Concord Enviro (FZE)
Sharjah Airport International Free Zone
Sharjah - United Arab Emirates

Auditor's Report and Separate Financial Statements
For the year ended March 31, 2024

For identification purpose only
UHY James

Concord Enviro (FZE)
Sharjah Airport International Free Zone
Sharjah - United Arab Emirates

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Ref: JM/AR/2024/240455

Independent Auditor's Report

To,

The Shareholder
M/s. Concord Enviro (FZE)
Sharjah Airport International Free Zone
Sharjah - United Arab Emirates

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the accompanying separate financial statements of **M/s. Concord Enviro (FZE)** (the "Entity") which comprise the separate statement of financial position as at March 31, 2024 and the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity, separate statement of cash flows for the year then ended and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Entity as at March 31, 2024 and its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Separate Financial Statements* section of our report. We are independent of the Entity in accordance with the requirements of International Code of Ethics for Professional Accountants (including International Independence Standards), issued by International Ethics Standards Board for Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the separate 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 Matter

The financial statements of the Entity for the year ended March 31, 2023 which are shown as comparatives, were audited by another auditor who expressed an unmodified opinion on those statements on August 07, 2023.

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

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards (IFRSs) and their preparation in compliance with the requirements of applicable provisions of the Emiri Decree No. (2) of 1995 issued on May 08, 1995 and for such internal control as management determines is necessary to enable the preparation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

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Independent Auditor's Report to the Shareholder of Concord Enviro (FZE) (continued)

Auditor's Responsibilities for the Audit of the Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

1 We have obtained all the information and explanations which we consider necessary for our audit.

2 The separate financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Emiri Decree No. (2) of 1995 issued on May 08, 1995 and the Memorandum and Articles of Association of the Entity.

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Independent Auditor's Report to the Shareholder of Concord Enviro (FZE) (continued)

Report on Other Legal and Regulatory Requirements (continued)

3 Proper books of accounts have been maintained by the Entity.

4 Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Entity has contravened, during the financial year ended March 31, 2024 any of the applicable provisions of the Emiri Decree No. (2) of 1995 issued on May 08, 1995 or the Memorandum and Articles of Association of the Entity, which would materially affect its activities or its separate financial position as at March 31, 2024.

For UHY James Chartered Accountants

James Mathew FCA, CPA
Managing Partner
Reg. No. 548
July 18, 2024
Dubai - United Arab Emirates

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DUBAI - U.A.E.
UHY JAMES CHARTERED ACCOUNTANTS

Concord Enviro (FZE)
Sharjah Airport International Free Zone
Sharjah - United Arab Emirates

Separate statement of financial position as at March 31, 2024
(In Arab Emirates Dirham)

	Notes	2024	2023
Assets			
Non-current assets			
Property, plant and equipment	7	**3,971,757**	5,129,056
Intangible assets	8	**12,008,521**	11,982,560
Right of-use-assets	9	-	5,809,846
Investment in subsidiaries	10	**2,389,980**	2,389,980
Investment in joint ventures	11	**15,429,579**	13,934,173
Other financial assets	12	**111,868**	453,468
Other non-current assets	13	**3,311,312**	1,394,868
Total non-current assets		**37,223,017**	41,093,951
Current assets			
Inventories	14	**21,171,294**	10,603,795
Accounts receivable	15	**32,812,944**	5,597,472
Contract assets		**8,361,987**	-
Cash and bank balances	16	**1,511,117**	687,391
Other bank deposits	17	**2,088,153**	-
Advances, deposits and other receivables	18	**9,682,456**	3,809,707
Other financial assets	19	**553,203**	739,141
Total current assets		**76,181,154**	21,437,506
Total assets		**113,404,171**	62,531,457
Equity and liabilities			
Equity			
Share capital	20	**150,000**	150,000
Retained earnings	21	**66,539,373**	29,321,767
Total equity		**66,689,373**	29,471,767
Non-current liabilities			
Borrowings	22	**8,808,000**	13,212,000
Lease liabilities	23	-	5,821,619
Employee's end of service benefits	24	**130,119**	-
Total non-current liabilities		**8,938,119**	19,033,619
Current liabilities			
Borrowings	22	**15,777,766**	7,726,232
Accounts and other payables	25	**21,998,913**	5,169,012
Lease liabilities	23	-	1,130,827
Total current liabilities		**37,776,679**	14,026,071
Total liabilities		**46,714,798**	33,059,690
Total equity and liabilities		**113,404,171**	62,531,457

The accompanying notes from page 8 to 32 form an integral part of these separate financial statements.

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

The separate financial statements on pages 4 to 32 were approved on July 18, 2024 and signed on behalf of the Entity, by:

P.O. Box: 120949 Sharjah - U.A.E. CONCORD ENVIRO (FZE)

Mr. Ashish Singal
Manager

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Concord Enviro (FZE)
Sharjah Airport International Free Zone
Sharjah - United Arab Emirates

Separate statement of profit or loss and other comprehensive income for the year ended March 31, 2024
(In Arab Emirates Dirham)

	Notes	2024	2023
Revenue	27	**84,368,124**	43,399,890
Other income	28	**32,331,510**	389,206
Total income		**116,699,634**	43,789,096
Expenses			
Cost of raw material consumed	29 (i)	**(63,514,379)**	(31,856,806)
Service charges	29 (ii)	**(3,257,816)**	(1,910,111)
Increase/(Decrease) in inventories of finished goods	29 (iii)	**1,423,566**	1,927,391
Employee benefits expenses	30	**(2,915,359)**	(1,380,489)
Finance costs	31	**(2,500,875)**	(2,475,885)
Depreciation and amortisation expense	32	**(2,470,922)**	(2,524,822)
Other expenses	33	**(6,246,243)**	(9,887,347)
Total expenses		**(79,482,028)**	(48,108,069)
Profit/(loss) for the year		**37,217,606**	(4,318,973)
Other comprehensive income		**-**	-
Total comprehensive income/(loss) for the year		**37,217,606**	(4,318,973)

The accompanying notes from page 8 to 30 form an integral part of these separate financial statements.

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Concord Enviro (FZE)
Sharjah Airport International Free Zone
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Separate statement of changes in equity for the year ended March 31, 2024
(In Arab Emirates Dirham)

	Share capital	Retained earnings	Total equity
Balance as at April 01, 2022	150,000	33,640,740	33,790,740
(Loss) for the year	-	(4,318,973)	(4,318,973)
Balance as at March 31, 2023	150,000	29,321,767	29,471,767
Profit for the year	-	**37,217,606**	**37,217,606**
Balance as at March 31, 2024	**150,000**	**66,539,373**	**66,689,373**

The accompanying notes from page 8 to 32 form an integral part of these separate financial statements

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

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Concord Enviro (FZE)
Sharjah Airport International Free Zone
Sharjah - United Arab Emirates

Separate statement of cash flows for the year ended March 31, 2024
(In Arab Emirates Dirham)

	2024	2023
Cash flows from operating activities		
Profit/(loss) for the year	**37,217,606**	(4,318,973)
Adjustments for:		
Depreciation on property, plant and equipment	**1,285,937**	802,630
(Reversal) of allowance for expected credit loss	**(479,415)**	(385,712)
(Gain) on derecognition of lease	**(1,099,297)**	-
Depreciation of right-of-use assets	**659,846**	1,360,300
Interest on lease liabilities	**447,465**	1,036,551
Bad debts written off	**1,128,339**	4,194,319
Amortisation of intangible assets	**525,139**	361,892
Gratuity	**130,119**	-
Operating profit before changes in operating assets and liabilities	**39,815,739**	3,051,007
(Increase)/decrease in current assets		
Inventories	**(10,567,499)**	(4,692,027)
Accounts receivable	**(27,864,396)**	1,975,222
Contract assets	**(8,361,987)**	-
Advances, deposits and other receivables	**(5,872,749)**	450,108
Other financial assets	**185,938**	(739,141)
(Increase)/decrease in non-current assets		
Other financial assets	**341,600**	(24,107)
Other non-current assets	**(1,916,444)**	12,698,390
Increase/(decrease) in current liabilities		
Accounts and other payables	**16,829,901**	1,029,599
Net cash from operating activities	**2,590,103**	13,749,051
Cash flows from investing activities		
Acquisition of property, plant and equipment	**(128,638)**	(85,517)
Increase in other bank deposits	**(2,088,153)**	-
Derecognition of right-of-use assets	**5,809,846**	-
Acquisition of intangible assets	**(551,100)**	-
Investment in joint ventures	**(1,495,406)**	(13,859,173)
Net cash from/(used in) investing activities	**1,546,549**	(13,944,690)
Cash flows from financing activities		
(Repayment) of secured borrowings	**(4,404,000)**	(4,404,000)
Short-term borrowings obtained	**8,051,534**	2,285,471
(Repayment) of lease liabilities	**(711,163)**	(2,277,012)
De-recognition of lease liabilities	**(6,249,297)**	-
Net cash (used in) financing activities	**(3,312,926)**	(4,395,541)
Net increase/(decrease) in cash and cash equivalents	**823,726**	(4,591,180)
Cash and cash equivalents, beginning of the year	**687,391**	5,278,571
Cash and cash equivalents, end of the year (note 16)	**1,511,117**	687,391

The accompanying notes from page 8 to 30 form an integral part of these separate financial statements.
The report of the auditor is set out on pages 1 to 3.

1 Legal status and business activities

1.1 **M/s. Concord Enviro (FZE)**, Sharjah Airport International Free Zone, Sharjah - United Arab Emirates (the "Entity") was registered on November 25, 2009 as a free zone establishment with limited liability and operates in the United Arab Emirates under Commercial license no. 07601 and Industrial license no. 14072 issued by Sharjah Airport International Free Zone, Government of Sharjah, Sharjah - United Arab Emirates .

1.2 The Entity is licensed to engage in activities of manufacturing, assembling & testing of water filter plants.

1.3 The registered office of the Entity is located at 600,M2 Warehouse, P6-037, P.O Box: 120940, Sharjah - United Arab Emirates.

1.4 The management and control of the Entity is vested with Manager, Mr. Ashish Singal (Indian national).

2 Income and deferred tax

On December 09, 2022, the U.A.E. Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal Corporate Tax (CT) regime in the U.A.E. The CT regime is effective from June 01, 2023 and accordingly, it has an income tax related impact on the separate financial statements for accounting periods beginning on or after June 01, 2023.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% CT rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 — Income Taxes. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000, and a rate of 0% will apply on qualifying income of qualifying free zone entities. Subject to meeting certain conditions to be considered a Qualifying FZ Person ("QFZP"), the Entity may be subject to U.A.E. CT at (i) 0% on Qualifying Income, and (ii) 9% on taxable income that is not Qualifying Income.

The Entity will be subject to CT commencing April 01, 2024.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3 New standards and amendments

3.1 New standards and amendments applicable as on April 01, 2023

The following standards and amendments apply for the first time to the financial reporting periods commencing on or after April 01, 2023.

- IFRS 17 - *Insurance Contracts* (Including the June 2020 and December 2021 amendments)
- Deferred Tax related to Assets and Liabilities arising from Single Transaction - Amendments to IAS 12, *Income Taxes*
- International Tax Reform (Pillar Two Model Rules) - Amendments to IAS 12, *Income Taxes*

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3 New standards and amendments (continued)

3.1 New standards and amendments applicable as on April 01, 2023 (continued)

- Disclosure of Accounting Policies - Amendments to IAS 1, *Presentation of Financial Statements and IFRS Practice Statement 2*
- Definition of Accounting Estimates - Amendments to IAS 8, *Accounting policies, Changes in Accounting Estimates and Errors*

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

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

The following standards and interpretations had been issued but not yet mandatory for annual reporting periods ending March 31, 2024.

Description	**Effective for annual periods beginning on or after**
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	April 01, 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	April 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures*	April 01, 2024
IFRS 16 - *Leases* (Amendment - Liability in a Sale and Leaseback)	April 01, 2024
Classification of Liabilities as Current or Non-Current - Amendments to IAS 1, *Presentation of Financial Statements*	April 01, 2024
Non Current Liabilities with Covenants - Amendments to IAS 1, *Presentation of Financial Statements*	April 01, 2024

Management anticipates that these new standards, interpretations and amendments will be adopted in the separate financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the separate financial statements in the period of initial application.

4 Statement of compliance

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

5 Basis of preparation

The separate financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values, as explained in the accounting policies as follows.

The investment in subsidiaries have been separately accounted at cost in the separate financial statements in accordance with IAS 27 ("Separate Financial Statements"). The Entity avails exemption to consolidate the subsidiary in accordance with IFRS 10 ("Consolidated Financial Statements") since the Parent Entity prepares consolidated financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for assets or goods or services.

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

6 Significant accounting policies

6.1 Current/non-current classification

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

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

All other assets are classified as non-current.

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

The Entity classifies all other liabilities as non-current.

6.2 Fair value measurement

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

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

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

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

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

6.3 Foreign currency

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

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

6.4 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition.

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 Entity and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the separate statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

6 Significant accounting policies (continued)

6.4 Property, plant and equipment (continued)

Depreciation on the property, plant and equipment is provided on written down value basis over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013 or useful life as determined based on internal technical evaluation. The estimated useful lives are as under:

	Years
Plant and machinery	3 - 15
Office equipment	2 - 5
Furniture and fixtures	2 - 5

When part of an item of property, plant and equipment have different useful lives, they are accounted for separately.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the separate statement of profit or loss and other comprehensive income.

6.5 Leases

The Entity assesses at the inception of a contract, whether the contract is or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Entity assesses whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Entity.
- the Entity has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Entity has the right to direct the use of the identified asset throughout the period of use. The Entity assesses whether it has the right to direct how and for what purpose the asset is used throughout the period of use.

6.5.1 Entity as lessee

The Entity applies a single recognition and measurement approach for all leases whereby right-of-use assets and lease liabilities are recognized except for the short-term leases and leases of low-value assets.

Right-of-use assets

The Entity recognizes right-of-use assets at the lease commencement date i.e. the date on which the assets are available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of assets comprise the amount of initial lease liabilities recognised, initial direct costs incurred, an estimate of any costs to dismantle and remove the asset at the end of the lease, and lease payments made at or before the commencement date less any lease incentives received. In addition, the Entity also assesses the right-of-use asset for impairment when such indicators exist.

Depreciation is spread over the shorter of lease term and the estimated useful lives of the assets using straight-line method. The shorter of lease term and the estimated useful lives of the right-of-use assets have been listed below:

6 Significant accounting policies (continued)

6.5 Leases (continued)

6.5.1 Entity as lessee (continued)

	Years
Plant and machinery	5

If ownership of the leased asset transfers to the Entity at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

At the commencement date, the Entity measures lease liabilities at present value of the lease payments that are not paid at that date. The lease payments include fixed payments less any lease incentives receivable, variable lease payments, amount expected to be paid as guaranteed residual value, the exercise price of a purchase option if the Entity is reasonably certain to exercise that option and payments of penalties for terminating the lease. The Entity uses its incremental borrowing rate if interest rate implicit in the lease is not readily determinable, to measure the present value of lease payments.

Subsequent to initial measurement, the Entity remeasures lease by increasing the carrying amount to reflect interest on the lease liabilities and reducing the carrying amount to reflect the lease payments made. In addition, the carrying amount is remeasured if there are modification in lease contracts or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets

The Entity elects not to recognize right-of-use assets and lease liability for short term lease contracts (i.e. lease period less than or equal to 12 months from the date of commencement) and for low value assets. The Entity recognises payments associated with these leases as an expense on a straight-line basis over the lease term.

6.6 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a written-down value basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Product development cost

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the written down value method to allocate the cost of product development cost over their estimated useful lives of 7 years.

Trademark and brand

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

6.7 Impairment of tangible and intangible assets

At the end of each reporting period, the Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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6 Significant accounting policies (continued)

6.7 Impairment of tangible and intangible assets (continued)

Where it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing 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 the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the separate statement of profit or loss and other comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount. The reversal of impairment loss is limited so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the separate statement of profit or loss and other comprehensive income.

6.8 Investment in subsidiaries

The investment in subsidiaries are accounted for using cost model under IAS 27 "Separate Financial Statements".

6.9 Investment in joint ventures

A joint venture is joint arrangement whereby the parties have joint control of the arrangement, have right to the net assets of the joint arrangements. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities required unanimous consent of the parties sharing control.

Investment in joint ventures are recognized at cost in these separate financial statements and measurement of cost includes the acquisition cost and any directly attributable transaction costs. Subsequent to initial recognition, investment in joint venture recognized at cost are carried at cost less any impairment losses recognized. No adjustments are made to the carrying amount of the investment to reflect changes in the joint venture's profit or loss, other comprehensive income, or equity.

At the end of each reporting period, the carrying amount of investments in joint venture recognized at cost is assessed for impairment. If there is objective evidence of impairment, the carrying amount of the investment is reduced to its recoverable amount, which is higher of its fair value less costs to sell and its value in use.

6.10 Financial instruments

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

6.10.1 Financial assets

Classification

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

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

- those to be measured at amortised cost.

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

6 Significant accounting policies (continued)

6.10 Financial instruments (continued)

6.10.1 Financial assets (continued)

Measurement

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

Financial assets comprise of cash and cash equivalents and accounts receivable.

Cash and cash equivalents

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

Accounts receivable

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

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

Impairment of financial assets

For accounts receivable, the Entity applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets

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

6.10.2 Financial liabilities

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

Accounts and other payables

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

6 Significant accounting policies (continued)

6.10 Financial instruments (continued)

6.10.2 Financial liabilities (continued)

Borrowings

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

Derecognition of financial liabilities

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

6.11 Offsetting financial instruments

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

6.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average basis. Cost of inventories comprises of costs of purchase, and where applicable cost of conversion and other costs that has been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

6.13 Provisions

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

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

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

6.14 Contract assets

The contract assets are recognised for revenue based on the percentage of completion of a contract and the actual amount certified by the contract employer represented by payment certificates. Upon completion and acceptance by the contract employer, the amounts recognised as contract assets are reclassified to contract receivables.

6.15 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Entity expects to be entitled in exchange for those goods or services.

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6 Significant accounting policies (continued)

6.15 Revenue recognition (continued)

Sale of goods

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

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

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

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

Rendering of services

Revenue from the services contracts in the normal course of business is recognised over time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation.

The transaction price is the amount of consideration to which the Entity expects to be entitled in exchange for transferring promised services to the customer. The consideration expected by the Entity may include fixed or variable amounts which can be impacted by refunds, penalties and others. Revenue for the transfer of services is recognized when control is transferred to the customer and only when it is highly probable that a significant reversal of revenue will not occur when uncertainties related to a variable consideration are resolved. Revenue is recorded net of Value Added Tax (VAT).

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

i) the customer simultaneously receives and consumes the benefits provided by the Entity's performance as the Entity performs.

ii) the Entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced

iii) the Entity's performance does not create an asset with an alternative use to the Entity and the Entity has an enforceable right to payment for performance completed to date.

6.16 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Entity's accounting policies, which are described in policy notes, the management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

6 Significant accounting policies (continued)

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Critical judgements in applying accounting policies

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

Determining the timing of satisfaction of performance obligations - revenue recognition

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

Key sources of estimation uncertainty

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

Net realisable value of inventories

Inventories are stated at the lower of cost or net realizable value. Adjustments to reduce the cost of inventory to its realizable value, if required, are made for estimated obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, product pricing, physical deterioration and quality issues.

Useful lives of property, plant and equipment

Property, plant and equipment are depreciated over their estimated useful lives, which are based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

Impairment of financial assets

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

Incremental borrowing rate for leases

The Entity uses incremental borrowing rate to measure lease liabilities if interest rate implicit in the lease is not readily determinable. Incremental borrowing rate represents the rate of interest that Entity would have to pay on funds necessary to obtain a similar asset, on similar term, with a similar security in a similar economic environment. The management estimates incremental borrowing rate using observable inputs and Entity specific estimates.

6 Significant accounting policies (continued)

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

Key sources of estimation uncertainty (continued)

Impairment of non-financial assets (tangible, intangible and right of-use-asset)

The Entity 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 Entity 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 disposal cost, 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.

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 changes prospectively basis revised estimates.

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7 Property, plant and equipment

	Plant and machinery	Office equipment	Furniture and fixtures	Total
Cost				
As at April 01, 2022	8,968,875	110,119	29,570	9,108,564
Additions during the year	76,182	9,335	-	85,517
Disposals during the year	-	-	(5)	(5)
As at March 31, 2023	9,045,057	119,454	29,565	9,194,076
Additions during the year	**93,787**	**34,851**	-	**128,638**
As at March 31, 2024	**9,138,844**	**154,305**	**29,565**	**9,322,714**
Accumulated depreciation				
As at April 01, 2022	3,145,180	94,977	22,233	3,262,390
Charge for the year (note 32)	788,363	10,602	3,665	802,630
As at March 31, 2023	3,933,543	105,579	25,898	4,065,020
Charge for the year (note 32)	**1,266,140**	**17,014**	**2,783**	**1,285,937**
As at March 31, 2024	**5,199,683**	**122,593**	**28,681**	**5,350,957**
Carrying value as at March 31, 2024	**3,939,161**	**31,712**	**884**	**3,971,757**
Carrying value as at March 31, 2023	5,111,514	13,875	3,667	5,129,056

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8 Intangible assets

	Product development cost	Trademark and brand gross block (Rochem brand)	Other intangible assets	Total
Cost				
As at April 01, 2022	2,012,334	11,113,628	-	13,125,962
As at March 31, 2023	2,012,334	11,113,628	-	13,125,962
Additions during the year	-	-	**551,100**	**551,100**
As at March 31, 2024	**2,012,334**	**11,113,628**	**551,100**	**13,677,062**
Amortisation				
As at April 01, 2022	781,510	-	-	781,510
Charge for the year (note 32)	361,892	-	-	361,892
As at March 31, 2023	1,143,402	-	-	1,143,402
Charge for the year (note 32)	**310,876**	-	**214,263**	**525,139**
As at March 31, 2024	**1,454,278**	-	**214,263**	**1,668,541**
Carrying value as at March 31, 2024	**558,056**	**11,113,628**	**336,837**	**12,008,521**
Carrying value as at March 31, 2023	868,932	11,113,628	-	11,982,560

The Parent Entity has acquired the trademark and brand (Rochem brand) on June 29, 2021. This was acquired from Rochem GmbH which has given world-wide rights to the Entity to use the Rochem Brand name. There are no legal or contractual restrictions and there is no foreseeable limit to the use of the brand.

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		2024	2023
9	**Right of-use-assets**		
	Cost		
	Balance at the beginning of the year	**9,415,530**	9,415,530
	Derecognition of right-of-use assets (*)	**(9,415,530)**	-
	Balance at the end of the year	**-**	9,415,530
	Accumulated depreciation		
	Balance at the beginning of the year	**3,605,684**	2,245,384
	Charge for the year (note 32)	**659,846**	1,360,300
	Derecognition of right-of-use assets	**(4,265,530)**	-
	Balance at the end of the year	**-**	3,605,684
	Carrying value as at the end of the year	**-**	5,809,846

(*) In the current reporting period, the Entity has terminated lease contracts for two plants as the result of the management strategic decision to discontinue the long-term leases. The early termination resulted in a gain of AED 1,099,297 (refer note 26) which is the net effect of the derecognition of the carrying amount of right-of-use asset as at the termination date i.e. September 30, 2023 of AED 5,150,000 and derecognition of the corresponding lease liabilities of AED 6,249,297 (note 23). No penalties were levied by the lessor due to early termination of lease, as agreed in the lease agreement.

10	**Investment in subsidiaries**	**Percentage of ownership interest**		**2024**	2023
		2024	2023		
	M/s. Blue Water Trading & Treatment (FZE), SAIF Zone, Sharjah	**100%**	100%	**2,375,100**	2,375,100
	M/s. Concord Enviro SA DE CV, Mexico	**100%**	100%	**14,880**	14,880
				2,389,980	2,389,980

The principal activity of M/s. Blue Water Trading & Treatment (FZE), SAIF Zone, Sharjah is manufacturing of water filters and trading in water treatment equipment and that of M/s Concord Enviro Mexico S.A De C.V, Mexico is to support the marketing activities of the Parent Entity.

The investment in subsidiaries have been separately accounted at cost in the separate financial statements in accordance with IAS 27 ("Separate Financial Statements"). The Entity avails exemption to consolidate the subsidiary in accordance with IFRS 10 ("Consolidated Financial Statements") since the Parent Entity prepares consolidated financial statements.

11	**Investment in joint ventures**	**Percentage of ownership interest**		**2024**	2023
		2024	2023		
	M/s. WHE Systems FZC, Saif Zone, Sharjah- investment in capital	**50%**	50%	**75,000**	75,000
	M/s. WHE Systems FZC, Saif Zone, Sharjah- Other non-current investments	**50%**	50%	**15,354,579**	13,859,173
				15,429,579	13,934,173

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		2024	2023
12	**Other financial assets - non-current**		
	Security deposits	**111,868**	453,468
13	**Other non-current assets**		
	Capital advances to other than related parties	**1,476,312**	1,394,868
	Other advances	**1,835,000**	-
		3,311,312	1,394,868
14	**Inventories**		
	Raw materials	**16,217,970**	7,074,037
	Finished goods	**4,953,324**	3,529,758
		21,171,294	10,603,795
15	**Accounts receivable**		
	Due from third parties	**30,700,772**	6,141,427
	Due from related parties (note 26)	**2,214,713**	38,001
	Less: Allowance for expected credit loss	**(102,541)**	(581,956)
		32,812,944	5,597,472

The average credit period for the accounts receivable is 90 days (2023: 90 days). Provisions are based on the estimated irrecoverable amounts determined by reference to past default experience.

Of the total due from third parties as at March 31, 2024, the 5 customers (2023: 5 customers) represents 94% (2023: 78%) of the total accounts receivable.

	2024	2023
Ageing of accounts receivable that are neither past nor due:		
Not due	**31,636,344**	4,740,981
Ageing of accounts receivable that are past due:		
0 - 90 days	**1,041,999**	194,884
91 - 180 days	**221,154**	137,811
181 - 270 days	**15,987**	14,229
271 - 360 days	**-**	709,292
361 days and above	**-**	382,231
	32,915,484	6,179,428

Impairment of accounts receivable (third parties):

The Entity applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all accounts receivable. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due. In determining the impairment loss on accounts receivable, the Entity does not consider any changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The management has established a provision matrix that is based on its historic credit loss experience, adjusted for forward-looking information specific to the debtor and the overall economic environment.

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		2024	2023
15	**Accounts receivable (continued)**		
	Expected credit loss rate	**0.33%**	9.48%
	Estimated total gross carrying amount at default	**30,700,772**	6,141,427
	Amounts not past due	**31,636,344**	4,740,981
	Lifetime expected credit loss	**102,541**	581,956
	Net carrying amount	**32,812,944**	5,597,472
	The movements in the allowance for expected credit loss as at reporting date are as follows:		
	Balance at the beginning of the year	**581,956**	899,998
	Charge during the year	**-**	67,670
	(Reversal) during the year (note 28)	**(479,415)**	(385,712)
	Balance at the end of the year	**102,541**	581,956
	Geographical analysis:		
	The geographical analysis of accounts receivable are as follows:		
	Within U.A.E.	**-**	297,419
	India	**2,214,713**	142,371
	Others	**30,700,771**	5,739,638
		32,915,484	6,179,428
16	**Cash and bank balances**		
	Cash in hand	**5,709**	1,571
	Cash at banks	**1,505,408**	685,820
		1,511,117	687,391

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

		2024	2023
17	**Other bank deposits**		
	Margin deposits*	**2,088,153**	-

*The margin deposits are under lien against bank facilities (note 22).

		2024	2023
18	**Advances, deposits and other receivables**		
	Advance paid to suppliers	**9,098,860**	2,539,006
	Advance paid to related party	**-**	399,858
	Prepayments	**417,777**	764,725
	VAT receivable	**165,819**	106,118
		9,682,456	3,809,707
19	**Other financial assets**		
	Security deposits	**553,203**	739,141

20 Share capital

Authorised, issued and paid up capital of the Entity is one share of AED 150,000 fully paid.

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

20 Share capital (continued)

Name of shareholder	Domicile	Percentage	No. of share	2024	2023
M/s. Concord Enviro Systems Limited	India	100	1	**150,000**	150,000

	2024	2023
21 Retained earnings		
Balance at the beginning of the year	**29,321,767**	33,640,740
Profit/(loss) for the year	**37,217,606**	(4,318,973)
Balance at the end of the year	**66,539,373**	29,321,767

22 Borrowings

(a) Due to banks

Trust receipts	**10,456,266**	3,322,232
Working capital demand loan	**917,500**	-
	11,373,766	3,322,232

Due to banks have following covenants and securities:

i) Pledge over fixed deposit of AED 2,112,887 in the name of M/s. Blue Water Trading & Treatment (FZE), in favour of National Bank of Fujairah - Sharjah.

ii) Joint and several personal guarantees of Mr. Prerak Goel and Mr. Ashish Singal (the "Guarantors").

iii) Cross corporate guarantees between M/s Blue Water Trading & Treatment (FZE) and M/s Concord Enviro (FZE) (the "Guarantors").

iv) Settlement cheque covering total facilities amount (less fixed deposit under pledge) drawn on National Bank of Fujairah - Sharjah.

v) Assignment of insurance policy in the name of M/s Blue Water Trading & Treatment FZE covering stocks for an amount of AED 14,500,000 in favour of National Bank of Fujairah - Sharjah.

vi) Pledge over margin deposits, in favour of National Bank of Fujairah - Sharjah (note 17).

(b) Term loan

Balance at the beginning of the year	**17,616,000**	22,020,000
Repaid during the year	**(4,404,000)**	(4,404,000)
Balance at the end of the year	**13,212,000**	17,616,000

The above mentioned term loan from 'Global Climate Partnership Fund S.A., SICA V-SIF' is repayable by 15 December 15, 2026. The interest rate of the loan is 6.25% p.a.

Comprising:

Current portion	**4,404,000**	4,404,000
Non-current portion	**8,808,000**	13,212,000
	13,212,000	17,616,000

The above term loan are secured by the following:

1 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.

22 Borrowings (continued)

2 Not 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; and

3 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 the Entity, the assets kept at its premises located in SAIF Zone.

4 Without prior consent of the Global Climate Partnership Fund S.A., SICAV-SIF, any interest in the share capital of M/s. Blue Waters Trading & Treatment (FZE) - Sharjah, should not be disposed off.

5 M/s. Concord Enviro (FZE) and M/s. Blue Waters Trading & Treatment (FZE) - Sharjah, should always ensure that the collateralisation rate is at all times at least 130%.

6 M/s. Concord Enviro (FZE) and M/s. Blue Waters Trading & 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.

23 Lease liabilities

	2024	2023
Balance at the beginning of the year	**6,952,445**	8,192,907
Interest on lease liabilities	**447,465**	1,036,551
Payment made during the year	**(1,150,613)**	(2,277,012)
Derecognition of lease liabilities	**(6,249,297)**	-
	-	6,952,445
Comprising:		
Current portion	-	1,130,827
Non-current portion	-	5,821,619
	-	6,952,446

Maturity profile of lease payments:

March 31, 2023	Within 1 year	1 to 5 years	More than 5 years	Total
Lease liabilities	1,130,827	5,821,619	-	6,952,446

Amounts recognised in the separate statement of profit or loss:	For the year ended March 31, 2024	2023
Interest on lease liabilities (note 31)	**447,465**	1,036,551
Depreciation expense (notes 9 & 32)	**659,846**	1,360,300
Gain on derecognition of lease (note 28)	**(1,099,297)**	-
Net impact for the year	**8,014**	2,396,851
Amounts recognised in the separate statement of cash flows:		
Total cash outflows for leases	**1,150,613**	2,277,012

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		2024	2023
24	**Employee's end of service benefits**		
	Add: Charge for the year	**130,119**	-
	Balance at the end of the year	**130,119**	-
25	**Accounts and other payables**		
	Accounts payable	**8,362,102**	3,493,152
	Due to related parties (note 26)	**13,000,648**	1,186,728
	Other payables	**243,496**	143,194
	Interest accrued but not due	**245,431**	324,184
	Security deposit from customer	**14,250**	14,250
	Advances received from customers	**132,986**	7,504
		21,998,913	5,169,012

26 Related party balances and transactions

The Entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related Party Disclosures. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as other charges, if applicable.

		2024	2023
a)	**Due from related parties**		
	From Shareholder		
	M/s. Concord Enviro Systems Limited - India (note 15)	**2,214,713**	-
	Entities under common management and control:		
	M/s. Rochem Separations Systems (India) Private Limited	-	399,858
	M/s. Roserve Enviro FZE	-	38,001
		2,214,713	437,859
b)	**Due to related parties**		
	From Shareholder		
	M/s. Concord Enviro Systems Limited, India	**621,426**	142,605
	From Subsidiary		
	M/s. Blue Water Trading & Treatment (FZE)	**650,000**	1,044,123
	Entities under common management and control:		
	M/s. Rochem Separations Systems (India) Private Limited	**11,374,222**	-
	M/s. Roserve Enviro FZE	**355,000**	-
		13,000,648	1,186,728

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26 Related party balances and transactions (continued)

c) Transactions with related parties

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

	For the year ended March 31,	
	2024	2023
Shareholder		
Sale of goods and services	**14,439,527**	-
Entities under common management and control		
Sale of goods and services	**-**	4,078,060
Purchase of goods	**26,001,717**	18,817,084
Interest on lease liabilities	**447,465**	1,036,551
Lease rent and license fees	**1,893,741**	1,231,515
Other borrowing charges	**144,528**	-
Insurance expenses	**43,989**	-
Travelling expenses	**13,272**	-
Service charges expenses	**1,225,684**	-
Subsidiaries		
Sale of goods and services	**10,755,848**	5,504,247
Dividend income	**30,547,000**	-
Purchase of goods	**17,601,748**	3,790,754
Service charges expenses	**2,850,000**	-

27 Revenue

	For the year ended March 31,	
	2024	2023
Revenue from contracts with customers	**84,368,124**	43,399,890

27.1 Disaggregated revenue information

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

Segments		
Sale of goods	**77,234,755**	34,905,367
Sales of services	**7,133,369**	8,494,523
Total revenue from contracts with customers	**84,368,124**	43,399,890
Geographical markets		
Within U.A.E	**5,624,655**	12,924,878
India	**15,002,916**	1,933,682
Others	**63,740,553**	28,541,330
Total revenue from contracts with customers	**84,368,124**	43,399,890
Timing of revenue recognition		
Goods/services transferred at a point in time	**30,896,074**	24,477,410
Goods/services rendered over a period of time	**53,472,050**	18,922,480
Total revenue from contracts with customers	**84,368,124**	43,399,890

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Concord Enviro (FZE)
Sharjah Airport International Free Zone
Sharjah - United Arab Emirates

Notes to the separate financial statements for the year ended March 31, 2024
(In Arab Emirates Dirham)

		For the year ended March 31,	
		2024	2023
28	**Other income**		
	Dividend income	**30,547,000**	-
	Gain on derecognition of lease (note 9)	**1,099,297**	-
	Interest income	**1,957**	-
	Liabilities written back	**203,841**	3,494
	Reversal of allowance for expected credit loss (note 15)	**479,415**	385,712
		32,331,510	389,206
29 (i)	**Cost of raw material consumed**		
	Inventories at the beginning of the year	**7,074,037**	4,309,401
	Purchases	**70,438,307**	33,954,008
	Direct expenses	**2,220,005**	667,434
	Less: Inventories at the end of the year (note 14)	**(16,217,970)**	(7,074,037)
		63,514,379	31,856,806
29 (ii)	**Service charges**		
	Service charges (*)	**3,257,816**	1,910,111

* From current year, the subsidiary (M/s. Blue Water Trading & Treatment (FZE), SAIF Zone - Sharjah) has started recharging the cost related to employee benefit, legal and professional fees, rent, power and water charges, advertisement and sales promotion expenses, telephone and communicated expenses and insurance expenses, to the Entity.

		2024	2023
29 (iii)	**Increase in inventories of finished goods**		
	Inventories at the beginning of the year	**3,529,758**	1,602,367
	Less: Inventories at the end of the year (note 14)	**(4,953,324)**	(3,529,758)
		(1,423,566)	(1,927,391)
30	**Employee's end of service benefits**		
	Salaries and other related benefits	**2,596,126**	1,366,966
	Staff welfare expenses	**189,114**	13,523
	Gratuity	**130,119**	-
		2,915,359	1,380,489
31	**Finance costs**		
	Interest on secured borrowings	**967,580**	1,244,359
	Interest on short-term borrowings	**594,362**	82,140
	Interest on lease liabilities (note 23)	**447,465**	1,036,551
	Other borrowing charges	**491,468**	112,835
		2,500,875	2,475,885
32	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment (note 7)	**1,285,937**	802,630
	Depreciation of right-of-use assets (note 9)	**659,846**	1,360,300
	Amortisation of intangible assets (note 8)	**525,139**	361,892
		2,470,922	2,524,822

	For the year ended March 31,	
	2024	2023
33 Other expenses		
Lease rent & license fees	**1,377,254**	581,945
Bad debts written off	**1,128,339**	4,194,319
Freight, clearing and forwarding	**994,890**	1,094,675
Professional charges	**897,870**	1,214,244
Consumables	**403,867**	696,465
Travelling expenses	**531,804**	94,190
Bank charges and commission	**184,954**	112,965
Advertisement and sales promotion	**177,916**	31,121
Repairs & maintenance	**121,609**	32,447
Insurance charges	**89,753**	1,407,958
Net loss on foreign exchange	**63,780**	112,103
Power and fuel	**41,151**	49,762
Auditors' remuneration	**41,000**	29,700
Miscellaneous expenses	**183,792**	234,698
Printing and stationery	**8,264**	755
	6,246,243	9,887,347

34 Financial instruments

a) Significant accounting policies

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

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

	As at March 31,		As at March 31,	
	2024	2023	**2024**	2023
Financial assets	**Carrying amount**		**Fair value**	
Accounts receivable	**32,812,944**	5,597,472	**32,812,944**	5,597,472
Contract assets	**8,361,987**	-	**8,361,987**	-
Other non-current financial assets	**111,868**	453,468	**111,868**	453,468
Other bank deposits	**2,088,153**	-	**2,088,153**	-
Other financial assets (current)	**553,203**	739,141	**553,203**	739,141
Cash and bank balances	**1,511,117**	687,391	**1,511,117**	687,391
	45,439,272	7,477,472	**45,439,272**	7,477,472
Financial Liabilities				
Accounts and other payables	**21,998,913**	5,169,012	**21,998,913**	5,169,012
Lease liabilities (current)	**-**	1,130,827	**-**	1,130,827
Lease liabilities (non-current)	**-**	5,821,619	**-**	5,821,619
Borrowings (current)	**15,777,766**	7,726,232	**15,777,766**	7,726,232
Borrowings (non-current)	**8,808,000**	13,212,000	**8,808,000**	13,212,000
	46,584,679	33,059,690	**46,584,679**	33,059,690

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34 Financial instruments (continued)

b) Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis (continued)

Financial instruments comprise of financial assets and financial liabilities.

The Entity 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 management assessed that fair value of accounts receivable, cash and bank balances, other bank deposits, other financial assets, borrowings, accounts and other payables and leases liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, the management has assessed that fair value will be approximate to their carrying amounts as they are priced to market interest rates on or near the end of reporting period.

35 Financial risk management objectives

The Entity's board of directors have the overall responsibility for the establishment and oversight of the Entity's risk management framework. The board of directors are responsible for developing and monitoring the Entity's risk management policies. The Entity's risk management policies are established to identify and analyze the risk faced by the Entity, 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 Entity's activities. The Entity's board of directors oversees how management monitors compliance with the Entity's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Entity. The board of directors are 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 Entity has exposure to the following risks arising from financial instruments:
- Credit risk
- Liquidity risk
- Market risk
- Interest rate risk

a) *Credit risk:*

Credit risk arises from the possibility that customers or counterparty to financial instruments may not be able to meet their obligations. To manage this, the Entity periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arises from cash and cash equivalents, deposits with banks, financial institutions and others, as well as credit exposures to customers, including outstanding receivables. The Entity evaluates the concentration of risk with respect to trade receivables as low, as none of its customers constitutes significant portions of trade receivables as at the year end.

The Entity considers factors such as track record, size of institutions, market reputation and service standards to select banks with which balances and deposits are maintained. the balances and fixed deposits are generally maintained ,with the banks with whom the Entity has regular transactions. Further, the Entity does not maintain significant cash in hand other than those required for its day to day operations. Considering the same, the Entity is not exposed to expected credit loss of cash and cash equivalent and bank balances.

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35 Financial risk management objectives (continued)

b) *Liquidity risk management*

Liquidity risk is the risk that the Entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Entity'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 Entity's reputation.

Management monitors rolling forecasts of the Entity'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 Entity's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

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

	Interest bearing			Non Interest bearing			
Particulars	**On demand or less than 3 months**	**Within 1 year**	**More than 1 year**	**On demand or less than 3 months**	**Within 1 year**	**More than 1 year**	**Total**
				As at March 31, 2024			
Financial assets							
Accounts receivable	-	-	-	-	**32,812,944**	-	**32,812,944**
Contract assets	-	-	-	-	**8,361,987**	-	**8,361,987**
Other financial assets	-	-	-	-	**553,203**	**111,868**	**665,071**
Other bank deposits	-	-	-	-	**2,088,153**	-	**2,088,153**
Cash and bank balances	-	-	-	**1,511,117**	-	-	**1,511,117**
	-	-	-	**1,511,117**	**43,816,287**	**111,868**	**45,439,272**
Financial liabilities							
Accounts and other payables	-	-	-	-	**21,998,913**	-	**21,998,913**
Borrowings	-	**15,777,766**	**8,808,000**	-	-	-	**24,585,766**
	-	**15,777,766**	**8,808,000**	-	**21,998,913**	-	**46,584,679**
				As at March 31, 2023			
Financial assets							
Accounts receivable	-	-	-	-	5,597,472	-	5,597,472
Other financial assets	-	-	-	-	739,141	453,468	1,192,609
Cash and bank balances	-	-	-	687,391	-	-	687,391
	-	-	-	687,391	6,336,613	453,468	7,477,472

35 Financial risk management objectives (continued)

b) *Liquidity risk management*

	Interest bearing			Non Interest bearing			
Particulars	**On demand or less than 3 months**	**Within 1 year**	**More than 1 year**	**On demand or less than 3 months**	**Within 1 year**	**More than 1 year**	**Total**
				As at March 31, 2023			
Financial liabilities							
Accounts and other payables	-	-	-	-	5,169,012	-	5,169,012
Lease liabilities	-	-	-	-	1,130,827	5,821,619	6,952,446
Borrowings	-	7,726,232	13,212,000	-	-	-	20,938,232
	-	7,726,232	13,212,000	-	6,299,839	5,821,619	33,059,690

c) *Market risk*

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The pre dominant currency of the Entity's revenue and operating cash flows is Arab Emirates Dirham (AED). There is no foreign currency risk as there is no outstanding foreign currency exposure at the year end.

36 Capital risk management

The Entity manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the stakeholders through the optimization of the equity balance. The Entity's overall strategy remains unchanged from prior year. The Entity is not subject to any externally imposed capital requirements.

The capital structure of the Entity consists of equity comprising issued capital and retained earnings as disclosed in the separate financial statements.

37 Contingent liabilities

	As at March 31,	
	2024	2023
Letter of credit	**795,594**	-

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

38 Commitments

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

39 Reclassification

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

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