

## INDEPENDENT AUDITOR'S REPORT

### To The Members of Rochem Separation Systems (India) Private Limited Report on the Audit of the Financial Statements

#### Opinion

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

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

#### Basis for Opinion

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

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

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



- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under



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section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

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



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- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 46 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 58.03 to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 58.04 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



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

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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



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**Nilesh Shah**

Partner

(Membership No. 049660)

UDIN:23049660BGYEGA2465

Place: Mumbai

Date: August 16, 2023

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

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

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

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

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

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

**Auditor's Responsibility**

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

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

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



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

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

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

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

**Opinion**

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

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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



**Nilesh Shah**

Partner

(Membership No. 049660)

UDIN:23049660BGYEGA2465

Place: Mumbai

Date: August 16, 2023

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

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

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment, capital work-in-progress and right-of-use assets so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, all Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on the examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties of land and buildings (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans, guarantees, etc., are held in the name of the Company based on the confirmations directly received by us from lenders / custodians.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, the goods have been received subsequent to the year end from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.





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- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the revised quarterly statements comprising (stock statements and statements on ageing analysis of the debtors/other receivables, and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
- (iii) The Company has not made any investments, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year and hence reporting under clause (iii)(a) and (iii)(b) of the Order is not applicable.
- (a) In earlier years, the Company has granted a loan to a party, which is repayable on demand. During the year the Company has demanded such loan which have been repaid by such party. Having regard to the fact that the repayment of principal or payment of interest has been demanded by the Company, in our opinion the repayment of principal amount and receipt of interest are regular.
- (b) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (c) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (d) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



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(vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) Undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in few cases in respect of remittance of Provident Fund and Employees' State Insurance. We have been informed that the provisions of the duty of Excise and Value added tax are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount involved (Rs. in lakhs)	Amount unpaid (Rs. in lakhs)^
Income Tax Act, 1961	Income Tax	Deputy Commissioner of Income Tax	2020-21	42.97	42.97
Central Sales Tax Act, 1956	Sales Tax	Sales Tax Appellate Tribunal	2009-10	18.74	12.19
Central Sales Tax Act, 1956	Sales Tax	Sales Tax Appellate Tribunal	2010-11	43.02	32.07
Service Tax Act, 1994	Service Tax	Bombay High Court	2015-16	103.71	103.71
Customs Act, 1962	Customs Duty	Commissioner of Customs (Appeal)	2011-12	1.06	1.06

^ Net of amount paid under protest

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.



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- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company does not have investment in subsidiaries, associates and joint ventures and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x)
  - (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
  - (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi)
  - (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
  - (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.
- (xiv)
  - (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
  - (b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to March 31, 2023.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.



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(xvi)

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

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

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

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

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

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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



**Nilesh Shah**

Partner

(Membership No. 049660)

UDIN:23049660BGYEGA2465

Place: Mumbai

Date: August 16, 2023

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	2,417.40	2,770.18
Right-of-use assets	8	2,977.14	3,408.04
Capital work-in-progress	5	35.62	7.97
Goodwill	6	1,083.76	1,083.76
Other intangible assets	7	49.99	53.43
Financial assets			
Investments	9	48.44	45.50
Other financial assets	10	778.70	731.92
Deferred tax assets (net)	43.3	353.77	353.31
Current tax assets (net)	11	40.04	40.04
Other non-current assets	12	332.10	321.88
<b>Total non-current assets</b>		<b>8,116.96</b>	<b>8,816.03</b>
<b>Current assets</b>			
Inventories	13	8,791.86	8,947.81
Financial assets			
Trade receivables	14	9,340.39	10,627.87
Cash and cash equivalents	15	1,645.67	88.60
Bank balances other than cash and cash equivalents	16	511.55	522.93
Loans	17	28.36	115.93
Other financial assets	18	127.74	134.02
Other current assets	19	1,941.18	2,161.17
<b>Total current assets</b>		<b>22,386.75</b>	<b>22,598.33</b>
<b>TOTAL ASSETS</b>		<b>30,503.71</b>	<b>31,414.36</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	20	50.00	50.00
Other equity	21	12,084.07	11,356.74
<b>TOTAL EQUITY</b>		<b>12,134.07</b>	<b>11,406.74</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	22	356.37	754.04
Lease liabilities	23	1,343.01	1,883.88
Provisions	24	462.52	338.45
Other non-current liabilities	25	5.97	14.68
<b>Total non-current liabilities</b>		<b>2,167.87</b>	<b>2,991.05</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	26	6,486.87	5,895.33
Lease liabilities	27	1,031.13	997.62
Trade payables	28		
(i) total outstanding dues of micro enterprises and small enterprises		846.09	802.04
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		6,694.72	7,788.15
Other financial liabilities	29	152.70	245.66
Provisions	30	202.15	174.71
Contract liabilities	31	350.04	522.21
Current tax liabilities (net)	32	84.97	121.97
Other current liabilities	33	353.10	468.88
<b>Total current liabilities</b>		<b>16,201.77</b>	<b>17,016.57</b>
<b>TOTAL LIABILITIES</b>		<b>18,369.64</b>	<b>20,007.62</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>30,503.71</b>	<b>31,414.36</b>
<b>Significant accounting policies and notes to financial statements</b>	<b>1 to 58</b>		

The accompanying notes are an integral part of the financial statements.

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

*NV Shah*  
**Nilesh Shah**  
Partner  
Membership No: 049660

Place: Mumbai  
Date: 16th August, 2023

*WV*



For and on behalf of the Board of Directors  
**Rochem Separation Systems (India) Private Limited**

*Prayas Goel*

**Prayas Goel**  
Managing Director  
DIN: 00348519

Place: Mumbai  
Date: 9th August, 2023

*Prerak Goel*

**Prerak Goel**  
Whole time Director  
DIN: 00348563

Place: Mumbai  
Date: 9th August, 2023

**Rochem Separation Systems (India) Private Limited**

CIN: U24100MH1991PTC064068

**Statement of Profit and Loss**

(Amount in rupees lakhs, unless otherwise stated)

Particulars	Notes	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>INCOME</b>			
Revenue from operations	34	30,456.68	28,321.19
Other income	35	616.81	285.70
<b>Total Income</b>		<b>31,073.49</b>	<b>28,606.89</b>
<b>EXPENSES</b>			
Cost of raw materials and components consumed	36	14,724.06	13,465.36
Purchases of stock-in-trade	37	1,177.16	1,680.33
(Increase) / decrease in inventories of finished goods and work-in-progress	38	3.55	(145.48)
Employee benefits expense	39	3,378.19	3,247.73
Finance costs	40	1,317.18	1,237.96
Depreciation and amortization expense	41	1,442.33	1,649.21
Other expenses	42	7,990.87	6,467.91
<b>Total Expenses</b>		<b>30,033.34</b>	<b>27,603.02</b>
<b>Profit before tax</b>		<b>1,040.15</b>	<b>1,003.87</b>
<b>Tax expense</b>			
Current tax	43.1	227.45	402.87
Income tax pertaining to earlier years	43.2	-	(69.87)
Deferred tax (credit)	43.3	(0.46)	(91.06)
<b>Total</b>		<b>226.99</b>	<b>241.94</b>
<b>Profit for the year</b>		<b>813.16</b>	<b>761.93</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(a) Remeasurement of net defined benefit liability		(85.83)	11.06
(b) Income tax relating to items under (a) above		-	-
		<b>(85.83)</b>	<b>11.06</b>
<b>Other comprehensive income</b>		<b>(85.83)</b>	<b>11.06</b>
<b>Total comprehensive income for the year</b>		<b>727.33</b>	<b>772.99</b>
<b>Earnings per Equity Share (face value Rs 100/- each)</b>			
Basic (in Rs.)	44	1,626.22	1,523.77
Diluted (in Rs.)	44	1,505.92	1,411.04
<b>Significant accounting policies and notes to financial statements</b>	<b>1 to 58</b>		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Deloitte Haskins and Sells LLP

Chartered Accountants

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

Nilesh Shah

Partner

Membership No: 049660

Place: Mumbai

Date: 16th August, 2023

For and on behalf of the Board of Directors

Rochem Separation Systems (India) Private Limited

Prayas Goel

Managing Director

DIN: 00348519

Place: Mumbai

Date: 9th August, 2023

Prerak Goel

Whole time Director

DIN: 00348563

Place: Mumbai

Date: 9th August, 2023

	Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>A.</b>	<b>Cash flows from operating activities</b>		
	Profit before tax	1,040.15	1,003.87
	Adjustments for:		
	Depreciation and amortisation expense	1,442.33	1,649.21
	Dividend income	(0.10)	(0.05)
	Provision for doubtful advances	37.28	53.18
	Bad debts written off	474.86	293.43
	Provision / (reversal) for expected credit losses on financial assets	(366.03)	42.70
	Liabilities written back to the extent no longer required	(13.60)	(78.46)
	Sundry debit balance written off	29.67	51.94
	Gain on derecognition of leases	(0.15)	(53.20)
	Unrealised foreign exchange differences (gain)	14.34	(19.93)
	Loss / (Profit) on sale / discard of property, plant and equipment	(8.63)	(0.05)
	Fixed assets written off	2.57	-
	Gain on Investment classified at fair value through profit or loss	(2.94)	-
	Liquidated damages	5.31	8.30
	Interest income	(94.86)	(107.45)
	Finance costs	1,317.18	1,237.96
	<b>Operating Profit before working capital changes</b>	<b>3,877.38</b>	<b>4,081.45</b>
	Decrease in trade receivables	1,177.85	822.56
	(Increase) / Decrease in other assets	173.11	(885.64)
	(Increase) / Decrease in inventories	155.95	(80.35)
	(Decrease) in trade and other payables	(1,382.91)	(1,334.48)
	<b>Cash generated from operations</b>	<b>4,001.38</b>	<b>2,603.54</b>
	Direct taxes paid (including tax deducted at source)	(264.49)	(361.43)
	<b>Net cash generated from operating activities (A)</b>	<b>3,736.89</b>	<b>2,242.11</b>
<b>B.</b>	<b>Cash flows from investing activities</b>		
	Purchase of assets (property, plant & equipment and intangible assets, capital work-in-progress)	(131.07)	(106.04)
	Proceeds from sale of fixed asset	9.99	-
	Investment in bank deposits (having original maturity of more than 3 months) (Net)	10.99	(2.43)
	Loans given	87.57	(9.80)
	Dividend received	0.10	0.05
	Interest received	37.64	42.82
	<b>Net cash used in investing activities (B)</b>	<b>15.22</b>	<b>(75.40)</b>
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Proceeds from / (Repayment of) short-term borrowings (net)	617.27	585.60
	Proceeds from long-term borrowings	34.84	14.85
	(Repayment) of long-term borrowings	(536.23)	(318.28)
	Redemption of unsecured redeemable non-convertible debentures	-	(175.00)
	Payment of lease liabilities	(1,042.03)	(1,014.12)
	Interest paid	(1,268.89)	(1,200.97)
	<b>Net cash used in financing activities (C)</b>	<b>(2,195.04)</b>	<b>(2,107.92)</b>
	<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,557.07</b>	<b>58.79</b>
	Cash and cash equivalents at the beginning of year (see below)	88.60	29.81
	Cash and cash equivalents at the end of year (see below)	1,645.67	88.60

**Notes:**

- (i) Cash flow statement has been prepared under "indirect method" as set out in Ind AS 7 - "Cash Flow Statement";  
(ii) Analysis of movement in borrowings\*

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Borrowings at the beginning of the year	6,649.37	6,519.68
Movement due to cash transactions as per cash flow statement	115.88	107.17
Movement due to non-cash transactions	77.99	22.52
<b>Borrowings at the end of the year</b>	<b>6,843.24</b>	<b>6,649.37</b>

\* The above cashflows excludes items of non-cash nature in relation to accounting of operating lease under IndAS 116.

<b>Significant accounting policies and notes to financial statements</b>	<b>1 to 58</b>
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The accompanying notes are an integral part of the financial statements.

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

Nilesh Shah  
Partner  
Membership No: 049660



For and on behalf of the Board of Directors  
Rochem Separation Systems (India) Private Limited

Prayash Goel  
Managing Director  
DIN: 00348519

Place: Mumbai  
Date: 9th August, 2023

Prerak Goel  
Whole time Director  
DIN: 00348563

Place: Mumbai  
Date: 9th August, 2023



Place: Mumbai  
Date: 16th August, 2023

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## (A) Equity share capital

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 100 each issued, subscribed and fully paid				
<b>Opening Balance</b>	50,003	50.00	50,003	50.00
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
<b>Closing Balance</b>	50,003	50.00	50,003	50.00
<b>Total</b>	50,003	50.00	50,003	50.00

## (B) Other equity

Particulars	Reserves & Surplus			Equity component of compound financial instruments (Refer note 22)	Other Comprehensive Income	Total
	General reserve	Capital redemption reserve	Securities premium reserve			
<b>Balance as at 1st April, 2022</b>	107.87	-	226.00	10,712.16	296.32	11,356.74
Profit for the year	-	-	-	813.16	-	813.16
Other comprehensive income for the year	-	-	-	-	(85.83)	(85.83)
Add / (less) : Transfer on account of redemption of preference shares (Refer note 22.2 and 22.3)	-	325.00	-	(325.00)	-	-
<b>Balance As at March 31, 2023</b>	107.87	325.00	226.00	11,200.32	296.32	12,084.07





**(B) Other equity (Continued)**

Particulars	Reserves & Surplus				Equity component of compound financial instruments (Refer note 22)		Other Comprehensive Income	Total
	General reserve	Capital redemption reserve	Securities premium reserve	Retained earnings	Equity component of 4.5% redeemable cumulative preference shares	Equity component of 0.001% Optionally convertible redeemable non cumulative preference shares	Remeasurement gain / (loss) of defined benefit plan	
Balance as at 1st April, 2021	107.87	-	226.00	9,950.23	296.32	3.20	0.13	10,583.75
Profit for the year	-	-	-	761.93	-	-	-	761.93
Other comprehensive income for the year	-	-	-	-	-	-	11.06	11.06
Balance as at 31st March, 2022	107.87	-	226.00	10,712.16	296.32	3.20	11.19	11,356.74

The accompanying notes are an integral part of the financial statements.

1 to 58

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

*Nilesh Shah*

**Nilesh Shah**  
Partner  
Membership No: 049660

Place: Mumbai  
Date: 16th August, 2023

**For and on behalf of the Board of Directors**  
**Rochem Separation Systems (India) Private Limited**

*Prerak Goel*

**Prerak Goel**  
Managing Director  
DIN: 00348519

Place: Mumbai  
Date: 9th August, 2023

*Prerak Goel*

**Prerak Goel**  
Whole time Director  
DIN: 00348563

Place: Mumbai  
Date: 9th August, 2023



*MS*

**Rochem Separation Systems (India) Private Limited**

**CIN No: U24100MH1991PTC064068**

**Notes to Financial Statements**

**1. Company's background**

Rochem Separation Systems (India) Private Limited ("the Company") is a private limited company domiciled and incorporated in India under the Companies Act, 2013 vide CIN No. U24100MH1991PTC064068 and incorporated on 19th November 1991. The Company is a private limited company. The registered office of the Company is located at 101, HDIL Towers Limited, Anant Kanekar Marg, Mumbai - 400 051, India.

Rochem Separation Systems (India) Private Limited ("the Company") is engaged in the business of manufacturing water treatment systems, water pollution control equipment, bio filters, resource recovery systems using membrane technology and operational and maintenance services. The Company caters to both domestic and international markets.

**2. Basis of preparation**

**2.1. Basis of preparation and presentation**

The Financial statements are prepared in accordance with the Indian Accounting Standards (referred to as Ind AS) notified under the section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, considering other relevant provisions of the Act.

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

**3. Significant Accounting Policies**

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

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

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

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

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

**3.2. Functional and presentation currency**

Financial Statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements are presented in Indian rupee (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Lakhs, up to two places of decimal, unless otherwise indicated. Amounts having absolute value of less than INR 1,00,000 have been rounded and are presented as INR 0.00 Lakh in the Financial Statements.



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### **3.3. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

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

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

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

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

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

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

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

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

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

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

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

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

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Significant estimates and critical judgement in applying these accounting policies are described below:

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

##### **(i) Leases**

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



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

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

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

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

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

#### **(ii) Defined benefit obligations**

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

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

#### **(iii) Impairment of financial assets**

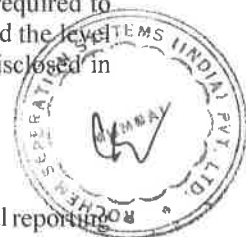
The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as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

#### **(iv) Income tax and deferred tax**

Deferred tax assets are not recognised for unused tax losses as it is not probable that taxable profit will be available against which the losses can be utilised. Significant management judgement/estimate is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in note 3.15.

#### **(v) Fair value of financial assets and financial liabilities**

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



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

#### **Recognition and measurement**

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

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

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

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

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

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

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

Type of asset	Useful lives estimated by the management (years)
Building	30
Plant and machinery	3-20
Furniture and fixture	2-20
Vehicles	5-10
Office equipment	2 – 10
Computer – End user devices	3 – 5
Computer – Server	5 – 6

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

#### **De-recognition**

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



**3.6. Intangible assets and amortisation**

**Recognition and measurement**

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

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

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

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

**Amortization and useful lives**

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

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

**3.7. Leases**

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

The Company accounts for the lease arrangement as follows:

- (i) Where the Company is the lessee

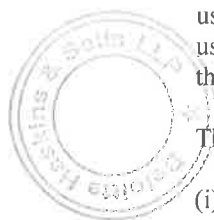
**Right of Use Asset**

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

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

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

The right-of-use assets are also subject to impairment.



### **Lease liabilities**

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

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The lease payment made, are apportioned between the finance charge and the reduction of lease liability and are recognised as expense in the Statement of Profit and Loss.

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

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

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

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

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

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

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

### **Sale and lease back**

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

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

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

- De-recognises the sale (revenue) in books with corresponding impact on the cost of goods sold (COGS) to eliminate the profit margin in the transaction.

- Recognises transferred asset (Right of use asset) net of profit margin and a financial liability equal to the present value of minimum lease payments applying relevant paragraph of Ind AS 109 and Ind AS 116.

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

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

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

**3.8. Impairment of non-financial assets**

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

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

**3.9. Inventories**

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

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

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

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

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

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

**3.10. Revenue recognition**

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



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**(a) Revenue from operations:**

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

**(b) Interest income**

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

**(c) Dividends**

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

**(d) Other income**

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

**3.11. Government grants**

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

**3.12. Foreign currency transaction**

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

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

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



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**3.13. Employee benefits**

- Short term employee benefits

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

- Post-employment benefits & other long-term benefits

**a. Defined contribution plan**

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

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

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

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

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

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

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

**3.14. Borrowing cost**

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

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**3.15. Taxes on income**

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

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

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

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

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

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

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

**3.16. Cash & cash equivalent**

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

**3.17. Statement of cash flows**

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

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

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

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

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

**3.19. Earnings per share**

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

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

**3.20. Segment reporting**

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

**3.21. Financial instruments**

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

**3.21.1. Financial assets**

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

**Classification of financial assets**

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

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

All other financial assets are subsequently measured at fair value.

**Effective interest method**

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

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



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

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

A financial asset is held for trading if:

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

### **Financial assets at FVTPL**

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

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

### **Impairment of financial assets**

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

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

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



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

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

### **3.21.2. Financial liability and equity instrument**

#### **Classification as debt or equity**

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

#### **Equity instruments**

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

#### **Financial liabilities**

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

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

#### **Financial liabilities at FVTPL**

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

A financial liability is classified as held for trading if:

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

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

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



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

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

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

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

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

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

#### **Financial guarantee contracts**

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

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

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

#### **Compound financial instruments**

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

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



**Rochem Separation Systems (India) Private Limited****CIN No: U24100MH1991PTC064068****Notes to Financial Statements****Offsetting of financial instruments**

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

**Reclassification**

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

**De-recognition of financial liabilities**

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





**4 Property, plant and equipment**

Particulars	Freehold land	Building	Plant and machinery	Furniture and fixture	Vehicles	Office equipment	Computers	Total
<b>Cost</b>								
As at 01st April 2021	338.29	152.75	3,094.39	28.86	111.72	37.81	33.04	3,796.86
Additions	-	50.05	3.65	6.58	30.50	15.87	19.44	126.09
Deductions / disposal	-	-	(8.00)	-	-	(0.11)	-	(8.11)
<b>As at 31st March, 2022</b>	<b>338.29</b>	<b>202.80</b>	<b>3,090.04</b>	<b>35.44</b>	<b>142.22</b>	<b>53.57</b>	<b>52.48</b>	<b>3,914.84</b>
<b>Cost</b>								
As at 01st April 2022	338.29	202.80	3,090.04	35.44	142.22	53.57	52.48	3,914.84
Additions	-	12.26	12.02	8.33	39.16	0.70	28.42	100.89
Deductions / disposal	-	-	(2.25)	(1.63)	(4.86)	(0.36)	(2.61)	(11.71)
<b>As at 31st March, 2023</b>	<b>338.29</b>	<b>215.06</b>	<b>3,099.81</b>	<b>42.14</b>	<b>176.52</b>	<b>53.91</b>	<b>78.29</b>	<b>4,004.02</b>
<b>Accumulated Depreciation and Impairment</b>								
As at 01st April 2021	-	17.15	475.80	6.96	58.16	12.50	19.68	590.25
Charge for the year	-	16.56	457.85	19.13	30.08	16.76	15.16	555.54
Deductions / disposal	-	-	(1.06)	-	-	(0.07)	-	(1.13)
<b>As at 31st March, 2022</b>	<b>-</b>	<b>33.71</b>	<b>932.59</b>	<b>26.09</b>	<b>88.24</b>	<b>29.19</b>	<b>34.84</b>	<b>1,144.66</b>
<b>Accumulated Depreciation and Impairment</b>								
As at 01st April 2022	-	33.71	932.59	26.09	88.24	29.19	34.84	1,144.66
Charge for the year	-	18.45	367.37	4.57	29.94	10.57	18.84	449.74
Deductions / disposal	-	-	(0.58)	(0.98)	(3.49)	(0.29)	(2.44)	(7.78)
<b>As at 31st March, 2023</b>	<b>-</b>	<b>52.16</b>	<b>1,299.38</b>	<b>29.68</b>	<b>114.69</b>	<b>39.47</b>	<b>51.24</b>	<b>1,586.62</b>
<b>Carrying amount</b>								
As at 31st March, 2022	338.29	169.09	2,157.45	9.35	53.98	24.38	17.64	2,770.18
As at 31st March, 2023	338.29	162.90	1,800.43	12.46	61.83	14.44	27.05	2,417.40

**Notes:**

- 4.1 Refer note 26.1 for information on hypothecation of property, plant and equipment.  
4.2 The title deeds of freehold Land aggregating Rs. 338.29 lakhs (31st March, 2022: 338.29 lakhs) are in the name of the company



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**5 Capital Work in progress**

Particulars	Amount
<b>Cost</b>	
As at 01st April 2021	17.05
Additions	33.43
Assets capitalised/transferred during the year	(42.51)
<b>As at 31st March, 2022</b>	<b>7.97</b>
<b>Cost</b>	
As at 01st April 2022	7.97
Additions	35.62
Assets capitalised/transferred during the year	(7.97)
<b>As at 31st March, 2023</b>	<b>35.62</b>

**5.1 Ageing analysis of capital work-in-progress:**

**For the year ended 31st March, 2022**

Particulars	< 1 year	1 to 2 years	2 to 3 years	> 3 years	Total
Projects in progress	3.17	4.80	-	-	7.97

**For the year ended 31st March, 2023**

Particulars	< 1 year	1 to 2 years	2 to 3 years	> 3 years	Total
Projects in progress	35.62	-	-	-	35.62

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



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**6 Goodwill**

Particulars	Amount
<b>Cost</b>	
As at 01st April 2021	1,083.76
Additions	-
Deductions / disposal	-
As at 31st March, 2022	1,083.76
<b>Cost</b>	
As at 01st April 2022	1,083.76
Additions	-
Deductions / disposal	-
As at 31st March, 2023	1,083.76
<b>Accumulated impairment loss</b>	
As at 01st April 2021	-
Impairment for the year	-
Disposal / Adjustment	-
As at 31st March, 2022	-
<b>Accumulated impairment loss</b>	
As at 01st April 2022	-
Impairment for the year	-
Disposal / Adjustment	-
As at 31st March, 2023	-
<b>Carrying amount</b>	
As at 31st March, 2022	1,083.76
As at 31st March, 2023	1,083.76

6.1 The company tests goodwill at the end of each reporting period for impairment for indication that goodwill might be impaired.

6.2 The carrying amount of goodwill has been allocated to Waste Heat Evaporation (WHE) cash generating unit (CGU). The recoverable amount of WHE CGU has been determined based on value in use. The key assumptions used by management in estimating the financial budgets and value in use are as follows:

(i) Forecast growth rate: The management has forecasted cash flows based on growth rate of 10% per annum for 5 years from the end of respective reporting dates. The growth rate is based on management's past experience as adjusted by market trend and the strategic decisions made in respect of WHE CGU.

(ii) Terminal growth rate: 1% per annum. The growth rate is based on management's assessment of market trends.

(iii) Discount rate: 15% per annum



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**Rochem Separation Systems (India) Private Limited**

CIN: U24100MH1991PTC064068

Regd office : 101, HDIL TOWERS, ANANT KANEKAR MARG, BANDRA(EAST), MUMBAI - 400051

**Notes to the Balance Sheet**

(Amount in rupees lakhs, unless otherwise stated)

7

**Other intangible assets**

Particulars	Technology and Trademark	Computer Software	Total
<b>Cost</b>			
As at 01st April 2021	1.24	87.51	88.75
Additions	-	22.40	22.40
Deductions / disposal	-	-	-
As at 31st March, 2022	1.24	109.91	111.15
<b>Cost</b>			
As at 01st April 2022	1.24	109.91	111.15
Additions	-	16.40	16.40
Deductions / disposal	-	-	-
As at 31st March, 2023	1.24	126.31	127.55
<b>Accumulated amortisation</b>			
As at 01st April 2021	0.45	31.90	32.35
Charge for the year	0.45	24.92	25.37
Deductions / disposal	-	-	-
As at 31st March, 2022	0.90	56.82	57.72
<b>Accumulated amortisation</b>			
As at 01st April 2022	0.90	56.82	57.72
Charge for the year	0.34	19.50	19.84
Deductions / disposal	-	-	-
As at 31st March, 2023	1.24	76.32	77.56
<b>Carrying amount</b>			
As at 31st March, 2022	0.34	53.09	53.43
As at 31st March, 2023	(0.00)	49.99	49.99



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**8 Right-of-use assets**

Particulars	Plant lease	Office Premises	Office Equipment	Leasehold Land	Total
<b>Cost</b>					
As at 01st April 2021	3,848.37	1,373.07	-	217.07	5,438.51
Additions	397.29	0.13	71.52	-	468.94
Deductions / disposal	(613.14)	-	-	-	(613.14)
<b>As at 31st March, 2022</b>	<b>3,632.52</b>	<b>1,373.20</b>	<b>71.52</b>	<b>217.07</b>	<b>5,294.31</b>
<b>Cost</b>					
As at 01st April 2022	3,632.52	1,373.20	71.52	217.07	5,294.31
Additions	370.21	172.44	-	-	542.65
Deductions / disposal	(0.80)	-	-	-	(0.80)
<b>As at 31st March, 2023</b>	<b>4,001.93</b>	<b>1,545.64</b>	<b>71.52</b>	<b>217.07</b>	<b>5,836.16</b>
<b>Accumulated Depreciation</b>					
As at 01st April 2021	775.83	249.84	-	4.32	1,029.99
Charge for the year	810.40	253.53	0.05	4.32	1,068.30
Deductions / disposal	(212.02)	-	-	-	(212.02)
<b>As at 31st March, 2022</b>	<b>1,374.21</b>	<b>503.37</b>	<b>0.05</b>	<b>8.64</b>	<b>1,886.27</b>
<b>Accumulated Depreciation</b>					
As at 01st April 2022	1,374.21	503.37	0.05	8.64	1,886.27
Charge for the year	680.39	274.30	13.74	4.32	972.75
Deductions / disposal	-	-	-	-	-
<b>As at 31st March, 2023</b>	<b>2,054.60</b>	<b>777.67</b>	<b>13.79</b>	<b>12.96</b>	<b>2,859.02</b>
<b>Carrying amount</b>					
As at 31st March, 2022	2,258.31	869.83	71.47	208.43	3,408.04
<b>As at 31st March, 2023</b>	<b>1,947.33</b>	<b>767.97</b>	<b>57.73</b>	<b>204.11</b>	<b>2,977.14</b>

**Notes:**

- 8.1 The title deeds of leasehold Land aggregating to Rs. 204.11 Lakhs (31st March, 2022: Rs. 208.43 Lakhs) are in the name of the company.
- 8.2 The leases primarily consists of plants and equipment, office premises and leasehold land with the lease term of more than 12 months. Refer note 48.1 for other disclosures related to right-of-use-asset.
- 8.3 The lease agreement for leasehold land and office premises is in the name of the company.



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**9 Investments**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<i>(Measured at FVTPL)</i>		
<b>(I) Investments in unquoted investment</b>		
<b>Investment in equity shares</b>		
Saraswat Co-operative Bank	0.50	0.50
Number of equity shares (face value of Rs. 10 each): 5,000 (5,000)		
	<b>0.50</b>	<b>0.50</b>
<b>(II) Investments in quoted investment</b>		
<b>Investments in mutual fund</b>		
Aditya Birla Sun Life Money Manager Fund - Growth-Regular Plan (formerly known as Aditya Birla Sun Life Floating Rate Fund Short Term Plan)	45.00	45.00
Number of units : 15,314.09 (15,314.09)		
Add / (Less) : Gain on Investment classified at fair value through profit or loss	2.94	-
	<b>47.94</b>	<b>45.00</b>
<b>Total</b>	<b>48.44</b>	<b>45.50</b>
Aggregate carrying amount of quoted investments	45.00	45.00
Aggregate market value of quoted investments	47.94	45.37
Aggregate carrying amount of unquoted investments	0.50	0.50

**10 Other financial assets (Non-current)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Unsecured, considered good unless otherwise stated</b>		
Security deposits (Refer note 10.1 and 10.3)	745.54	699.14
Bank Deposits with more than 12 months maturity (Refer note 10.2)	33.16	32.78
<b>Total</b>	<b>778.70</b>	<b>731.92</b>

<b>10.1 Details of Security Deposit made to related party which represent the present value of gross amount</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>
Concord Shipping Private Limited	604.42	554.52

**10.2 Details of fixed deposits under lien is as below:**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fixed deposit earmarked with bank under lien against bank guarantees issued by the Company.	32.40	32.78

**10.3 Refer note 53 Financial instruments - Accounting classifications & fair value measurement**

**11 Current tax assets (net)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance tax and tax deducted at source (net of provision for tax) (Refer note 11.1)	40.04	40.04
<b>Total</b>	<b>40.04</b>	<b>40.04</b>

**11.1 Above tax assets are net of:**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Taxes paid	377.74	377.74
Less: Provision for income tax	(337.70)	(337.70)
<b>Total</b>	<b>40.04</b>	<b>40.04</b>



**Rochem Separation Systems (India) Private Limited**

CTIN: U24100MH1991PTC064068

**Notes to the Balance Sheet (Continued)**

(Amount in rupees lakhs, unless otherwise stated)

**12 Other non-current assets**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<i>(Unsecured, considered good)</i>		
Capital advances to other than related parties - considered good (Refer note 12.1)	229.38	213.99
Investment in gold (Refer note 12.2)	66.73	66.73
Balance with government authorities	30.32	11.77
Prepaid expenses	5.67	29.39
<b>Total</b>	<b>332.10</b>	<b>321.88</b>

- 12.1 The Company has entered into an Memorandum of Understanding with Vijayalakshmi Realtors for purchase of land at Survey No. 55, Village Bilalpada, Taluka Vasai admeasuring 17.17 Gunthas for total consideration of Rs. 218.21 lakhs. Proceedings for transfer of title deed is currently in progress. However, the party has received Commencement Certificate (CC) on 13th June, 2022 from Vasai Virar Municipal Corporation for carrying out a development on the land.

Particulars	As at 31st March, 2023	As at 31st March, 2022
Details of advance payment made to Vijayalakshmi Realtors	218.21	208.71

- 12.2 Gold is in the personal custody of the directors of the company. The market value as per valuer certificate is as below:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Market value of gold	401.31	356.58

**13 Inventories (Cost or NRV whichever is lower)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw materials (Refer note 13.1 to note 13.3)	6,343.75	6,496.15
Work-in-progress	1,465.08	1,205.40
Finished goods (Refer note 13.3)	983.03	1,246.26
<b>Total</b>	<b>8,791.86</b>	<b>8,947.81</b>

- 13.1 Raw materials include stock in trade, as both are stocked together and goods-in-transit the details of which is as below:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Goods-in-transit included in raw materials	176.67	41.56

- 13.2 Mode of Valuation - Refer note no 3.9 of significant accounting policy.

- 13.3 Refer note 26.1 for information on hypothecation of inventory.



**14 Trade receivables**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Unsecured</b>		
- Considered good (including related party receivable) (Refer note 51)	9,340.39	10,627.87
- Trade receivables which have significant increase in credit risk	2,801.88	3,167.91
<b>Sub-total</b>	<b>12,142.27</b>	<b>13,795.78</b>
'Less: Allowance for expected credit losses (ECL) (Refer note 14.2)	(2,801.88)	(3,167.91)
<b>Total</b>	<b>9,340.39</b>	<b>10,627.87</b>

**14.1 Trade receivables ageing:**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Undisputed trade receivables - considered good</b>		
- Less than 6 months	8,483.14	9,684.19
- 6 months - 1 year	283.01	529.96
- 1-2 years	367.50	194.08
- 2-3 years	78.05	74.00
- More than 3 years	121.30	122.90
<b>Sub-total</b>	<b>9,333.00</b>	<b>10,605.13</b>
<b>Undisputed Trade Receivables – which have significant increase in credit risk</b>		
- Less than 6 months	883.73	1,030.33
- 6 months - 1 year	324.95	452.46
- 1-2 years	675.91	695.58
- 2-3 years	388.74	344.25
- More than 3 years	488.80	545.65
<b>Sub-total</b>	<b>2,762.13</b>	<b>3,068.27</b>
<b>Disputed Trade Receivables – considered good</b>		
- Less than 6 months	-	2.20
- 6 months - 1 year	-	2.25
- 1-2 years	1.31	0.57
- 2-3 years	0.55	0.45
- More than 3 years	5.53	17.27
<b>Sub-total</b>	<b>7.39</b>	<b>22.74</b>
<b>Disputed Trade Receivables – considered doubtful</b>		
- Less than 6 months	-	0.87
- 6 months - 1 year	-	3.02
- 1-2 years	7.03	2.96
- 2-3 years	2.98	2.37
- More than 3 years	29.74	90.42
<b>Sub-total</b>	<b>39.75</b>	<b>99.64</b>
<b>Total</b>	<b>12,142.27</b>	<b>13,795.78</b>

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**14 Trade receivables (continued)**

**14.2 Movement of expected credit loss allowance of trade receivables are as follows:**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	3,167.91	3,138.83
Add: Provided during the year	(366.03)	42.70
Less: Utilisation during the year	-	(13.62)
<b>Balance at the end of the year</b>	<b>2,801.88</b>	<b>3,167.91</b>

14.3 There were no receivables due by directors or any of the officers of the company (Refer note 51)

14.4 The average credit period ranges from 90 to 120 days depending on the nature of revenue. No interest is charged on outstanding trade receivables.

14.5 The company always measures the loss allowance for trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

**15 Cash and cash equivalents**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash in hand	31.47	21.24
Balances with banks in current accounts	1,587.77	67.36
Balances with banks in deposit accounts	26.43	-
<b>Total</b>	<b>1,645.67</b>	<b>88.60</b>

**16 Bank balances other than cash and cash equivalents**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balances with banks:		
In current account (earmarked balances for CSR expenditure)	3.83	3.83
In deposit accounts with maturity of less than 3 months (Refer note 16.1)	126.38	196.16
In deposit accounts with maturity of more than 3 months but less than 12 months (Refer note 16.1)	381.34	322.94
<b>Total</b>	<b>511.55</b>	<b>522.93</b>

16.1 Details of fixed deposits given as margin money to the Bank for guarantee given by bank to government and other authorities on behalf of the company is as given below:

Particulars	As at 31st March, 2023	As at 31st March, 2022
- Maturity of less than 3 months	126.38	196.16
- Maturity of more than 3 months but less than 12 months	344.32	322.94

**17 Loans (Current)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
(Unsecured, considered good unless otherwise stated)		
Loans to other parties (measured at amortized cost) (Refer note 17.1)	-	100.00
Loans to employee	28.36	15.93
<b>Total</b>	<b>28.36</b>	<b>115.93</b>

17.1 The loan has been given on 11th August, 2020 for the period of 18 months @ 11% p.a. for business/corporate general purpose and has been renewed on 11th February, 2022 and has been repaid by the party on 21st November, 2022.

**18 Other financial assets (Current)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
(Unsecured, considered good unless otherwise stated)		
Interest accrued on fixed deposits with Banks	5.79	11.20
Receivable from banks - which have significant increase in credit risk	-	-
Less - Allowance for receivable from bank (Refer note 18.1)	-	-
Interest receivable from others (Refer note 18.3)	6.37	9.90
Financial asset at fair value through profit or loss (derivative)	2.32	-
Security deposits (Refer note 18.2 and note 18.3)	113.26	112.92
<b>Total</b>	<b>127.74</b>	<b>134.02</b>



**18 Other financial assets (Current) (continued)**

**18.1 Movement in allowance for doubtful receivable from bank are as follows:**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	-	10.74
Add: Provided during the year	-	-
Less: Utilisation during the year	-	(10.74)
Balance at the end of the year	-	-

18.2 Details of Security Deposit made to related party which represent the present value of gross amount	As at 31st March, 2023	As at 31st March, 2022
Roserve Enviro Private Limited	-	10.00

**18.3** Refer note 53 Financial instruments - Accounting classifications & fair value measurement

**19 Other current assets**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<i>(Unsecured, considered good unless otherwise stated)</i>		
Prepaid expenses	81.05	75.36
Balance with government authorities	36.53	41.06
Advances for supply of goods and services:		
- To related parties (Refer note 19.1)	889.35	357.53
- To others - considered good	788.26	831.91
- To others - significant increase in credit risk	92.21	54.93
Less - Allowance for doubtful advances (Refer note 19.2)	(92.21)	(54.93)
	<b>788.26</b>	<b>831.91</b>
Advance to employees	35.02	24.44
Unbilled revenue (Refer note 19.3)	110.97	830.87
<b>Total</b>	<b>1,941.18</b>	<b>2,161.17</b>

19.1 Advances for supply of goods and services to related party	As at 31st March, 2023	As at 31st March, 2022
	509.03	141.82
Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited)		
Concord Shipping Private Limited	250.86	69.51
Reva Enviro Systems Private Limited	129.46	146.20

**19.2 Movement in the allowance for doubtful advances are as follows:**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	54.93	1.75
Add: Provided during the year	37.28	53.18
Balance at the end of the year	<b>92.21</b>	<b>54.93</b>

19.3 Unbilled revenue to related party	As at 31st March, 2023	As at 31st March, 2022
	-	145.00
Rochem Services Private Limited (formerly known as "Concord Blue Technology Private Limited")		
Roserve Enviro Private Limited	50.35	120.00



**20 Equity share capital**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Authorized Share Capital</b>		
Equity shares		
Face value	100.00	100.00
No. of shares	1,50,000	1,50,000
Amount	150.00	150.00
<b>4.5% redeemable cumulative preference shares</b>		
Face value	100.00	100.00
No. of shares	3,25,000	3,25,000
Amount	325.00	325.00
<b>0.001% Optionally convertible redeemable non cumulative preference shares</b>		
Face value	100.00	100.00
No. of shares	5,000	5,000
Amount	5.00	5.00
<b>Total</b>	<b>480.00</b>	<b>480.00</b>
<b>Issued, subscribed and paid-up equity share capital</b>		
Equity shares		
Face value	100.00	100.00
No. of shares	50,003	50,003
Amount	50.00	50.00
<b>Total</b>	<b>50.00</b>	<b>50.00</b>

**20.1 Reconciliation of shares outstanding at the beginning and at the end of the year**

**(a) Equity Share Capital**

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number of shares	Amount	Number of shares	Amount
<b>Outstanding at the beginning of the year</b>	<b>50,003</b>	<b>50.00</b>	<b>50,003</b>	<b>50.00</b>
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
<b>Outstanding at the end year</b>	<b>50,003</b>	<b>50.00</b>	<b>50,003</b>	<b>50.00</b>



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**20 Equity share capital (Continued)**

**20.2 Rights, preferences and restrictions attached to equity shares**

**Equity Shares**

The Company has one class of equity shares having a par value of Rs.100 each. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

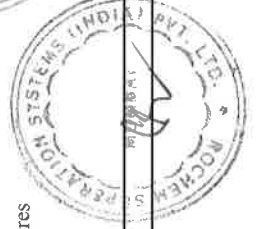
On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

**20.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the company and shares held by the holding company, the ultimate holding company, their subsidiaries and associates**

Name of the shareholder / Promoter	As at 31st March, 2023		As at 31st March, 2022	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
<b>Equity shares of Rs. 100 each fully paid</b>				
Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited) and it's Nominees	50,003	100%	50,003	100%
<b>Total of Equity Shares</b>	<b>50,003</b>	<b>100%</b>	<b>50,003</b>	<b>100%</b>

**21 Other equity**

Particulars	As at 31st March, 2023	As at 31st March, 2022
General reserve	107.87	107.87
Securities premium reserve	226.00	226.00
Capital redemption reserve	325.00	-
Retained earnings	11,200.32	10,712.16
Equity component of 0.001% Optionally convertible redeemable non cumulative preference shares	3.20	3.20
Equity component of 4.5% redeemable cumulative preference shares	296.32	296.32
Remeasurement gain / (loss) of defined benefit plan	(74.64)	11.19
<b>Total</b>	<b>12,084.07</b>	<b>11,356.74</b>



*Handwritten signature*

**21 Other equity (Continued)**

**21.1 Nature and purpose :**

Particulars	Description
General reserve	General reserve represents portion of profits mandatorily transferred to it before declaring dividend pursuant to the provisions of Companies Act, 1956. Such mandatory transfer is not required under the Companies Act, 2013.
Securities premium reserve	Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.
Capital redemption reserve	Capital redemption reserve is created on account of redemption of preference shares out of the profits of the company, a sum equal to the nominal amount of the shares redeemed has been transferred from retained earnings (Refer note 22.2 to 22.4)
Retained earnings	Retained earnings are the profits that the company has earned till date, less any transfers to general reserve if any, dividend or other distributions paid to shareholders.
Equity component of 0.001% Optionally convertible redeemable non cumulative preference shares	Equity component of 0.001% Optionally convertible redeemable non cumulative preference shares issued by the Company are classified separately as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.
Equity component of 4.5% redeemable cumulative preference shares	Equity component of 4.5% redeemable cumulative preference shares issued by the Company are classified separately as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.
Remeasurement benefits	This reserve contains cumulative gains and losses on remeasurement of post-employment defined benefits obligations.

**21.2 Movement of other equity**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>General reserve</b>		
Opening Balance	107.87	107.87
Add / (less): Movement during the year	-	-
Closing Balance	107.87	107.87
<b>Securities premium reserve</b>		
Opening balance	226.00	226.00
Add / (less): Movement during the year	-	-
Closing balance	226.00	226.00
<b>Capital redemption reserve</b>		
Opening balance	-	-
Add : Transfer from retained earnings on account of redemption of preference shares (Refer note 22.2 to 22.4)	325.00	-
Closing balance	325.00	-



**Rochem Separation Systems (India) Private Limited**

CIN: U24100MH1991PTC064068

**Notes to the Balance Sheet (Continued)**

(Amount in rupees lakhs, unless otherwise stated)

**21 Other equity (Continued)**

**21.2 Movement of other equity( Continued)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Retained earnings</b>		
Opening balance	10,712.16	9,950.22
Add / (less): Comprehensive income / (loss) for the year	813.16	761.93
Less : Transfer to retained earnings on account of redemption of preference shares (Refer note 22.2 to 22.4)	(325.00)	-
Closing balance	11,200.32	10,712.16
<b>Equity component of 4.5% redeemable cumulative preference shares</b>		
Opening Balance	296.32	296.32
Add / (less): Movement during the year	-	-
Closing Balance	296.32	296.32
<b>Equity component of 0.001% Optionally convertible redeemable non cumulative preference shares</b>		
Opening Balance	3.20	3.20
Add / (less): Movement during the year	-	-
Closing Balance	3.20	3.20
<b>Remeasurement gain / (loss) of defined benefit plan</b>		
Opening Balance	11.19	0.13
Add / (less): Movement during the year	(85.83)	11.06
Closing Balance	(74.64)	11.19
<b>Total</b>	<b>12,084.07</b>	<b>11,356.74</b>



**22 Borrowings**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Non-current borrowing</b>		
<b>Secured</b>		
- Loan from banks (Refer note 22.5 (a) to (c))	43.40	55.69
- Loan from financial institutions (Refer note 22.5 (d))	311.63	436.30
<b>Unsecured</b>		
Liability component of compound financial instruments (Refer note 22.1 to 22.4)		
- Nil (3,25,000) 4.5% redeemable cumulative preference shares of Rs.100 each fully paid	-	260.82
- 4,000 (4,000) 0.001% Optionally convertible redeemable non cumulative preference shares of Rs. 100 each fully paid	1.34	1.23
<b>Total</b>	<b>356.37</b>	<b>754.04</b>

**22.1 Issued, subscribed and paid-up share capital**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>4.5% redeemable cumulative preference shares</b>		
Face value	-	100.00
No. of shares	-	3,25,000
Amount	-	325.00
<b>0.001% Optionally convertible redeemable non cumulative preference shares</b>		
Face value	100.00	100.00
No. of shares	4,000	4,000
Amount	4.00	4.00
<b>Total</b>	<b>4.00</b>	<b>329.00</b>

**22.2 Reconciliation of shares outstanding at the beginning and at the end of the year**

**(a) 4.5% redeemable cumulative preference shares**

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	3,25,000	325.00	3,25,000	325.00
Add: Issued during the year	-	-	-	-
Less: Redeemed during the year	(3,25,000)	(325.00)	-	-
Outstanding at the end of the year	-	-	3,25,000	325.00

**(b) 0.001% Optionally convertible redeemable non cumulative preference shares**

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	4,000	4.00	4,000	4.00
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Outstanding at the end of the year	4,000	4.00	4,000	4.00

**22.3 Rights, preferences and restrictions attached to the preference shares**

4.5% redeemable, cumulative preference shares of Rs 100 each were issued under the scheme of arrangement approved by National Company Law Tribunal, Mumbai Bench under the order dated 2 November 2018. As per the scheme of arrangement, 1 (one) 4.5% redeemable cumulative preference share of Rs.100 each, fully paid up of Rochem Separation Systems (India) Private Limited to be issued for every 1 (one) 4.5% redeemable cumulative preference share of Rs.100 each held by the shareholders of Rochem Services Private Limited (formerly known as "Concord Blue Technology Private Limited"). The shares have been redeemed on 5th May, 2022. A sum of Rs. 325 lakhs being the nominal amount of the shares redeemed has been transferred to capital redemption reserve from retained earnings.

0.001% Optionally Convertible Redeemable Preference Share (OCRPS) of Rs. 100 each were issued under the scheme of arrangement approved by National Company Law Tribunal, Mumbai Bench under the order dated 2 November 2018. As per the scheme of arrangement, 1 (one) 0.001% optionally convertible redeemable preference share of Rs.100 each of Rochem Separation Systems (India) Private Limited, fully paid up to be issued for every 1 (one) 0.001% optionally convertible redeemable preference share of Rs.100 each held by the shareholders of Rochem Services Private Limited (formerly known as "Concord Blue Technology Private Limited"). 2000 shares are redeemable on 10th August, 2035 and 2000 shares are redeemable 28th March, 2036.

**22.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in the company and shares held by the holding company, the ultimate holding company, their subsidiaries and associates**

Name of the shareholder	As at 31st March, 2023		As at 31st March, 2022	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
<b>0.001% Optionally convertible redeemable non cumulative preference shares of Rs. 100 each fully paid</b>				
Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited)	4,000	100%	4,000	100%
<b>Total of non cumulative preference shares</b>	<b>4,000</b>	<b>100%</b>	<b>4,000</b>	<b>100%</b>

Mr



**22 Borrowings (Continued)**

**22.5 Terms and conditions of loans from banks and financial institution:**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(a) Banks</b>		
HDFC Bank Limited (Refer note 22.5 (a))	21.21	35.77
ICICI Bank Limited (Refer note 22.5 (b))	63.62	55.65
Bank of India (Refer note 22.5 (c))	-	49.84
<b>Sub-total</b>	<b>84.83</b>	<b>141.26</b>
<b>(b) Financial Institution</b>		
Aditya Birla Finance Limited (Refer note 22.5 (d))	441.33	561.30
<b>Sub-total</b>	<b>441.33</b>	<b>561.30</b>
<b>Total</b>	<b>526.16</b>	<b>702.56</b>

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Presented as:</b>		
Non-current borrowings (Refer note 22)	355.03	491.99
Current maturities of non-current borrowings (Refer note 26)	171.13	210.57
<b>Total</b>	<b>526.16</b>	<b>702.56</b>

**(a) Loan from HDFC Bank**

(i) Pertains to vehicle loan taken during FY 2017-18 which carries interest rate of 8.40% per annum. It is repayable in 60 equal monthly instalments of Rs. 0.22 lakhs each commencing from 5th October, 2017. The term loan is secured by hypothecation of vehicle acquired under the loan. It has been repaid on 5th September, 2022.

(ii) Pertains to vehicle loan taken during FY 2018-19 which carries interest rate of 8.85% per annum. It is repayable in 60 equal monthly instalments of Rs. 0.47 lakhs each commencing from 7th January, 2019. The term loan is secured by hypothecation of vehicle acquired under the loan.

(iii) Pertains to vehicle loan taken during FY 2018-19 which carries interest rate of 8.85% per annum. It is repayable in 60 equal monthly instalments of Rs. 0.54 lakhs each commencing from 7th January, 2019. The term loan is secured by hypothecation of vehicle acquired under the loan.

(iv) Pertains to vehicle loan taken during FY 2021-22 which carries interest rate of 10% per annum. It is repayable in 60 equal monthly instalments of Rs. 0.32 lakhs each commencing from 5th April, 2022. The term loan is secured by hypothecation of vehicle acquired under the loan.

**(b) Loan from ICICI Bank**

(i) Pertains to vehicle loan taken during FY 2017-18 which carries interest rate of 8.40% per annum. It is repayable in 60 equal monthly instalments of Rs. 0.31 lakhs each commencing from 5th August, 2017. The term loan is secured by hypothecation of vehicle acquired under the loan. It has been repaid on 05th October, 2022.

(ii) Pertains to vehicle loan taken during FY 2019-20 which carries interest rate of 8.90% per annum. It is repayable in 60 equal monthly instalments of Rs. 1.76 lakhs each commencing from 10th October, 2019. The term loan is secured by hypothecation of equipment acquired under the loan.

(iii) Pertains to vehicle loan taken during FY 2020-21 which carries interest rate of 8.00% per annum. It is repayable in 60 equal monthly instalments of Rs. 0.18 lakh each commencing from 5th November, 2020. The term loan is secured by hypothecation of equipment acquired under the loan.

(iv) Pertains to vehicle loan taken during FY 2022-23 which carries interest rate of 7.50% per annum. It is repayable in 39 equal monthly instalments of Rs. 0.37 lakhs each commencing from 5th June, 2022. The term loan is secured by hypothecation of vehicle acquired under the loan.

(v) Pertains to vehicle loan taken during FY 2022-23 which carries interest rate of 8.10% per annum. It is repayable in 48 equal monthly instalments of Rs. 0.54 lakhs each commencing from 5th September, 2022. The term loan is secured by hypothecation of vehicle acquired under the loan.

**(c) Loan from Bank of India**

The Company has taken a loan from Bank of India of Rs. 235.00 lakhs under COVID Emergency Support Scheme 2020. (CESS-2020) of Government of India. It is repayable in 6 equal monthly instalments of Rs. 5.90 lakhs, 11 equal monthly instalments of Rs. 16.64 lakhs and last month instalment of Rs. 16.56 lakhs with first installment commencing from 31st January, 2021 which carries interest rate of 7.35%. The loan is secured by first pari passu charge on the current assets and office furniture of the Company and equitable mortgage on office premises, factory land, building and plant and machinery of the company. The loan has been repaid on 28th June 2022.

**(d) Loan from Aditya Birla Finance Limited**

The Company has taken a loan from Aditya Birla Finance Limited of Rs. 691.00 lakhs during the financial year 2020-21. It is repayable in 62 equal monthly instalments of Rs. 14.94 lakhs commencing from 1st February, 2021 which carries floating interest rate of 12.90% per annum. The loan is secured by specific charge on the retention money of Rs. 887.36 lakhs from specific parties. 80% of the retention money received or realised from the specific parties shall be utilised for the repayment of the loan.

During the year and in the previous year, there was a breach in maintaining one of the financial covenant. Till the date of approval of financial statements by the Board of Directors, the lender has not demanded for any accelerated repayment of borrowings and the term of borrowings were not changed. The company has not defaulted in payment of its interest and principal that are due on borrowings.

**23 Lease liabilities (Non-current)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease liabilities (Refer note 48)	1,343.01	1,883.88
<b>Total</b>	<b>1,343.01</b>	<b>1,883.88</b>

**24 Provisions (Non-current)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Provision for gratuity (Refer note 47)	382.62	267.46
Provision for leave benefit (Refer note 47)	79.90	70.99
<b>Total</b>	<b>462.52</b>	<b>338.45</b>



**25 Other non-current liabilities**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred income liability on finance lease	5.97	14.68
<b>Total</b>	<b>5.97</b>	<b>14.68</b>

**26 Borrowings (Current)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Loan repayable on demand</b>		
<b>Secured</b>		
Cash credit facility (Refer note 26.1 (a) and (b))	2,162.41	2,324.99
Working capital demand loan (Refer note 26.1 (a) and (c))	3,759.50	3,012.78
Buyer's credit (Refer note 26.1 (a) and (d))	343.21	346.99
Current maturities of non-current borrowings (Refer note 22.5)	171.13	210.57
Purchase Financing (Refer note 26.1(e))	50.62	-
<b>Total</b>	<b>6,486.87</b>	<b>5,895.33</b>

**26.1 Terms and conditions of loans from banks and financial institution:**

- (a) Secured by first pari passu charge on the current assets and office furniture of the Company and equitable mortgage on office premises, factory land, building and plant and machinery of the company. The facilities are secured by corporate guarantee from Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited) and personal guarantee of Mr. Prayas Goel and Mr. Prerak Goel.
- (b) Cash credit facilities from banks carry interest ranging between 10.25% to 12.74% p.a., computed on a monthly basis on the actual amount utilised, and are repayable on demand.
- (c) **Working capital Demand Loan**
- (i) The Company has taken a foreign currency working capital demand loan from IDFC first Bank of USD 5.37 lakhs (equivalent Rs. 400 lakhs) on 21st January, 2022 which carries interest rate 3.50% and has been repaid on 20th July, 2022.
- (ii) The Company has taken a foreign currency working capital demand loan from IDFC first Bank of USD 5.33 lakhs (equivalent Rs. 400 lakhs) on 28th January, 2022 which carries interest rate 3.60% and has been repaid on 27 July, 2022.
- (iii) The Company has taken a working capital demand loan from IndusInd Bank of Rs. 450 lakhs on 10th February, 2022 which carries interest rate 8.30% and has been repaid on 9 August, 2022.
- (iv) The Company has taken a working capital demand loan from IndusInd Bank of Rs. 250 lakhs on 16th February, 2022 which carries interest rate 8.10% and has been repaid on 12th August, 2022.
- (v) The Company has taken a foreign currency working capital demand loan from Standard Chartered Bank of USD 6.70 lakhs (equivalent Rs. 506.14 lakhs) on 23rd March, 2022 which carries interest rate 2.24% and has been repaid on 19th August, 2022.
- (vi) The Company has taken a foreign currency working capital demand loan from Standard Chartered Bank of USD 6.70 lakhs (equivalent Rs. 506.64 lakhs) on 28th March, 2022 which carries interest rate 2.30% and has been repaid on 25th August, 2022.
- (vii) The Company has taken a working capital demand loan from IndusInd Bank of Rs. 500 lakhs on 24 March, 2022 which carries interest rate 7.95% and has been repaid on 21st September, 2022.
- (viii) The Company has taken a foreign currency working capital demand loan from Standard Chartered Bank of USD 6.20 lakhs (equivalent Rs. 502.10 lakhs) on 27th January, 2023 which carries interest rate 5.77% and is repayable on 26th June, 2023.
- (ix) The Company has taken a foreign currency working capital demand loan from Standard Chartered Bank of USD 3.50 lakhs (equivalent Rs. 283.16 lakhs) on 30th January, 2023 which carries interest rate 5.82% and is repayable on 28th July, 2023.
- (x) The Company has taken a working capital demand loan from Bank of India of Rs. 500 lakhs on 28th February, 2023 which carries interest rate 9.70% and is repayable on 22nd August, 2023.
- (xi) The Company has taken a working capital demand loan from IDFC Bank of Rs. 110 lakhs on 23rd January, 2023 which carries interest rate 10.40% and is repayable on 22nd July, 2023.
- (xii) The Company has taken a working capital demand loan from IDFC Bank of Rs. 400 lakhs on 23rd January, 2023 which carries interest rate 10.40% and is repayable on 22nd July, 2023.
- (xiii) The Company has taken a working capital demand loan from IDFC Bank of Rs. 400 lakhs on 25th January, 2023 which carries interest rate 10.40% and is repayable on 24th July, 2023.
- (xiv) The Company has taken a working capital demand loan from IndusInd Bank of Rs. 200 lakhs on 28th January, 2023 which carries interest rate 10% and is repayable on 27th July, 2023.
- (xv) The Company has taken a working capital demand loan from IndusInd Bank of Rs. 450 lakhs on 06th February, 2023 which carries interest rate 10% and is repayable on 05th August, 2023.
- (xvi) The Company has taken a working capital demand loan from IndusInd Bank of Rs. 250 lakhs on 13th February, 2023 which carries interest rate 10% and is repayable on 12th August, 2023.
- (xvii) The Company has taken a working capital demand loan from IndusInd Bank of Rs. 500 lakhs on 31st December, 2022 which carries interest rate 10% and is repayable on 28th June, 2023.
- (xviii) The Company has taken a working capital demand loan from IndusInd Bank of Rs. 150 lakhs on 28th January, 2023 which carries interest rate 10% and is repayable on 27th July, 2023.
- (d) Buyer's credit facilities from banks carry interest rate at applicable USD LIBOR plus margin (rates are specified at the time of offer). Principal amount alongwith interest are payable on the date of maturity.
- (e) **Purchase financing from Oxyzo Financial Services Private Limited**
- Purchase financing facility from Oxyzo Financial Services Private Limited is taken during the year 2022-23 which carries interest rate at applicable HDFC MCLR plus margin @ 6.25% per annum. The facility was secured by corporate guarantee from Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited) and personal guarantee of Mr. Prayas Goel and Mr. Prerak Goel.



27 Lease liabilities (Current)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease liabilities (Refer note 48)	1,031.13	997.62
<b>Total</b>	<b>1,031.13</b>	<b>997.62</b>

28 Trade payables

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total outstanding dues of micro enterprises and small enterprises (Refer note 28.1)	846.09	802.04
Total outstanding dues of creditors other than micro enterprises and small enterprises (for related parties, refer note 51)	6,694.72	7,788.15
<b>Total</b>	<b>7,540.81</b>	<b>8,590.19</b>

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
Dues remaining unpaid at the year end:		
(a) The principle amount remaining unpaid to supplier as at the end of the accounting year	844.79	794.50
(b) The interest thereon remaining unpaid to supplier as at the end of the accounting year	1.30	7.54
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; year	Nil	Nil
(d) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	7.54	1.45
(e) Amount of interest accrued and remaining unpaid at the end of the accounting year	1.30	7.54
(f) the amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues above are actually paid.	Nil	Nil

28.2 Trade payable ageing schedule for the year ended as at

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Total outstanding dues of micro, small &amp; medium enterprises - Undisputed</b>		
Less than 1 year	846.09	793.29
1-2 years	-	3.48
2-3 years	-	4.41
More than 3 years	-	0.86
<b>Sub-total</b>	<b>846.09</b>	<b>802.04</b>
<b>Total outstanding dues of creditors other than micro, small &amp; medium enterprises - Undisputed</b>		
Less than 1 year	5,902.99	6,930.77
1-2 years	174.72	358.94
2-3 years	142.69	387.64
More than 3 years	474.32	110.80
<b>Sub-total</b>	<b>6,694.72</b>	<b>7,788.15</b>
<b>Total</b>	<b>7,540.81</b>	<b>8,590.19</b>

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

28.4 Disputed trade payables are Rs. Nil



**29 Other Current Financial Liabilities**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security deposits from customers	-	39.00
Trade deposits received from suppliers	96.50	155.00
Interest accrued but not due	25.51	41.50
Financial liability at fair value through profit or loss (derivative)	-	4.91
Creditors for capital goods (for related parties, refer note 51)	30.69	1.43
Fair value of Financial Guarantee Contracts	-	3.82
<b>Total</b>	<b>152.70</b>	<b>245.66</b>

**30 Provisions (Current)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Provision for Employee Benefits</b>		
Provision for gratuity (Refer note 47)	114.53	97.92
Provision for leave benefit (Refer note 47)	24.62	13.79
	<b>139.15</b>	<b>111.71</b>
<b>Other provisions</b>		
Provision against regulatory liability (Refer note 30.1 and 30.2)	63.00	63.00
<b>Total</b>	<b>202.15</b>	<b>174.71</b>

**30.1** The company has made the provision for the compounding fees payable based on the application filed under section 441 of the Companies Act, 2013 for non-compliance with Section 185 of the Companies Act, 2013 for the financial year 2014-15 and 2015-16.

**30.2 Movement in the provision against regulatory liability:**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	63.00	50.00
Add: Provided during the year	-	13.00
Less: Utilisation during the year	-	-
Balance at the end of the year	<b>63.00</b>	<b>63.00</b>



31 Contract liabilities (Current)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances received from customers (Refer note 31.1)	350.04	522.21
<b>Total</b>	<b>350.04</b>	<b>522.21</b>

31.1 Movement of contract liabilities

Particulars	As at 31st March, 2023	As at 31st March, 2022
Amounts included in contract liability as at the beginning of the year	522.21	811.58
Amount received (adjusted) / Performance obligation satisfied during the year	(172.17)	(289.37)
Amounts included in contract liability as at the end of the year	<b>350.04</b>	<b>522.21</b>

32 Current tax liabilities (net)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for income tax (net of tax paid)	84.97	121.97
<b>Total</b>	<b>84.97</b>	<b>121.97</b>

32.1 Current tax payable includes:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for tax	1,412.64	1,185.19
Less: Tax paid	(1,327.67)	(1,063.22)
<b>Total</b>	<b>84.97</b>	<b>121.97</b>

33 Other current liabilities (Current)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Statutory dues payable	344.38	456.48
Deferred income liability on finance lease	8.72	12.40
<b>Total</b>	<b>353.10</b>	<b>468.88</b>

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**Rochem Separation Systems (India) Private Limited**

CIN: U24100MH1991PTC064068

**Notes to the Statement of Profit and Loss**

(Amount in rupees lakhs, unless otherwise stated)

**34 Revenue from operations**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Sale of goods	19,683.25	19,057.78
Sale of services	10,331.52	8,768.15
Lease rental income	368.24	420.04
<b>Sub-total (A)</b>	<b>30,383.01</b>	<b>28,245.97</b>
<b>Other operating revenue</b>		
Other operating revenue	73.67	75.22
<b>Sub-total (B)</b>	<b>73.67</b>	<b>75.22</b>
<b>Total (A+B)</b>	<b>30,456.68</b>	<b>28,321.19</b>

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

(a)	Disaggregated revenue	Year ended 31st March, 2022	Year ended 31st March, 2021
	<b>Revenue by geographical market</b>		
	Within India	25,759.35	25,677.24
	Outside India	4,697.33	2,643.95
	<b>Total</b>	<b>30,456.68</b>	<b>28,321.19</b>

**(b) Contract Balances**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Trade receivable (Refer note 14 )	9,340.39	10,627.87
Contract liabilities (Refer note 31)	(350.04)	(522.21)
<b>Total</b>	<b>8,990.35</b>	<b>10,105.66</b>

**(c) Timing of revenue recognition**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Goods or services transferred at a point in time	19,756.92	19,133.00
Goods or services transferred over the period of time	10,699.76	9,188.19
<b>Total</b>	<b>30,456.68</b>	<b>28,321.19</b>

**(d) Performance obligations**

Information about the Company's performance obligations are summarised below:

1. Manufacturing and installation of RO plants [RO plants / High Pressure RO plants / Desalination RO plants].
2. Supply of spares required for maintaining RO plants as per the contract or purchase order.
3. Operation and Maintenance services (including supervision service), technical consultancy and design services and manpower management services as per the contract or purchase order.



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**Notes to the Statement of Profit and Loss**

(Amount in rupees lakhs, unless otherwise stated)

**35 Other income**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>Interest income</b>		
Financial instruments measured at amortised cost		
- Fixed deposits with banks	18.11	29.29
- Others	76.75	78.16
<b>Dividend income</b>		
Dividends received from equity investments designated as at FVTPL		
- Relating to investments held at the end of the reporting year	0.10	0.05
<b>Net gains on fair value changes</b>		
- Derivatives classified at fair value through profit or loss	7.23	-
Duty drawback refund	12.22	34.68
Net profit on sale of property, plant and equipment	8.63	0.05
Liabilities written back to the extent no longer required	13.60	78.46
Gain on derecognition of leases	0.15	53.20
Impairment loss reversed	366.03	-
Gain on Investment classified at fair value through profit or loss	2.94	-
Miscellaneous income	111.05	11.81
<b>Total</b>	<b>616.81</b>	<b>285.70</b>

**36 Cost of raw materials and components consumed**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening	6,496.15	6,554.25
Add: Purchases (including direct expenses in nature of consumables, freight inwards and clearing & forwarding charges)	14,571.66	13,407.26
Less: Closing	6,343.75	6,496.15
<b>Total</b>	<b>14,724.06</b>	<b>13,465.36</b>

**37 Purchases of stock-in-trade**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Purchases of stock-in-trade	1,177.16	1,680.33
<b>Total</b>	<b>1,177.16</b>	<b>1,680.33</b>

**38 (Increase) / decrease in inventories of finished goods and work-in-progress**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>Opening Balance</b>		
Finished goods	1,246.26	597.85
Work in progress	1,205.40	1,708.33
	<b>2,451.66</b>	<b>2,306.18</b>
<b>Less: Closing Balance</b>		
Finished goods	983.03	1,246.26
Work in progress	1,465.08	1,205.40
	<b>2,448.11</b>	<b>2,451.66</b>
<b>Total</b>	<b>3.55</b>	<b>(145.48)</b>

**Rochem Separation Systems (India) Private Limited**

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**Notes to the Statement of Profit and Loss**

(Amount in rupees lakhs, unless otherwise stated)

**39 Employee benefits expense**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries, wages and bonus	3,083.23	2,960.80
Contribution to provident and other funds (Refer note 47)	170.66	173.62
Gratuity expense (Refer note 47)	61.31	57.60
Staff welfare expenses	62.99	55.71
<b>Total</b>	<b>3,378.19</b>	<b>3,247.73</b>

**40 Finance costs**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>Interest expenses on</b>		
- loan and advances from related parties (Refer note 51)	81.71	87.27
- vehicle loan	8.46	8.39
- working capital loan	478.21	391.61
- lease liabilities*	394.00	491.22
- letter of credit discounting	67.39	47.59
- statutory dues	33.95	39.79
- term loans	59.16	65.98
- Unwinding of present value of redemption amount in respect of financial instrument classified as financial liability (Refer note 51)	138.81	21.64
- others	8.97	18.35
Other borrowing charges	46.52	63.40
<b>Net gains/(losses) on fair value changes</b>		
- Derivatives classified at fair value through profit or loss	-	2.72
<b>Total</b>	<b>1,317.18</b>	<b>1,237.96</b>

\*includes interest on lease liabilities to related parties

**41 Depreciation and amortization expense**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Depreciation of property, plant and equipment (Refer note 4)	449.74	555.54
Depreciation of right-of-use assets (Refer note 8)	972.75	1,068.30
Amortisation of other intangible assets (Refer note 7)	19.84	25.37
<b>Total</b>	<b>1,442.33</b>	<b>1,649.21</b>

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**Rochem Separation Systems (India) Private Limited**

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**Notes to the Statement of Profit and Loss**

(Amount in rupees lakhs, unless otherwise stated)

**42 Other expenses**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Power and fuel	36.18	36.44
Freight, clearing and forwarding	499.13	455.81
Lease rent and Licence Fees	144.34	135.50
Repairs & maintenance expenses		
- Others	113.23	89.95
Insurance	39.34	29.32
Rates and taxes	53.23	97.08
Travelling expenses	576.27	458.59
Legal and professional fees	910.53	640.21
Payments to auditors (refer note 42.1)	24.07	22.87
Sales commission	509.10	415.10
Advertisement and sales promotion	25.40	5.54
Bank charges	101.98	90.39
Telephone and communication charges	13.66	12.18
Printing & Stationery	19.77	19.18
Service Charges	3,831.10	3,085.43
Liquidated damages	5.31	8.30
Foreign currency exchange loss (Net)	235.16	134.25
Vehicle expenses	27.85	23.53
Bad debts written off	474.86	293.43
Fixed assets written off	2.57	-
Sundry debit balance written off	29.67	51.94
Net impairment losses on financial assets	-	42.70
Provision for doubtful advances	37.28	53.18
Contribution under corporate social responsibility (Refer note 49)	23.94	64.54
Information technology expenses	105.44	83.76
Research and development expenses	15.51	8.77
Director sitting fees	3.00	-
Miscellaneous expenses	132.95	109.92
<b>Total</b>	<b>7,990.87</b>	<b>6,467.91</b>

**42.1 The following is the break-up of payments to auditors (excluding taxes, if any)**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>Payments to auditors</b>		
- For statutory audit services	20.00	20.00
- For tax audit services	3.00	1.00
- For other services	0.25	1.87
- For reimbursement of expenses	0.82	-
<b>Total</b>	<b>24.07</b>	<b>22.87</b>





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**Notes to the Balance Sheet (Continued)**

(Amount in rupees lakhs, unless otherwise stated)

**43 Income taxes**

**43.1 Income tax expense**

Particulars	As at 31st March, 2023	As at 31st March, 2022
- Current tax	227.45	402.87
- Income tax pertaining to earlier years	-	(69.87)
- Deferred tax (credit)	(0.46)	(91.06)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>226.99</b>	<b>241.94</b>

**43.2 Reconciliation of tax charge**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Profit before tax</b>	<b>1,040.15</b>	<b>1,003.87</b>
<b>Tax Rate</b>	<b>25.17%</b>	<b>25.17%</b>
<b>Income tax expense at tax rates applicable</b>	<b>261.81</b>	<b>252.65</b>
<b>Tax effect of:</b>		
Expenses that are not deductible in determining taxable profit	8.61	22.70
Effect of change in income tax rules	-	0.00
Income tax relating to prior years	-	(69.87)
Others	(43.43)	36.46
<b>Income tax (expense) / income</b>	<b>226.99</b>	<b>241.94</b>



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**Notes to the Balance Sheet (Continued)**

(Amount in rupees lakhs, unless otherwise stated)

**43 Income taxes (continued)****43.3 Movements in Deferred tax assets / (liabilities)**

<b>Movements during the year ended 31st March, 2023</b>	<b>Opening balance</b>	<b>Increase / (decrease) recognised in profit and loss</b>	<b>Closing balance</b>
Provision for employee Benefits	113.30	38.13	151.43
Expected credit loss	797.30	(92.12)	705.18
Provision for doubtful advances	13.82	9.39	23.21
Derivative Financial Instrument	1.24	(0.65)	0.59
Unbilled revenue	-	-	-
Others	30.56	5.66	36.22
Property Plant and Equipment	(506.00)	44.19	(461.81)
Right-of-use assets	(80.06)	(20.32)	(100.38)
Compound financial instruments	(16.85)	16.18	(0.67)
<b>Total</b>	<b>353.31</b>	<b>0.46</b>	<b>353.77</b>

<b>Movements during the year ended 31st March, 2022</b>	<b>Opening balance</b>	<b>Increase / (decrease) recognised in profit and loss</b>	<b>Closing balance</b>
Provision for employee Benefits	123.69	(10.39)	113.30
Expected credit loss	789.98	7.32	797.30
Provision for doubtful advances	3.14	10.68	13.82
Derivative Financial Instrument	0.55	0.69	1.24
Others	17.69	12.87	30.56
Property Plant and Equipment	(579.74)	73.74	(506.00)
Right-of-use assets	(70.77)	(9.29)	(80.06)
Compound financial instruments	(22.29)	5.44	(16.85)
<b>Total</b>	<b>262.25</b>	<b>91.06</b>	<b>353.31</b>



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**Notes to the financial statements**

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**44 Earnings per share**

The calculation of the basic and diluted earnings per share is based on the following data

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Computation of basic earning per share (face value Rs 100)</b>		
Net Profit after Tax attributable to equity shareholders	813.16	761.93
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	0.50	0.50
Basic earning per share (face value Rs 100)	1,626.22	1,523.77
<b>Computation of diluted earning per share (face value Rs 100)</b>		
Net profit after tax as per Statement of Profit and Loss	813.16	761.93
Add: Impact of interest expense on compound financial instruments and tax thereon	0.08	0.07
Net profit after tax attributable to equity shareholders	813.24	762.00
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	0.54	0.54
Diluted earning per share (face value Rs 100)	1,505.92	1,411.04

**45 Segment Reporting**

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

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

Segments	As at 31st March, 2023	As at 31st March, 2022
<b>Segment Revenue</b>		
Within India	25,759.35	25,677.24
Outside India	4,697.33	2,643.95
<b>Total</b>	<b>30,456.68</b>	<b>28,321.19</b>
<b>Non-current assets (Property, plant and equipment, Intangible assets, other non-current assets (non-financial)) by geographic area:</b>		
Within India	6,896.00	7,645.26

- 45.2 Revenue from customers exceeding 10% of total revenue for the year ended:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Number of Customer (Nos)*	1	Nil
Amount	4,162.99	-

\* Pertains to sales to related parties (Refer note 51)

**46 Contingent liabilities**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(I) Claim against the company not acknowledged as debt (Refer note (i) below)</b>		
(a) Sales Tax/VAT	44.26	44.26
(b) Service tax	103.71	103.71
(c) Income tax	42.97	13.28
(d) Customs	1.06	1.06
<b>(II) Guarantees excluding financial guarantees</b>		
(a) Bank guarantee	1,864.50	1,718.29
(b) Corporate guarantee given to a bank/ financial institutions in respect of credit facilities availed by related parties	-	382.15
<b>Total</b>	<b>2,056.50</b>	<b>2,262.75</b>



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**Notes to the financial statements**

(Amount in rupees lakhs, unless otherwise stated)

**46 Contingent liabilities (Continued)****Note:**

- (i) In respect of point (I) above, future cash outflows (including interest/ penalty, if any) are determinable on receipt of judgement from tax authorities / settlement of claims. Further, the Company does not expect any reimbursement in respect of above.
- (ii) The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that there are no material foreseeable losses.
- (iii) The Company is subject to other legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.
- (iv) The Company had entered into a concession agreement dated November 18, 2010 with the Pune Municipal Corporation pursuant to which it was required to set up a waste to electricity plant ("WTE Plant").

This business was transferred by the Company to Rochem Green Energy Private Limited (RGEPL) vide an agreement of transfer dated July 7, 2011.

On applications filed by three applicants with the National Green Tribunal (NGT), NGT appointed a committee to investigate this matter and the committee in its order dated November 29, 2021

observed various non-compliances and environmental hazards caused by the operations of the Company

The NGT issued an order dated March 3, 2022, in which it upheld the recommendations of the Committee and imposed a fine of Rs. 1,249.88 lakhs on Rochem Green Energy Private Limited.

Thereafter, the Maharashtra Pollution Control Board vide its notice dated March 25, 2022 requested RGEPL to deposit the said fine amount of Rs. 1,249.88 lakhs within 30 days.

Against the NGT order dated March 3, 2022, the Company filed an appeal dated April 6, 2022 under section 22 of the National Green Tribunal Act, 2010 before the Supreme Court of India challenging the said order, which has been admitted by the Supreme Court on April 29, 2022. The Supreme Court has also put a stay on the recovery of the demand.

The Company in this appeal has also requested that the application with NGT had been filed in the wrong name / wrong entity and requested for removal of its name from the case.

The matter is currently pending and the next hearing has been listed on August 17, 2023.

**47 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'****47.1 Defined Contribution Plans**

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
Employers' contribution to provident fund (Refer note 39)	148.98	148.96
Employers' contribution to ESIC (Refer note 39)	9.39	12.25
Others (Refer note 39)	12.29	12.41
<b>Total</b>	<b>170.66</b>	<b>173.62</b>

**47.2 Defined benefit plans****(a) Compensated leave absences**

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

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

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
Amount recognised in the Balance Sheet		
Long-term	79.90	70.99
Short-term	24.62	13.79
<b>Total</b>	<b>104.52</b>	<b>84.78</b>
Amount recognised in salary and other benefits in the Statement of Profit and Loss in respect of compensated leave liability.	33.74	6.95



## 47 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits' (Continued)

## (b) Defined benefit obligations - Gratuity (funded)

The Company has a defined benefit gratuity plan for its employees. The Company has covered its gratuity liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by LIC of India, which is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972.

## Risks associated with plan provisions

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

Interest rate risk	A fall in the discount rate which is linked to the Government Security rate will increase the present value of the liability requiring higher provision.
Salary inflation risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Asset liability matching risk	The plan faces the ALM risk as to the matching cashflow. Entity has to manage pay-out based on pay as you go basis from own funds.
Mortality risk	Since the benefits under the plan is not payable for lifetime and payable till retirement age only, plan does not have any longevity risk.

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

## i) Actuarial assumptions

Particulars	As at 31st March, 2023	As at 31st March, 2022
Discount rate (per annum)	7.46%	6.96%
Expected rate of return on plan assets (per annum)	7.46%	6.96%
Rate of increase in salary (per annum)	5.00%	5.00%
Attrition rate	For service 2 years and below 20.00% p.a. For service 3 years to 4 years 15.00% p.a. For service 5 years and above 6.00% p.a.	For service 2 years and below 20.00% p.a. For service 3 years to 4 years 15.00% p.a. For service 5 years and above 6.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)#	Indian Assured Lives Mortality 2012-14 (Urban)#

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

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



## 47 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits' (Continued)

## (b) Defined benefit obligations - Gratuity (funded) (Continued)

## ii) Changes in the present value of defined benefit obligation

Particulars	As at 31st March, 2023	As at 31st March, 2022
Present value of obligation at the beginning of the year	403.54	432.50
Interest cost	28.09	23.72
Current service cost	35.88	37.26
Liability Transferred In/Acquisitions	-	0.34
(Liability Transferred Out/Divestments)	(6.28)	(58.16)
Benefits directly paid by employer	(9.09)	(2.38)
Benefits paid from fund	(14.21)	(18.84)
Actuarial (gain)/ loss on obligations - Due to change in Demographic Assumptions	-	(0.17)
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	(16.50)	(17.58)
Actuarial (gain)/ loss on obligations - Due to experience	102.20	6.85
Present value of obligation at the end of the year	523.63	403.54

## iii) Change in the fair value of plan assets:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening fair value of plan assets	38.16	53.46
Benefits paid	(14.21)	(18.84)
Interest Income	2.66	3.38
Return on plan assets excluding interest income	(0.14)	0.16
Closing fair value of plan assets	26.47	38.16

## iv) Expense recognized in the Statement of Profit and Loss

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current service cost	35.88	37.26
Interest cost	25.43	20.34
Total expenses recognized in the Statement Profit and Loss	61.31	57.60

## v) Expense recognized in Other comprehensive income

Particulars	As at 31st March, 2023	As at 31st March, 2022
Actuarial (gain) / loss on Obligation for the year	85.69	(10.90)
Return on Plan Assets, Excluding Interest Income	0.14	(0.16)
Net actuarial (gains) / losses recognised in OCI	85.83	(11.06)

## vi) Assets and liabilities recognized in the Balance Sheet:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Present value of obligation as at the end of the year	523.61	403.54
Fair Value of Plan Assets at the end of the year	(26.47)	(38.16)
Funded Status Deficit / (Surplus)	497.14	365.38
Net liability / (asset) recognized in Balance Sheet	497.14	365.38

## vii) Expected contribution to the fund in the next year

Particulars	As at 31st March, 2023	As at 31st March, 2022
Gratuity	114.54	97.92

## viii) Sensitivity analysis of benefit obligation (Gratuity)

Impact on defined benefit obligation	As at 31st March, 2023	As at 31st March, 2022
a) Impact of change in discount rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 1.00%	(30.28)	(25.28)
b) Impact due to decrease of 1.00%	34.01	28.57
b) Impact of change in salary growth		
Present value of obligation at the end of the year		
a) Impact due to increase of 1.00%	32.46	27.31
b) Impact due to decrease of 1.00%	(29.37)	(24.57)
c) Impact of change in withdrawal rate		
Present value of obligation at the end of the year		
a) withdrawal rate Increase	5.78	3.72
b) withdrawal rate decrease	(6.38)	(4.15)



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**Notes to the financial statements**

(Amount in rupees lakhs, unless otherwise stated)

**47 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits' (Continued)****(b) Defined benefit obligations - Gratuity (funded) (Continued)****ix) Maturity profile of defined benefit obligation**

Year	As at 31st March, 2023	As at 31st March, 2022
Expected Outgo First	54.38	32.88
Expected Outgo Second	39.49	30.40
Expected Outgo Third	77.45	35.03
Expected Outgo Fourth	54.46	60.40
Expected Outgo Fifth	49.29	47.57
Expected Outgo Six to Ten years	240.90	163.65
Expected Outgo 11 years and above	410.97	345.22

**48 Leases**

- 48.1** The Company has entered into agreements for taking on lease the plant & machineries and offices on lease and license basis. The lease term is for a period of 1 yr to 6 years, on fixed rental basis with escalation clauses in the lease agreement. The carrying value of right-of-use assets is as under

Particulars	As at 31st March, 2023	As at 31st March, 2022
Carrying value of right-of-use assets at the end year (Refer Note 8)	2,977.14	3,408.04

**48.2 Movement of lease liabilities**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning	2,881.50	3,875.90
Additions during the year	535.65	474.04
Finance cost accrued during the year	394.00	491.22
Payment of lease liabilities during the year	(1,436.03)	(1,505.34)
Deletions during the year	(0.98)	(454.32)
Balance at the end	2,374.14	2,881.50

**48.3 Maturity analysis of undiscounted lease payments analysed as under:**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Less than 1 year	1,279.49	1,322.01
Between 1-5 years	1,514.13	2,176.52
More than 5 years	-	-

**48.4 Lease liabilities included in the balance sheet**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current	1,031.13	997.62
Non-current	1,343.01	1,883.88

**48.5 Amount recognised in profit and loss**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Interest expense on lease liabilities	394.00	491.22
Depreciation on right-of-use assets (Refer note 41)	972.75	1,068.30
Expenses relating to short-term leases	129.97	118.25
Expenses relating to leases of low value assets*	30.96	26.02
Gain from sale and leaseback	0.15	10.73

\* includes hiring charges of Rs.16.78 lakhs ((31st March, 2022: 10.30 lakhs)

**48.6 Amount recognised in the statement of cash flow**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Payment of lease liabilities during the year	1,042.03	1,014.12
Finance cost paid during the year	394.00	491.22



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**Notes to the financial statements**

(Amount in rupees lakhs, unless otherwise stated)

**49 Disclosures of Corporate Social Responsibility (CSR) expenditure in line with the requirement of Guidance Note on "Accounting for Expenditure on Corporate Social Responsibility Activities"**

As per section 135 of the Companies Act 2013, a CSR committee has been formed by the Company. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art, culture, healthcare, destitute care and rehabilitation and rural development projects.

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Amount required to be spent during the year	23.94	25.89
(ii) CSR expenditure incurred during the year	-	-
(a) Construction/ acquisition of any asset	-	-
(b) On purpose other than (a) above*	23.94	113.96
(iii) Shortfall at the end of year	-	-
(iv) Total of Previous years shortfall	-	-
(v) Reason for Shortfall	Not applicable	Not applicable
(vi) Related party transaction as per Ind AS 24 in relation to CSR expenditure	-	-
(vii) Where provision is made with respect to a liability incurred by entering into a contractual obligation, the movement in the provision during the year	-	-
(viii) Nature of CSR activities :		
(a) Protection of flora and fauna	-	-
(b) Promoting health care including preventive health care etc.	23.94	113.96

\*Includes 3.83 lakhs kept with bank on current account earmarked for CSR expenditure (Refer note 16)

- (a) CSR amount required to be spent by the company as per section 135 of The Companies Act, 2013 read with Schedule VII thereof during the year i.e 2% of the last 3 years preceding net profits which comes to Rs 23.94 lakhs.
- (b) Expenditure relating to Corporate Social Responsibility is Rs 23.94 lakhs
- (c) Amount available as on 31.03.2022 for setoff in the succeeding years is 45.59 lakhs, amount setoff against the current CSR obligation against 2022-23 is 23.94 lakhs and balance available for setoff comes to 21.65 lakhs.





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**50 Financial Ratio**
**50.1 Ratios and change in ratios vis a vis earlier year:**

Particulars	Numerator	Denominator	As at 31st March, 2023	As at 31st March, 2022	% change from 31 March, 2022 to March, 2023	Note on reason for change of more than 25% in Ratios
(a) Current ratio	Current assets	Current liabilities	1.38	1.33	3.76%	N/A
(b) Debt Equity Ratio	Total Debt <sup>1</sup>	Shareholder's equity	0.56	0.58	-3.45%	N/A
(c) Debt Service coverage ratio	Earnings available for debt service <sup>2</sup>	Debt service <sup>3</sup>	1.40	1.34	4.48%	N/A
(d) Return on Equity (%)	Net profit after tax	Average shareholder's equity	6.91%	6.91%	0.00%	N/A
(e) Inventory Turnover Ratio	Cost of goods <sup>4</sup>	Average inventory	1.79	1.68	6.55%	N/A
(f) Trade receivable Turnover ratio	Revenue from operations	Average trade receivables	3.05	2.53	20.55%	N/A
(g) Trade payable Turnover ratio	Purchases of material and expenses (Net of Notional Expense <sup>5</sup> )	Average trade payables (excluding dues payable to employees)	2.95	2.35	25.53%	(i)
(h) Net capital turnover ratio	Revenue from operations	Working capital <sup>6</sup>	4.92	5.07	-2.96%	N/A
(i) Net profit (%)	Net profit after tax	Revenue from operations	2.67%	2.69%	-0.74%	N/A
(j) Return on capital employed	Earning before interest and taxes	Capital Employed <sup>7</sup>	0.13	0.14	-7.14%	N/A

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

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

 Debt service<sup>3</sup> - Finance Cost + Principal repayment of borrowing, debenture and Lease Liability.

 Cost of goods<sup>4</sup> - Cost of raw materials and components consumed, purchase of stock in trade and Increase/(decrease) in inventories of finished goods and work-in-progress.

 Net of Notional Expense<sup>5</sup> includes Amortisation of premium on forward exchange contracts, Net loss on foreign exchange fluctuations, Liquidated damages, Bad debts written off and Impairment loss recognised under expected credit loss model

 Working capital<sup>6</sup> - Current Asset - Current liabilities

 Capital Employed<sup>7</sup> - Tangible Net Worth (includes total asset and total liabilities excludes intangible assets (except ROU) + (Total Debt) - (Deferred Tax asset).

**50.2 Note on reason for change of more than 25% in Ratios**

- (i) Trade payable Turnover ratio - The rise in ratio is on account of the increase in purchases in QIV of financial year 2022-2023.



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**Notes to the financial statements (Continued)**

(Amount in rupees lakhs, unless otherwise stated)

**51 Related party disclosures**

**51.1 Names of related parties**

I	Parent entity	Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited)
II	Fellow subsidiaries (where there are transactions)	Rochem Services Private Limited (formerly known as "Concord Blue Technology Private Limited") Reva Enviro Systems Private Limited Concord Enviro FZE Concord Enviro S.A De C.V. Blue Water Trading & Treatment FZE Roserve Enviro Private Limited WHE Systems (FZC)
III	Entity over which parent has joint control (where there are transactions)	
IV	Enterprises over which key managerial personnel is able to exercise significant influence (where there are transactions)	Rochem India Private Limited Concord Shipping Private Limited Rochem Green Energy Private Limited Infinity Solar Power Private Limited
V	Key managerial personnel	Mr. Prayas Goel (Managing Director) Mr. Prerak Goel (Whole time Director) Mr. Alipt Sharma (Non-Executive Director) Mr. Abhishek Loonker (Non-Executive Director w.e.f. June 16, 2022) Mrs. Kamal Shanbhag (Independent Director w.e.f. June 22, 2022)



51 Related party disclosures (Continued)

51.2 Related party transactions taken place during the year

Nature of transaction	Name of the party	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>Purchase of goods</b>	- Blue Water Trading & Treatment FZE - Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited) - Roserve Enviro Private Limited - Rochem India Private Limited - Concord Shipping Private Limited	4,984.54	4,825.72
<b>Purchase of capital goods</b>	- Concord Enviro FZE - Rochem Services Private Limited - Roserve Enviro Private Limited - WHE Systems (FZC)	4,162.99 104.63 2,242.20 1.67	2,538.42 145.00 1,595.91 -
<b>Sale of goods or Service</b>	- Concord Enviro SA DE CV. - Rochem India Private Limited - Rochem Services Private Limited - Reva Enviro Systems Private Limited	5.73 178.32 2,595.93 95.29	- 174.98 2,132.68 -
<b>Technical consultancy and design services</b>	- Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited)	211.39	210.00
<b>Rent Expenses (including rentals paid for assets accounted as operating lease under IndAS 116)</b>	- Concord Shipping Private Limited - Roserve Enviro Private Limited	271.12 932.90	271.12 1,031.85
<b>Miscellaneous income - Corporate guarantee commission income (deemed)</b>	- Rochem Green Energy Private Limited	3.82	5.05
<b>Miscellaneous expenses - Corporate guarantee commission expense (deemed)</b>	- Rochem Green Energy Private Limited	3.82	5.05
<b>Interest Expenses</b>	- Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited) - Roserve Enviro Private Limited - Prayas Goel - Prerak Goel	- 81.71 - -	0.95 86.29 0.03 0.01
<b>Interest on compound financial instruments</b>	- Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited)	138.82	21.64
<b>Liquidated expenses</b>	- Roserve Enviro Private Limited	0.16	-
<b>Security deposit repaid</b>	- Roserve Enviro Private Limited	-	77.50
<b>Redemption of 0.001% unsecured redeemable non-convertible debentures</b>	- Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited)	-	89.25
	- Prayas Goel	-	67.38
	- Prerak Goel	-	18.38
<b>Loans received</b>	- Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited)	-	89.00
<b>Loans repaid</b>	- Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited)	-	89.00
<b>Repayment of 4.5% redeemable cumulative preference shares of Rs.100 each fully paid</b>	- Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited)	325.00	-
<b>Payment of dividend on 4.5% redeemable cumulative preference shares of Rs.100 each fully paid</b>	- Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited)	74.53	-



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**Notes to the financial statements (Continued)**

(Amount in rupees lakhs, unless otherwise stated)

**51 Related party disclosures (Continued)**

**51.3 Compensation of key managerial personnel**

The remuneration of the key management personnel of the company, is set out below in aggregate for each of the categories specified in Ind AS 24:

Nature of transaction	Name of the party	Year ended 31st March, 2023	Year ended 31st March, 2022
Short-term employee benefits	- Pravas Goel	210.00	192.00
	- Prerak Goel	203.00	185.00
Director's sitting fees	- Kamal Shanbhag	3.00	-
<b>Total</b>		<b>416.00</b>	<b>377.00</b>

**51.4 Related party outstanding balances**

Nature of transaction	Name of the party	As at 31st March, 2023	As at 31st March, 2022
<b>Trade payables</b>	- Blue Water Trading & Treatment FZE	1,266.32	2,439.74
	- Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited)	-	210.00
	- Roserve Enviro Private Limited	177.49	212.56
	- Rochem India Private Limited	216.62	114.59
	- Rochem Services Private Limited	490.74	771.96
<b>Employee benefits payable</b>	- Prerak Goel	5.13	-
	- Pravas Goel	5.87	-
<b>Contract Liabilities- Advance Received from customers</b>	- Concord Enviro FZE	89.53	-
<b>Other current liabilities - Creditors for capital goods</b>	- Infinitiv Solar Power Private Limited	-	0.46
<b>Other Current Financial Liabilities - Fair value of Financial Guarantee Contracts (deemed)</b>	- Rochem Green Energy Private Limited	-	3.82
<b>Trade receivables</b>	- Concord Enviro FZE	-	117.79
	- Roserve Enviro Private Limited	178.35	-
	- WHE Systems (FZC)	1.67	-
	- Concord Enviro SA DE CV	5.74	-
<b>Unbilled revenue</b>	- Rochem Services Private Limited	-	145.00
	- Roserve Enviro Private Limited	50.35	120.00
<b>Other current assets - Advance for goods or services</b>	- Concord Shipping Private Limited	250.86	69.51
	- Reva Enviro Systems Private Limited	129.46	146.20
	- Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited)	509.02	141.82
<b>Non-current financial assets - Security Deposit</b>	- Concord Shipping Private Limited	750.00	750.00
<b>Other current assets - Prepaid expenses (deemed)</b>	- Rochem Green Energy Private Limited	-	3.82
<b>Current financial assets - Security Deposit</b>	- Roserve Enviro Private Limited	-	10.00



**53 Financial instruments - Accounting classifications & fair value measurement**

**(a) Financial asset and liabilities (Non-current and Current)**

Sr. No.	Particulars	Note	As at 31st March, 2023		As at 31st March, 2022	
			Measured at fair value through P&L	Amortized Cost	Measured at fair value through P&L	Amortized Cost
<b>A</b>	<b>Financial assets</b>					
	(i) Investments (Refer note (ii) and (vi))	9	48.44	-	45.50	-
	(ii) Trade receivables	14	-	9,340.39	-	10,627.87
	(iii) Cash and cash equivalents	15	-	1,645.67	-	88.60
	(iv) Other bank balances	16	-	511.55	-	522.93
	(v) Loans	17	-	28.36	-	115.93
	Other financial assets (Refer note (iii) and (vi))	10 & 18	2.32	904.12	-	865.94
	<b>Total financial assets</b>		<b>50.76</b>	<b>12,430.09</b>	<b>45.50</b>	<b>12,221.27</b>
<b>B</b>	<b>Financial liabilities</b>					
	(i) Borrowings	22 & 26	-	6,843.24	-	6,649.37
	(ii) Lease liabilities	23 & 27	-	2,374.14	-	2,881.50
	(iii) Trade payables	28	-	7,540.81	-	8,590.19
	(iv) Other financial liabilities (Refer note (iii) and (vi))	29	-	152.70	4.91	240.75
	<b>Total financial liabilities</b>		<b>-</b>	<b>16,910.89</b>	<b>4.91</b>	<b>18,361.81</b>
						<b>18,366.72</b>

**Note :-**

(i) Since there is no Financial Asset/Financial Liability which is measured at fair value through other comprehensive income, no separate disclosure has been made for the same in the above table.

(ii) Fair value determined using level - 3 inputs. The carrying value is considered to be representative of the fair value.

(iii) Fair value determined using level - 2 inputs. Mark-to-market on forward covers is based on forward exchange rates and yield curves at the end of reporting year.

(iv) There were no transfers between level - 1, level - 2 and level - 3 during the years presented

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

Sr. No.	Particulars	Note	As at 31st March, 2023			As at 31st March, 2022		
			Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>A</b>	<b>Financial assets</b>							
	(i) Financial investment at FTVPL	9	45.00	-	0.50	45.00	-	0.50
	(ii) Derivatives accounted at FTVPL	10 & 18	-	2.32	-	-	-	-
	<b>Total Financial assets</b>		<b>45.00</b>	<b>2.32</b>	<b>0.50</b>	<b>45.00</b>	<b>-</b>	<b>0.50</b>
<b>B</b>	<b>Financial liabilities</b>							
	(i) Derivatives accounted at FTVPL	29	-	-	-	-	4.91	-
	<b>Total Financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.91</b>	<b>-</b>

### 53 Financial instruments - Accounting classifications & fair value measurement (continued)

#### (b) Fair valuation techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and financial liabilities are approximately equal to their carrying amounts.

#### (c) Fair value hierarchy

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

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

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

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



**54 Risk management framework**

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

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

- Credit risk;
- Liquidity risk;
- Market risk
  - Interest rate risk
  - Foreign currency exposure

**(a) Credit risk :**

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

**Trade receivable**

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

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 56(a). The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

**Financial instruments and cash deposits**

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

**(b) Liquidity risk :**

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

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

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

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

Particulars	Less than 1 year	1 to 5 year	Above 5 years	Total
<b>As at 31st March, 2023</b>				
Borrowings	6,542.23	404.74	-	6,946.97
Lease liabilities	1,279.49	1,514.13	-	2,793.62
Trade payables	7,540.80	-	-	7,540.80
Other financial liabilities	152.70	-	-	152.70
<b>As at 31st March, 2022</b>				
Borrowings	5,956.99	569.44	336.58	6,863.01
Lease liabilities	1,322.01	2,176.52	-	3,498.53
Trade payables	8,590.19	-	-	8,590.19
Other financial liabilities	245.66	-	-	245.66



## 54 Risk management framework (Continued)

## (c) Market risk

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

In relation to long term contracts (including derivative contracts) company has a process to assess for material foreseeable losses. At the end, the Company has reviewed and ensured that there are no material foreseeable losses.

## (i) Interest rate risk

Interest rate risk is the risk that changes in market interest rates will lead to changes in fair value of financial instruments or changes in interest income, expense and cash flows of the Company.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations.

**Exposure to interest rate risk**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fixed rate instruments		
- Borrowings	3,845.68	353.46
Floating rate instruments		
- Borrowings	2,997.56	6,295.91
<b>Total</b>	<b>6,843.24</b>	<b>6,649.37</b>

**Fair value sensitivity analysis for fixed-rate instruments**

The company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**Fair value sensitivity analysis for floating-rate instruments**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, is as follows:

Effect	Increase/ (decrease) in basis points	Effect on profit before tax	
		As at 31st March, 2023	As at 31st March, 2022
INR - Increase	100.00	29.98	62.96
INR - Decrease	(100.00)	(29.98)	(62.96)

## (ii) Foreign currency exposure

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

Particulars	Currency	As at 31st March, 2023		As at 31st March, 2022	
		In foreign currency	In INR	In foreign currency	In INR
Financial assets	USD	20.38	1,674.72	4.07	307.88
Financial liabilities	USD	19.57	1,608.27	39.21	2,966.74
	EUR	0.03	2.67	0.02	1.51
	AED	-	-	0.04	0.84

**Foreign currency sensitivity analysis:**

The table below outlines the effect of change in foreign currencies exposure to the profit before tax ("PBT") of the company

Impact on profit or loss	Currency	As at 31st March, 2023	As at 31st March, 2022
INR strengthens by 1%	USD	(0.66)	26.59
	EUR	0.03	0.02
	AED	-	0.01
INR weakens by 1%	USD	0.66	(26.59)
	EUR	(0.03)	(0.02)
	AED	-	(0.01)

## 55 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. (Refer note 53 for Debt Equity Ratio and Debt Service coverage ratio)

The capital structure of the Company consists of equity of the Company (comprising issued capital and internal accruals), preference shares, and other long-term borrowings.





**56 Reconciliation of quarterly bank returns****Note :**

There are no differences in quarterly bank returns and books of accounts for the period.

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

Sr. no.	Name of the recipient entity	Purpose (i.e. proposed utilization by the recipient)	Relationship with the company	As at 31st March, 2023	As at 31st March, 2022
1	<b>Loans given</b>				
	Calvin Associates Private Limited	Business/corporate general purpose	None	-	100.00
	Employees	Medical and other reasons	None	28.36	15.93
2	<b>Investments made</b>				
	(i) Investments in equity shares				
	Saraswat Co-operative Bank		None	0.50	0.50
3	<b>Guarantees given</b>				
	Rochem Green Energy Private Limited	Term Loan	Enterprises over which key managerial personnel is able to exercise significant influence (where there are transactions)	-	2,212.23

**58 Other notes**

58.01 The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

58.02 The Company have not traded or invested in Crypto currency or Virtual Currency during reporting years.

58.03 The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:  
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or  
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

58.04 The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:  
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or  
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

58.05 The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

58.06 The Company does not have any borrowings from banks and financial institutions that are used for any other purpose other than the specific purpose for which it was taken at the reporting balance sheet date.

58.07 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

58.08 The Company is not declared as a wilful defaulter by any bank or financial institution or other lender during the any reporting years.

58.09 The Company does not have any investment property during any reporting years, the disclosure related to fair value of investment property is not applicable.

58.10 The Company is not covered under Section 8, thus related disclosure is not applicable.

58.11 There are no scheme of arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the reporting years.

58.12 Relationship with companies whose name is struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, balance outstanding as at year is as under

Sr. no.	Name of struck off Company	Nature of transactions with struck-off Company	As at 31st March, 2023	As at 31st March, 2022
1	Bachr Shoes ( India) Private Limited	Trade receivables	1.41	1.41
2	Krasny Defence Technologies Pvt. Ltd.	Trade receivables	0.30	0.30
3	Shaniha Biotechnics Pvt. Ltd.	Trade receivables	14.46	14.46
4	Mercury Travels Limited	Advances for supply of goods and services	0.31	0.31
5	Nutech Cooling Towers Private Limited	Advances for supply of goods and services	0.71	0.71
6	Tbs Transworld Pvt. Ltd.	Trade payables - other than MSME	0.22	0.22

**58.13 Details of delay in registration of charges or satisfaction with Registrar of Companies (ROC) Mumbai**

There is no delay in registration of charges or satisfaction with Registrar of Companies (ROC) Mumbai during the current year.

**58.14 Code of Social Security, 2020**

The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the year when the Code becomes effective.

58.15 Previous Year Figures have been recompanied / rearranged ,wherever considered necessary to conform to current years classification.

For and on behalf of the Board of Directors  
Rochem Separation Systems (India) Private Limited

Prayas Goel  
Managing Director  
DIN: 00348519

Place: Mumbai  
Date: 9th August, 2023

Prerak Goel  
Whole time Director  
DIN: 00348563

Place: Mumbai  
Date: 9th August, 2023

