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**CONCORD ENVIRO (FZE)
SAIF ZONE
SHARJAH
UNITED ARAB EMIRATES
FINANCIAL STATEMENTS
MARCH 31, 2022**

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**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF
CONCORD ENVIRO (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 Concord Enviro (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 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

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disclosures in the statement of financial position 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 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 period of the above-mentioned law which may have materially affected the financial position of the Company or the result of its operations for the period.

For Ethics Plus Public Accountants



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



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CONCORD ENVIRO (FZE), P.O Box: 120940, Saif Zone, Sharjah, U.A.E
STATEMENT OF FINANCIAL POSITION
As at March 31, 2022

	Notes	31.03.22 AED	31.03.21 AED
ASSETS			
Non-current assets			
Property, plant and equipment	5	5,846,174	4,877,077
Intangible assets	6	12,344,453	1,620,129
Right of use assets	7	7,170,146	8,900,446
Financial assets			
Investment in subsidiaries, joint venture and associates	8	2,464,980	2,389,980
Other financial assets non-current	9	429,361	436,911
Other non-current assets	10	12,698,390	3,686,099
Total non-current assets		40,953,504	21,910,642
Current assets			
Inventories	11	5,911,768	4,229,667
Financial assets			
Trade receivables	12	11,381,301	17,792,458
Cash and cash equivalents	13	5,278,571	4,894,702
Other current financial assets	14	798,729	872,531
Other current assets	15	4,855,954	12,593,530
Total current assets		28,226,323	40,382,888
TOTAL ASSETS		69,179,827	62,293,530
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	150,000	150,000
Retained earnings	17	33,640,740	31,956,670
Total equity		33,790,740	32,106,670
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Unsecured - Non current		-	3,860,825
Secured - Non current	18	17,616,000	11,927,500
Lease liabilities	18	6,929,707	7,349,862
Total non-current liabilities		24,545,707	23,138,187
Current liabilities			
Financial liabilities			
Borrowings	19	5,440,761	1,357,691
Other current financial liabilities	20	325,585	214,450
Trade payables	21	2,832,170	3,371,220
Lease liabilities		1,263,200	1,955,134
Other current liabilities	22	981,663	150,178
Total current liabilities		10,843,379	7,048,673
TOTAL LIABILITIES		35,389,086	30,186,860
TOTAL EQUITY AND LIABILITIES		69,179,827	62,293,530

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 Concord Enviro Systems Private Limited, India (Shareholder)

Mr. Ashish Singal
 Authorised signatory



The attached notes 1 to 37 form part of these financial statements.




CONCORD ENVIRO (FZE), P.O Box: 120940, Saif Zone, Sharjah, U.A.E
STATEMENT OF COMPREHENSIVE INCOME
Year ended March 31, 2022

	Notes	31.03.22 AED	31.03.21 AED
INCOME			
Revenue from operations	23	42,368,912	57,718,966
Other income	24	4,214,239	4,964,441
Total		<u>46,583,151</u>	<u>62,683,407</u>
EXPENSES			
Cost of raw material consumed	25	26,404,032	45,580,950
Finance costs	26	2,306,419	1,344,848
Employee benefits expenses	27	709,612	647,729
Depreciation and amortisation expense	28	2,543,173	1,740,429
Other expenses	29	<u>11,926,587</u>	<u>9,144,261</u>
		<u>43,889,823</u>	<u>58,458,216</u>
Profit/(loss) before tax		<u>2,693,328</u>	<u>4,225,191</u>
Profit/(loss) for the period		<u>2,693,328</u>	<u>4,225,191</u>
Profit (loss) for the period from continuing operations		<u>2,693,328</u>	<u>4,225,191</u>
Total comprehensive income for the period		<u>2,693,328</u>	<u>4,225,191</u>

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

For and on behalf of Concord Enviro Systems Private Limited, India (Shareholder)


 Mr. Ashish Singal
 Authorised signatory



The attached notes 1 to 37 form part of these financial statements.




CONCORD ENVIRO (FZE), P.O Box: 120940, Saif Zone, Sharjah, U.A.E
STATEMENT OF CASH FLOWS
Year ended March 31, 2022

	31.03.22 AED	31.03.21 AED
OPERATING ACTIVITIES		
Net income for the year	2,693,328	4,225,191
<i>Adjustments for:</i>		
Depreciation	793,569	1,348,224
Amortization of intangible assets	389,304	392,205
Cash from (used in) operations before working capital changes	3,876,201	5,965,620
Trade accounts receivables	6,411,157	1,893,437
Inventory	(1,682,101)	5,388,612
Related party balances	(9,012,291)	(95,454)
Prepayments, deposits and other receivables	7,737,576	(869,937)
Other current assets	81,352	5,875,291
Trade accounts payables	(539,050)	(13,560,918)
Accruals and other payables	831,485	(1,294,116)
Net cash (used in) operating activities	7,704,329	3,302,534
INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(1,762,666)	(3,218,018)
Intangible assets	(11,113,627)	(2,012,334)
Right of use of assets	1,730,300	(8,578,997)
Investments	(75,000)	-
Net cash (used in) investing activities	(11,220,993)	(13,809,349)
FINANCING ACTIVITIES		
Loans & borrowings from banks	6,021,880	5,629,779
Finance lease liability	(1,112,089)	8,983,547
Dividend paid	(1,009,258)	-
Net cash (used in) financing activities	3,900,532	14,613,325
Increase / (decrease) in cash and cash equivalents	383,869	4,106,511
Cash and cash equivalents at the beginning of the year	4,894,702	788,191
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5,278,571	4,894,702

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

For and on behalf of Concord Enviro Systems Private Limited, India (Shareholder)



 Mr. Ashish Singal

Authorised signatory

The attached notes 1 to 37 form part of these financial statements.



CONCORD ENVIRO (FZE), P.O Box: 120940, Saif Zone, Sharjah, U.A.E
STATEMENT OF CHANGES IN EQUITY
As at March 31, 2022

	Share capital AED	Retained earnings AED	Total equity AED
As at April, 01, 2020	150,000	27,731,480	27,881,480
Transfer from statement of comprehensive income	-	4,225,191	4,225,191
As at March 31, 2021	150,000	31,956,670	32,106,670
Appropriation of profits	-	(1,009,258)	(1,009,258)
Transfer from statement of comprehensive income	-	2,693,328	2,693,328
As at March 31, 2022	<u>150,000</u>	<u>33,640,740</u>	<u>33,790,740</u>

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

For and on behalf of Concord Enviro Systems Private Limited, India (Shareholder)



 Mr. Ashish Singal
 Authorised signatory



The attached notes 1 to 37 form part of these financial statements.

CONCORD ENVIRO (FZE), P.O Box: 120940, Saif Zone, Sharjah, U.A.E
NOTES TO FINANCIAL STATEMENTS

1 STATUS AND ACTIVITIES

Concord Enviro (FZE), Sharjah is a Free Zone Company with limited liability (the 'Company') registered with the Sharjah Airport International Free Zone Authority, Government of Sharjah under commercial license number 01-01-07601 and industrial license No: 14072 issued on November 25, 2009.

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

Name of the shareholder	Nationality	% share
Concord Enviro Systems Private Limited	India	100%

Principle activity of the Company is trading in water treatment products and related items, manufacturing and assembling & testing of water filter plants.

The details of the principal Subsidiaries of the Company are as follows:

Name of the Company	Percentage of equity owned	Country of incorporation
Blue Water Trading & Treatment (FZE), SAIF Zone, Sharjah	100%	UAE

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

Name of the Company	Percentage of equity owned	Country of incorporation
Concord Enviro Mexico S.A De C.V, Mexico	100%	Mexico

Principle activity of the Subsidiary Company is to support the marketing activities of the parent Company.

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.

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

3.2 New and amended standards and interpretations (Contd.)

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;
- 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 Authority.

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.

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



4 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Revenue recognition (Contd.)

Company expects to be entitled in exchange for transferring the promised goods and 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 asset is created; or
- The Company's performance does not create an assets 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.

Accounts receivables

Accounts receivable balances are stated at original invoice amounts less a provision for any uncollectible amounts. An estimate of doubtful debts is made when collection of full amount is no longer probable. Bad debts are written off as incurred.

Contract assets: Where the Company satisfies a performance obligation by delivering the promised goods and services, it creates a contract assets based on the amount of consideration earned by the performance.

Valuation of inventory

Inventories are stated at lower of cost or net realisable value, cost being determined on FIFO basis. Cost includes purchase cost and other expenses incurred in bringing the inventory to their present location. Also, right to recover returned goods is presented as a part of inventory.

Investments

The investment in subsidiary companies are not classified as held for sale and are accounted at cost.

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 derecognised.
- 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 or as available for sale. Loans and receivables are measured at amortised 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 amortised 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
- 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.



4 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 lease related assets, even if that asset is or those assets are not explicitly specified in an arrangement.

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 lease related assets, representing the lease related assets.

Lease liabilities have been recognised at the present value of lease payments for period of 3 and 6 years based on the assumption that the Company will continue to use the machinaries atleast for a period of 3 and 6 years. Lease liabilities have been discounted at the rate of 12% and 15.17% , assumed to be the incremental borrowing rate for the Company.

Lease related assets have been recognised at cost and will be amortised on straight line basis over the lease term. Interest cost on the lease liabilities and amortisation cost of lease related asset is being charged to the statement of comprehensive income.

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.

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 capitalised 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 recognised 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 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.



4 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flow the asset expires; or it transfers the financial asset and substantially all the risks and rewards of from 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 recognises 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 recognise 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 recognised, is recognised as a contract liability.

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.

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.

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 - 21)

6 INTANGIBLE ASSETS (NET)

	31.03.22	31.03.21
	AED	AED
Product development cost	1,620,129	2,012,334
Less: amortisation for the year	(389,304)	(392,205)
Trade mark and brand gross block (Rochem brand)	11,113,628	-
	<u>12,344,453</u>	<u>1,620,129</u>



7 RIGHT OF USE ASSETS

	31.03.22	31.03.21
	AED	AED
Right of use assets	7,170,146	8,900,446
	<u>7,170,146</u>	<u>8,900,446</u>

8 Investment in subsidiaries, joint venture and associates

	31.03.22	31.03.21
	AED	AED
Investments in subsidiaries:		
Blue Water Trading & Treatment (FZE), SAIF Zone, Sharjah	2,375,100	2,375,100
Concord Enviro Mexico S.A De C.V, Mexico	14,880	14,880
	<u>2,389,980</u>	<u>2,389,980</u>
Investments in Joint Ventures:		
WHE Systems FZC-Investments	75,000	-
	<u>75,000</u>	<u>-</u>
Total of Investments	<u>2,464,980</u>	<u>2,389,980</u>

Audited financial information in respect of the subsidiaries are set out below:

	31.03.22	31.03.21
	AED	AED
Blue Water Trading & Treatment (FZE), SAIF Zone, Sharjah:		
Total assets	52,394,502	53,716,853
Total liabilities (excluding Shareholders' equity)	10,827,233	14,044,490
Net assets	41,567,268	39,672,363
Revenue	34,881,130	39,277,954
Profit for the year	3,491,991	5,728,231
Concord Enviro Mexico S.A De C.V, Mexico: -		
Total assets	215,077	215,940
Total liabilities (excluding Shareholders' equity)	3,472,594	3,390,944
Net liabilities	3,257,517	3,175,004
Profit / loss for the year	(82,513)	(103,016)

9 OTHER FINANCIAL ASSETS - NON-CURRENT

	31.03.22	31.03.21
	AED	AED
Security deposits	429,361	436,911
	<u>429,361</u>	<u>436,911</u>

10 OTHER NON CURRENT ASSETS

	31.03.22	31.03.21
	AED	AED
Due from related parties		
Concord Enviro Mexico S.A De C.V, Mexico - Subsidiary Company	3,754,472	3,686,099
WHE Systems FZC, Sharjah, (Associate of Concord Enviro FZE)	8,943,918	-
	<u>12,698,390</u>	<u>3,686,099</u>



11 INVENTORY

	31.03.22	31.03.21
	AED	AED
Stock-in-trade	5,911,768	4,229,667
	<u>5,911,768</u>	<u>4,229,667</u>

12 TRADE ACCOUNTS RECEIVABLES

	31.03.22	31.03.21
	AED	AED
Trade debtors	12,281,299	20,266,079
Less: Allowance for expected credit losses (ECL)	(899,998)	(2,473,621)
	<u>11,381,301</u>	<u>17,792,458</u>

The ageing of trade debtors is as follows:

Less than 3 months	9,822,313	17,972,487
3 to 6 months	-	1,576,410
6 to 12 months	1,884,543	644,277
Above 12 months	574,443	72,905
	<u>12,281,299</u>	<u>20,266,079</u>

13 BANK BALANCES AND CASH

	31.03.22	31.03.21
	AED	AED
Cash in hand	1,985	1,247
Cash at bank in current accounts	5,276,586	4,893,455
	<u>5,278,571</u>	<u>4,894,702</u>

14 OTHER FINANCIAL ASSETS

	31.03.22	31.03.21
	AED	AED
Security deposits	798,729	872,531
	<u>798,729</u>	<u>872,531</u>

15 OTHER CURRENT ASSETS

	31.03.22	31.03.21
	AED	AED
Prepaid expenses	598,167	2,897,915
Advance to suppliers	3,874,817	514,827
Balance with government authorities - current	123,641	103,800
Other advances	259,329	9,076,989
	<u>4,855,954</u>	<u>12,593,530</u>

16 SHARE CAPITAL

Authorized, issued and fully paid up share capital of the Company is AED 150,000/- divided into 1 share of AED 150,000/- each.

	31.03.22	31.03.21
	AED	AED
Concord Enviro Systems Private Limited, India	150,000	150,000
	<u>150,000</u>	<u>150,000</u>



17 RETAINED EARNINGS

Please refer annexure - 1 (Page - 7)

18 FINANCIAL LIABILITIES - NON CURRENT

	31.03.22	31.03.21
	AED	AED
Secured loan - non current :		
Global Climate Partnership Fund S.A., SICAV-SIF	17,616,000	11,927,500
	<u>17,616,000</u>	<u>11,927,500</u>
Lease liabilities - non current	6,929,707	7,349,862
Total financial liabilities non current	<u>24,545,707</u>	<u>19,277,362</u>

The above mentioned facility from ' Global Climate Partnership Fund S.A., SICAV-SIF' is repayable by 15 December, 2026. The interest rate of the loan is 6.25% per annum.

The above facilities are under the following terms and conditions :

- 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.
- Not to sell, transfer, grant, lease, lend, assign or otherwise dispose off or deal with any of the secured assets kept in its premises located in the SAIF Zone :
 - Except in the ordinary course of business,
 - Prior written consent of the lender or
 - Permitted under the Finance Documents.
- 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, Sharjah, the assets kept at its premises located in the SAIF Zone.
- 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, Sharjah, should not be disposed off.
- Concord Enviro FZE and Blue Waters Trading and Treatment FZE, Sharjah, should always ensure that the collateralisation rate is at all times be at least 130%.
- Concord Enviro FZE and Blue Waters Trading and Treatment FZE, Sharjah, 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.

19 BORROWINGS - CURRENT

	31.03.22	31.03.21
	AED	AED
Trust receipts - National Bank of Fujairah, Sharjah Global Climate Partnership Fund S.A., SICAV-SIF	1,036,761	1,357,691
Current maturities of long term borrowings	<u>4,404,000</u>	<u>-</u>
	<u>5,440,761</u>	<u>1,357,691</u>



19 BORROWINGS - CURRENT (Contd.)

The above facilities are secured by the following:

- * 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.
- * Joint and several personal guarantees of Mr. Suresh Kumar Bhatia, Mr. Prerak Goel and Mr. Ashish Singal (the "Guarantors").
- * Cross corporate guarantees between M/s Blue Water Trading & Treatment FZE and M/s Concord Enviro FZE (the "Guarantors").
- * Settlement cheque covering total facilities amount (less fixed deposit under pledge) drawn on National Bank of Fujairah, Sharjah, in favour of the bank.
- * Assignment of insurance policy in the name of M/s Blue Water Trading & Treatment FZE covering stocks for an amount of AED 8,200,000/- in favour of the bank.

20 OTHER CURRENT FINANCIAL LIABILITIES

	31.03.22	31.03.21
	AED	AED
Interest accrued but not due	325,585	214,450
	<u>325,585</u>	<u>214,450</u>

21 TRADE ACCOUNTS PAYABLES

	31.03.22	31.03.21
	AED	AED
Trade creditors	2,832,170	3,371,220
	<u>2,832,170</u>	<u>3,371,220</u>

The ageing of trade creditors is as follows:

Less than 3 months	2,242,658	3,234,566
3 to 6 months	240,961	25,997
More than 6 months	348,551	110,657
	<u>2,832,170</u>	<u>3,371,220</u>

22 OTHER CURRENT LIABILITIES

	31.03.22	31.03.21
	AED	AED
Advances received from customers	981,663	150,178
	<u>981,663</u>	<u>150,178</u>

23 OPERATING INCOME

	31.03.22	31.03.21
	AED	AED
Sales	42,368,912	57,718,966
	<u>42,368,912</u>	<u>57,718,966</u>



24 OTHER INCOME

	31.03.22	31.03.21
	AED	AED
Gain on foreign exchange	-	173,842
Dividend income	1,596,500	3,000,000
Net impairment (losses) / gain	2,617,739	1,790,599
	<u>4,214,239</u>	<u>4,964,441</u>

25 COST OF SALES

	31.03.22	31.03.21
	AED	AED
Material consumed	26,016,659	43,829,798
Direct expenses	387,373	1,751,152
	<u>26,404,032</u>	<u>45,580,950</u>

26 FINANCE COST

	31.03.22	31.03.21
	AED	AED
Others-Interest expense	-	186,951
Interest on secured borrowing	2,306,419	1,157,896
	<u>2,306,419</u>	<u>1,344,848</u>

27 EMPLOYEE BENEFITS

Salaries and wages	705,752	638,712
Staff welfare expenses	3,861	9,017
	<u>709,612</u>	<u>647,729</u>

28 DEPRECIATION EXPENSE

Depreciation of property, plant and equipment	793,569	863,028
Depreciation of right of use assets	1,360,300	485,197
Amortisation of intangible assets	389,304	392,205
	<u>2,543,173</u>	<u>1,740,429</u>

29 OTHER EXPENSES

Lease rent & license fees	274,367	1,687,056
Printing and stationery	188	665
Travelling expenses	65,646	135,306
Repairs & maintenance	15,237	38,852
Professional charges	1,319,626	1,910,732
Power and fuel	62,020	67,831
Consumables	634,500	334,066
Service charges	5,682,320	3,884,768
Freight, clearing and forwarding	1,474,998	341,930
Advertisement and sales promotion	36,979	163,054
Insurance charges	37,354	82,701
Bad debts written off	602,315	230,810
Bank charges and commission	101,485	115,820
Miscellaneous expenses	180,422	150,669
Net loss on foreign exchange	1,439,128	-
	<u>11,926,587</u>	<u>9,144,261</u>



30 RISK MANAGEMENT

Liquidity risk

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

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 five trade receivable balances represent 76% (previous year: 78.12%) of the total trade receivable balances outstanding.

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

Country	31.03.22	31.03.21
China	35.00%	1.22%
Nigeria	22.39%	12.77%
Kenya	17.62%	-
U.A.E.	0.00%	10.52%
Others	25.00%	75.49%

Interest rate risk

Loans & borrowings from banks and other institutions are at prevailing market rates. Other assets and liabilities of the Company as at the statement of financial position date are not interest based.

Exchange rate risk

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

Supplier concentration risk

As March 31, 2022 top five trade payable balances represent 92% (previous year: 75.2 %) of the total value of trade payable balances outstanding.

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

Country	31.03.22	31.03.21
UAE	75.95%	0.00%
Nigeria	14.20%	10.53%
Kenya	1.21%	4.79%
Others	8.64%	13.18%

31 FINANCE LEASE OBLIGATIONS

The finance lease liabilities are apportioned between future minimum lease payments and finance charges.

Period wise break-up for the future minimum lease payments and finance charges are as follows:

Period	Future minimum lease AED	Finance charges AED
Upto 1 year	1,807,164	760,642
1-6 years	4,815,802	1,886,907



32 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets, financial liabilities and equity instruments. Financial assets consist of inventory, due from related parties, accounts receivable balances, prepayment, deposits and other receivables, bank balances and cash. Financial liabilities consist of due to related parties, accounts payable balances, bank borrowings, staff end of service benefits, finance lease liability and accruals & other payable balances.

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

33 NUMBER OF PERSONNEL

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

34 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.

35 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.

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

37 GENERAL

- a) These audited statements of financial position are issued by the Management of the Company, covering the period from April 01, 2020 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.
- c) These are separate audited statements of financial position of the Company without consolidating the share of results and net assets and liabilities of the subsidiary companies.
- 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:

	Plant & machinery AED	Office equipments AED	Furniture & fixtures AED	Total AED
Cost				
As at April 01, 2021	7,206,209	110,119	29,570	7,345,898
Additions / Adjustment	<u>1,762,666</u>	<u>-</u>	<u>-</u>	<u>1,762,666</u>
As at March 31, 2022	<u>8,968,875</u>	<u>110,119</u>	<u>29,570</u>	<u>9,108,564</u>
Depreciation				
As at April 01, 2021	2,368,921	81,333	18,567	2,468,821
Charge for the year	<u>776,259</u>	<u>13,644</u>	<u>3,666</u>	<u>793,569</u>
As at March 31, 2022	<u>3,145,180</u>	<u>94,977</u>	<u>22,233</u>	<u>3,262,390</u>
Net Book Value				
As at March 31, 2022	<u><u>5,823,696</u></u>	<u><u>15,142</u></u>	<u><u>7,337</u></u>	<u><u>5,846,174</u></u>
As at March 31, 2021	<u><u>4,837,288</u></u>	<u><u>28,786</u></u>	<u><u>11,003</u></u>	<u><u>4,877,077</u></u>

