-
Gain on derivatives classified at fair value through profit or loss	(0.72)	-
Gain on investment classified at fair value through profit or loss	(0.29)	-
Sundry balances written off	16.83	27.14
Profit on sale / discard of property, plant and equipment	(0.86)	(0.01)
Gain on derecognition of leases	(0.02)	(5.32)
Dividend income	(0.02)	(0.01)
<b>Operating profit before working capital changes</b>	<b>528.29</b>	<b>622.44</b>
<b>Movements in working capital:</b>		
(Increase) / decrease in trade receivable	178.81	206.64
(Increase) / decrease in loans and other assets	189.51	(64.80)
(Increase) / decrease in inventories	(155.63)	(166.26)
Increase / (decrease) in provisions and other liabilities	295.49	42.78
Increase / (decrease) in trade payable	139.54	(110.82)
	<b>1,176.01</b>	<b>529.98</b>
Direct taxes paid (including tax deducted at source)	(35.70)	(39.64)
<b>Net cash generated from operating activities (A)</b>	<b>1,140.31</b>	<b>490.34</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets	(19.06)	(280.90)
Sale of property, plant and equipment	3.79	2.25
Investment made in joint ventures	(334.62)	(1.52)
Investment made in mutual fund	-	(4.50)
Loans (given) / repaid (net) - Employees & Others	7.16	-
Interest income	2.63	4.13
Dividend income	0.02	0.01
(Increase) / decrease in other bank balance	(124.90)	1.68
<b>Net cash used in investing activities (B)</b>	<b>(464.98)</b>	<b>(278.85)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	3.48	215.67
Repayment of long term borrowings	(79.83)	(31.83)
Redemption of unsecured redeemable non-convertible debentures	-	(8.58)
Proceeds from / (repayment of) short term borrowings (net)	129.41	13.09
Payment of lease liabilities	(133.31)	(124.43)
Interest paid	(188.54)	(183.62)
<b>Net cash used in financing activities (C)</b>	<b>(268.79)</b>	<b>(119.70)</b>
<b>Net increase in cash and cash equivalents (A+ B+C)</b>	<b>406.54</b>	<b>91.79</b>
Cash and cash equivalents at beginning of the year	196.06	104.26
Foreign currency translation reserve	(0.00)	0.01
Cash and cash equivalents at end of the year	602.60	196.06
<b>Net increase in cash and cash equivalents</b>	<b>406.54</b>	<b>91.79</b>



**Concord Enviro Systems Limited (Formerly known as Concord Enviro Systems Private Limited)**

CIN: U45209MH1999PLC120599

**Consolidated Financial Information****Consolidated Statement of Cash Flow**

(Amount in millions, unless otherwise stated)

**Notes:**

(i) Cash flow statement has been prepared under "indirect method" as set out in Ind AS 7 - "Cash Flow Statement".

(ii) Analysis of movement in borrowings\*

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Borrowings at the beginning of the year	1,257.56	1,069.21
Movement due to cash transactions as per cash flow statement	53.05	188.35
Borrowings at the end of the year	1,310.61	1,257.56

\* The above cashflows excludes items of non-cash nature in relation to reclassification of financial instruments. (Refer note 20.10), accounting for fair value of corporate guarantees and operating lease under IndAS 116.

**Significant accounting policies and notes forming part of Consolidated Financial Statements 1 to 59**

The notes accompanied form an integral part of the Consolidated Financial Statements

**As per our report of even date****For Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No : 117366W/W-100018

**Niles Shah**

Partner

Membership No: 049660

Place: Mumbai

Date: 16th August, 2023

**For and on behalf of the Board of Directors  
Concord Enviro Systems Limited****Prayas Goel**

Managing Director

DIN: 00348519

Place: Mumbai

Date: 9th August, 2023

**Prerak Goel**

Executive Director

DIN: 00348563

Place: Mumbai

Date: 9th August, 2023

**Sudarshan Kamath**

Chief financial officer

Place: Mumbai

Date: 9th August, 2023

**Priyanka Nayak**

Company secretary

Membership No: A55602

Place: Mumbai

Date: 9th August, 2023



**Consolidated Statement of changes in equity**  
(Amount in millions, unless otherwise stated)

**(A) Equity share capital**

Particulars	Amount
Balance at 1st April 2021	3.08
Issue of equity shares	-
Reclassified from financial liabilities	1.18
<b>Balance at 31st March 2022</b>	<b>4.26</b>
Conversion of preference shares into equity shares (Refer note 20.8)	0.80
Addition on account of bonus issue in the ratio of 17:1 (Refer note 20.12 (b))	85.94
<b>Balance at 31st March 2023</b>	<b>91.00</b>

**(B) Other equity**

Particulars	Reserves and surplus				Financial instrument classified as equity 0.001% Compulsorily convertible non-cumulative preference shares (Refer Note 20.10)	Other Comprehensive Income		Total other equity
	Securities Premium	Capital reserve on consolidation	General Reserve	Capital redemption reserve	Retained Earnings	Foreign currency translation reserve	Remeasurement gain / (loss) of defined benefit plan	
<b>Balance as at 1st April, 2021</b>	-	17.35	11.22	-	(172.97)	34.31	0.01	(110.08)
Profit for the year	-	-	-	-	164.50	-	-	164.50
Other comprehensive income/ (loss) for the year	-	-	-	-	-	-	-	-
Add/(Less): Reclassified from financial liabilities (Refer note 20.10)	913.03	-	-	-	1,677.80	28.35	(0.41)	27.94
<b>Balance as at 31st March, 2022</b>	<b>913.03</b>	<b>17.35</b>	<b>11.22</b>	<b>-</b>	<b>1,669.33</b>	<b>62.66</b>	<b>(0.40)</b>	<b>2,598.83</b>
<b>Balance as at 1st April, 2022</b>	<b>913.03</b>	<b>17.35</b>	<b>11.22</b>	<b>-</b>	<b>1,669.33</b>	<b>62.66</b>	<b>(0.40)</b>	<b>2,681.19</b>
Profit for the year	-	-	-	-	57.22	-	-	57.22
Other comprehensive income/ (loss) for the year	-	-	-	-	-	-	-	-
(Less): Deemed distribution *	-	-	-	-	(0.97)	77.20	(9.29)	67.91
Add/(Less): Transfer on account of redemption of preference shares	-	-	-	32.50	(32.50)	-	-	(0.97)
Add/(Less): Conversion of preference shares to equity	7.20	-	-	-	-	-	-	-
Add/(Less): Issue of bonus shares	(85.94)	-	-	-	-	-	-	(85.94)
<b>Balance as at 31st March, 2023</b>	<b>834.29</b>	<b>17.35</b>	<b>11.22</b>	<b>32.50</b>	<b>1,693.08</b>	<b>139.86</b>	<b>(9.69)</b>	<b>2,718.61</b>

\* Deemed distribution pertains fair valuation of the corporate guarantee provided to related parties which has not been recovered

**Significant accounting policies and notes to Consolidated Financial Statements**

The notes accompanied form an integral part of the Consolidated Financial Statements

**As per our report of even date**

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No : 117366W/W-100018

*AN Shah*

**Nilesh Shah**

Partner

Membership No: 049660

Place: Mumbai

Date: 16th August, 2023

**For and on behalf of the Board of Directors**

**Concord Enviro Systems Limited**

*Prayas Goel*

**Prayas Goel**

Chairman & Managing

DIN: 00348519

Place:

Date: 9th August, 2023

*Prerak Goel*

**Prerak Goel**

Executive Director

DIN: 00348563

Place:

Date: 9th August, 2023

*Sudarshan Kamath*

**Sudarshan Kamath**

Chief financial officer

Place: Mumbai

Date: 9th August, 2023

*Priyanka Nayak*

**Priyanka Nayak**

Company secretary

Membership No: A55602

Place: Mumbai

Date: 9th August, 2023





**1. Company's background**

Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited) ("the Company") is an unlisted public limited company domiciled and incorporated in India under the Companies Act, 2013 vide CIN No. U45209MH1999PTC12059S9 and incorporated on 1<sup>st</sup> July 1999. The Company is an unlisted public limited company w.e.f. June 09, 2022 with new CIN No. U45209MH1999PLC12059S9. The registered office of the Company is located at 101, HDIL Towers Limited, Anant Kanekar Marg, Mumbai - 400 051, India.

Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited) and its subsidiaries (collectively, "the Group") and its joint ventures, is engaged in the business of manufacturing water treatment systems, water pollution control equipment, bio filters, resource recovery systems using membrane technology and operational and maintenance services. The Group caters to both domestic and international markets.

**2. Basis of preparation**

**2.1. Basis of preparation and presentation**

The Consolidated Financial Statements of the Company and its subsidiaries (collectively the "Group") which includes Group's share of profit / loss in its joint ventures, comprises the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the twelve month period then ended and a summary of significant accounting policies and other explanatory information (together referred to as the "Consolidated Financial Statements").

The Financial statements are prepared in accordance with the Indian Accounting Standards (referred to as Ind AS) notified under the section 133 of the Act ('the Act') read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, considering other relevant provisions of the Act.

**2.2 Principles of Consolidation:**

The Consolidated Financial Statement relate to the Company and its subsidiary companies and joint ventures. The Consolidated Financial Statement have been prepared on the following basis:

- a. The Consolidated Financial Statement of the Company and its subsidiaries are combined on a line-by-line basis by adding together like items of assets, liabilities, equity, income, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- b. Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
- c. In case of foreign subsidiaries, revenue and expense items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).
- d. The Consolidated Financial Statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- e. The carrying amount of the Company's investments in each subsidiary is off set (eliminated) against the Company's portion of equity in each subsidiary.
- f. The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on loss of control of subsidiary.
- g. Non-Controlling Interest's share of profit/ loss and other comprehensive income of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- h. Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Statement of Assets and Liabilities.
- i. Investment in Joint Ventures has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.



### 3. Significant Accounting Policies

#### 3.1. Current and non-current classification

The Group presents assets and liabilities in the Consolidated Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- 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.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- 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 Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of service and the time between rendering of services and their realization in cash and cash equivalents, 12 months has been considered by the Group for the purpose of current / non-current classification of assets and liabilities.

#### 3.2. Functional and presentation of currency

Consolidated Financial Statement are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statement are presented in Indian rupee (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest Millions, up to two places of decimal, unless otherwise indicated. Amounts having absolute value of less than INR 1,000,000 have been rounded and are presented as INR 0.00 Million in the Consolidated Financial Statement.

#### 3.3. 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. A fair value measurement assumes 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. The principal market or the most advantageous market must be accessible to the Group.

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 economic best 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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statement are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:



Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 – Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 – Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised in the Consolidated Financial Statement at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in “Ind AS 113 Fair Value Measurement”.

### **3.4. Use of estimates, judgements and assumptions**

The preparation of these Consolidated Financial Statement in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions in application of accounting policies that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of Consolidated Financial Statement and reported amounts of income and expenses for the periods presented. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statement were prepared. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

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. Significant estimates and critical judgement in applying these accounting policies are described below:

#### **3.4.1. Significant accounting judgements**

##### **Leases**

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. Accordingly, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

#### **3.4.2. Estimates and assumptions**

##### **(i) Impairment of non-financial assets (property, plant and equipments, intangible assets and right of use asset)**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If

no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

(ii) Defined benefit obligations

The cost of the defined benefit gratuity plan, other defined benefit plan and other post-employment plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, expected returns on plan assets and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, discount rate and return on planned assets are based on expected future inflation rates for India.

(iii) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Group also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

(iv) Income tax and deferred tax

Deferred tax assets are not recognised for unused tax losses as it is not probable that taxable profit will be available against which the losses can be utilised. Significant management judgement/estimate is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Further details on taxes are disclosed in note 3.15

(v) Indefinite life – intangible assets

Indefinite life intangible assets comprise of brand and trademark, for which there is no foreseeable limit to the period over which they are expected to generate net cash inflows. These are considered to have an indefinite life, given the strength and durability of the brand and the level of marketing support. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

(vi) Fair value of financial assets and financial liabilities

Some of the Group's financial assets and financial liabilities are measured at fair value for financial reporting purposes. The Group determines the appropriate valuation techniques and input for fair value measurements. For estimates relating to fair value measurement refer note 3.3,

**3.5. Property, Plant and Equipment and Depreciation**

**Recognition and measurement**

Under the previous GAAP, property, plant and equipment were carried at historical cost less depreciation and impairment losses, if any. On transition to Ind AS, the Group has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transitions as the deemed cost of the property, plant & equipment under Ind AS.

Properties plant and equipment are stated at their cost of acquisition. Cost of an item of property, plant and equipment includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset.




Parts (major components) of an item of property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipments.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date. Advances paid towards the acquisition of PPE outstanding at each reporting date is classified as Capital Advances under "Other Non-Current Assets" and assets which are not ready for intended use as on the date of Consolidated Financial Statement are disclosed as "Capital Work in Progress".

#### **Depreciation and useful lives**

Depreciation on the property, plant and equipment (other than capital work in progress) is provided on a written down value method (WDV) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013 or useful lives as determined based on internal technical evaluation. The estimated useful lives are as under:



Type of asset	Useful lives estimated by the management (years)
Building	30
Plant and machinery	3-20
Furniture and fixture	2-20
Vehicles	5-10
Office equipment	2 – 10
Computer – End user devices	3 – 5
Computer – Server	5 – 6
Leasehold Land	58 to 78 years
Plant and Machinery	More than 1 year- 7 years
Office Premises	More than 1 year- 7 years

Depreciation methods, useful lives and residual values, determined based on internal technical evaluation are reviewed at each financial year end and adjusted prospectively.

#### **De-recognition**

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is de-recognised.

### **3.6. Intangible assets and amortisation**

#### **Recognition and measurement**

Under the previous GAAP, intangible assets were carried at historical cost less amortization and impairment losses, if any. On transition to Ind AS, the Group has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transition as the deemed cost of the intangible assets under Ind AS.

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Group and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss if any.

Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.

Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.





### **Amortization and useful lives**

Intangible assets with finite lives comprise of technology and trade mark and software, are amortized over the period of 10 years or useful life whichever is less on straight-line basis. Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively. Intangible assets with indefinite lives comprise of brands and trademarks for which there is no foreseeable limit to the period over which they are expected to generate cash inflows. These are considered to have an indefinite life given the strength and durability of the brand and the level of marketing support. For intangible assets with indefinite lives the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis the revised estimates.

In case of assets purchased / sold during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition.

### **3.7. Leases**

The determination of whether a contract is (or contains) a lease is based on the substance of the contract at the inception of the lease. The contract is, or contains, a lease if the contract provide lessee, the right to control the use of an identified asset for a period of time in exchange for consideration. A lessee does not have the right to use an identified asset if, at inception of the contract, a lessor has a substantive right to substitute the asset throughout the period of use.

The Group accounts for the lease arrangement as follows:

- (i) Where the Group is the lessee

#### **Right of Use Asset**

The Group applies single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. On the commencement of the lease, the Group, in its Consolidated Statement of Assets and Liabilities, recognised the right of use asset at cost and lease liability at present value of the lease payments to be made over the lease term.

Subsequently, the right of use asset is measured at cost less accumulated depreciation [calculated on straight line method] and any accumulated impairment loss. Right-of-use assets are depreciated on a straight-line basis over the lease term as follows:

<b>Asset category</b>	<b>Lease Term</b>
Lease hold land	58 to 78 years
Plant and Machinery	More than 1 year – 7 years
Office Premises	More than 1 year – 7 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 3.8 on impairment of non-financial assets.

#### **Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a

change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The lease payment made, are apportioned between the finance charge and the reduction of lease liability, and are recognised as expense in the Statement of Profit and Loss.

#### **Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Lease deposits given are a financial asset and are measured at amortised cost under Ind AS 109 since it satisfies Solely Payment of Principal and Interest (SPPI) condition. The difference between the present value and the nominal value of deposit is considered as Right of Use Asset and depreciated over the lease term. Unwinding of discount is treated as finance income and recognised in the Statement of Profit and Loss.

#### **(ii) Where the entity is the lessor**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease

Lease deposits received are financial instruments (financial liability) and are measured at fair value on initial recognition. The difference between the fair value and the nominal value of deposits is considered as rent in advance and recognised over the lease term on a straight line basis. Unwinding of discount is treated as interest expense (finance cost) for deposits received and is accrued as per the EIR method.

#### **Sale and lease back**

If an entity (the seller-lessee) transfers an asset to another entity (the buyer-lessor) and leases that asset back from the buyer-lessor, both the seller-lessee and the buyer-lessor are required to account for the transfer contract and the lease by applying Ind AS 116 Para 99 to 103.

#### **(i) Transfer of the asset is not a sale**

If the transfer of an asset by the seller-lessee does not satisfy the requirements of Ind AS 115 and wherein if the seller-lessee has a substantive repurchase option with respect to the underlying asset, the Group (seller-lessee)

- De-recognises the sale (revenue) in books with corresponding impact on the cost of goods sold (COGS) to eliminate the profit margin in the transaction.
- Recognises transferred asset (Right of use asset) net of profit margin and a financial liability equal to the present value of minimum lease payments applying relevant paragraph of Ind AS 109 and Ind AS 116.

#### **(ii) Transfer of the asset is a sale**

If the transfer of an asset by the seller-lessee does satisfy the requirements of Ind AS 115 and wherein if the seller-lessee do not have a substantive repurchase option with respect to the underlying asset., the Group (seller-lessee)

- De-recognises the profit margin in the transaction by reducing the sale (revenue) to that effect in books.
- Recognises transferred asset (Right of use asset) net of profit margin and a financial liability equal to the present value of minimum lease payments applying relevant paragraph of Ind AS 109 and Ind AS 116.



### 3.8. Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of a) fair value of assets less cost of disposal and b) its value in use. Value in use is the present value of future cash flows expected to derive from an assets or Cash-Generating Unit (CGU).

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortisation had no impairment loss been recognised in earlier years.

### 3.9. Inventories

Inventories include raw materials and components, work in progress, traded and manufactured finished goods.

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials, components is ascertained based on weighted average method. However, raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Net realizable value for work in progress is determined with reference to the selling price of related finished goods. Trade goods are considered at landed cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provision is made for the cost of obsolescence and other anticipated losses, whenever considered necessary.

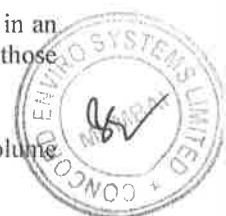
### 3.10. Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The policy of recognizing the revenue is determined by the five stage model proposed by Ind AS 115 "Revenue from contract with customers".

#### (a) Revenue from operations:

- Revenue from sale of goods is recognised at the point in time when control of the assets is transferred to the customer, generally on delivery of the goods.
- Revenue from sale of services is recognized on rendering of services to the customers based on contractual arrangements. Revenue is recorded exclusive of goods and service tax. Contract prices are either fixed or subject to price escalation clauses.
- Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services
- Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts and incentives, if any, as specified in the contract with the customer.

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- Revenue also excludes taxes collected from customers.
- Unearned and deferred revenue ("contract liability") is recognised when there is billing in excess of revenues.
- Revenue from the sale of material is recognized on the basis of value of material dispatched as per the order terms and on satisfaction of five stage model prescribed by Ind AS 115.
- For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

The Company transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over a period of time if one of the following criteria is met:

- (a) the customer simultaneously consumes the benefit of the Company's performance or
- (b) the customer controls the asset as it is being created/enhanced by the Company's performance or
- (c) there is no alternative use of the asset and the Company has either explicit or implicit right of payment considering legal precedents,

**(b) Interest income**

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of Profit and Loss.

**(c) Dividends**

Dividend income is recognised when the Group's right to receive the payment is established.

**(d) Other income**

Other incomes are accounted on accrual basis, except interest on delayed payment by debtors and liquidated damages which are accounted on acceptance of the Group's claim.

**3.11. Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and is allocated to Statement of Profit and Loss on a systematic basis over the useful life of the asset.

**3.12. Foreign currency transaction**

Transactions in foreign currencies are initially recorded by the Group in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognized as income or expenses in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.



Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or the Statement of Profit and Loss are also recognised in OCI or the Statement of Profit and Loss, respectively)

### **3.13. Employee benefits**

- **Short term employee benefits**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.

- **Post-employment benefits & other long term benefits**

- a. **Defined contribution plan**

The defined contribution plan is a post-employment benefit plan under which the Group contributes fixed contribution to a Government Administered Fund and will have no obligation to pay further contribution. The Group's defined contribution plan comprises of Provident Fund, Labour Welfare Fund, Employee State Insurance Scheme, National Pension Scheme, and Employee Pension Scheme. The Group's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

- b. **Post-employment benefit and other long term benefits**

The Group has defined benefit plans comprising of gratuity and other long term benefits in the form of leave benefits. Group's obligation towards gratuity liability is funded / unfunded. The present value of the defined benefit obligations and other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

For gratuity plan, re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the post-employment benefits liability) are recognised immediately in the balance sheet with a corresponding debit or credit to the other comprehensive income in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions for employee benefit plan [other than gratuity] are recognized immediately in the Statement of Profit and Loss as income or expense.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

### **3.14. Borrowing cost**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary cost of borrowings in respect of loans not disbursed are carried forward and accounted as borrowing cost in the year of disbursement of loan. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.





**3.15. Taxes on income**

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year and any adjustments to the tax payable or receivable in respect of previous years as determined in accordance with the provisions of the Income Tax Act, 1961 that have been enacted or subsequently enacted at the end of the reporting period.

Current tax assets and current tax liabilities are offset when there is legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis or simultaneously.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Group has unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

At each reporting date, the Group re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allows deferred tax assets to be recovered.

**3.16. Cash & cash equivalent**

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

**3.17. Statement of cash flows**

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

**3.18. Provisions, contingent liabilities, contingent assets**

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.



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Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

### **3.19. Earnings per share**

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

### **3.20. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

### **3.21. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### **3.21.1. Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### **Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

##### **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.



Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

#### **Investments in equity instruments at FVTOCI**

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee. Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

#### **Financial assets at fair value through profit or loss (FVTPL)**

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

#### **Impairment of financial assets**

The Group recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach' for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in Statement of Profit and Loss.

#### **De-recognition of financial asset**

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.



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On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### 3.21.2. Financial liability and equity instrument

#### Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

#### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

#### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;



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- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Finance Cost' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

#### **Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

#### **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

#### **Compound financial instruments**

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.



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### **Offsetting of financial instruments**

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

### **Reclassification**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### **De-recognition of financial liabilities**

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in statement of profit or loss.



**Notes to the Consolidated Financial Statements**  
(Amount in millions, unless otherwise stated)

**4 Property, plant and equipment**

Particulars	Buildings	Freehold land (Refer note 4.2)	Plant and machinery	Furniture and fixture	Office equipment	Computer	Vehicles	Total
<b>Gross carrying Amount</b>								
As at 01st April 2021	15.28	33.83	721.75	7.00	6.80	3.31	15.33	803.30
Foreign currency translation reserve	-	-	14.31	0.22	0.12	-	0.08	14.73
Additions	5.01	-	122.88	5.88	3.37	1.94	3.05	142.13
Disposal / Adjustment	-	-	(0.80)	(0.20)	0.11	-	(3.50)	(4.39)
<b>As at 31st March, 2022</b>	<b>20.29</b>	<b>33.83</b>	<b>858.14</b>	<b>12.90</b>	<b>10.40</b>	<b>5.25</b>	<b>14.96</b>	<b>955.77</b>
<b>As at 01st April 2022</b>	<b>20.29</b>	<b>33.83</b>	<b>858.14</b>	<b>12.90</b>	<b>10.40</b>	<b>5.25</b>	<b>14.96</b>	<b>955.77</b>
Additions	1.23	-	6.74	0.83	0.50	2.84	3.92	16.06
Disposal / Adjustment	-	-	(4.57)	(0.16)	(0.05)	(0.24)	(0.49)	(5.51)
Foreign currency translation reserve	-	-	78.73	2.08	0.96	-	0.37	82.14
<b>As at 31st March, 2023</b>	<b>21.52</b>	<b>33.83</b>	<b>939.04</b>	<b>15.65</b>	<b>11.81</b>	<b>7.85</b>	<b>18.76</b>	<b>1,048.46</b>
<b>Accumulated depreciation</b>								
As at 01st April 2021	1.72	-	95.45	1.74	2.34	1.97	6.33	109.55
Foreign currency translation reserve	-	-	2.32	0.06	0.06	-	(0.01)	2.43
Depreciation charge for the year	1.66	-	95.90	3.55	3.43	1.52	3.38	109.44
Disposal / adjustment	-	-	(0.11)	(0.10)	(0.01)	-	(1.90)	(2.12)
<b>As at 31st March, 2022</b>	<b>3.38</b>	<b>-</b>	<b>193.56</b>	<b>5.25</b>	<b>5.82</b>	<b>3.49</b>	<b>7.80</b>	<b>219.30</b>
<b>As at 01st April 2022</b>	<b>3.38</b>	<b>-</b>	<b>193.56</b>	<b>5.25</b>	<b>5.82</b>	<b>3.49</b>	<b>7.80</b>	<b>219.30</b>
Depreciation charge for the year	1.85	-	94.50	2.69	2.16	1.88	3.28	106.36
Disposal / adjustment	-	-	(0.40)	(0.10)	(0.03)	(0.24)	(0.35)	(1.12)
Foreign currency translation reserve	-	-	41.14	1.21	0.90	-	0.09	43.34
<b>As at 31st March, 2023</b>	<b>5.23</b>	<b>-</b>	<b>328.80</b>	<b>9.05</b>	<b>8.85</b>	<b>5.13</b>	<b>10.82</b>	<b>367.88</b>
<b>Carrying amount</b>								
As at 31st March, 2022	16.91	33.83	664.58	7.65	4.58	1.76	7.16	736.47
As at 31st March, 2023	16.29	33.83	610.24	6.60	2.96	2.72	7.94	680.58

**Notes:**

- 4.1 The title deed of Freehold land are in the name of wholly owned subsidiary of Concord Enviro Systems Limited i.e. Rochem Separation System (India) Private Limited.  
4.2 For details assets pledged as Security (Refer note no. 27.1(a))



**Notes to the Consolidated Financial Statements**  
(Amount in millions, unless otherwise stated)

**5 Intangible assets**

Particulars	Technology and Trademark	Trade mark and Brand*	Software	Total
<b>Gross carrying Amount</b>				
As at 01st April 2021	40.24	-	8.75	48.99
Additions	-	224.79	2.24	227.03
Disposal / Adjustment	-	-	-	-
Foreign Currency Translation Reserve	4.93	-	-	4.93
<b>As at 31st March, 2022</b>	<b>45.17</b>	<b>224.79</b>	<b>10.99</b>	<b>280.95</b>
<b>As at 01st April 2022</b>	<b>45.17</b>	<b>224.79</b>	<b>10.99</b>	<b>280.95</b>
Additions	-	-	1.63	1.63
Disposal / Adjustment	(3.68)	3.68	-	-
Foreign Currency Translation Reserve	3.64	20.08	-	23.72
<b>As at 31st March, 2023</b>	<b>45.13</b>	<b>248.55</b>	<b>12.62</b>	<b>306.30</b>
<b>Amortization and Impairment</b>				
As at 01st April 2021	7.85	-	3.19	11.04
Amortization charge for the year	8.31	-	2.11	10.42
Disposal / Adjustment	-	-	-	-
Foreign Currency Translation Reserve	-	-	0.37	0.37
<b>As at 31st March, 2022</b>	<b>16.16</b>	<b>-</b>	<b>5.67</b>	<b>21.83</b>
<b>As at 01st April 2022</b>	<b>16.16</b>	<b>-</b>	<b>5.67</b>	<b>21.83</b>
Amortization charge for the year	7.80	-	1.95	9.75
Disposal / Adjustment	-	-	-	-
Foreign Currency Translation Reserve	1.74	-	-	1.74
<b>As at 31st March, 2023</b>	<b>25.70</b>	<b>-</b>	<b>7.62</b>	<b>33.32</b>
<b>As at 31st March, 2022</b>	<b>29.01</b>	<b>224.79</b>	<b>5.32</b>	<b>259.12</b>
<b>As at 31st March, 2023</b>	<b>19.43</b>	<b>248.55</b>	<b>5.00</b>	<b>272.98</b>

\* Pertain to intangible assets having indefinite useful life.

**6 Capital work-in-progress**

Particulars	Capital work in progress
As at 1st April, 2021	82.41
Additions	28.57
Capitalized	(113.48)
Foreign currency translation reserve	3.30
<b>As at 31st March, 2022</b>	<b>0.80</b>
<b>As at 01st April 2022</b>	<b>0.80</b>
Additions	3.56
Capitalized	(0.80)
Foreign currency translation reserve	-
<b>As 31st March, 2023</b>	<b>3.56</b>

**6.1 Ageing analysis of capital work-in-progress**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Projects in progress:</b>		
Up to 1 year	3.56	0.32
More than 1 years and up to 2 years	-	0.48
More than 2 years and up to 3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>3.56</b>	<b>0.80</b>

**6.2** There are no projects which are temporarily suspended. Accordingly, such disclosure for capital work-in-progress is not applicable.



**Notes to the Consolidated Financial Statements**  
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**7 Right of use assets**

Particular	Office Premises	Leasehold Land	Plant and Machinery	Office Equipment	Total
<b>Gross carrying Amount</b>					
As at 1st April, 2021	138.29	32.32	586.24	-	756.85
Additions	0.05	-	39.73	7.15	46.93
Disposal / adjustment	-	-	(68.95)	-	(68.95)
Foreign currency translation reserve	-	-	5.94	-	5.94
As at 31st March, 2022	138.34	32.32	562.96	7.15	740.77
As at 01st April 2022	138.34	32.32	562.96	7.15	740.77
Additions	18.72	-	37.02	-	55.74
Disposal / adjustment	-	-	(0.08)	-	(0.08)
Foreign currency translation reserve	-	-	17.01	-	17.01
As at 31st March, 2023	157.06	32.32	616.91	7.15	813.44
<b>Depreciation and Impairment</b>					
As at 1st April, 2021	25.43	0.65	101.36	-	127.44
Depreciation charge for the year	25.81	0.65	108.47	0.01	134.94
Disposal / Adjustment	-	-	(21.41)	-	(21.41)
Foreign currency translation reserve	-	-	1.19	-	1.19
As at 31st March, 2022	51.24	1.30	189.61	0.01	242.16
As at 01st April 2022	51.24	1.30	189.61	0.01	242.16
Depreciation charge for the year	27.94	0.65	97.32	1.37	127.28
Disposal / Adjustment	-	-	-	-	-
Foreign Currency Translation Reserve	-	-	5.31	-	5.31
As at 31st March, 2023	79.18	1.95	292.24	1.38	374.75
<b>Net carrying amount</b>					
As 31st March, 2022	87.10	31.02	373.34	7.14	498.60
As 31st March, 2023	77.88	30.37	324.67	5.77	438.69

7.1 The leases primarily consists of plants and equipment, office premises and leasehold land with the lease term of more than 12 months. Refer note 23.1 for other disclosures related to right-of-use asset.

7.2 The lease agreement for leasehold land and office premises is in the name of the group.



**Notes to the Consolidated Financial Statements**  
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**8 Non Current Investments - Unquoted**

**(A) Investments accounted for using equity method - Joint ventures**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Investments in joint ventures:</b>		
<b>(i) Reserve Enviro Private Limited</b>		
Number of equity shares (face value of Rs. 1,000 each): 183,804 (183,804)	208.31	183.80
Cumulative share of profit and OCI of joint venture	34.20	25.68
	<b>242.51</b>	<b>209.48</b>
<b>(ii) WHE Systems (FZC)</b>		
Number of equity shares (face value of AED 1,500 each): 50 (50) *	311.63	1.52
Cumulative share of profit and OCI of joint venture	(3.00)	0.04
	<b>308.63</b>	<b>1.56</b>
<b>Total</b>	<b>551.14</b>	<b>211.04</b>

\* Includes investment in perpetual debt as at 31st March, 2023 - Rs 309.95 millions (31st March 2022 - Nil), which is redeemable / payable at issuer's option and can be deferred indefinitely

**(B) Other Investments - At fair value through profit and loss**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(A) Quoted Investments</b>		
<b>(i) Investments in mutual fund</b>		
Aditya Birla Sun Life Money Manager Fund - Growth-Regular Plan (formerly known as Aditya Birla Sun Life Floating Rate Fund Short Term Plan)	4.79	4.50
Number of units : 15,314.092 (15,314.092)		
<b>(B) Unquoted Investments</b>		
<b>(i) Saraswat Cooperative Bank</b>		
Number of equity shares (face value of Rs. 10 each): 7,500 (7,500)	0.07	0.08
<b>(ii) Rochem Green Energy Private Limited</b>		
Number of 10% redeemable preference shares (face value of Rs. 1,000 each): 10,000 (10,000) at FVTPL	447.50	447.50
Less: Fair value written down (Refer note 8.2)	(447.50)	(447.50)
<b>(iii) Deemed investment with respect to financial guarantee issued in favour of related parties (Refer note 8.4)</b>	4.31	2.87
<b>Total</b>	<b>9.17</b>	<b>7.45</b>

**8.1 Other disclosure related to investments**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Aggregate amount of quoted investments	4.50	4.50
Aggregate amount of unquoted investments	1,003.02	661.49
Market value of quoted investments	4.79	4.54
Aggregate amount of fair value written down in value of investments	(447.50)	(447.50)

**8.2** Due to the continuous losses incurred by the related parties of the group, the group has written down the fair value of its other investments to the extent as mentioned below:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fair value of investment in Rochem Green Energy Private Limited written down	447.50	447.50

**8.3** Following table summarises the aggregate information with respect to joint ventures:

**8.3.1 Reserve Enviro Private Limited**

Particular	As at 31st March, 2023	As at 31st March, 2022
The Group's share of profit from continuing operations	6.48	8.35
The Group's share of other comprehensive income / (loss)	2.04	0.50
The Group's share of total other comprehensive income	8.52	8.85
Aggregate carrying amount of the Group's interest in this joint ventures	242.51	209.48

**8.3.2 WHE Systems (FZC)**

Particular	As at 31st March, 2023	As at 31st March, 2022
The Group's share of profit / (loss) from continuing operations	(2.92)	0.04
The Group's share of other comprehensive income / (loss)	-	-
The Group's share of total other comprehensive income / (loss)	(2.92)	0.04
Aggregate carrying amount of the Group's interest in this joint ventures	308.63	1.56

**8.4** The Group has provided financial guarantees in favour of certain related parties. The Group has not charged any commission from such related parties and has accounted for the same in accordance with Ind AS 109 "Financial Instruments". Refer note: 54



**Notes to the Consolidated Financial Statements**  
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**9 Other financial assets - Non-current**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Unsecured, considered good unless otherwise stated</b>		
Security deposits (Refer note 9.1)	86.22	79.97
Bank deposits with more than 12 months maturity (Refer note 9.2)	3.32	3.28
<b>Total</b>	<b>89.54</b>	<b>83.25</b>

**9.1 Details of security deposits made to related party which represent the present value of gross amount:**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Concord Shipping Private Limited	60.44	55.45

**9.2 Details of fixed deposits under lien is as below:**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fixed deposit earmarked with bank under lien against bank guarantees issued by the group.	3.24	3.28

**10 Significant component of the Group's net deferred tax are as follows:**

Particulars	As at 31st March, 2023			
	Opening	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing
Property, plant and equipment	(50.58)	4.42	-	(46.16)
Right to use assets	(8.01)	(2.03)	-	(10.04)
Expected credit loss	102.38	(31.86)	-	70.52
Employee benefit	14.47	4.71	0.01	19.20
Others	4.51	31.25	-	35.76
<b>Total</b>	<b>62.77</b>	<b>6.49</b>	<b>0.01</b>	<b>69.28</b>

Particulars	As at 31st March, 2022			
	Opening	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing
Property, plant and equipment	(57.84)	7.26	-	(50.58)
Right to use assets	(7.08)	(0.93)	-	(8.01)
Expected credit loss	100.97	1.41	-	102.38
Employee benefit	12.82	1.53	0.12	14.47
Others	(0.30)	4.80	-	4.51
<b>Total</b>	<b>48.57</b>	<b>14.07</b>	<b>0.12</b>	<b>62.77</b>

**10.1 Deductible temporary differences for which no deferred tax asset is recognised in the Balance Sheet in respect of:**

Particulars	Year of expiry	Carry forward losses for Future year (as at 31st March, 2023)	Carry forward losses for Future year (as at 31st March, 2022)
<b><u>Business loss:</u></b>			
AY 2016-17	March 2024	-	1.19
AY 2017-18	March 2025	-	8.04
AY 2019-20	March 2027	-	3.52
AY 2021-22	March 2029	-	3.92
AY 2022-23	March 2030	-	6.06
AY 2023-24	March 2031	110.65	-
<b><u>Unabsorbed depreciation:</u></b>			
AY 2014-15	NA	-	0.04
AY 2016-17	NA	-	0.04
AY 2017-18	NA	-	0.04
AY 2019-20	NA	-	0.02
AY 2021-22	NA	-	0.02
AY 2022-23	NA	-	0.01
<b>Sub-Total</b>		<b>110.65</b>	<b>22.90</b>
<b><u>Short term capital loss:</u></b>			
AY 2019-20	March 2027	0.02	0.02
AY 2021-22	March 2029	3.20	3.20
<b>Sub-Total</b>		<b>3.22</b>	<b>3.22</b>
<b>Total</b>		<b>113.87</b>	<b>26.12</b>



**Notes to the Consolidated Financial Statements**  
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**11 Current tax assets (net)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance tax & Tax deducted at source (net of provision for tax) (Refer note 11.1)	14.07	8.27
<b>Total</b>	<b>14.07</b>	<b>8.27</b>

**11.1 Above tax assets are net of:**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Tax paid	51.40	42.04
Less: Provision for income tax	(37.33)	(33.77)
<b>Total</b>	<b>14.07</b>	<b>8.27</b>

**12 Other non-current assets**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Prepaid expenses	0.85	3.32
Capital advance to other than related parties - considered good (Refer note 12.1)	22.94	21.40
Capital advance to related party		
- Considered doubtful (Refer note 12.3 and note 12.4)	68.44	64.31
Less - Allowance for doubtful advances	(68.44)	(64.31)
<b>Sub-total of capital advance</b>	<b>22.94</b>	<b>21.40</b>
Investment in gold (Refer note 12.2)	6.67	6.67
Advances for supply of goods and services to related parties (Refer note 54)	0.01	164.29
Balance with government authorities	3.03	1.18
<b>Total</b>	<b>33.50</b>	<b>196.86</b>

- 12.1** The Company has entered into an Memorandum of Understanding with Vijayalakshmi Realtors for purchase of land at Survey No. 55, Village Bilalpada, Taluka Vasai admeasuring 17.17 Gunthas for total consideration of Rs. 21.82 million. Proceedings for transfer of title deed is currently in progress. However, the party has received Commencement Certificate (CC) on 13th June, 2022 from Vasai Virar Municipal Corporation for carrying out development on land.

Particulars	As at 31st March, 2023	As at 31st March, 2022
Details of advance payment made to Vijayalakshmi Realtors	21.82	20.87

- 12.2 Gold is in the personal custody of the directors of the Company. The market value as per valuers certificate is as below:**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Market value of gold	40.13	35.66

- 12.3 Capital advance to related party**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Rochem Green Energy Private Limited	68.44	64.31
Less: Allowance for doubtful advances	(68.44)	(64.31)
<b>Total</b>	<b>-</b>	<b>-</b>

- 12.4 Movement in allowance for advances to related party are as follows:**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	(64.31)	(65.85)
Add: Provided during the year	-	-
Less: Utilization during the year	-	-
Changes due to foreign exchange gain / loss	(4.13)	1.54
<b>Balance at the end of the year</b>	<b>(68.44)</b>	<b>(64.31)</b>



**Notes to the Consolidated Financial Statements**  
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**13 Inventories (Cost or NRV whichever is lower)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw materials (Refer note 13.1)	1,254.46	1,098.48
Work in Progress	146.51	120.53
Finished goods	98.30	124.63
<b>Total</b>	<b>1,499.27</b>	<b>1,343.64</b>

**13.1 Raw materials include stock in trade, as both are stocked together and goods-in-transit the details of which is as below:**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Goods-in-transit included in raw materials	17.67	4.16

**13.2** Mode of valuation - Refer note no. 3.9 of the significant accounting policies.

**13.3** Refer note no. 27.1 for information on hypothecation of inventory.

**14 Trade receivables**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Unsecured</b>		
- Considered good (Including related party receivable) (Refer note 54)	1,058.68	1,284.98
- Trade Receivables which have significant increase in credit risk	293.20	425.28
<b>Sub-total</b>	<b>1,351.88</b>	<b>1,710.26</b>
Less: Allowance for expected credit losses (ECL)	(293.20)	(425.28)
<b>Total</b>	<b>1,058.68</b>	<b>1,284.98</b>

**14.1 Trade receivable ageing:**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Undisputed Trade Receivables-considered good</b>		
- Less than 6 months	973.28	1,180.79
- 6 Months - 1 year	25.51	53.01
- 1-2 years	37.62	24.57
- 2-3 years	9.40	11.81
More than 3 years	12.13	12.50
<b>Sub-total</b>	<b>1,057.94</b>	<b>1,282.68</b>
<b>Undisputed trade receivables which have significant increase in credit risk</b>		
- Less than 6 months	89.25	121.54
- 6 Months - 1 year	38.56	45.25
- 1-2 years	73.67	69.56
- 2-3 years	38.87	34.43
More than 3 years	48.88	144.55
<b>Sub-total</b>	<b>289.23</b>	<b>415.33</b>
<b>Disputed Trade Receivables-considered good</b>		
- Less than 6 months	-	0.21
- 6 Months - 1 year	-	0.23
- 1-2 years	0.13	0.06
- 2-3 years	0.06	0.05
More than 3 years	0.55	1.73
<b>Sub-Total</b>	<b>0.74</b>	<b>2.28</b>
<b>Disputed Trade Receivables-considered doubtful</b>		
- Less than 6 months	-	0.09
- 6 Months - 1 year	-	0.30
- 1-2 years	0.70	0.30
- 2-3 years	0.30	0.24
More than 3 years	2.97	9.04
<b>Sub-Total</b>	<b>3.97</b>	<b>9.97</b>
<b>Total</b>	<b>1,351.88</b>	<b>1,710.26</b>

**14.2 Movement of Expected Credit Loss Allowance**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Balance at the beginning of the year</b>	<b>425.28</b>	<b>453.98</b>
Add: Provided/(Reversal) during the year	(43.43)	(27.57)
Less: Amount Written off	(89.98)	(4.06)
Changes due to foreign exchange gain / (loss)	1.33	2.93
<b>Balance at the end of the year</b>	<b>293.20</b>	<b>425.28</b>

**Notes to the Consolidated Financial Statements**  
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14.3 There were no receivables due by directors or any of the officers of the Group. For receivables from related parties (Refer note 54)

14.4 The Group always measures the loss allowance for trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

14.5 The average credit period ranges from 90 to 120 days depending on the nature of revenue. No interest is charged on outstanding trade receivables.

**15 Cash and cash equivalent**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash in hand	3.23	2.41
Balances with bank		
- In current accounts	596.73	193.65
- In fixed deposits (with original maturity of 3 months or less)	2.64	-
<b>Total</b>	<b>602.60</b>	<b>196.06</b>

**16 Other bank balances**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balances with banks:		
- In deposit accounts with maturity of less than 3 months (Refer note 16.1)	12.64	20.58
- In deposit accounts with maturity of more than 3 months but less than 12 months (Refer note 16.1)	208.50	75.71
- In current account (earmarked balances for CSR expenditure)	0.39	0.38
<b>Total</b>	<b>221.53</b>	<b>96.67</b>

16.1 Details of fixed deposits given as margin money to the Bank for guarantee given by bank to government and other authorities on behalf of the company and group entities is as given below:

Particulars	As at 31st March, 2023	As at 31st March, 2022
- Maturity of less than 3 months	12.64	20.58
- Maturity of more than 3 months but less than 12 months	34.43	75.71

**17 Loans**

Particulars	As at 31st March, 2023	As at 31st March, 2022
(Unsecured considered good, unless otherwise stated)		
Loans to employee	2.84	1.59
Loans to other parties*	-	10.00
<b>Total</b>	<b>2.84</b>	<b>11.59</b>

\* The loan has been given on 11th August, 2020 for the period of 18 months @ 11 % p.a. for business/corporate general purpose and has been renewed on 11th February, 2022 and has been repaid by the party on 21st November, 2022.

**18 Other financial assets (Current)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
(Unsecured, considered good unless otherwise stated)		
Interest accrued on fixed deposits with Banks	1.40	1.13
Interest receivable from others (Refer note 18.3)	0.64	0.99
Security deposits (Refer note 18.2 and note 18.3)	29.34	29.17
Receivable from bank- significant increase in credit risk	-	-
Less - Allowance for receivable from bank (Refer note 18.1)	-	-
Financial asset at fair value through profit & loss (derivative)	0.22	-
<b>Total</b>	<b>31.60</b>	<b>31.29</b>

18.1 Movement in allowance for doubtful receivable from bank are as follows:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year		1.07
Add: Provided during the year		-
Less: Amount written-off during the year		(1.07)
<b>Balance at the end of the year</b>		<b>-</b>

mr

**Notes to the Consolidated Financial Statements**  
(Amount in millions, unless otherwise stated)

18.2	Details of security deposit made to related party which represent the present value of gross amount	As at 31st March, 2023	As at 31st March, 2022
	Reserve Enviro Private Limited	-	1.00

18.3 Refer note no. 45 Financial instruments - Accounting classification & fair value measurement.

**19 Other current assets**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<i>(Unsecured, considered good unless otherwise stated)</i>		
Balances with Government authorities	39.67	18.45
Prepaid expenses	28.52	23.33
Advances for supply of goods and services:		
- Related party	25.09	35.75
- To others - considered good	202.48	175.93
- To others - significant increase in credit risk	9.22	5.49
Less: Allowance for doubtful advances (Refer note 19.1)	(9.22)	(5.49)
	<b>227.57</b>	<b>211.68</b>
Share issue expenses recoverable *	-	8.98
Advance to employees	4.15	3.77
Other advances	32.16	5.33
Unbilled Revenue (Refer note 19.2)	11.10	68.59
<b>Total</b>	<b>343.17</b>	<b>340.13</b>

\* Note - Share issue expense recoverable of Rs. Nil (31st March 2022 Rs. 8.98 millions) are incurred towards proposed Initial public offer.

**19.1 Movement in allowance for doubtful advances are as follows:**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	5.49	0.17
Add: Provided during the year	3.73	8.84
Less: Utilization / Reversal during the year	-	(3.52)
<b>Balance at the end of the year</b>	<b>9.22</b>	<b>5.49</b>

19.2	Unbilled revenue to related party	As at 31st March, 2023	As at 31st March, 2022
	Reserve Enviro Private Limited	5.04	12.00

**20 Equity share capital**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Authorised share capital</b>		
<b>Equity Shares</b>		
Face value (Refer note 20.11)	5.00	100.00
No. of shares	4,00,00,000.00	50,000.00
Amount	200.00	5.00
<b>Total</b>	<b>200.00</b>	<b>5.00</b>
<b>Issued, subscribed and paid-up share capital</b>		
<b>Equity Shares</b>		
Face value (Refer note 20.11)	5.00	100.00
No. of shares	1,81,99,800.00	42,556.00
Amount	91.00	3.08
Add: Reclassified from Financial Liability (Refer note 20.10)	-	1.18
<b>Total</b>	<b>91.00</b>	<b>4.26</b>

**20.1 Equity share capital as per Companies Act, 2013**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Equity Share Capital</b>		
<u>Authorized Share Capital (Refer note 20.11)</u>		
(CY 40,000,000 shares of Rs 5 each)	200.00	5.00
(PY 50,000 equity shares of Rs 100 each)		
<u>Issued, subscribed and fully paid up (Refer note 20.11)</u>		
(CY 18,199,800 fully paid equity shares of Rs. 5 each)		
(PY 42,556 fully paid equity shares of Rs. 100 each)	91.00	4.26

Fully paid equity shares, which have a par value of Rs. 5 carry one vote per share and carry a right to dividend



**Notes to the Consolidated Financial Statements**  
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**20.2 Rights, preferences and restrictions attached to equity shares**

The Company has single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

**20.3 Fully paid equity shares under Companies Act, 2013**

Particulars	Number of shares	Share capital (Amount)
<b>Balance at 1st April, 2021</b>	<b>42556.00</b>	<b>4.26</b>
Changes in share capital during the year	-	-
<b>Balance at 31st March, 2022</b>	<b>42556.00</b>	<b>4.26</b>
<b>Balance at 1st April, 2022</b>	<b>42,556.00</b>	<b>4.26</b>
Conversion of preference shares into equity shares (Refer note 20.12(b)(ii))	7,999.00	0.80
<b>Total number of equity shares post conversion</b>	<b>50,555.00</b>	<b>5.06</b>
Split of equity shares from Rs 100 per share to Rs 5 per share (Refer note 20.8)	10,11,100.00	5.06
Addition on account of bonus issue in the ratio of 17:1 (Refer note 20.12(b))	1,71,88,700.00	85.94
<b>Balance at 31st March, 2023</b>	<b>1,81,99,800.00</b>	<b>91.00</b>

**20.4 Details of shareholders holding more than 5 % shares**

Particulars	Details	As at 31st March, 2023	As at 31st March, 2022
Mrs Pushpa Goel	Number of Shares	16,63,560.00	12,600.00
	Shareholding percentage	9.14%	29.61%
Mr. Prayas Goel	Number of Shares	50,88,960.00	7,530.00
	Shareholding percentage	27.96%	17.69%
Mr. Prerak Goel	Number of Shares	32,03,280.00	7,525.00
	Shareholding percentage	17.60%	17.68%
AFHoldings, Mauritius (Body Corporate)	Number of Shares	71,10,000.00	11,751.00
	Shareholding percentage	39.07%	27.61%

**20.5 Details of Promoter Shareholding in the group**

Name of the promoter	Details	As at 31st March, 2023	As at 31st March, 2022
Mr. Prayas Goel	Number of Shares	50,88,960.00	7,530.00
	Shareholding percentage	27.96%	17.69%
	Percentage change during the year	10.27%	-
Mr. Prerak Goel	Number of Shares	32,03,280.00	7,525.00
	Shareholding percentage	17.60%	17.68%
	Percentage change during the year	(-0.08%)	-

**20.6 Preference Share Capital as per Companies Act, 2013**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Authorized Share Capital</b>		
<b>0.001% compulsorily convertible non-cumulative preference shares</b>		
Face value (in Rs) (Refer note 20.11)	1,000.00	1,000.00
No. of shares (Refer note 20.11)	2,25,000.00	4,20,000.00
Amount	225.00	420.00
<b>Issued, subscribed and paid-up Share Capital</b>		
<b>0.001% compulsorily convertible non-cumulative preference shares</b>		
Face value (in Rs) (Refer note 20.11)	1,000.00	1,000.00
No. of shares	7,999.00	7,999.00
Amount	8.00	8.00
Less: 0.001% compulsorily convertible non-cumulative preference shares converted	(8.00)	-
<b>Total</b>	<b>-</b>	<b>8.00</b>



**Notes to the Consolidated Financial Statements**  
(Amount in millions, unless otherwise stated)

**20.7 Reconciliation of Instruments entirely of equity nature outstanding at the beginning and at the end of the year**

Particulars	Number of shares	Share capital (Amount)
Balance as at 1st April, 2021	-	-
Add - Reclassified from financial liability ( Refer note 20,10)	7,999.00	8.00
<b>Balance as at 31st March, 2022</b>	<b>7,999.00</b>	<b>8.00</b>
Balance as at 1st April, 2022	7,999.00	8.00
(Less) - Changes in share capital during the year due to conversion	(7,999.00)	(8.00)
<b>Balance as at 31st March, 2023</b>	<b>-</b>	<b>-</b>

**20.8 Rights, preferences and restrictions attached to preference shares**  
**0.001% compulsorily convertible non cumulative preference shares**

The Company has series A and A1 0.001% non cumulative convertible preference shares (Rs.1000/- each) having a term of 20 periods. The preference shares holders has right to convert their shares into equity shares at conversion ratio of 1:1 and as per the terms of agreement. The non cumulative preference shares shall rank senior to equity shares and all other preference shares at all times and in all events. The preference shares are entitled to receive dividend @ 0.001% as declared from time to time. The voting rights of a preference shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up preference capital of the company. As a result series A and A1 0.001% non cumulative convertible preference shares (Rs.1000/- each) are converted and split into ratio of 20:1 into ordinary equity shares and bonus issue of 17:1 is allotted dated 9th Novemehr 2022 .

**20.9 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Particulars	Details	As at 31st March, 2023	As at 31st March, 2022
AF Holdings, Mauritius	Number of Shares	-	7,999.00
	Shareholding percentage	0.00%	100.00%

**20.10 Approval of Concord Enviro System Employee Stock Option Plan 2022**

The Company has, vide Shareholders' approval dated 22nd June,2022, introduced, implemented "Concord Enviro System Employee Stock Option Plan 2022" ("ESOP 2022") and approved the plan authorizing the committee to grant not exceeding 20,600 (twenty thousand six hundred only) options ("option pool") to the eligible employee in one or more tranches, from time to time which in aggregate shall be exercisable into not more than 20,600 ( twenty thousand six hundred only) shares with each such option conferring a right upon the employee to apply for one share in the company in accordance with the terms and conditions as may be decided under the plan.

**20.11 Change in Authorised Capital and Sub-division of equity shares:**

The Shareholders in their extra-ordinary general meeting dated 25th May, 2022 approved sub-division of each authorised and issued equity shares of face value Rs. 100 into twenty equity shares of face value of Rs. 5 each.

The Authorised Share Capital of the Company is changed to Rs. 425 millions divided into 4,00,00,000 Equity Shares of Rs. 5 each and 2,25,000 Preference shares of Rs. 1000 each.

**20.12 For the period of five years immediately preceding the date as at which the Balance Sheet is prepared :**

(a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash: NIL

(b) Aggregate number and class of shares allotted as fully paid up by way of bonus shares:

i. Pursuant to the approval of Board of Directors in its meeting held on November 09, 2022 and approval of the shareholders in the Extraordinary General Meeting held on November 09, 2022, the Company has approved issuance of bonus shares of face value of equity shares of Rs. 5 in the ratio of 17 equity share having face value of Rs. 5 for every equity share of Rs. 5. As a result the number of equity share of the Company has increased from 8,51,120 to 1,53,20,160.

ii. Pursuant to the approval of Board of Directors in its meeting held on dated November 10, 2022 and approval of the shareholders in the Extraordinary General Meeting held on dated November 10, 2022, the Company has approved conversion of compulsory convertible preference shares of face value Rs. 1000 to equity shares of face value Rs. 5. Subsequently the number of shares increase from 7999 to 28,79,460. As a result the number of equity share of the Company has increased from 1,53,28,159 to 1,81,99,800.

(c) Aggregate number and class of shares bought back: NIL



**Notes to the Consolidated Financial Statements**  
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**21 Other equity**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Securities premium reserve</b>		
Opening Balance	913.03	-
Add: Reclassified from financial liability (Refer Note 20,10)	-	913.03
Add: Conversion of preference shares to equity	7.20	-
Add/(Less): Issue of bonus shares	(85.94)	-
<b>Closing balance</b>	<b>834.29</b>	<b>913.03</b>
<b>Capital reserve on consolidation</b>		
Opening balance	17.35	17.35
Add: Movement during the year	-	-
<b>Closing balance</b>	<b>17.35</b>	<b>17.35</b>
<b>General Reserve</b>		
Opening Balance	11.22	11.22
Add: Movement during the year	-	-
<b>Closing balance</b>	<b>11.22</b>	<b>11.22</b>
<b>Capital redemption reserve</b>		
Opening balance	-	-
Add: Transfer from retained earnings on account of redemption of preference shares	32.50	-
<b>Closing balance</b>	<b>32.50</b>	<b>-</b>
<b>Retained earnings</b>		
Opening Balance	1,669.33	(172.97)
Add: Profit for the year	57.22	164.50
Add: Reclassified from financial liability (Refer Note 20,10)	-	1,677.80
(Less): Deemed distribution	(0.97)	-
(Less): Transfer to capital redemption reserve account on account of redemption of preference shares	(32.50)	-
<b>Closing balance</b>	<b>1,693.08</b>	<b>1,669.33</b>
<b>Financial instrument classified as equity</b>		
<b>0.001% compulsorily convertible non cumulative preference shares</b>		
Opening Balance	8.00	-
Add: Reclassified from financial liability (Refer Note 20,10)	-	8.00
(Less): 0.001% compulsorily convertible non-cumulative preference shares redeemed	(8.00)	-
<b>Closing balance</b>	<b>-</b>	<b>8.00</b>
<b>Other comprehensive income</b>		
<b>Foreign currency translation reserve</b>		
Opening Balance	62.66	34.31
Add: Arising during the year	77.20	28.35
<b>Closing balance</b>	<b>139.86</b>	<b>62.66</b>
<b>Remeasurement benefits</b>		
Opening Balance	(0.40)	0.01
Remeasurement gain/ (loss) for the year	(9.29)	(0.41)
<b>Closing balance</b>	<b>(9.69)</b>	<b>(0.40)</b>
<b>Total</b>	<b>2,718.61</b>	<b>2,681.19</b>

**21.1 Nature and Purpose of Reserve**

Name of Reserve	Nature and Purpose of Reserve
Securities premium reserve	Securities premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.
Capital reserve on consolidation	This reserve is pertaining to business combinations in consolidated financials of subsidiary.
General Reserve	General reserve represents portion of profits mandatorily transferred to it before declaring dividend pursuant to the provisions of Companies Act, 1956. Such mandatory transfer is not required under the Companies Act, 2013.
Capital redemption reserve	Capital redemption reserve has been created on account of redemption of preference shares out of the profits. A sum equal to the nominal amount of the preference shares redeemed has been transferred from retained earnings to the Capital redemption reserve under Companies Act, 2013. Such reserve can be utilised only for the purposes specified under Companies Act, 2013.
Retained Earnings	Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve if any, dividend or other distributions paid to shareholders.
0.001% compulsorily convertible non cumulative preference shares	0.001% compulsorily convertible non cumulative preference shares issued by the Group are classified separately as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.
Foreign currency translation reserve	The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian Rupee is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.
Remeasurement benefits	This reserve contains cumulative gains and losses on remeasurement of post-employment defined benefits obligations.

**Notes to the Consolidated Financial Statements**  
(Amount in millions, unless otherwise stated)

**22 Borrowings**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Non-current borrowings</b>		
<b>Secured</b>		
<b>Term loans</b>		
- From banks (Refer note 22.1 and 22.2)	4.34	5.57
- From financial institutions (Refer note 22.1 and 22.2)	326.64	405.78
<b>Total</b>	<b>330.98</b>	<b>411.35</b>

**22.1 Breakup of secured term loans from bank and financial institutions**

Particular	As at 31st March, 2023	As at 31st March, 2022
<b>Bank</b>		
HDFC Bank (Refer Note 22.2(a) and note 22.3)	2.12	3.58
ICICI Bank (Refer Note 22.2(b) and note 22.3)	6.36	5.57
Bank of India (Refer Note 22.2(c) and note 22.3)	-	4.98
<b>Sub-total</b>	<b>8.48</b>	<b>14.13</b>
<b>Financial Institution</b>		
Aditya Birla Finance Limited (Refer Note 22.2(d) and note 22.3)	44.14	56.12
Global Climate Partnership Fund SA (Refer Note 22.2(f))	393.97	452.69
<b>Sub-total</b>	<b>438.11</b>	<b>508.81</b>
<b>Total</b>	<b>446.59</b>	<b>522.94</b>
<b>Presented as</b>		
Long term loans (Note 22)	330.98	411.35
Current maturities of long term borrowing (Note 27)	115.61	111.59
<b>Total</b>	<b>446.59</b>	<b>522.94</b>

**22.2 Terms and conditions:**

**(a) Loan from HDFC Bank**

- (i) Pertains to vehicle loan taken during FY 2017-18 which carries interest rate of 8.40% per annum. It is repayable in 60 equal monthly instalments of Rs. 0.02 millions each commencing from 5th October, 2017. The term loan is secured by hypothecation of vehicle acquired under the loan. It has been repaid on 5th September, 2022.
- (ii) Pertains to vehicle loan taken during FY 2018-19 which carries interest rate of 8.85% per annum. It is repayable in 60 equal monthly instalments of Rs. 0.05 millions each commencing from 7th January, 2019. The term loan is secured by hypothecation of vehicle acquired under the loan.
- (iii) Pertains to vehicle loan taken during FY 2018-19 which carries interest rate of 8.85% per annum. It is repayable in 60 equal monthly instalments of Rs. 0.05 millions each commencing from 7th January, 2019. The term loan is secured by hypothecation of vehicle acquired under the loan.
- (iv) Pertains to vehicle loan taken during FY 2021-22 which carries interest rate of 10% per annum. It is repayable in 60 equal monthly instalments of Rs. 0.03 millions each commencing from 5th April, 2022. The term loan is secured by hypothecation of vehicle acquired under the loan.

**(b) Loan from ICICI Bank**

- (i) Pertains to vehicle loan taken during FY 2017-18 which carries interest rate of 8.40% per annum. It is repayable in 60 equal monthly instalments of Rs. 0.03 millions each commencing from 5th August, 2017. The term loan is secured by hypothecation of vehicle acquired under the loan. It has been repaid on 05th October, 2022.
- (ii) Pertains to vehicle loan taken during FY 2019-20 which carries interest rate of 8.90% per annum. It is repayable in 60 equal monthly instalments of Rs. 0.18 millions each commencing from 10th October, 2019. The term loan is secured by hypothecation of equipment acquired under the loan.
- (iii) Pertains to vehicle loan taken during FY 2020-21 which carries interest rate of 8.00% per annum. It is repayable in 60 equal monthly instalments of Rs. 0.02 millions each commencing from 5th November, 2020. The term loan is secured by hypothecation of equipment acquired under the loan.
- (iv) Pertains to vehicle loan taken during FY 2022-23 which carries interest rate of 7.50% per annum. It is repayable in 39 equal monthly instalments of Rs. 0.04 millions each commencing from 5th June, 2022. The term loan is secured by hypothecation of vehicle acquired under the loan.
- (v) Pertains to vehicle loan taken during FY 2022-23 which carries interest rate of 8.10% per annum. It is repayable in 48 equal monthly instalments of Rs. 0.05 millions each commencing from 5th September, 2022. The term loan is secured by hypothecation of vehicle acquired under the loan.

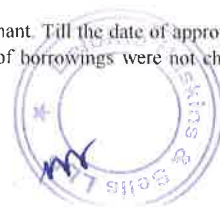
**(c) Loan from Bank of India**

The group has taken a loan from Bank of India of Rs. 23.5 millions under COVID Emergency Support Scheme 2020, (CESS-2020) of Government of India. It is repayable in 6 equal monthly instalments of Rs. 0.59 millions, 11 equal monthly instalments of Rs. 1.66 millions and one monthly instalment of Rs. 1.66 millions with first instalment commencing from January 31, 2021 which carries interest rate of 7.35%. The loan is secured by first pari passu charge on the current assets and office furniture of the Company and equitable mortgage on office premises, factory land, building and plant and machinery. The loan has been repaid on 28th June 2022.

**(d) Loan from Aditya Birla Finance Limited**

The group has taken a loan from Aditya Birla Finance Limited of Rs. 69.10 millions during the financial year 2020-21. It is repayable in 62 equal monthly instalments of Rs. 1.49 millions commencing from 1st February, 2021 which carries floating interest rate of 12.90% per annum. The loan is secured by specific charge on the retention money of Rs. 88.74 millions from specific parties. 80% of the retention money received or realised from the specific parties shall be utilised for the repayment of the loan.

During the year and in the previous year, there was a breach in maintaining one of the financial covenant. Till the date of approval of financial statements by the Board of Directors, the lender has not demanded for any accelerated repayment of borrowings and the term of borrowings were not changed. The company has not defaulted in payment of its interest and principal that are due on borrowings.





**Notes to the Consolidated Financial Statements**

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**(e) Vehicle loan and working capital loan (overdraft) from National Bank of Fujairah, Sharjah is secured by the following:**

- (i) Joint and several personal guarantees of Mr. Prerak Goel and Mr. Ashish Singal ( the "Guarantors").
- (ii) Cross Corporate Guarantees between Ms Blue Water Trading & Treatment FZE and M/s Concord Enviro FZE, SAIF Zone, Sharjah, UAE ( the "Guarantors").
- (iii) Pledge over Fixed deposit of AED 2.11 millions (INR equivalent as on 31st March, 2023: 47.19 millions) in the name of Blue Water Trading & Treatment FZE, in favour of National Bank of Fujairah, Sharjah.
- (iv) Settlement cheque covering total facility amount (less fixed deposit under pledge) drawn on National Bank of Fujairah PJSC, in favour of bank.
- (v) Assignment of insurance policy covering stock of AED 8.20 millions (INR equivalent as on 31st March, 2022: 183.39 millions) in favour of National Bank of Fujairah.

**(f) Loan from Global Climate Partnership Fund SA**

The above mentioned facility is repayable by 15 December, 2026. The interest rate of the loan is 6.25% per annum. The above facilities are secured by the following:

- Not to sell, transfer, grant, lease, lend assign or otherwise dispose of or deal with any of the secured assets kept in its premises located in SAIF Zone;
- (i) Not to create or permit to subsist any security on the whole or any part of the secured assets or, the assets kept at its premises located in SAIF Zone.
- (ii) Not to sell, transfer, grant, lease, lend assign or otherwise dispose of or deal with any of the secured assets kept in its premises located in SAIF Zone except in the ordinary course of business with prior written consent of the lender or permitted under the finance documents;
- (iii) To take all reasonable and practicable steps to preserve and enforce its rights and remedies under or in respect of the secured assets and in the case of Concord Enviro FZE, the assets kept at its premises located in SAIF Zone.
- (iv) Without prior consent of the Global Climate Partnership Fund S.A., SICAV-SIF any interest in the share capital of the Blue Waters Trading and Treatment FZE should not be disposed off.
- (v) Concord Enviro FZE and Blue Waters Trading and Treatment FZE should always ensure that the collateralisation rate is at all times at least 130%.
- (vi) Concord Enviro FZE and Blue Waters Trading and Treatment FZE as applicable shall grant security over any assets purchased with the proceeds of a disbursement by no later than six months of the relevant disbursement date. Any such security shall be in a form satisfactory of the lender securing the secured obligations.

**22.3** These secured loans from banks and financial institutions are covered by personal guarantee of the Managing Director and Executive Director of the group.

**23 Lease liabilities (non-current)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease liabilities	265.18	330.83
<b>Total</b>	<b>265.18</b>	<b>330.83</b>

**23.1 The carrying value of right-of-use assets is as under**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Carrying value of right-of-use assets at the end of the year (Refer Note 7)	438.69	498.60

**23.2 Impact on statement of profit and loss**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on lease liabilities	61.75	74.04
Depreciation on right of use assets	127.28	134.94
Expenses relating to short-term leases	32.55	22.89
Expenses relating to leases of low value assets	3.10	2.60
Gain on derecognition of leases	0.02	5.32
Gain from Sale and Leaseback	0.02	1.07

**23.3 Movement of lease liabilities**

Particular	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning	456.69	573.71
Additions during the year	55.03	47.40
Finance cost accrued during the year	61.75	74.04
Payment of lease liabilities during the year	(195.06)	(198.47)
Translation Reserve	15.76	5.44
Deletions during the year	(0.10)	(45.43)
<b>Closing</b>	<b>394.07</b>	<b>456.69</b>

**23.4 Lease liabilities included in the Balance Sheet**

Particular	As at 31st March, 2023	As at 31st March, 2022
Current	128.89	125.86
Non-Current	265.18	330.83

**23.5 Amount recognised in the statement of cash flow**

Particulars	As at 31st March, 2023	As at 31st March, 2021
Payment of lease liabilities during the year	133.31	124.43
Finance cost paid during the year	61.75	74.04



**Notes to the Consolidated Financial Statements**  
(Amount in millions, unless otherwise stated)

**24 Other financial liabilities - non-current**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fair value of of financial guarantee contracts*	3.54	1.99
<b>Total</b>	<b>3.54</b>	<b>1.99</b>

\* Financial guarantee contracts has been issued in the favour of related parties.

**25 Provisions - non-current**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Provision for employee benefits</b>		
- Provision for gratuity (Refer note 50(ii) (b))	50.15	35.07
- Provision for leave benefit (Refer note 50(ii) (a))	10.19	9.74
<b>Total</b>	<b>60.34</b>	<b>44.81</b>

**26 Other non-current liabilities**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred income liability on finance lease	0.60	1.47
<b>Total</b>	<b>0.60</b>	<b>1.47</b>

**27 Borrowings - Current**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Secured</b>		
From bank, repayable on demand		
- Cash credit facility (Refer note 27.1 (a), 27.1 (b) and 27.2)	216.24	232.50
- Buyer's Credit (Refer note 27.1(a) and 27.1(d))	34.32	34.70
- Trust receipts-National Bank of Fujairah (Refer note 27.1(f))	150.38	90.29
- Working capital Demand Loan (Refer note 27.1 (a), 27.1 (c) and 27.3)	375.95	301.28
Vehicle loan (Refer note 27.1(f))	-	0.40
Purchase finance (Refer note 27.1(e))	5.05	-
Current maturities of long term borrowings (Refer note 22.1 and 22.2)	115.61	111.59
<b>Loan from related party (Refer note 54 )</b>		
- Loan from AFHolding, Mauritius (Refer note 27.1 (g) and 27.3)	82.08	75.45
<b>Total</b>	<b>979.63</b>	<b>846.21</b>

**27.1 Terms and conditions of loans from banks and financial institution:**

- (a) Secured by first pari passu charge on the current assets and office furniture of the Company and equitable mortgage on office premises, factory land, building and plant and machinery of the company. The facilities are secured by corporate guarantee from Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited) and personal guarantee of Mr. Prayas Goel and Mr. Prerak Goel.
- (b) Cash credit facilities from banks carry interest ranging between 9.50% to 14% p.a., computed on a monthly basis on the actual amount utilised, and are repayable on demand.

**(c) Working capital Demand Loan**

- (i) The group has taken a foreign currency working capital demand loan from IDFC first Bank of USD 0.54 millions (equivalent Rs. 40 millions) on 21th January, 2022 which carries interest rate 3.50% and has been repaid on 20th July, 2022.
- (ii) The group has taken a foreign currency working capital demand loan from IDFC first Bank of USD 0.53 millions (equivalent Rs. 40 millions) on 28th January, 2022 which carries interest rate 3.60% and has been repaid on 27 July, 2022.
- (iii) The group has taken a working capital demand loan from IndusInd Bank of Rs. 45 millions on 10th February, 2022 which carries interest rate 8.30% and has been repaid on 9 August, 2022.
- (iv) The group has taken a working capital demand loan from IndusInd Bank of Rs. 25 millions on 16th February, 2022 which carries interest rate 8.10% and has been repaid on 12th August, 2022.
- (v) The group has taken a foreign currency working capital demand loan from Standard Chartered Bank of USD 0.67 millions (equivalent Rs. 50.61 millions) on 23rd March, 2022 which carries interest rate 2.24% and has been repaid on 19th August, 2022.
- (vi) The group has taken a foreign currency working capital demand loan from Standard Chartered Bank of USD 0.67 millions (equivalent Rs. 50.66 millions) on 28th March, 2022 which carries interest rate 2.30% and has been repaid on 25th August, 2022.
- (vii) The group has taken a working capital demand loan from IndusInd Bank of Rs. 50 millions on 24 March, 2022 which carries interest rate 7.95% and has been repaid on 21st September, 2022.
- (viii) The group has taken a foreign currency working capital demand loan from Standard Chartered Bank of USD 0.62 millions (equivalent Rs. 50.21 millions) on 27th January, 2023 which carries interest rate 5.77% and is repayable on 26th June, 2023.
- (ix) The group has taken a foreign currency working capital demand loan from Standard Chartered Bank of USD 0.35 millions (equivalent Rs. 28.32 millions) on 30th January, 2023 which carries interest rate 5.82% and is repayable on 28th July, 2023.
- (x) The group has taken a working capital demand loan from Bank of India of Rs. 50 millions on 28th February, 2023 which carries interest rate 9.70% and is repayable on 22nd August, 2023.
- (xi) The group has taken a working capital demand loan from IDFC Bank of Rs. 11 millions on 23rd January, 2023 which carries interest rate 10.40% and is repayable on 22nd July, 2023.
- (xii) The group has taken a working capital demand loan from IDFC Bank of Rs. 40 millions on 23rd January, 2023 which carries interest rate 10.40% and is repayable on 22nd July, 2023.

**Notes to the Consolidated Financial Statements**  
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- (xiii) The group has taken a working capital demand loan from IDFC Bank of Rs. 40 millions on 25th January, 2023 which carries interest rate 10.40% and is repayable on 24th July, 2023.
- (xiv) The group has taken a working capital demand loan from IndusInd Bank of Rs. 20 millions on 28th January, 2023 which carries interest rate 10% and is repayable on 27th July, 2023.
- (xv) The group has taken a working capital demand loan from IndusInd Bank of Rs. 45 millions on 06th February, 2023 which carries interest rate 10% and is repayable on 05th August, 2023.
- (xvi) The group has taken a working capital demand loan from IndusInd Bank of Rs. 25 millions on 13th February, 2023 which carries interest rate 10% and is repayable on 12th August, 2023.
- (xvii) The group has taken a working capital demand loan from IndusInd Bank of Rs. 50 millions on 31st December, 2022 which carries interest rate 10% and is repayable on 28th June, 2023.
- (xviii) The group has taken a working capital demand loan from IndusInd Bank of Rs. 15 millions on 28th January, 2023 which carries interest rate 10% and is repayable on 27th July, 2023.

(d) Buyer's credit facilities from banks carry interest rate at applicable USD LIBOR plus margin (rates are specified at the time of offer). Principal amount alongwith interest are payable on the date of maturity.

**(e) Purchase financing from Oxyzo Financial Services Private Limited**

Purchase financing facility from Oxyzo Financial Services Private Limited is taken during the year 2022-23 which carries interest rate at applicable HDFC MCLR plus margin @ 6.25% per annum. The facility was secured by corporate guarantee from Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited) and personal guarantee of Mr. Prayas Goel and Mr. Prerak Goel.

**(f) Vehicle loan and working capital loan (overdraft) from National Bank of Fujairah, Sharjah is secured by the following:**

- (i) Joint and several personal guarantees of Mr. Prerak Goel and Mr. Ashish Singal ( the "Guarantors").
- (ii) Cross Corporate Guarantees between Ms Blue Water Trading & Treatment FZE and M/s Concord Enviro FZE, SAIF Zone, Sharjah, UAE ( the "Guarantors").
- (iii) Pledge over Fixed deposit of AED 2.11 millions (INR equivalent as on 31st March, 2023: 47.19 millions) in the name of Blue Water Trading & Treatment FZE, in favour of National Bank of Fujairah, Sharjah.
- (iv) Settlement cheque covering total facility amount (less fixed deposit under pledge) drawn on National Bank of Fujairah PJSC, in favour of bank.
- (v) Assignment of insurance policy covering stock of AED 8.20 millions (INR equivalent as on 31st March, 2023: 183.39 millions) in favour of National Bank of Fujairah.

(g) The loan of USD 3 million taken in financial year 2017-18 from AFHolding, Mauritius (closing balance as on March 31, 2023 is USD 1 million) carries interest rate 8% (subject to an upper cap of 8% per annum) is repayable on demand.

**27.2** The cash credit facility is secured against hypothecation of stock and book debts and bill discounting facility is secured against hypothecation of Book Debts.

**27.3** These secured loans are covered by personal guarantee of the Managing Director and Executive Director of the group.

**28 Lease liabilities - current**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease liabilities (Refer note 23.4)	128.89	125.86
<b>Total</b>	<b>128.89</b>	<b>125.86</b>

**29 Trade payables**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Outstanding dues of micro enterprises and small enterprises (Refer note 29.1)	89.72	84.70
Outstanding dues of creditors other than micro enterprises and small enterprises	777.91	643.39
<b>Total</b>	<b>867.63</b>	<b>728.09</b>

**29.1** The amount due to Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act (MSMED Act), 2006 has been determined to the extent such parties have been identified on the basis of information collected by the management. The disclosure relating to Micro, Small and Medium Enterprises is as under:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Dues remaining unpaid at the year end:		
(a) The principle amount remaining unpaid to supplier as at the end of the accounting year	88.09	83.95
(b) The interest thereon remaining unpaid to supplier as at the end of the accounting year	1.63	0.75
(c) Amount of interest due and payable for the year	-	-
(d) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	0.75	0.15
(e) Amount of interest accrued and remaining unpaid at the end of the accounting year	1.63	0.75
(f) The amount of further interest due and payable even in the succeeding years/ until such date when the interest due as above are actually paid	-	-



**Notes to the Consolidated Financial Statements**  
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**29.2 Trade payable analysis**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Micro, small and medium enterprises</b>		
Less than 1 year	86.11	80.94
1-2 years	0.33	3.10
2-3 years	3.28	0.57
More than 3 years	-	0.09
<b>Sub Total</b>	<b>89.72</b>	<b>84.70</b>
<b>Others</b>		
Less than 1 year	712.30	586.24
1-2 years	27.91	30.02
2-3 years	15.01	14.96
More than 3 years	22.69	12.17
<b>Sub Total</b>	<b>777.91</b>	<b>643.39</b>
<b>Total</b>	<b>867.63</b>	<b>728.09</b>

29.3 Disputed trade payables are Rs. Nil

29.4 Trade payables principally comprise amounts outstanding for operational activities. The average credit period taken is 90 days. For most suppliers, no interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the pre - agreed terms.

**30 Other current financial liabilities**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security deposits from customers	0.32	3.91
Trade deposits received from suppliers	9.65	15.50
Interest accrued but not due	9.80	10.84
Financial liabilities at fair value through profit & loss (derivative)	-	0.49
Creditors for capital goods (other than Micro and small enterprises)	3.07	0.14
Fair value of Financial guarantee contracts	-	0.38
<b>Total</b>	<b>22.84</b>	<b>31.26</b>

**31 Provision - current**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Provision for employee benefits</b>		
- Provision for gratuity (Refer note 50)	12.88	11.01
- Provision for leave benefit (Refer note 50)	3.09	2.17
<b>Other provisions</b>		
- Provision against regulatory liability (Refer note 31.1 and note 31.2)	6.30	6.30
<b>Total</b>	<b>22.27</b>	<b>19.48</b>

31.1 The group has made the provision for the compounding fee payable amounting to Rs. 5.00 million based on the application filed u/s 441 of the Companies Act, 2013 for non-compliance with section 185 of Coampanies Act, 2013 for the financial year 2014-15 and 2015-16. Further Rs. 1.30 million pertains to compounding application fees under income tax act, 1961

31.2 Movement in the provision against regulatory liability:

Provision	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	6.30	5.00
Add: Provided during the year	-	1.30
Less: Reversal during the year	-	-
Less: Utilisation during the year	-	-
<b>Balance at the end of the year</b>	<b>6.30</b>	<b>6.30</b>



**Notes to the Consolidated Financial Statements**  
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**32 Contract liabilities - current**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances received from customers (Refer note 32.1)	370.25	72.40
<b>Total</b>	<b>370.25</b>	<b>72.40</b>

**32.1 Movement of contract liabilities**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Amounts included in contract liability as at the beginning of the year	72.40	84.15
Amount received (adjusted) / Performance obligation satisfied during the year	297.85	(11.75)
<b>Amounts included in contract liability as at the end of the year</b>	<b>370.25</b>	<b>72.40</b>

**33 Current Tax Liabilities (Net)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for income tax (net of tax paid) (Refer note 33.1)	8.50	13.57
<b>Total</b>	<b>8.50</b>	<b>13.57</b>

**33.1**

Particulars	As at 31st March, 2023	As at 31st March, 2021
Provision for income tax	141.26	119.77
Less: Tax paid	(132.76)	(106.20)
<b>Total</b>	<b>8.50</b>	<b>13.57</b>

**34 Other liabilities - current**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred income liability on finance lease	0.87	1.24
Statutory dues payable	51.07	54.98
<b>Total</b>	<b>51.94</b>	<b>56.22</b>



Notes to the Consolidated Financial Statements  
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35 Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Sales &amp; service :</b>		
Sale of goods	2,168.80	2,306.67
Sale of services	1,205.00	922.82
Lease rental income	36.82	42.00
<b>Sub-total (A)</b>	<b>3,410.62</b>	<b>3,271.49</b>
<b>Other operational income :</b>		
Other operating revenue	21.57	22.17
<b>Sub-total (B)</b>	<b>21.57</b>	<b>22.17</b>
<b>Total</b>	<b>3,432.19</b>	<b>3,293.66</b>

35.1 Disclosure pursuant to Ind AS 115: Revenue from contract with customers

(a) <b>Disaggregated revenue</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
<b>Revenue by geographical market</b>		
Within India	2,606.97	2,553.22
Outside India	825.22	740.44
<b>Total</b>	<b>3,432.19</b>	<b>3,293.66</b>

(b) **Contract Balances**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Trade receivable (Refer note 14)	1,058.68	1,284.98
Contract liabilities (Refer note 32)	(370.25)	(72.40)
<b>Net contract balances</b>	<b>688.43</b>	<b>1,212.58</b>

(c) **Timing of revenue recognition**

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Goods or services transferred at a point in time	1,966.57	2,328.84
Goods or services transferred over the period of time	1,465.62	964.82
<b>Total</b>	<b>3,432.19</b>	<b>3,293.66</b>

(d) **Unsatisfied performance obligations:**

The aggregate amount of transaction price allocated to performance obligation that are unsatisfied as at the end of reporting period is ₹ 1842 millions (Previous year ₹ Nil). Management expects that about 100% of the transaction price allocated to unsatisfied contracts as of March 31, 2023, will be recognized as revenue during next reporting period depending upon the progress of each contracts. The remaining amount is expected to be recognised in subsequent years.

(e) **Reconciliation of contract price with revenue recognised during the year:**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per contract price	3,373.80	3,229.49
Adjustments for:		
Payments on behalf of customer	-	-
Revenue from Operations	3,373.80	3,229.49





**Notes to the Consolidated Financial Statements**  
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**(f) Contracts assets and liabilities balance**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Contracts in progress at the end of the reporting period:</b>		
Contract cost incurred plus recognised profits less recognised loss to date	381.32	-
Less : Progress billings	(381.32)	-
Less: Advance received	(370.25)	
	<b>(370.25)</b>	
<b>Recognised and included in the financial statements as amounts due :</b>		
- from customers under contracts	-	-
- to customers under contracts	370.25	-
	<b>(370.25)</b>	

**(g) Performance Obligations**

Information about the Group's performance obligations are summarised below:

1. Manufacturing and installation of RO plants [RO plants / High Pressure RO plants / Desalination RO plants].
2. Supply of spares required for maintaining RO plants as per the contract or purchase order.
3. Operation and Maintenance services (including supervision service), technical consultancy, design services and manpower management services as per the contract or purchase order.

**36 Other income**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>(a) Interest income</b>		
Financial instruments measured at amortised cost:		
- Fixed deposits with banks	1.81	2.93
- Others	7.68	7.81
Other interest income	1.09	0.21
<b>(b) Dividend income</b>		
Dividends received from equity investments designated as at FVTPL		
- Relating to investments in Subsidiaries held at the end of the reporting period	0.01	0.01
- Relating to investments held at the end of the reporting period	0.01	-
<b>(c) Other gains and losses</b>		
Amortisation of financial guarantee liability	0.86	0.90
Net profit on sale of property, plant and equipment	0.86	0.01
Liabilities written back to the extent no longer required	1.66	7.85
Duty drawback refund	1.22	3.47
Gain on derivatives classified at fair value through profit or loss	0.72	-
Gain on investment classified at fair value through profit or loss	0.29	-
Gain on derecognition of leases	0.02	5.32
Net impairment gains on financial assets	44.88	52.25
Miscellaneous income	11.67	1.28
<b>Total</b>	<b>72.78</b>	<b>82.04</b>

**37 Cost of raw materials and components consumed**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening	1,098.48	932.91
Add: Purchases (including direct expenses in nature of consumables, freight inwards and clearing & forwarding charges)	1,490.49	1,379.41
Less: Closing	1,254.46	1,098.48
<b>Total</b>	<b>1,334.51</b>	<b>1,213.84</b>



Notes to the Consolidated Financial Statements  
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38 Purchase of stock-in-trade

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of stock-in-trade	117.72	169.07
<b>Total</b>	<b>117.72</b>	<b>169.07</b>

39 (Increase) / decrease in inventories of finished goods and Work in progress

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Opening balance :</b>		
Finished goods	124.63	73.64
Work-in-progress	120.54	170.83
	<b>245.17</b>	<b>244.47</b>
<b>Closing Balance :</b>		
Finished goods	98.30	124.63
Work-in-progress	146.51	120.54
	<b>244.81</b>	<b>245.17</b>
<b>Total</b>	<b>0.36</b>	<b>(0.70)</b>

40 Employee benefits expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	525.83	471.42
Contributions to provident and other funds (Refer note 50)	31.07	28.93
Gratuity Expenses (Refer note 50(ii) (b))	8.62	7.68
Staff welfare expenses	13.25	12.28
<b>Total</b>	<b>578.77</b>	<b>520.31</b>

41 Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest expenses on</b>		
- working capital loan	63.80	51.23
- term loans	26.61	24.67
- Vehicle loans	0.86	0.87
- lease liabilities*	61.75	74.04
- letter of credit discounting	6.74	4.76
- statutory dues	3.39	3.98
- loan and advances from related parties (Refer note 54)	14.18	14.12
- others	1.84	2.00
Corporate guarantee charges	0.10	0.10
Other borrowing charges	8.23	9.07
Derivatives classified at fair value through profit or loss	-	0.27
<b>Total</b>	<b>187.50</b>	<b>185.14</b>

\*includes interest on lease liabilities to related parties

42 Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment (Refer note 4)	106.36	109.44
Depreciation on right of use asset (Refer note 7)	127.28	134.94
Amortisation of intangible asset (Refer note 5)	9.75	10.42
<b>Total</b>	<b>243.39</b>	<b>254.80</b>

**Notes to the Consolidated Financial Statements**

(Amount in millions, unless otherwise stated)

**43 Other expenses**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Director sitting fees	2.60	-
Consumption of stores and spares	15.70	13.40
Power and fuel	10.08	10.18
Freight, clearing and forwarding	83.27	87.07
Rates and taxes	5.64	15.01
Repairs and maintenance		
- Plant and machinery	0.43	0.39
- Others	15.08	11.85
Travelling expenses	61.33	48.06
Printing and stationery	2.27	2.37
Telephone and communication charges	2.86	2.67
Vehicle expenses	2.78	2.35
Insurance	36.24	4.57
Sales commission	50.91	41.51
Advertisement and sales promotion	4.85	8.71
Legal and professional fees* (Refer note 19)	204.01	123.88
Lease Rent & License Fees	34.35	25.49
Foreign currency exchange loss ( Net )	25.29	42.91
Contribution under corporate social responsibility (Refer note 51)	2.39	6.45
Payments to auditors	4.89	3.77
Bad debts written off	47.49	29.34
Fixed assets written off	0.26	-
Liquidated damages	0.53	0.83
Service Charges	284.04	296.23
Research & Development Expenses	1.55	0.88
Information technology expenses	10.54	8.38
Provision for doubtful advances	3.73	8.84
Bank charges	13.80	12.57
Sundry debit balance written off	16.83	27.14
Miscellaneous expenses	22.07	17.38
Travelling & conveyance	4.94	4.12
<b>Total</b>	<b>970.75</b>	<b>856.35</b>

\* Legal & professional fees includes write off of share issue expense recoverable of Rs. 98.33 millions (31st March 2022 Rs. Nil) which were incurred towards proposed Initial Public Offer. Further this amount includes Rs. 22.85 millions paid to statutory auditors

**43.1 Break-up of Auditor's remuneration**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
- For Audit services	4.48	3.48
- For Tax audit services	0.30	0.10
- For other services	0.03	0.19
- For reimbursement of expenses	0.08	-
<b>Total</b>	<b>4.89</b>	<b>3.77</b>

**44 Income tax**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Profit before tax</b>	<b>75.53</b>	<b>185.31</b>
Tax Rate	25.17%	25.17%
<b>Income tax expense at tax rates applicable</b>	<b>19.01</b>	<b>46.64</b>
<u>Adjustments:</u>		
Expenses that are not deductible in determining taxable profit	0.09	4.07
Income allowed under Income Tax	-	-
Tax effect of brought forward lossess	(1.46)	1.77
Income tax relating to prior years	(4.34)	(6.89)
Effect of tax exemption for subsidiaries operating in other jurisdictions	11.52	(26.36)
Others	(6.51)	1.58
<b>Tax expense as per statement of profit or loss</b>	<b>18.31</b>	<b>20.81</b>

**Notes to the Consolidated Financial Statements**  
(Amount in millions, unless otherwise stated)

**45 Financial instruments - Accounting classifications & fair value measurement**

**(a) Financial asset and liabilities (Non-current and Current)**

Sr. No.	Particulars	As at 31st March, 2023		As at 31st March, 2022	
		FVTPL	Amortized Cost	FVTPL	Amortized Cost
<b>A</b>	<b>Financial assets</b>				
	Investments (Refer Note (iii) & (vi))	9.17	-	7.45	-
	Trade receivables	-	1,058.68	-	1,284.98
	Cash and cash equivalents	-	602.60	-	196.06
	Other bank balances	-	221.53	-	96.67
	Loans	-	2.84	-	11.59
	Other financial assets	-	121.14	-	114.54
	<b>Total financial assets</b>	<b>9.17</b>	<b>2,006.79</b>	<b>7.45</b>	<b>1,703.84</b>
<b>B</b>	<b>Financial liabilities</b>				
	Borrowings	-	1,310.61	-	1,257.56
	Lease liabilities	-	394.07	-	456.69
	Trade payables	-	867.63	-	728.09
	Other financial liabilities (Refer note (iv) & (vi))	-	26.38	0.49	32.76
	<b>Total financial liabilities</b>	<b>-</b>	<b>2,598.69</b>	<b>0.49</b>	<b>2,475.10</b>

**Note:**

- Since there is no Financial Asset/Financial Liability which is measured at fair value through other comprehensive income, no separate disclosure has been made for the same in the above table.
- Above disclosure excludes investments in joint ventures as these are accounted under equity method in accordance with Ind AS 28 Investments in Associates and Joint Ventures.
- Fair value determined using level 1 & 3 inputs. The carrying value is considered to be representative of the fair value.
- Fair value determined using level - 2 inputs. Mark-to-market on forward covers is based on forward exchange rates and yield curves at the end of reporting period.
- There were no transfers between level - 1, level - 2 and level - 3 during the years presented
- This section explains the judgement and the estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value.

Sr. No.	Particulars	As at 31st March, 2023			As at 31st March, 2022		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>A</b>	<b>Financial assets</b>						
	Financial investment at FTVPL	4.50	-	4.67	4.50	-	2.95
	<b>Total Financial assets</b>	<b>4.50</b>	<b>-</b>	<b>4.67</b>	<b>4.50</b>	<b>-</b>	<b>2.95</b>
<b>B</b>	<b>Financial liabilities</b>						
	Derivatives accounted at FTVPL	-	-	-	-	0.49	-
	<b>Total Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.49</b>	<b>-</b>

**(b) Fair valuation techniques**

The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount 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 of financial assets and financial liabilities are approximately equal to their carrying amounts.

**(c) Fair value hierarchy**

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**46 Risk management framework**

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyze the risk faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group's Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board of Directors is assisted in its oversight role by internal audit team. Internal audit team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk
- Interest rate risk



## Notes to the Consolidated Financial Statements

(Amount in millions, unless otherwise stated)

### (a) Credit risk :

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

#### Trade receivable

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. To manage trade receivable, the Group periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 45(a). The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

#### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the management in accordance with the Group's policy. Counterparty credit limits are reviewed by the management on an annual basis, and are updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

### (b) Liquidity risk :

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Group's reputation.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

#### (i) Maturities of financial liabilities:

The following are the remaining undiscounted contractual maturities of financial liabilities at the reporting date:

Particulars	Less than 1 year	1 to 5 years	Above 5 years	Total
<b>As at 31st March, 2023</b>				
Borrowings *	1,013.68	362.75	24.28	1,400.71
Lease liabilities *	172.66	316.41	-	489.07
Trade payable	867.63	-	-	867.63
Other financial liabilities	22.84	3.54	-	26.38
<b>As at 31st March, 2022</b>				
Borrowings *	877.96	463.61	-	1,341.57
Lease liabilities *	158.30	360.12	-	518.42
Trade payable	728.09	-	-	728.09
Other financial liabilities	31.26	1.99	-	33.25

\* Amount includes interest payable in subsequent years



### (c) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of certain commodities. Thus, its exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities. The objective of market risk management is to avoid excessive exposure in revenues and costs.

In relation to long term contracts (including derivative contracts) group has a process to assess for material foreseeable losses. At the end, the Group has reviewed and ensured that there are no material foreseeable losses.

### (d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. (Refer note 58 for Debt Equity Ratio and Debt Service coverage ratio)

The capital structure of the Group consists of equity of the Group (comprising issued capital and internal accruals), preference shares, and other long-term borrowings.

### (e) Interest rate risk

Interest rate risk is the risk that changes in market interest rates will lead to changes in fair value of financial instruments or changes in interest income, expense and cash flows of the Group.

The Group is subject to variable interest rates on some of its interest bearing liabilities. The Group's interest rate exposure is mainly related to debt obligations.

Particular	As at 31st March, 2023	As at 31st March, 2022
<b>Fixed Rate Instruments</b>		
- Borrowings	860.48	661.25
<b>Floating Rate Interest</b>		
- Borrowings	450.13	598.16
<b>Total</b>	<b>1310.61</b>	<b>1259.41</b>

The table below outlines the interest rate sensitivity analysis with respect to variable interest borrowings:

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
	(Decrease) / Increase in PBT	(Decrease) / Increase in PBT
1 % decrease in interest rate	4.50	5.98
1 % increase in interest rate	(4.50)	(5.98)



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**Notes to the Consolidated Financial Statements**  
(Amount in millions, unless otherwise stated)

**47 (A) Contingent liabilities and capital commitments:**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(I) Claims against the company not acknowledged as debts (Refer note no. (i) as below)</b>		
Sales tax / VAT	4.43	4.72
Service tax	10.37	10.37
Income tax	341.29	338.33
Customs	0.11	0.11
<b>(II) Bank guarantees</b>	186.45	171.83
<b>(III) Corporate guarantees</b>	427.75	249.89

- (i) In respect of the point (I) above, future cash outflows (including interest/ penalty, if any) are determinable on receipt of judgement from tax authorities / settlement of claims. Further, the Group does not expect any reimbursement in respect of above.
- (ii) The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that there are no material foreseeable losses.
- (iii) The Group is subject to other legal proceedings and claims, which have arisen in the ordinary course of business. The Group's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Group's results of operations or financial condition.
- (iv) Rochem Separation Systems (India) Private Limited, being a 100% subsidiary of Concord Enviro Systems Limited, had entered into a concession agreement dated November 18, 2010 with the Pune Municipal Corporation pursuant to which it was required to set up a waste to electricity plant ("WTE Plant"). This business was transferred by the Company to Rochem Green Energy Private Limited (RGEPL) vide an agreement of transfer dated July 7, 2011. On applications filed by three applicants with the National Green Tribunal (NGT), NGT appointed a committee to investigate this matter and the committee in its order dated November 29, 2021 observed various non-compliances and environmental hazards caused by the operations of the Company. The NGT issued an order dated March 3, 2022, in which it upheld the recommendations of the Committee and imposed a fine of ₹ 124.98 million on Rochem Green Energy Private Limited. Thereafter, the Maharashtra Pollution Control Board vide its notice dated March 25, 2022 requested RGEPL to deposit the said fine amount of ₹ 124.98 million within 30 days. Against the NGT order dated March 3, 2022, the Company filed an appeal dated April 6, 2022 under section 22 of the National Green Tribunal Act, 2010 before the Supreme Court of India challenging the said order, which has been admitted by the Supreme Court on 29th April 2022. The Supreme Court has also put a stay on the recovery of the demand. The Company in this appeal has also requested that the application with NGT had been filed in the wrong name / wrong entity and requested for removal of its name from the case. The matter is currently pending and the next hearing has been listed on August 17, 2023.

**47 (B) Other commitment**

As per the provisions of the Shareholders agreement regarding Roserve Enviro Private Limited signed by and between Danish Climate Investment Fund I K/S, Concord Enviro Systems Private Limited, Prayas Goel, Prerak Goel and Roserve Enviro Private Limited, if the preferred exit to the Investor (Danish Climate Investment Fund I K/S) is not provided before 1st January 2024, the Company would have to acquire the shares held by Danish Climate Investment Fund I K/S at higher of Fair Market Value subject to a XIRR of 12% or book value per share.



**Notes to the Consolidated Financial Statements**  
(Amount in millions, unless otherwise stated)

**48 Group information**

Concord Enviro Systems Limited ('CES') was incorporated as private Limited Company on 1 July, 1999 under the Companies Act, 1956. (Refer note 52.1)  
The Company, its subsidiaries (collectively referred to as the 'Group' herein under) and Joint Ventures considered in these consolidated financial statements are:

Sr. No.	Name of the subsidiary	Principal Activities	Place of incorporation and principal place of business	Proportion of ownership interest/voting right held by the Group	
				As at 31st March, 2023	As at 31st March, 2022
Subsidiaries					
(i)	Rochem Separation System (India) Private Limited	Manufacturing and trading of water treatment systems, water pollution control equipment, bio filters and resource recovery systems	India	100.00%	100.00%
(ii)	Concord Enviro FZE		Dubai	100.00%	100.00%
(iii)	Blue Water Trading & Treatment FZE		Dubai	100.00%	100.00%
(iv)	Concord Enviro S. A. De C.V. Mexico	Trading of water treatment systems, water pollution control equipment, bio filters and resource recovery systems	Mexico	100.00%	100.00%
(iii)	Reva Enviro Systems Private limited	Manpower services for water treatment and pollution control services	India	100.00%	100.00%
(iv)	Rochem Services Private Limited (formely known as Concord Blue Technology Private Limited)		India	100.00%	100.00%
Joint Venture					
(i)	Roserve Enviro Private Limited (Held by Concord Enviro Systems Limited)	Leasing and service of water treatment plants	India	48.98%	48.88%
(ii)	WHE Systems (FZC) (Held by Concord Enviro FZE)	Manufacturing of Waste Heat Evaporators	Dubai	50.00%	50.00%
Subsidiary of Joint Venture					
(i)	Roserve Enviro FZE (Held by Roserve Enviro Private Limited)	Leasing and service of water treatment plants	Dubai	48.98%	48.88%



**Notes to the Consolidated Financial Statements**

(Amount in millions, unless otherwise stated)

**49 Earnings per share**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Basic and diluted earning per share</b>		
(a) Net profit after tax as per the statement of profit and loss	57.22	164.50
(b) Weighted average number of equity shares outstanding for Basic & Dilutive EPS calculation (in No.)*	1,81,99,800.00	1,81,99,800.00
(c) Nominal value per share (in Rs)*	5.00	5.00
(d) Basic [(a)/(b)] Rs	3.14	9.04
(e) Diluted [(a)/(b)] Rs	3.14	9.04

\*Pursuant to a resolution passed in extra-ordinary general meeting dated 25th May, 2022, shareholders have approved split of each equity share of face value of Rs. 100 each into twenty equity shares of face value of Rs. 5 each (the "Split"). Further, the Company in extra-ordinary general meeting dated 9th November, 2022, have approved the issuance of bonus shares to the equity shareholders in the ratio of 17 shares for each share held. As required under Ind AS 33 "Earning per share" the effect of such split/bonus is required to be adjusted for the purpose of computing earning per share for all the period presented retrospectively. As a result, the effect of split/bonus has been considered in these Consolidated Financial Statements for the purpose of calculating of earning per share. (Refer note 20)

**50 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'**

**(i) Disclosures for defined contribution plan**

The Group has certain defined contribution plans. The obligation of the Group is limited to the amount contributed and it has no further contractual obligation. Following is the details regarding Group's contributions made during the year:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employers' contribution to provident fund (Refer note 40)	26.27	24.96
Employers' contribution to ESIC (Refer note 40)	3.35	2.63
Others (Refer note 40)	1.45	1.34
<b>Total</b>	<b>31.07</b>	<b>28.93</b>

**(ii) Disclosures for defined benefit plan**

**(a) Compensated leave absences**

The Compensated leave absences benefit scheme is a defined benefit plan and is wholly unfunded. Hence, there are no plan assets attributable to the obligation. The long term employee benefits in the form of compensated leave absences have been determined using the projected unit credit method as at the balance date on the basis of actuarial valuation.

The leave wages are payable to all eligible employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement on attaining superannuation age.

Following amounts are recognised in respect of unfunded obligation towards compensated leave absences-

Particulars	As at 31st March, 2023	As at 31st March, 2022
Amount recognised in the Balance Sheet		
Non Current	10.19	9.74
Current	3.09	2.17
<b>Total</b>	<b>13.28</b>	<b>11.91</b>
Amount recognised in salary and other benefits in the Statement of Profit and Loss in respect of compensated leave liability.	2.61	2.10

**(b) Defined benefit obligations - Gratuity (funded)**

The Group has a defined benefit gratuity plan for its employees. The Group has covered its gratuity liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by LIC of India, which is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972.



**Notes to the Consolidated Financial Statements**

(Amount in millions, unless otherwise stated)

**Risks associated with plan provisions**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follows:

Interest rate risk	A fall in the discount rate which is linked to the Government Security rate will increase the present value of the liability requiring higher provision.
Salary inflation risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Asset liability matching risk	The plan faces the ALM risk as to the matching cashflow. Entity has to manage pay-out based on pay as you go basis from own funds.
Mortality risk	Since the benefits under the plan is not payable for lifetime and payable till retirement age only, plan does not have any longevity risk.

For determination of the liability in respect of compensated gratuity, the Group has used following actuarial assumptions:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount Rate (per annum)	7.39% - 7.46%	6.84% - 6.96%
Rate of Return on Plan Assets (per annum)	7.39% - 7.46%	6.84% - 6.96%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)#	Indian Assured Lives Mortality 2012-14 (Urban)#
Salary Escalation (per annum)	5.00%	5.00%
Attrition rate	For service 2 years and below 20.00% p.a. For service 3 years to 4 years 15.00% p.a. For service 5 years and above 6.00% p.a.	For service 2 years and below 20.00% p.a. For service 3 years to 4 years 15.00% p.a. For service 5 years and above 6.00% p.a.

# Extract of Mortality Rate (India Assured Lives Mortality (2012-2014) Urban):

Age	Rate
18	0.000675
25	0.000941
35	0.001253
45	0.002688
55	0.006576
65	0.013526



**Changes in the present value of obligations**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Present value of obligation at the beginning of the year</b>	49.93	44.80
Interest cost	3.49	2.77
Current service cost	5.40	5.25
Benefits directly paid by employer	(0.96)	(0.52)
Benefits paid from Fund	(1.44)	(1.88)
Actuarial (gain)/ loss on obligations - Due to change in Demographic Assumptions	-	(0.02)
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	(2.16)	(2.02)
Actuarial (gain)/ loss on obligations - Due to experience	11.44	1.55
Liability transferred in / acquisitions	0.63	5.85
Liability transferred out / divestments	(0.63)	(5.85)
<b>Liability at the end of the year</b>	<b>65.70</b>	<b>49.93</b>

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**Notes to the Consolidated Financial Statements**  
(Amount in millions, unless otherwise stated)

**Changes in the fair value of plan assets**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening fair value of plan assets	3.85	5.35
Interest Income	0.27	0.34
Benefits paid	(1.44)	(1.88)
Return on plan assets, excluding interest income	(0.01)	0.04
<b>Closing fair value of plan assets</b>	<b>2.67</b>	<b>3.85</b>

**Table of recognition of actuarial gain / loss**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial (gain)/ loss on obligation for the year	9.28	(0.49)
Actuarial gain/ (loss) on assets for the year	(0.01)	0.04
<b>Actuarial (gain)/ loss recognized in other comprehensive income</b>	<b>9.29</b>	<b>(0.53)</b>

**Breakup of actuarial (gain) /loss:**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial gain/ (loss) on assets for the year	0.01	(0.04)
Actuarial loss/(gain) arising from change in demographic assumption	-	(0.02)
Actuarial loss arising from change in financial assumption	(2.16)	(2.02)
Actuarial loss arising from experience	11.44	1.55
<b>Total</b>	<b>9.29</b>	<b>(0.53)</b>

**Amount recognized in the Balance Sheet:**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Liability at the end of the year	65.70	49.93
Fair value of plan assets at the end of the year	(2.67)	(3.85)
<b>Amount recognized in Balance Sheet</b>	<b>63.03</b>	<b>46.08</b>

**Expenses recognized in the statement of profit and loss and other comprehensive income:**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	5.40	5.25
Interest cost	3.49	2.77
Expected return on plan assets	(0.27)	(0.34)
Actuarial (Gain)/Loss	9.29	(0.53)
<b>Expense/ (income) recognized in</b>		
- Statement of Profit and Loss	8.62	7.68
- Other comprehensive income	9.29	(0.53)

**Balance sheet reconciliation**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening net liability	46.08	39.42
Income recognized in Statement of Profit and Loss	-	-
Expense recognized in Statement of Profit and Loss & OCI	17.91	7.18
Employers contribution	-	-
Benefit Paid	(0.96)	(0.52)
<b>Amount recognized in Balance Sheet</b>	<b>63.03</b>	<b>46.08</b>
Current portion of defined benefit obligation	12.88	11.01
Non current portion of defined benefit obligation	50.15	35.07





**Notes to the Consolidated Financial Statements**

(Amount in millions, unless otherwise stated)

**Sensitivity analysis of benefit obligation (Gratuity)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>a) Impact of change in discount rate</b>		
Present value of obligation at the end of the year		
a) Impact due to increase of 1.00%	(3.85)	(3.38)
b) Impact due to decrease of 1.00%	4.34	3.35
<b>b) Impact of change in salary growth</b>		
Present value of obligation at the end of the year		
a) Impact due to increase of 1.00%	4.19	3.23
b) Impact due to decrease of 1.00%	(3.32)	(3.32)
<b>c) Impact of change in withdrawal rate</b>		
Present value of obligation at the end of the year		
a) withdrawal rate Increase	0.68	0.19
b) withdrawal rate decrease	(0.70)	(0.70)

**Expected contribution to the fund in the next year**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Gratuity	11.45	9.79

**Pay-out analysis**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Expected Outgo First	6.86	4.28
Expected Outgo Second	4.80	3.62
Expected Outgo Third	9.89	4.11
Expected Outgo Fourth	7.09	7.66
Expected Outgo Fifth	5.74	5.33
Expected Outgo Sixth to tenth	29.86	20.55
Expected Outgo 11 years and above	54.03	43.60

**51 Disclosures of Corporate Social Responsibility (CSR) expenditure in line with the requirement of Guidance Note on "Accounting for Expenditure on Corporate Social Responsibility Activities"**

As per section 135 of the Companies Act 2013, a CSR committee has been formed by the Group. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art, culture, healthcare, destitute care and rehabilitation and rural development projects.

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Amount required to be spent during the year	2.39	2.59
(ii) CSR expenditure incurred during the year		
(a) Construction/ acquisition of any asset		
(b) On purpose other than (a) above *	2.39	11.40
(iii) Shortfall at the end of year	-	-
(iv) Total of Previous years shortfall	-	-
(v) Reason for Shortfall	Not applicable	Not applicable
(vi) Related party transaction as per Ind AS 24 in relation to CSR expenditure	-	-
(vii) Where provision is made with respect to a liability incurred by entering into a contractual obligation, the movement in the provision during the year	-	-
(viii) Nature of CSR activities :		
(a) Protection of flora and fauna	-	-
(b) Promoting health care including preventive health care etc.	2.39	11.40

\*Includes 0.39 millions kept with bank on current account earmarked for CSR expenditure (Refer note 16)

(a) CSR amount required to be spent by the company as per section 135 of The Companies Act, 2013 read with Schedule VII thereof during the year i.e 2% of the last 3 years preceding net profits which comes to Rs 2.39 millions.

(b) Expenditure relating to Corporate Social Responsibility is Rs 2.39 millions.

(c) Amount available as on 31.03.2022 for setoff in the succeeding years is Rs. 4.56 millions, amount setoff against the current CSR obligation against 2022-23 is 2.39 millions and balance available for setoff comes to 2.17 millions.



**Notes to the Consolidated Financial Statements**

(Amount in millions, unless otherwise stated)

**52 Other notes**

**52.1 Conversion of the Company from Private Limited to Public Limited**

Pursuant to resolution passed by the Members in the Extraordinary General Meeting dated 25th May 2022 and as approved by Registrar of the Company w.e.f. 9th June 2022 the Company has been converted from Private Limited Company into a Public Limited Company including adoption of new Memorandum of Association and new Articles of Association as applicable to Public Company in place of existing Memorandum of Association and Articles of Association of the Company.

**52.2** The Group does not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property.

**52.3** The group has not traded or invested in crypto currency or virtual currency during reporting periods.

**52.4** The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

(a) directly or indirectly lend or invest in other persons or entites identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**52.5** The Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entites identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(b ) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

**52.6** The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**52.7** The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

**52.8** The Group is not declared as a wilful defaulter by any bank or financial institution or other lender during any reporting period.

**52.9** The Group does not have any investment property during any reporting period, the disclosure related to fair value of investment property is not applicable.

**52.10** The Company is not covered under Section 8 , thus related disclosure is not applicable.

**52.11** There are no scheme of arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the reporting periods.

**52.12** Relationship with companies whose name is struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, balance outstanding as at year is as under

Sr. no.	Name of struck off Company	Nature of transactions with struck-off Company	As at 31st March, 2023	As at 31st March, 2022
1	Bachi Shoes (India) Private Limited	Trade receivables	0.14	0.14
2	Krasny Defence Technologies Pvt. Ltd.	Trade receivables	0.03	0.03
3	Shantha Biotechnics Pvt. Ltd.	Trade receivables	1.45	1.45
4	Mercury Travels Limited	Advances for supply of goods and services	0.03	0.03
5	Nutech Cooling Towers Private Limited	Advances for supply of goods and services	0.07	0.07
6	Tbs Transworld Pvt. Ltd.	Trade payables - other than MSME	0.02	0.02

**52.13 Code of Social Security, 2020**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.



Notes to the Consolidated Financial Statements  
(Amount in millions, unless otherwise stated)

**53 Foreign currency risk management**

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

Particulars		As at 31st March, 2023		As at 31st March, 2022	
Assets/ Liability	Currency	Amount in Foreign Currency	Amount in functional Currency	Amount in Foreign Currency	Amount in functional Currency
Financial assets	USD	3.44	282.58	2.22	167.48
	EURO	0.32	28.19	1.23	103.00
Financial liabilities	USD	8.60	705.52	10.40	784.79
	EURO	0.15	13.72	0.25	21.14
	AED	-	-	0.00	0.08

**Foreign Currency Sensitivity Analysis**

The table below outlines the effect of change in foreign currencies exposure to the profit before tax ("PBT") of the Group:

Particular	For the year ended March 31, 2023		For the year ended March 31, 2022	
Currency	INR strengthens by 1%	INR weakens by 1%	INR strengthens by 1%	INR weakens by 1%
USD	4.23	(4.23)	6.17	(6.17)
EURO *	(0.14)	0.14	(0.82)	0.82
AED *	-	-	0.00	(0.00)

\* Amounts are below the rounding threshold i.e., INR in millions.



**Notes to the Restated Consolidated Financial Statement**  
(Amount in millions, unless otherwise stated)

**54 Related party disclosures**

**54.1 Names of related parties**

<b>I Entity having significant influence over the group</b>	AF Holdings, Mauritius
<b>II Enterprises over which key managerial personnel are able to exercise significant influence</b>	Rochem India Private Limited Concord Shipping Private Limited Rochem Green Energy Private Limited Infinity Solar Power Private Limited
<b>III Key managerial personnel</b>	Mr. Prayas Goel (Chairman & Managing Director) Mr. Prerak Goel (Executive Director) Mr. Prakash Shah (Independent Director w.e.f. May 25, 2022) Ms. Kamal Shanbhag (Independent Director w.e.f. May 25, 2022) Mr. Shiraz Bugwadia (Independent Director w.e.f. June 20, 2022)
<b>IV Joint Ventures</b>	Roserve Enviro Private Limited WHE Systems FZC
<b>V Subsidiary of joint venture</b>	Roserve Enviro FZE (Subsidiary of Roserve Enviro Private Limited)

**54.2 Transactions during the year with related parties**

Nature of transaction	Name of the party	Year ended 31st March 2023	Year ended 31st March 2022
Purchase of goods	WHE Systems FZC	2.16	12.06
	Roserve Enviro Private Limited	-	19.60
	Rochem India Private Limited	1.63	0.62
Purchase of capital goods	Concord Shipping Private Limited	-	1.13
Sale of material or provision of service	WHE Systems FZC	53.21	74.90
	Roserve Enviro Fze	87.52	25.34
	Roserve Enviro Private Limited	224.22	159.59
Miscellaneous income - Corporate guarantee commission income (deemed)	Rochem Green Energy Private Limited	0.38	0.50
Miscellaneous expenses - Corporate guarantee commission expense (deemed)	Rochem Green Energy Private Limited	0.38	0.50
Service and labour charges	Rochem India Private Limited	17.83	17.50
Rent expenses (including rentals paid for assets accounted as operating lease under IndAS 116)	Concord Shipping Private Limited	27.17	27.14
	Roserve Enviro Fze	48.68	51.23
	Roserve Enviro Private Limited	93.29	103.18
Investment made	Roserve Enviro Private Limited	24.51	-
	WHE Systems FZC	-	1.52
Investment in perpetual debt	WHE Systems FZC	309.95	-
Interest Expenses	Roserve Enviro Private Limited	8.17	8.63
	AF Holdings, Mauritius	6.01	5.49
Classification of financial instrument from liability to equity (Refer Note 20.10)	AF Holdings, Mauritius	-	2,600.00
Security deposit repaid	Roserve Enviro Private Limited	-	7.75
Redemption of 0.001% unsecured redeemable non-convertible debentures	Mr. Prayas Goel	-	6.74
	Mr. Prerak Goel	-	1.84
Liquidated expenses	Roserve Enviro Private Limited	0.02	-
Corporate guarantee commission income (deemed)	Roserve Enviro Private Limited	0.55	0.39
	Concord Shipping Private Limited	0.13	0.16
	Rochem Green Energy Private Limited	0.17	0.36
Corporate guarantee charges	Concord Shipping Private Limited	0.10	0.10



**Notes to the Restated Consolidated Financial Statement**  
(Amount in millions, unless otherwise stated)

**Compensation of key managerial personnel**

The remuneration of the the key management personnel of the Group, is set out below in aggregate for each of the categories specified in Ind AS 24:

Nature of transaction	Name of the party	Year ended 31st March 2023	Year ended 31st March 2022
Director's Remuneration	- Prayas Goel	22.20	19.20
	- Prerak Goel	21.50	18.50
Director's Sitting Fees	- Prakash Shah	0.65	-
	- Kamal Shanbhag	1.40	-
	- Shiraz Bugwadia	0.55	-
<b>Total</b>		<b>46.30</b>	<b>37.70</b>

**54.3 Related party outstanding balances:**

Nature of transaction	Name of the party	As at 31st March 2023	As at 31st March 2022
Trade payables	Roserve Enviro Fze	-	13.60
	Roserve Enviro Private Limited	17.75	21.26
	Rochem India Private Limited	21.66	11.46
Current borrowings	AF Holdings, Mauritius	89.83	76.82
Other current liabilities - Creditors for capital goods	Infinity Solar Power Private Limited	-	0.05
Non current investments	Rochem Green Energy Private Limited	447.50	447.50
	WHE Systems FZC	1.68	1.52
	Roserve Enviro Private Limited	208.31	183.80
Investment in perpetual debt	WHE Systems FZC	309.95	-
Impairment of investment	Rochem Green Energy Private Limited	447.50	447.50
Capital advances	Rochem Green Energy Private Limited	68.44	64.31
Impairment of capital advances	Rochem Green Energy Private Limited	68.44	64.31
Trade receivables	Rochem Green Energy Private Limited	-	69.65
	Concord Shipping Private Limited	0.03	-
	WHE Systems FZC	310.12	193.08
	Roserve Enviro Private Limited	17.84	-
	Roserve Enviro Fze	0.85	-
Other non-current assets- prepaid expenses (deemed)	Concord Shipping Private Limited	0.29	0.38
Unbilled revenue	Roserve Enviro Private Limited	5.04	12.00
Impairment of trade receivables	Rochem Green Energy Private Limited	-	69.65
Other current assets - advance for goods or services	Concord Shipping Private Limited	25.09	6.95
Non-current financial assets - security deposit	Concord Shipping Private Limited	75.00	75.00
Current financial assets - security deposit	Roserve Enviro Private Limited	-	1.00
Corporate guarantee given	Rochem Green Energy Private Limited	-	221.22
	Concord Shipping Private Limited	50.90	50.90
	Roserve Enviro Private Limited	700.00	700.00
	Roserve Enviro Private Limited	4.31	1.90
	Rochem Green Energy Private Limited	-	0.97
Deemed investments	Rochem Green Energy Private Limited	-	0.38
Other current assets- prepaid expenses (deemed)	Rochem Green Energy Private Limited	-	0.38
Other Current Financial Liabilities - Fair value of Financial Guarantee Co	Rochem Green Energy Private Limited	-	0.38
Director's Reimbursement payable	Mr. Prerak Goel	0.30	0.30
Director's Remuneration payable	Mr. Prayas Goel	0.67	-
	Mr. Prerak Goel	0.60	-





**Notes to the Consolidated Financial Statements**  
(Amount in millions, unless otherwise stated)

**55 Segment Reporting:**

The Group manages its business on the basis of one reportable segment and the product and segment share similar distribution channels and customers. Accordingly information relating to segment reporting as required by Indian Accounting Standard 108 is not required to be submitted. The secondary disclosure related to geographical area are as under:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue from operation</b>		
Sale in India	2,606.97	2,553.22
Sale Outside India	825.22	740.44
<b>Total</b>	<b>3,432.19</b>	<b>3,293.66</b>

Non-current assets (Property, plant and equipment, Intangible assets, other non-current assets (non-financial)) by geographic area:

Particulars	As at 31st March, 2023	As at 31st March, 2022
India	569.67	613.01
Outside India	859.68	1,078.84
<b>Total</b>	<b>1,429.35</b>	<b>1,691.85</b>

**56 Disclosures as per section 186(4) of the Companies Act, 2013**

Sr. no.	Name of the recipient entity	Relationship with the company	Purpose (i.e proposed utilization by the recipient)	As at 31st March, 2023	As at 31st March, 2022
1	<b>Loans given</b>				
	Calvin Associates Pvt. Limited.	None	Business/corporate general purpose	-	10.00
	Employees	None	Medical and other reasons	2.84	1.59
2	<b>Investments made</b>				
	<b>Investments in equity shares</b>				
	Saraswat Cooperative Bank	None	-	0.07	0.08
	Roserve Enviro Private Limited	Joint Venture		208.31	183.80
	<b>Investments in preference shares</b>				
	Rochem Green Energy Private Limited	Enterprises over which key managerial personnel is able to exercise significant influence		447.50	447.50
3	<b>Guarantees given</b>				
	Rochem Green Energy Private Limited	Enterprises over which key managerial personnel is able to exercise significant influence	Term Loan	-	221.22
	Roserve Enviro Private Limited	Joint Venture	External Commercial Borrowing	700.00	700.00
	Concord Shipping Private Limited	Enterprises over which key managerial personnel is able to exercise significant influence	Term Loan	50.90	50.90



Notes to the Consolidated Financial Statements  
(Amount in millions, unless otherwise stated)

57 Additional information as required under schedule III to the Companies Act, 2013, of the enterprises consolidated as subsidiary are as given below:

Name of the Entity	Relationship	Net Assets		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated profit or loss	Amount
<b>Concord Enviro System Limited</b>	Holding Company								
31st March 2022		18.53%	497.48	6.01%	9.88	-0.14%	(0.04)	5.11%	9.84
31st March 2023		14.65%	411.64	-147.07%	(84.15)	-1.06%	(0.72)	-67.82%	(84.87)
<b>Rochem Speration System (India) Private Limited</b>	Subsidiary								
31st March 2022		42.48%	1,140.67	46.31%	76.19	3.96%	1.11	40.17%	77.30
31st March 2023		43.19%	1,213.41	142.11%	81.31	-12.63%	(8.58)	58.12%	72.73
<b>Reva Enviro Systems Private limited</b>	Subsidiary								
31st March 2022		-0.85%	(22.73)	-0.41%	(0.68)	-1.11%	(0.31)	-0.52%	(0.99)
31st March 2023		-0.44%	(12.41)	17.81%	10.19	0.20%	0.14	8.25%	10.33
<b>Rochem Service Private Limited</b>	Subsidiary								
31st March 2022		-0.74%	(19.75)	-10.59%	(17.43)	-0.21%	(0.06)	-9.09%	(17.49)
31st March 2023		-0.60%	(16.85)	5.31%	3.04	-0.21%	(0.14)	2.31%	2.90
<b>Concord Enviro FZE</b>	Subsidiary								
31st March 2022		53.13%	1,426.76	55.58%	91.43	0.00%	-	47.51%	91.43
31st March 2023		55.41%	1,556.88	86.46%	49.47	0.00%	-	39.53%	49.47
<b>Roserve Enviro Pvt. Ltd.</b>	Joint venture								
31st March 2022		0.00%	-	5.07%	8.34	1.79%	0.50	4.60%	8.84
31st March 2023		0.00%	-	11.34%	6.49	3.00%	2.04	6.82%	8.53
<b>Consolidation Adjustments/ Eliminations</b>									
31st March 2022		-12.55%	(336.98)	-1.96%	(3.23)	95.71%	26.74	12.22%	23.51
31st March 2023		-12.21%	(343.06)	-15.96%	(9.13)	110.69%	75.18	52.79%	66.05
<b>31st March 2022</b>		100.00%	<b>2,685.45</b>	100.00%	<b>164.50</b>	100.00%	<b>27.94</b>	100.00%	<b>192.44</b>
<b>31st March 2023</b>		100.00%	<b>2,809.61</b>	100.00%	<b>57.22</b>	100.00%	<b>67.92</b>	100.00%	<b>125.14</b>



Notes to the Consolidated Financial Statements  
(Amount in millions, unless otherwise stated)

58 Financial Ratios

Ratios and change in ratios vis a vis earlier year:

Particulars	Numerator	Denominator	As at 31st March, 2023	As at 31st March, 2022	% change from 31st March, 2022 to 31st March, 2023	Note on reason for change of more than 25% in Ratios
(a) Current ratio	Current assets	Current liabilities	1.53	1.75	-12.57%	-
(b) Debt Equity Ratio	Total Debt <sup>1</sup>	Shareholder's equity	0.47	0.47	0.00%	-
(c) Debt Service coverage ratio	Earnings available for debt service <sup>2</sup>	Debt service <sup>3</sup>	1.22	1.79	-31.84%	(i)
(d) Return on Equity (%)	Net profit after tax	Average shareholder's equity	2.08%	12.76%	-83.68%	(ii)
(e) Inventory Turnover Ratio	Cost of goods <sup>4</sup>	Average inventory	1.02	1.10	-7.27%	-
(f) Trade receivable Turnover ratio	Revenue from operations	Average closing trade receivables	2.93	2.35	24.68%	-
(g) Trade payable Turnover ratio	Purchases of material and expenses (Net of Notional Expense <sup>5</sup> )	Average trade payables (excluding dues payable to employees)	3.15	2.92	7.88%	-
(h) Net capital turnover ratio	Revenue from operations	Working capital <sup>6</sup>	2.62	2.33	12.45%	-
(i) Net profit (%)	Net profit after tax	Revenue from operations	1.67%	4.99%	-66.62%	(iii)
(j) Return on capital employed (%)	Earning before interest and taxes	Capital Employed <sup>7</sup>	6.96%	10.23%	-31.94%	(iv)

Note:

Total Debt<sup>1</sup> - Current borrowings (including current maturity of long term borrowings) + Non Current borrowing

Earnings available for debt service<sup>2</sup> - profit after tax + Depreciation + Finance Cost

Debt service<sup>3</sup> - Finance Cost + Principal repayment of borrowing, debenture and Lease Liability

Cost of goods<sup>4</sup> - Cost of raw materials and components consumed, Purchase of Stock in Trade and Increase/(decrease) in inventories of finished goods and work-in-progress

Net of Notional Expense<sup>5</sup> includes Amortisation of premium on forward exchange contracts, Net loss on foreign exchange fluctuations, Liquidated damages, Bad debts written off, Impairment loss recognised under expected credit loss model, provision for impairment of investments, sundry debit balance written off

Working capital<sup>6</sup> - Current Asset and - Current liabilities

Capital Employed<sup>7</sup> - Tangible Net Worth (includes total asset and total liabilities excludes intangible assets (except ROU) + (Total Debt) - (Deferred Tax asset)

58.1 Ratio Reasoning for more than 25%:

- (i) Variation is on account of reduction in EBITDA and increase in debt servicing amount resulting in deterioration of the ratio
- (ii) Variation is on account of reduction in profits and increase in equity share capital due to conversion of CCPS and issue of bonus shares resulting in deterioration of the ratio
- (iii) Variation is on account of reduction in profits resulting in deterioration of the ratio
- (iv) Variation is on account of reduction in EBIT resulting in deterioration of the ratio

59 The Ind AS Consolidated financial statements as at and for the year ended March 31, 2023, have been approved by the Board of Directors at the meeting held on August 9, 2023

For and on behalf of the Board of Directors  
Concord Enviro Systems Limited



*[Signature]*  
Prakash Goel  
Managing Director  
DIN: 00348519

*[Signature]*  
Prakash Goel  
Executive Director  
DIN: 00348563

*[Signature]*  
Sudharshan Kamath  
Chief financial officer

*[Signature]*  
Priyanka Nayak  
Company secretary  
Membership No. A55602

Place: Mumbai  
Date: 9th August, 2023

Place: Mumbai  
Date: 9th August, 2023

Place: Mumbai  
Date: 9th August, 2023