

**BLUE WATER TRADING
& TREATMENT (FZE)
SAIF ZONE
SHARJAH
UNITED ARAB EMIRATES
FINANCIAL STATEMENTS
MARCH 31, 2022**

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**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF
BLUE WATER TRADING & TREATMENT (FZE)
SAIF ZONE
SHARJAH, UNITED ARAB EMIRATES**

REPORT ON THE AUDIT OF THE STATEMENT OF FINANCIAL POSITION

Opinion

We have audited the statement of financial position of Blue Water Trading & Treatment (FZE), Saif Zone, Sharjah, United Arab Emirates (the 'Company'), which comprise the statement of financial position as at March 31, 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the statement of financial position present fairly, in all material respects, the financial position of the Company as at March 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to the audit of the Company's financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

In connection with our audit of the statement of financial position, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the statement of financial position or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we 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.

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Responsibilities of the Management for the Statement of Financial Position

The Management is responsible for the preparation and fair presentation of the statement of financial position in accordance with International Financial Reporting Standards and the provisions of the implementing rules and regulations of Sharjah Airport International Free Zone Authority pursuant to Sharjah Emiri Decree No. 2 of 1995 as amended by Sharjah Executive Council Resolution No. (1) of 2000, applicable for entities in Sharjah Airport International Free Zone, Sharjah, and for such internal controls as the Management determines is necessary to enable the preparation of the statement of financial position that is free from material misstatement, whether due to fraud or error.

In preparing the statement of financial position, the 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 Management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Shareholder is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement of Financial Position

Our objectives are to obtain reasonable assurance about whether the statement of financial position as a whole is free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement of financial position.

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

- Identify and assess the risks of material misstatement of the statement of financial position, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the internal control.
- 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 statement of financial position or, if such disclosures are inadequate, to modify our

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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 statement of financial position, including the disclosures, and whether the statement of financial position represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Shareholder 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the provisions of the Implementing Rules and Regulations issued by the Sharjah Airport International Free Zone Authority pursuant to Sharjah Emiri Decree No. 2 of 1995 as amended by Sharjah Executive Council Resolution No. (1) of 2000 applicable for entities in Sharjah Airport International Free Zone, Sharjah, we further confirm that,

1. We have obtained all the information and explanations necessary for our audit.
2. We are not aware of any contraventions during the year of the above-mentioned law which may have materially affected the financial position of the Company or the result of its operations for the year.

For Ethics Plus Public Accountants



A.R. Ramachandran
Registered Auditor Number 433
October 05, 2022



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Blue Water Trading & Treatment (FZE), P.O. Box: 120523, SAIF Zone, Sharjah, U.A.E.
STATEMENT OF FINANCIAL POSITION
As at March 31, 2022

	Notes	31.03.2022 AED	31.03.2021 AED
ASSETS			
Non-current assets:			
Property, plant and equipments (net)	5	17,734,556	19,485,561
Right of use assets		3,787	9,595
Other financial assets	6	56,189	33,912
Other non- current assets	7	448,322	730,671
		<u>18,242,854</u>	<u>20,259,738</u>
Current assets:			
Inventory	8	15,922,335	10,405,212
Financial assets			
Trade receivables	9	11,835,113	16,159,418
Cash and cash equivalents	10	3,394,714	172,435
Bank balances other than cash and cash equivalents	11	2,111,811	2,096,292
Loans	12	-	3,849,825
Other financial assets	13	70,401	135,822
Other current assets	14	863,916	638,112
		<u>34,198,288</u>	<u>33,457,114</u>
Total assets		<u>52,441,143</u>	<u>53,716,853</u>
EQUITY AND LIABILITIES			
EQUITY			
Other equity		41,417,270	39,522,363
Equity share capital	15	150,000	150,000
Total equity		<u>41,567,270</u>	<u>39,672,363</u>
LIABILITIES			
Current liabilities:			
Borrowings	16	7,044,735	9,299,989
Lease liabilities		-	2,408
Trade accounts payables	17	3,829,137	4,742,093
		<u>10,873,872</u>	<u>14,044,490</u>
Total liabilities		<u>10,873,872</u>	<u>14,044,490</u>
NET ASSETS		<u>41,567,270</u>	<u>39,672,363</u>

We approve these financial statements and confirm that we are responsible for them, including selecting the accounting policies and making the judgment underlying them. We confirm that we have made available all the relevant accounting records and information for their compilation.

These financial statements were approved on October 05, 2022 and signed by:

For and on behalf of Blue Water Trading & Treatment (FZE), SAIF Zone, Sharjah



 Mr. Ashish Singal (Authorized signatory)

The attached notes 1 to 27 form part of these financial statements.



Blue Water Trading & Treatment (FZE), P.O. Box: 120523, SAIF Zone, Sharjah, U.A.E.
STATEMENT OF COMPREHENSIVE INCOME
Year ended March 31, 2022

	Notes	31.03.2022 AED	31.03.2021 AED
Revenue from operations	18	34,881,130	39,277,954
Other income	19	13,515	422,677
Total income		<u>34,894,646</u>	<u>39,700,631</u>
EXPENSES			
Cost of raw materials consumed	20	22,479,883	25,470,804
Employee benefits expense	21	2,644,287	2,554,652
Finance costs	22	814,446	1,246,583
Depreciation and amortisation expenses	23	2,075,649	2,428,146
Other expenses	24	3,388,390	2,272,215
Total expenses		<u>31,402,654</u>	<u>33,972,400</u>
Profit/(loss) before tax		<u>3,491,991</u>	<u>5,728,231</u>
Profit/(loss) for the year		3,491,991	5,728,231
Profit (Loss) for the period from continuing operations		<u>3,491,991</u>	<u>5,728,231</u>
Total Comprehensive Income for the year		<u>3,491,991</u>	<u>5,728,231</u>

These financial statements were approved on October 05, 2022 and signed by:

For and on behalf of Blue Water Trading & Treatment (FZE), SAIF Zone, Sharjah



Mr. Ashish Singal (Authorized signatory)



The attached notes 1 to 27 form part of these financial statements.

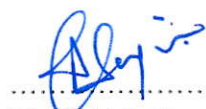


Blue Water Trading & Treatment (FZE), P.O. Box: 120523, SAIF Zone, Sharjah, U.A.E.
STATEMENT OF CASH FLOWS
Year ended March 31, 2022

	31.03.2022 AED	31.03.2021 AED
OPERATING ACTIVITIES		
Net income for the year	3,491,991	5,728,231
<i>Adjustments for:</i>		
Depreciation	2,075,649	2,428,146
Cash from operations before working capital changes	5,567,640	8,156,377
Inventory	(5,517,123)	49,838
Trade receivables	4,324,305	7,261,826
Loans	3,849,825	4,326,243
Other financial assets	43,144	(21,260)
Other current assets	56,544	1,368,724
Trade accounts payables	(912,955)	(1,710,395)
Net cash from / (used in) operating activities	7,411,381	19,431,352
INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(4,739,910)	(9,317,511)
Proceeds from sale of property, plant and equipments	4,421,074	-
Bank balances other than cash and cash equivalents	(15,519)	(161,291)
Net cash (used in) investing activities	(334,355)	(9,478,802)
FINANCING ACTIVITIES		
Loans and borrowings	(2,255,254)	(7,101,974)
Lease liabilities	(2,408)	(298,113)
Other equity	(584)	(13,426)
Profit & loss appropriation	(1,596,500)	(3,000,000)
Net cash from financing activities	(3,854,746)	(10,413,514)
(Decrease) / increase in cash and cash equivalents	3,222,279	(460,964)
Cash and cash equivalents at the beginning of the year	172,435	633,398
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3,394,714	172,435

These financial statements were approved on October 05, 2022 and signed by:

For and on behalf of Blue Water Trading & Treatment (FZE), SAIF Zone, Sharjah



Mr. Ashish Singal (Authorized signatory)



The attached notes 1 to 27 form part of these financial statements.




Blue Water Trading & Treatment (FZE), P.O. Box: 120523, SAIF Zone, Sharjah, U.A.E.
STATEMENT OF CHANGES IN EQUITY
As at March 31, 2022

	Other equity	Equity share capital	Total equity
	AED	AED	AED
As on April 01, 2020	36,807,558	150,000	36,957,558
Funds introduced / (withdrawn)	(13,426)	-	(13,426)
Transfer from statement of comprehensive income	5,728,231	-	5,728,231
Appropriation of profits	(3,000,000)	-	(3,000,000)
As at March 31, 2021	39,522,363	150,000	39,672,363
Funds introduced / (withdrawn)	(584)	-	(584)
Transfer from statement of comprehensive income	3,491,991	-	3,491,991
Appropriation of profits	(1,596,500)	-	(1,596,500)
As at March 31, 2022	<u>41,417,270</u>	<u>150,000</u>	<u>41,567,270</u>

These financial statements were approved on October 05, 2022 and signed by:

For and on behalf of Blue Water Trading & Treatment (FZE), SAIF Zone, Sharjah



 Mr. Ashish Singal (Authorized signatory)



The attached notes 1 to 27 form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

1 STATUS AND ACTIVITIES

Blue Water Trading & Treatment (FZE), Saif Zone, Sharjah (the 'Company') is a Free Zone Company with limited liability registered with the Sharjah Airport International Free Zone Authority, Government of Sharjah under a commercial license number 01-01-04119 issued on July 03, 2006 and an Industrial license number 03-01-04769 issued on March 14, 2007.

The name of the sole shareholder and its shareholding is as follows:

Name of the shareholder	Nationality	No. of Share	Amount in AED
Concord Enviro FZE, SAIF Zone, Sharjah	U.A.E	1	150,000

Principle activity of the Company is manufacturing of water filters and trading in water treatment equipments.

2 GOING CONCERN ASSUMPTION

These financial statements are prepared on a going concern basis, which assumes that the Company will continue to operate as a going concern for the foreseeable future.

3 APPLICATION OF NEW INTERNATIONAL FINANCIAL REPORTING STANDARDS

3.1 New IFRS standards effective after 1 January 2021 not yet adopted by the Company

The accounting policies adopted are consistent with those of the previous financial year, except for the following new standards, interpretations and amendments effective as of 1 January 2021. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective:

- i) Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16**
- ii) Amendments to IFRS 16: Covid-19 Related Rent Concessions beyond 30 June 2021**

These amendments had no significant impact on the interim financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

3.2 New and amended standards and interpretations

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's interim financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective:

- i) IFRS 17 Insurance Contracts;**
- ii) IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter;**
- iii) IFRS 9 Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities;**
- iv) IAS 41 Agriculture - Taxation in fair value measurements;**
- v) Amendments to IAS 1: Classification of Liabilities as Current or Non-current;**
- vi) Amendments to IFRS 3: Reference to the Conceptual Framework;**



3 APPLICATION OF NEW INTERNATIONAL FINANCIAL REPORTING STANDARDS (Contd.)

3.2 New and amended standards and interpretations (Contd.)

- vii) Amendments to IAS 16: Property, Plant and Equipment - Proceeds before Intended Use;
- viii) Amendments to IAS 37: Onerous Contracts - Costs of Fulfilling a Contract;
- ix) Amendments to IAS 8: Definition of Accounting Estimates; and
- x) Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies.

4 SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements of the Company has been prepared in accordance with the International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board and applicable requirements of Sharjah Airport Free Zone.

It should be noted that accounting estimates and assumptions are used in preparing the financial statements. Although the estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from these estimates.

The following accounting policies, which comply with IFRS, have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Accounting convention

The financial statements have been prepared under the historical cost convention. The accounting policies are consistent with those used in the previous year.

Accounting basis

The financial statements have been prepared under the accrual basis, with exception of staff end of service benefits, leave salary and air fare which are accounted for when paid.

Revenue recognition

Revenue is measured at the fair value of consideration received or receivables.

The Company recognises revenue based on the five-step model, as set out in IFRS 15:

- i) Identify the contract(s) with a customer: A contract is defined as an agreement between one or more parties that creates enforceable rights and obligations.
- ii) Identify the performance obligations in the contract: A performance obligation is a promise in a contract to transfer a goods or bundle of goods or services to the customer.
- iii) Determine the transaction price: Transaction price is the amount of consideration to which Company expects to be entitled in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- iv) Allocate the transaction price to the performance obligation in the contract.
- v) The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:
 - The customer simultaneously received and consumed all of the benefits provided by the Company as the Company performs: or
 - The Company's performance creates or enhances an asset that the customer controls as the



4 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Revenue recognition (Contd.)

asset is created; or

- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance obligation completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

The Company allocates the transaction price to the performance obligations in a contract based on the input method which require revenue recognition on the basis of the Company's effort or inputs to the satisfaction of the performance obligations.

Revenue is measured at fair market value of consideration received or receivable taking into account the contractually agreed terms of payment excluding taxes and duties. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or an agent and has concluded that it is acting as a principal in all its revenue arrangements.

Property, plant and equipments

Fixed assets are depreciated on cost using straight line method at rates calculated to depreciate the assets concerned over their estimated useful lives.

The annual rates of depreciation used are as follows:

Machinery & equipments	: 6-50%
Vehicles	: 10-11%
Office equipments	: 20-33%
Furniture & fixtures	: 16-20%

Capital work-in-progress

Capital work-in-progress is included in property plant and equipment at cost on the basis of the percentage completed at the statement of financial date. The Capital work-in-progress is transferred to the appropriate asset category and depreciated in accordance with Company's policies when construction of the asset is completed and asset is in a location and condition intended by the management.

Valuation of inventory

Inventories are stated at lower of cost or net realisable value, cost being determined on average basis. Cost includes purchase cost and other expenses incurred in bringing the inventory to their present location.

Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprises of cash in hand, bank overdraft repayable on demand, bank current and call accounts, fixed deposits free from lien with original maturity date of three months or less from the date of deposit.



4 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Financial instruments

Initial recognition and measurement

The Company recognises a financial asset or a financial liability in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. On initial recognition, the Company recognises all financial assets and financial liabilities at fair value. The fair value of a financial asset or liability on initial recognition is normally represented by the transaction price.

Subsequent measurement of financial assets

The subsequent measurement of financial assets depends on their initial recognition. The Company classifies its financial assets in the following four categories:

- 1 Financial assets at fair value through profit or loss. This category has two sub categories:
 - a) Designated - Any financial asset that is designated on initial recognition as one to be measured at fair value with fair value changes in profit or loss.
 - b) Held for trading - All derivatives (except those designated hedging instruments) and financial assets acquired or held for the purpose of selling in the short term or for which there is recent pattern of short term profit taking are held for trading.
- 2 Available for sale financial assets (AFS) are any non-derivative financial assets designated on initial recognition as available for sale or any other instruments that are not classified as loans and receivables, held to maturity investments or financial assets at fair value through profit or loss. AFS assets are measured at fair value in the statement of financial position. Fair value changes on AFS assets are recognised directly in equity, through the statement of changes in equity, except for interest on AFS assets, impairment losses and foreign exchange gains or losses. The cumulative gain or loss that was recognised in equity is recognised in profit or loss when an available for sale financial asset is derecognized.
- 3 Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than held for trading or designated on initial recognition as assets at fair value through profit or loss as available for sale. Loans and receivables are measured at amortized cost.
- 4 Held to maturity financial assets are non-derivative financial assets with fixed or determinable payments that a Company intends and is able to hold till maturity and that do not meet the definition of loans and receivables and are not designated on initial recognition as assets at fair value through profit or loss or as available for sale. Held to maturity investments are measured at amortized cost.

Value-added Tax (VAT)

Expenses, and assets are recognised net of amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the assets or as part of the expense item, as applicable; and/or



4 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Value-added Tax (VAT) (Contd.)

- When receivables and payables are stated with the amount of VAT included.

These net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the assets, even if that asset is or those assets are not explicitly specified in an arrangement.

Short-term leases

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

In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognizes lease liabilities to make lease payments and right-of-use assets, representing the right to use the underlying assets.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight line basis over the lease terms and is included in revenue in the statement of comprehensive income. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which there are earned.

Borrowing costs

Borrowing costs are interest and other costs incurred by Company in connection with the borrowing of funds.

Under the allowed alternative treatment, borrowing costs that are directly attributable to the acquisition, construction or production of an asset are included in the cost of that asset. Such borrowing costs are capitalized as part of the cost of the asset when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Impairment and collectability of financial assets

An assessment is made at each statement of financial position date to determine whether there is objective evidence that a financial asset or group of financial assets may be impaired. If such evidence



4 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Impairment and collectability of financial assets

exists, the estimated recoverable amount of that asset is determined and an impairment loss is recognized for difference between the recoverable amount and the carrying amount. Impairment losses are recognized in the statement of comprehensive income.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flow from the asset expires; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another Company. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for the 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 recognize the financial asset.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services, whether billed by the supplier or not.

Contract liability : The amount of consideration received from a customer exceeding the amount of revenue recognized, is recognized as a contract liability.

Provision

A provision is recognized when the Company has an obligation, legal or constructive, arising from past event, and cost to settle the obligation are both probable and able to be reliably measured.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, its obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Foreign currencies

Transactions in foreign currencies, if any, are recorded at the rate ruling at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the statement of comprehensive income.

5 PROPERTY, PLANT AND EQUIPMENTS (NET)

Please refer annexure - 1 (Page - 20)

6 FINANCIAL ASSETS

Unsecured, considered good unless otherwise stated

31.03.2022	31.03.2021
AED	AED
56,189	33,912
56,189	33,912

(13)



7 OTHER NON -CURRENT ASSETS

	31.03.2022	31.03.2021
	AED	AED
Other advances	448,322	730,671
	<u>448,322</u>	<u>730,671</u>

8 INVENTORY

	31.03.2022	31.03.2021
	AED	AED
Stock of raw materials	15,922,335	9,218,890
Stock of trading / finished goods	-	1,186,322
	<u>15,922,335</u>	<u>10,405,212</u>

9 TRADE RECEIVABLES

	31.03.2022	31.03.2021
	AED	AED
Trade receivables	11,835,113	16,159,418
	<u>11,835,113</u>	<u>16,159,418</u>
The ageing of trade debtors is as follows:		
less than 3 months	6,080,469	998,144
3 months and above	5,754,644	15,161,274
	<u>11,835,113</u>	<u>16,159,418</u>

As of March 31, 2022, the trade receivable balances outstanding are from related companies, Rochem Separation Systems (I) Pvt Ltd, India.

10 CASH AND CASH EQUIVALENTS

	31.03.2022	31.03.2021
	AED	AED
Cash at bank in current accounts	3,383,514	157,031
Cash in hand	11,200	15,404
	<u>3,394,714</u>	<u>172,435</u>

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	31.03.2022	31.03.2021
	AED	AED
In deposit accounts with maturity of more than 3 months but less than 12 months	2,111,811	2,096,292
	<u>2,111,811</u>	<u>2,096,292</u>

12 LOANS

	31.03.2022	31.03.2021
	AED	AED
Loan to related party	-	3,849,825
	<u>-</u>	<u>3,849,825</u>



13 OTHER FINANCIAL ASSETS

	31.03.2022	31.03.2021
	AED	AED
Security deposits	70,115	121,224
Interest accrued on fixed deposits with banks	286	14,598
	<u>70,401</u>	<u>135,822</u>

14 OTHER CURRENT ASSETS

	31.03.2022	31.03.2021
	AED	AED
Prepaid expenses	136,129	83,261
Advances for supply of goods and services:	538,566	290,379
Advance to employees	-	113,000
Balance with government authorities - Current	189,220	151,472
	<u>863,916</u>	<u>638,112</u>

15 EQUITY SHARE CAPITAL

Authorized, issued and fully paid up share capital of the Company is AED. 150,000 divided into one share of AED. 150,000.

	31.03.2022	31.03.2021
	AED	AED
Concord Enviro (FZE), SAIF Zone, Sharjah	150,000	150,000
	<u>150,000</u>	<u>150,000</u>

16 BORROWINGS

	31.03.2022	31.03.2021
	AED	AED
Current maturity:		
From bank, repayable on demand		
Vehicle loan - RAK Bank, Dubai	19,465	38,092
Bank overdraft - National Bank of Fujairah	-	36,266
Trust receipts - National Bank of Fujairah	3,355,270	5,555,631
	<u>3,374,735</u>	<u>5,629,989</u>
Unsecured - Current		
Loan from related party		
AF Holdings, Mauritius	3,670,000	3,670,000
	<u>3,670,000</u>	<u>3,670,000</u>
Total Borrowings - current	<u>7,044,735</u>	<u>9,299,989</u>

The above loan is based on an agreement between the Company and AF Holdings, Mauritius carrying an interest at the rate of 7.37% per annum.



16 BORROWINGS (Contd.)

Business loans and overdraft facility from National Bank of Fujairah and vehicle loan from RAK Bank are secured by the following:

- * Joint and several personal guarantees of Mr. Suresh Kumar Bhatia, Mr. Ashish Singal and Mr. Prerak Goel (the Guarantors).
- * Cross Corporate Guarantees between M/s Blue Water Trading & Treatment FZE and M/s Concord Enviro FZE, SAIF Zone, Sharjah, UAE.
- * Pledge over fixed deposit of AED 2,111,000/- in the name of Blue Water Trading & Treatment FZE, in favour of National Bank of Fujairah, Sharjah.
- * Settlement cheque covering total facility amount (less fixed deposit under pledge) drawn on National Bank of Fujairah PJSC, in favour of the bank.
- * Assignment of insurance policy covering stocks of AED 8,200,000/- in favour of National Bank of Fujairah.

17 TRADE PAYABLES

	31.03.2022 AED	31.03.2021 AED
Trade creditors	3,829,137	4,742,093
	<u>3,829,137</u>	<u>4,742,093</u>
The ageing of trade creditors is as follows:		
Less than 3 months	3,099,663	3,291,998
3 to 6 months	642,476	975,574
6 to 12 months	57,109	52,329
Above 12 months	29,888	422,192
	<u>3,829,137</u>	<u>4,742,093</u>

18 OPERATING INCOME

	31.03.2022 AED	31.03.2021 AED
Finished goods -sales	25,623,519	30,300,156
Tarded goods	9,257,612	8,977,798
	<u>34,881,130</u>	<u>39,277,954</u>

19 OTHER INCOME

	31.03.2022 AED	31.03.2021 AED
Other gains and losses:		
Foregin exchange gain (Net)	3	35,570
Miscellaneous income	4,028	74,884
	4,031	110,454
Interest income	9,484	312,223
	<u>13,515</u>	<u>422,677</u>



20 COST OF RAW MATERIALS CONSUMED

	31.03.2022	31.03.2021
	AED	AED
Opening balance - Raw materials	10,405,212	10,455,049
Purchases	26,537,239	24,214,953
Direct expenses on material	1,459,767	1,206,014
Less: Less - Closing balance - Raw materials	<u>(15,922,335)</u>	<u>(10,405,212)</u>
	<u>22,479,883</u>	<u>25,470,804</u>

21 EMPLOYEE BENEFITS EXPENSE

	31.03.2022	31.03.2021
	AED	AED
Salaried and wages	2,331,504	2,351,149
Staff welfare expenses	<u>312,783</u>	<u>203,502</u>
	<u>2,644,287</u>	<u>2,554,652</u>

22 FINANCE COSTS

	31.03.2022	31.03.2021
	AED	AED
Interest expenses on	271,979	799,244
Interest on secured borrowing	<u>542,467</u>	<u>447,339</u>
	<u>814,446</u>	<u>1,246,583</u>

23 DEPRECIATION AND AMORTISATION EXPENSES

	31.03.2022	31.03.2021
	AED	AED
Depreciation of property, plant and equipment	2,069,841	2,121,816
Depreciation of right of use assets	<u>5,808</u>	<u>306,329</u>
	<u>2,075,649</u>	<u>2,428,146</u>

24 OTHER EXPENSES

	31.03.2022	31.03.2021
	AED	AED
Printing and stationery	21,943	18,487
Travelling expenses	37,550	66,630
Power & fuel	256,671	237,371
Telephone and communication charges	68,930	123,725
Repairs & maintenance expenses	125,646	79,086
Professional charges	997,829	34,300
Lease rent & license fees	297,010	-
Insurance	37,490	219,817
Miscellaneous expenses	39,407	55,921
Bad debts written off	481,756	-
Freight, clearing and forwarding	572,736	696,795
Advertisement and sales promotion	365,710	663,499
Bank charges	69,900	76,585
Net loss on foreign exchange	<u>15,812</u>	<u>-</u>
	<u>3,388,390</u>	<u>2,272,215</u>



20 RISK MANAGEMENT

Liquidity risk

The Company limits its liquidity risk by ensuring that adequate funds are available.

Exchange rate risk

Exchange rate risk, if any, in respect of foreign currency exposure is closely monitored by the Management.

Credit risk

The Company seeks to limit its credit risk by setting limits for individual customers and monitoring outstanding receivable balances. As at March 31, 2022 top one trade receivable balances represent 100% (previous year: 100%) of the total trade receivable balances outstanding.

Country-wise concentration of trade receivable balances are as follows:

Country	31.03.2022	31.03.2021
India	100.00%	93.82%
UAE	0.00%	6.18%

Interest rate risk

The vehicle loans, and working capital loans are carrying interest at the rate prevailing in the market. The term deposits with bank are at fixed rate. Other financial instruments and assets and liabilities of the Company as at the statement of financial position date are not interest based.

Supplier concentration risk

As March 31, 2022 top five trade payable balances represent 75.18% (previous year: 65.35%) of the total value of trade payable balances outstanding.

Country-wise concentration of trade payable balances are as follows:

Country	31.03.2022	31.03.2021
Korea	16.20%	19.75%
Singapore	21.52%	20.45%
Netherlands	-	3.53%
UAE	57.13%	49.92%
India	0.78%	0.71%
Other	4.37%	5.64%

21 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets, financial liabilities and equity instruments. Financial assets consist of inventory, due from related parties, prepayment, deposits and other receivables, deposit with banks and bank balances and cash. Financial liabilities consist of accounts payable balances, un-secured loans, loans and borrowings and accruals & other payable balances.

The fair values of financial instruments are not materially different from their carrying values.

22 SIGNIFICANT EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There were no significant events occurring after the statement of financial position date which require disclosure in the financial statements.



23 COVID 19 IMPACT

The COVID 19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various Governments to limit the spread and contain the virus have affected economic activity worldwide. The Company has taken a number of measures to monitor and mitigate the effects of COVID 19 and implemented health and safety measures to protect the staff and such as reduced travel, providing option to work from home.

Management is actively monitoring the global situation on its financial condition, liquidity position, operations and workforce. Given the daily evolution of the COVID19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effect of COVID 19 on its result of operations, financial condition or its liquidity for the year 2022.

As the global pandemic continues to evolve, full assessment of the economic impact and any expected end state is still not determinable, but the Company assumes that it will continue in the following year and beyond. At this stage the impact on the Company and its results has not been significant.

- 24 In the opinion of the management all the assets shown in the financial statements are existing and realizable at the amounts shown against them and there are no liabilities against the Company, contingent or otherwise, not included in the above financial statements.

25 NUMBER OF PERSONNEL

There were twenty eight employees (previous year: thirty one) as at the date of the statement of financial position.

- 26 In the opinion of the management all the assets shown in the financial statements are existing and realizable at the amounts shown against them and there are no liabilities against the Company, contingent or otherwise, not included in the above financial statements.

27 GENERAL

- a) These audited statements of financial position are issued by the Management of the Company, covering the period from April 01, 2021 to March 31, 2022.
- b) The comparative figures as at March 31, 2021 have been reclassified wherever necessary to conform with the presentation of the current year. Such reclassification do not affect previously reported net profit or shareholder's equity.
- d) The figures in the statements of financial position are rounded to the nearest Dirham of United Arab Emirates.



ANNEXURE - 1

5 PROPERTY, PLANT AND EQUIPMENTS (NET)

Fixed assets are stated at cost, less accumulated depreciation as follows:

	Capital work-in- progress	Plant & machinery AED	Vehicles AED	Office equipments AED	Furniture & fixtures AED	Total AED
Cost						
As at April 01, 2021	4,341,799	31,177,034	309,590	378,378	670,981	36,877,782
Additions	-	4,399,840	-	81,880	258,190	4,739,910
Deletions	(4,341,799)	-	(172,990)	-	-	(4,514,789)
As at March 31, 2022	-	35,576,874	136,600	460,258	929,171	37,102,903
Depreciation						
As at April 01, 2021	-	16,452,783	119,368	303,691	516,379	17,392,221
Charge for the year	-	1,902,537	18,407	72,075	76,822	2,069,841
Deletions	-	-	(93,715)	-	-	(93,715)
As at March 31, 2022	-	18,355,320	44,060	375,766	593,201	19,368,347
Net Book Value						
As at March 31, 2022	-	17,221,554	92,540	84,492	335,970	17,734,556
As at March 31, 2021	4,341,799	14,724,251	190,222	74,687	154,602	19,485,561

