

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF ION EXCHANGE ENVIRO FARMS LIMITED****Report on the Audit of the Ind AS Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of Ion Exchange Enviro Farms Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2021, the statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in equity and statement of cash flows for the year then ended on that date, and notes to the financial statements, including 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 Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2021, and loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

Without qualifying our opinion, we draw attention to following matters in Notes to the financial statements,

- a) We draw attention to Note 34.1 regarding the appropriateness of the "Going Concern" basis used for the preparation of this accounts even though the net worth of the company has been completely eroded as at 31<sup>st</sup> March 2021 and the validity of the "going concern" basis would depend upon the continuance of the existing financial support by the holding company. The accounts do not include adjustment, if any, that may result from discontinuances of the funding by the holding company.
- b) We draw attention to Note 34.2:-





(A) The Hon'ble Supreme Court of India has dismissed the company's appeal against the order of securities appellate tribunal for refunding monies to investors with return and for winding up of scheme. Further the companies had submitted relevant details to SEBI and have initiated actions in line with the details submitted to SEBI which in December, 2015 had asked the company to pre deposit amount due to farm owners and close the scheme. The company has submitted that it shall get discharge certificates from balance farm owners within a period of two years from March 2016. As SEBI refused to accede to Company's request, company has preferred a fresh appeal at Securities Appellate Tribunal (SAT) on 9<sup>th</sup> February 2017- Appeal No. (I) 40 of 2017-citing practical difficulties in execution of the SEBI order for refund to all investors as investors have already received their lands/refunds as per the agreement. Appeal has been already admitted by SAT and certain hearings had taken place from time to time. The appeal was heard and vide order dated 18th October; SAT has dismissed the appeal. The company has filed a Review Petition before the SAT, Mumbai on 3<sup>rd</sup> December, 2019 for correction of factual errors in the said order. Further, based on the Legal Advice, pending final order from SAT on the Review Petition, an Appeal is filed in the Supreme Court Against order of SAT on 18<sup>th</sup> February 2020. As per the SAT hearing dated 19<sup>th</sup> March 2021, it was held that, there is not an error apparent on the face of the record and thus review application filed was dismissed by SAT. As such the appeal is set aside against the company and further the case is pending with the Supreme Court and the next date of hearing is on 8th July 2021.

(B) Administrator's Appointment : SEBI had on 25<sup>th</sup> April 2019 under SEBI( Appointment of Administrator and Procedure for Refunding of Investors) Regulations 2018 had appointed an Administrator for selling the Land at Goa (Quepem) of the Company and Recovering the Dues however vide Letter dated 30<sup>th</sup> April 2019 .The Company has Requested the Recovery Office of SEBI to keep the proceedings in abeyance .Further, in view of the above developments the proceedings are in Abeyance or on hold as on date.

- c) We draw attention to Note 34.3 of the financial Statements which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's Financial Performance as assessed by the management. Our opinion is not modified in this matter.
- d) We draw attention to Note 34.4 regarding maintenance expenses recoverable aggregating Rs. 1,97,47,651 /- (net of provision) considered as fully recoverable by the management from future crop sales/ land sales. In view of this no provision is considered necessary by the management. Our opinion is not modified in respect of these matters.

Our opinion is not modified in respect of these matters.

**Other Matters :**

Due to COVID-19 pandemic and the lockdown and other restrictions imposed by the Government and local administrator, the audit processes were carried out based on the remote access to the extent available/feasible and necessary records made available by the management through digital medium.

Our opinion is not modified in respect of this matter.





### **Information other than the Standalone 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 Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the 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 Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 Ind AS 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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





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

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

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

- i. Identify and assess the risks of material misstatement of the Ind AS 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.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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 Ind AS 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.
- v. Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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 Ind AS 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 Ind AS 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**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, 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.
- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:



In our opinion and to the best of our information and according to the explanations given to us, the remuneration is not paid by the company to its directors during the year, accordingly the provisions of section 197 of the Act 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, 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 34.2 to the Ind AS financial statements;
  - ii. As the Company did not have any long - term contracts including derivative contracts for which there were no foreseeable losses.
  - iii. The company has no amount to be transferred to the Investor Education and Protection Fund by the Company.

**For GMJ & Company**  
**Chartered Accountants**  
**FRN: 103429W**



**CA Atul Jain**  
**Partner**

**Membership No. 037097**

**UDIN: 21037097AAAABO9050**

**Place: Mumbai**

**Date: 4<sup>th</sup> June 2021**





**ANNEXURE A TO THE AUDITORS' REPORT**

**ANNEXURE REFERRED TO IN PARAGRAPH "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF "THE COMPANY" FOR THE YEAR ENDED 31ST MARCH, 2021**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

- (i) (a) The company has maintained records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) Fixed assets were physically verified during the year by the management and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us, the title deeds of the immovable properties are held in the name of the company & the title deeds of Agricultural Land are held in the name of its Nominee's.
- (ii) According to the information and explanations given to us, This Clause is not applicable as the company has no inventories during the year.
- (iii) The company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company;
- (iv) The Company has not granted any loans or made any investments, or provided any guarantee or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company;
- (v) The company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified;
- (vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act'2013;
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The company is generally regular in depositing undisputed statutory dues including provident fund, income tax, goods and service tax, Cess and other material statutory dues with the appropriate authorities. There have been no dues which are outstanding for more than six months from the date they become payable;
  - (b) According to the information and explanation given to us, there are no dues of income tax, goods and service tax which have not been deposited with the appropriate authorities on account of any dispute;



- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in respect of dues to debenture holder during the year;
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Therefore, the provisions of clause 3 (ix) of the said order is not applicable to the company;
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management;
- (xi) During the year, the company has not paid managerial remuneration. Accordingly, the provisions of clause 3(xi) of the said order is not applicable to the company;
- (xii) As the Company does not fall into the category of a Nidhi company, clause (xii) of para 3 of the Order is not applicable to the Company;
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards;
- (xiv) During the year, the company has not made preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3(xiv) is not applicable to the company;
- (xv) In our opinion and according to the information and explanations given to us, during the year the company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable;
- (xvi) The company is not required to be registered under Section 45-IA for the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For GMJ & Company**  
**Chartered Accountants**  
**FRN: 103429W**



**CA Atul Jain**  
**Partner**  
**Membership No. 037097**  
**UDIN: 21037097AAAABO9050**  
**Place: Mumbai**  
**Date: 4<sup>th</sup> June 2021**





**ANNEXURE B****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of Ion Exchange Enviro Farms Limited ("the Company") as of 31<sup>st</sup> March, 2021 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 based on the internal control over financial reporting 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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 system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2021, based on the internal control over financial reporting 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.

**For GMJ & Company**  
**Chartered Accountants**  
**FRN : 103429W**

**CA Atul Jain**  
**Partner**  
**Membership No. 037097**  
**UDIN: 21037097AAAABO9050**  
**Place: Mumbai**  
**Date: 4<sup>th</sup> June 2021**





**ION EXCHANGE ENVIRO FARMS LIMITED****BALANCE SHEET AS AT YEAR ENDED 31ST MARCH 2021**

Particulars	Notes	MAR 31, 2021	MAR 31, 2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	4	1,05,24,192	1,10,72,083
(i) Other Financial Assets	5	3,05,29,548	3,05,29,548
(c) Other Non-Current Assets	9	7,59,81,549	8,31,41,422
		<b>11,70,35,289</b>	<b>12,47,43,053</b>
<b>Current assets</b>			
(a) Inventories	6	-	-
(b) Financial Assets			
(i) Trade Receivables	7	-	-
(ii) Cash and Cash Equivalents	8	11,91,766	5,04,934
(c) Other Current Assets	9	2,45,361	8,10,655
		14,37,127	13,15,589
		<b>14,37,127</b>	<b>13,15,589</b>
<b>TOTAL</b>		<b>11,84,72,416</b>	<b>12,60,58,642</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	10	69,47,000	69,47,000
(b) Other Equity	11	(39,82,31,087)	(34,79,50,087)
		<b>(39,12,84,087)</b>	<b>(34,10,03,087)</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	37,00,00,000	37,00,00,000
(b) Provisions	16	8,66,861	10,04,366
(c) Other Non-Current Liabilities	15	50,75,310	50,75,309
		<b>37,59,42,171</b>	<b>37,60,79,675</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	11,81,97,406	7,46,60,745
(ii) Trade Payables			
Micro, Small and Medium Enterprises		-	-
Others	14	28,62,750	35,14,220
(iii) Other Financial Liabilities	13	88,66,941	88,66,941
(b) Other Current Liabilities	15	37,88,594	38,45,408
(c) Provisions	16	98,640	94,739
		<b>13,38,14,331</b>	<b>9,09,82,053</b>
<b>TOTAL</b>		<b>11,84,72,415</b>	<b>12,60,58,642</b>

Significant accounting policies and notes forming part of the financial statements 1 to 34

As per our report of even date

For GMJ & Co

Chartered Accountants

Firm No. 103429W

*Atul Jain*

CA Atul Jain

Partner

M. No. 37097

Place : Mumbai

Date : 4th June 2021



For and on behalf of the Board of Directors

*Rajesh Sharma*

Rajesh Sharma

Director

DIN 00515486

*P.M. Nawathe*

P.M. Nawathe

Director

DIN 06582114



**ION EXCHANGE ENVIRO FARMS LIMITED****STATEMENT OF PROFIT AND LOSS FOR the YEAR ENDED 31ST MARCH 2021**

( Amount in INR )

Particulars	Notes	MAR 31, 2021	MAR 31, 2020
<b>CONTINUING OPERATIONS</b>			
<b>REVENUE</b>			
Revenue from operations (net)	17	4,420	68,04,602
Other income	18	57,66,151	67,21,636
<b>Total Revenue (I)</b>		<b>57,70,571</b>	<b>1,35,26,238</b>
<b>EXPENSES</b>			
Cost of materials consumed	19	-	-
Purchases of stock-in-trade	20	-	44,40,995
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	21	-	-
Employee benefits expense	22	11,75,864	13,39,095
Finance costs	23	4,47,06,191	4,28,33,644
Depreciation and amortization expense	24	5,47,892	5,68,369
Other expenses	25	96,55,997	62,26,007
<b>Total Expenses (II)</b>		<b>5,60,85,944</b>	<b>5,54,08,110</b>
<b>Loss before exceptional items and tax (I-II)</b>		<b>(5,03,15,373)</b>	<b>(4,18,81,872)</b>
Exceptional Items		-	-
<b>Loss before tax</b>		<b>(5,03,15,373)</b>	<b>(4,18,81,872)</b>
<b>Tax expense:</b>			
Current tax		-	-
<b>Loss for the period/year</b>		<b>(5,03,15,373)</b>	<b>(4,18,81,872)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:</b>			
Remeasurement of gains (losses) on defined benefit plans		34,373	(1,13,368)
<b>Other Comprehensive income for the period/year, net of tax</b>		<b>34,373</b>	<b>(1,13,368)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR, NET OF TAX</b>		<b>(5,02,81,000)</b>	<b>(4,19,95,240)</b>
<b>Earnings per share attributable to equity shareholders</b>	26		
Basic & Diluted EPS		(72.43)	(60.29)
Significant accounting policies and notes forming part of the financial statements	1 to 34		

As per our report of even date

For GMJ & Co  
Chartered Accountants  
Firm No. 103429W

*Atul Jain*  
CA Atul Jain  
Partner  
M. No. 37097  
Place : Mumbai  
Date : 4th June 2021



For and on behalf of the Board of Direct

*Rajesh Sharma* *P.M. Nawathe*  
Rajesh Sharma P.M. Nawathe  
Director Director  
DIN 00515486 DIN 06582114



**ION EXCHANGE ENVIRO FARMS LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2021**

Particulars	MAR 31, 2021	MAR 31 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Loss before income tax from:		
Continuing operations	(5,03,15,373)	(4,18,81,872)
Discontinued operations	-	-
<b>Loss before income tax including discontinued operations</b>	<b>(5,03,15,373)</b>	<b>(4,18,81,872)</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	5,47,892	5,68,369
Impairment of goodwill and other intangible assets	-	-
Employee share-based payment expense	-	-
Contribution of property, plant and equipment by customers	-	-
Gain on disposal of property, plant and equipment	-	-
Gain on sale of subsidiary	-	-
Amortisation of government grants	-	-
Gain on sale of investments	-	-
Changes in fair value of financial assets at fair value through profit or loss	-	-
Share of profits of associates and joint ventures	-	-
Unwinding of discount on security deposits	-	-
Changes in fair value of contingent consideration	-	-
Dividend and interest income classified as investing cash flows	-	-
Finance costs	4,47,06,191	4,28,33,644
Employee share-based payment expense	-	-
<b>Change in operating assets and liabilities:</b>		
(Increase)/Decrease in trade receivables	-	-
(Increase)/Decrease in inventories	-	-
Increase/(decrease) in trade payables	(6,51,470)	(2,42,836)
(Increase) in other financial assets	-	(10,000)
(Increase)/decrease in other non-current assets	71,59,872	(4,77,878)
(Increase)/decrease in other current assets	5,65,294	(1,00,485)
Increase/(decrease) in Current provisions	3,901	12,821
Increase in employee benefit obligations	-	-
Increase/(decrease) in Non current provisions	(1,03,132)	30,440
Increase/(decrease) in Other Financial Liabilities	-	4,86,750
Increase in other current liabilities	(56,814)	(3,12,387)
<b>Cash generated/(used in) from operations</b>	<b>18,56,361</b>	<b>9,06,566</b>
Less: Income taxes paid	-	-
<b>Net cash inflow from operating activities</b>	<b>18,56,361</b>	<b>9,06,566</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for property, plant and equipment	-	-
<b>Net cash outflow from investing activities</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	4,35,36,661	4,14,68,304
Interest paid	(4,47,06,191)	(4,28,33,644)
<b>Net cash outflow from financing activities</b>	<b>(11,69,530)</b>	<b>(13,65,340)</b>
Net increase (decrease) in cash and cash equivalents	6,86,831	(4,58,774)
Cash and Cash Equivalents at the beginning of the financial year	5,04,934	9,63,708
Effects of exchange rate changes on Cash and Cash Equivalents	-	-
<b>Cash and Cash Equivalents at end of the year</b>	<b>11,91,765</b>	<b>5,04,935</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement:</b>		
Cash and cash equivalents as per above comprise of the following:		
Cash and cash equivalents	799	8,778
Bank overdrafts	11,90,968	4,96,156
<b>Balances as per statement of cash flows</b>	<b>11,91,766</b>	<b>5,04,934</b>

Significant accounting policies and notes forming part of the financial statements

As per our report of even date

For GMJ & Co  
Chartered Accountants  
Firm No. 103429W

CA Atul Jain  
Partner  
M. No. 37097

Place : Mumbai  
Date : 4th June 2021

For and on behalf of the Board of Directors

Rajesh Sharma      P.M.Nawathe  
Director              Director  
DIN 00515486      DIN 06582114





**ION EXCHANGE ENVIRO FARMS LIMITED****STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31 2021****A Equity Share Capital**

Particulars	Balance at the Beginning of the period	Changes in Equity share capital during the year	Balance at the end of the period
<b>March 31, 2020</b>			
Numbers	6,94,700	-	6,94,700
Amount	69,47,000	-	69,47,000
<b>March 31, 2021</b>			
Numbers	6,94,700	-	6,94,700
Amount	69,47,000	-	69,47,000

**B Other Equity**

Particulars	Reserves and Surplus	
	Retained Earnings	Total
As at April 1, 2020	(34,79,50,087)	(34,79,50,087)
Loss for the period	(5,03,15,373)	(5,03,15,373)
Other comprehensive income/Expenses	34,373	34,373
<b>Total comprehensive income for the year</b>	<b>(39,82,31,087)</b>	<b>(39,82,31,086)</b>
<b>As at March 31, 2021</b>	<b>(39,82,31,087)</b>	<b>(39,82,31,086)</b>





**ION EXCHANGE ENVIRO FARMS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

4. PROPERTY, PLANT AND EQUIPMENT						
Particulars	(Amount in INR)					
	Buildings	Plant and Equipments	Furniture and Fixtures	Office Equipments	Computer Hardwares	Total
<b>GROSS CARRYING VALUE</b>						
As at April 1, 2020	96,53,409	33,41,467	3,66,871	28,066	61,344	1,34,51,157
Additions						-
Disposals						-
<b>As at March, 31, 2021</b>	<b>96,53,409</b>	<b>33,41,467</b>	<b>3,66,871</b>	<b>28,066</b>	<b>61,344</b>	<b>1,34,51,157</b>
<b>ACCUMULATED DEPRECIATION/IMPAIRMENT</b>						
As at April 1, 2020	10,55,768	11,35,519	1,30,374	-	57,412	23,79,073
Depreciation for the period	2,63,940	2,83,952	-			5,47,892
<b>As at March 31, 2021</b>	<b>13,19,708</b>	<b>14,19,471</b>	<b>1,30,374</b>	<b>-</b>	<b>57,412</b>	<b>29,26,965</b>
<b>As at March 31, 2021</b>	<b>13,19,708</b>	<b>14,19,471</b>	<b>1,30,374</b>	<b>-</b>	<b>57,412</b>	<b>29,26,965</b>
<b>Net Carrying value as at March 31, 2021</b>	<b>83,33,701</b>	<b>19,21,996</b>	<b>2,36,497</b>	<b>28,066</b>	<b>3,932</b>	<b>1,05,24,192</b>
<b>Net Carrying value as at March 31, 2020</b>	<b>85,97,641</b>	<b>22,05,948</b>	<b>2,36,496</b>	<b>28,066</b>	<b>3,932</b>	<b>1,10,72,083</b>



**ION EXCHANGE ENVIRO FARMS LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

**5. FINANCIAL ASSETS**

Particulars	MAR 31, 2021	MAR 31, 2020
(A) INVESTMENTS		
OTHER FINANCIAL ASSETS		
Non Current		
(i) Financial assets carried at amortised cost		
Security Deposits	3,05,29,548	3,05,29,548
<b>Total</b>	<b>3,05,29,548</b>	<b>3,05,29,548</b>





**ION EXCHANGE ENVIRO FARMS LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021****8. CASH AND CASH EQUIVALENTS**

Particulars	MAR 31, 2021	MAR 31, 2020
Balances with banks:		
- On current accounts	11,90,968	4,96,156
Cash on hand	799	8,778
	<b>11,91,766</b>	<b>5,04,934</b>

**9. OTHER ASSETS**

Particulars	MAR 31, 2021	MAR 31, 2020
<b>Non Current</b>		
<b>Advances other than Capital advances</b>		
Security Deposits for Land	2,37,62,894	2,38,87,894
Less: Provision for Security Deposit for land (Refer Note No. 34.5)	-	-
	<b>2,37,62,894</b>	<b>2,38,87,894</b>
Advances for Re-purchase (Refer Note No. 34.6)	3,23,91,392	3,23,91,392
Maintenance Expense Recoverable (Refer Note No. 34.4)	3,11,72,651	3,77,72,650
Less: Provision for Maintenance Expense Recoverable	(1,14,25,000)	(1,14,25,000)
	<b>1,97,47,651</b>	<b>2,63,47,650</b>
Advances recoverable in cash or kind	16,00,164	20,35,038
Less: Provision for Advances recoverable in cash or kind	(15,20,552)	(15,20,552)
	<b>79,612</b>	<b>5,14,486</b>
<b>Total</b>	<b>7,59,81,549</b>	<b>8,31,41,422</b>
<b>Current</b>		
<b>Others</b>		
- Balances with Statutory, Government Authorities	2,45,361	8,10,655
<b>Total</b>	<b>2,45,361</b>	<b>8,10,655</b>



**ION EXCHANGE ENVIRO FARMS LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021****10. SHARE CAPITAL****i. Authorised Share Capital**

(Amount in INR)

	Equity Share	
	Number	Amount
At April 1, 2020	20,00,000	2,00,00,000
Increase/(decrease) during the period	-	-
At March 31, 2021	20,00,000	2,00,00,000

**Terms/rights attached to equity shares**

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**ii. Issued Capital**

	Number	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 1, 2020	6,94,700	69,47,000
Issued during the period		
At March 31, 2021	6,94,700	69,47,000

**iii. Shares held by holding/ ultimate holding company and / or their subsidiaries / associates**

Out of equity shares issued by the company, shares held by its holding company are as below:

	March 31 ,2021	March 31 ,2020
Ion Exchange (India) Limited Holding Company Equity shares	5,47,000	5,47,000

**iv. Details of shareholders holding more than 5% shares in the company**

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Number	% holding	Number	% holding
Equity shares of INR 10 each fully paid Ion Exchange (India) Limited Holding Company	5,47,000	78.74%	5,47,000	78.74%





**ION EXCHANGE ENVIRO FARMS LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021****11. OTHER EQUITY****Reserves and Surplus**

Particulars	MAR 31, 2021	MAR 31, 2020
Retained Earnings	(39,82,31,087)	(34,79,50,087)
	(39,82,31,087)	(34,79,50,087)

**12. BORROWINGS**

Particulars	MAR 31, 2021	MAR 31, 2020
<b>Non Current Borrowings</b>		
<b>Secured</b>		
7%, 1500000 Secured Redeemable Non-convertible Debentures of Rs.100 each	15,00,00,000	15,00,00,000
Loans from Related Parties	22,00,00,000	22,00,00,000
<b>Total</b>	<b>37,00,00,000</b>	<b>37,00,00,000</b>
<b>Current Borrowings</b>		
<b>Unsecured</b>		
Loans repayable on demand from Related Parties	11,81,97,406	7,46,60,745
<b>Total</b>	<b>11,81,97,406</b>	<b>7,46,60,745</b>

Particulars	MAR 31, 2021	MAR 31, 2020
<b>Non Current Borrowings</b>		
<b>Secured</b>		
Debentures	15,00,00,000	15,00,00,000
<b>Gross Non Current Borrowings</b>	<b>15,00,00,000</b>	<b>15,00,00,000</b>
Less: Current maturity		
<b>Net Non Current Borrowings (as per Balance sheet)</b>	<b>15,00,00,000</b>	<b>15,00,00,000</b>

Rollover of 7% Debenture has been made to Ion Exchange (India) Limited on 31st March 2017

Secured by way of First Charge on immovable property situated at Mumbai.

Redeemable on or before 31st March, 2024 and the Debentures shall have a call and put option after end of 6 months from the date of allotment).



**ION EXCHANGE ENVIRO FARMS LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021****13. OTHER FINANCIAL LIABILITIES**

Particulars	MAR 31, 2021	MAR 31, 2020
<b>Current</b>		
Financial Liabilities at amortised cost		
Interest Free Deposits	88,66,941	88,66,941
<b>Total</b>	<b>88,66,941</b>	<b>88,66,941</b>

**14. TRADE PAYABLES**

Particulars	MAR 31, 2021	MAR 31, 2020
<b>Current</b>		
Trade Payables to Others	28,62,750	35,14,220
<b>Total</b>	<b>28,62,750</b>	<b>35,14,220</b>

**15. OTHER LIABILITIES**

Particulars	MAR 31, 2021	MAR 31, 2020
<b>Non Current</b>		
Advance from Customer (Projects)	50,75,310	50,75,309
<b>Total</b>	<b>50,75,310</b>	<b>50,75,309</b>
<b>Current</b>		
Advance received from Customers	10,45,855	7,93,020
Statutory Liabilities	16,53,151	21,65,170
Others	10,89,589	8,87,219
<b>Total</b>	<b>37,88,594</b>	<b>38,45,408</b>

**16. PROVISIONS**

Particulars	MAR 31, 2021	MAR 31, 2020
<b>Non Current</b>		
Provision for employee benefits		
Gratuity (Refer Note 27)	5,86,679	5,57,677
Leave encashment	2,80,182	4,46,689
<b>Total</b>	<b>8,66,861</b>	<b>10,04,366</b>
<b>Current</b>		
Provision for employee benefits		
Gratuity	66,781	62,465
Leave encashment	31,859	32,274
<b>Total</b>	<b>98,640</b>	<b>94,739</b>





**ION EXCHANGE ENVIRO FARMS LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021****17. REVENUE FROM OPERATIONS**

Particulars	MAR 31, 2021	MAR 31, 2020
<b>Sale of products</b>		
Traded goods- Sale of Organo world	-	68,04,602
Sales of Inter crop	4,420	-
	<b>4,420</b>	<b>68,04,602</b>

**18. OTHER INCOME**

Particulars	MAR 31, 2021	MAR 31, 2020
Interest income on Others	20,250	2,920
<b>Other Non Operating Income</b>		
Rent received	54,08,270	66,63,442
Miscellaneous Income	3,37,631	55,274
	<b>57,66,151</b>	<b>67,21,636</b>

**20. PURCHASES OF STOCK-IN-TRADE**

Particulars	MAR 31, 2021	MAR 31, 2020
Enviro Reach, Dry fruits & Packing Material	-	44,40,995
	<b>-</b>	<b>44,40,995</b>



**ION EXCHANGE ENVIRO FARMS LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021****22. EMPLOYEE BENEFITS EXPENSE**

Particulars	MAR 31, 2021	MAR 31, 2020
Salaries, wages and bonus	10,17,667	11,00,411
Contribution to provident and other funds	55,512	76,076
Staff welfare expenses	34,994	56,690
Gratuity Expense	67,691	1,05,918
	<b>11,75,864</b>	<b>13,39,095</b>

**23. FINANCE COST**

Particulars	MAR 31, 2021	MAR 31, 2020
Interest expense on debts and borrowings	4,47,06,191	4,28,33,644
	<b>4,47,06,191</b>	<b>4,28,33,644</b>

**24. DEPRECIATION AND AMORTISATION EXPENSE**

Particulars	MAR 31, 2021	MAR 31, 2020
Depreciation on tangible assets	5,47,892	5,68,369
	<b>5,47,892</b>	<b>5,68,369</b>

**25. OTHER EXPENSES**

Particulars	MAR 31, 2021	MAR 31, 2020
Clearing, Forwarding, Labour and Packing Charges	800	1,87,158
Payments to auditors (Refer note below)	1,60,000	1,80,000
Legal and professional fees	85,200	34,00,825
Printing and Stationery	2,014	9,839
Rates and taxes	5,93,931	6,60,508
Project Maintenance Expenses	21,97,741	17,34,805
Telephone and internet expenses	13,200	11,890
Travelling & conveyance expenses	270	40,074
Bank charges	2,841	908
Maintenance expense recoverable write off	66,00,000	-
<b>Total</b>	<b>96,55,997</b>	<b>62,26,007</b>

**(a) Details of Payments to auditors**

	MAR 31, 2021	MAR 31, 2020
<b>As auditor</b>		
Audit Fee	1,00,000	1,00,000
Quarterly Review fees	60,000	80,000
	<b>1,60,000</b>	<b>1,80,000</b>





**ION EXCHANGE ENVIRO FARMS LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021****26. EARNINGS PER SHARE**

Particulars	MAR 31, 2021	MAR 31, 2020
<b>(a) Basic earnings per share</b>		
From continuing operations attributable to the equity holders of the company	(72.43)	(60.29)
<b>Total basic earnings per share attributable to the equity holders of the company</b>	<b>(72.43)</b>	<b>(60.29)</b>
<b>(b) Reconciliations of earnings used in calculating earnings per share</b>		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	(5,03,15,373)	(4,18,81,872)
	<b>(5,03,15,373)</b>	<b>(4,18,81,872)</b>
<b>Weighted average number of equity shares used as the denominator in calculating diluted earnings per share</b>	<b>6,94,700</b>	<b>6,94,700</b>

The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the year. There have been no other transactions involving Equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.



**ION EXCHANGE ENVIRO FARMS LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

**27. EMPLOYEE BENEFIT OBLIGATIONS**

	MARCH 31 2021			MARCH 31 2020		
	Current	Non Current	Total	Current	Non Current	Total
Leave obligations	31,859	2,80,182	3,12,041	32274	446689	4,78,963
Gratuity	66,781	5,86,679	6,53,460	62465	557677	6,20,142
<b>Total Employee Benefit Obligation</b>	<b>98,640</b>	<b>8,66,861</b>	<b>9,65,501</b>	<b>94,739</b>	<b>10,04,366</b>	<b>10,99,105</b>

**(i) Leave Obligations**

The leave obligations cover the company's liability for sick and earned leave.

The amount of the provision of INR 31,859 (March 31, 2020: INR 32,274 is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations).

**(ii) Post Employment obligations**

**a) Gratuity**

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The amount recognised in the balance sheet and the movement in the net defined benefit obligation over the period are as follows

	Present value of obligation	Fair value of plan assets	Impact of asset ceiling	Net amount
As at April 1, 2020	6,20,142			6,20,142
Current service cost	28,194			28,194
Interest expense/(income)	39,497			39,497
<b>Total amount recognised in profit or loss</b>	<b>6,87,833</b>			<b>6,87,833</b>
Remeasurements				
(Gain)/Loss from change in financial assumptions				
Experience (gains)/losses	(34,373)			(34,373)
<b>Total amount recognised in other comprehensive income</b>	<b>(34,373)</b>			<b>(34,373)</b>
Employer contributions				
Benefit payments				
As at March 31, 2021	6,53,460			6,53,460

The significant actuarial assumptions were as follows:

	March 31, 2021	March 31, 2020
Discount rate	6.57%	6.55%
Expected return on plan assets	NA	NA
Salary growth rate	8%	8%
Life expectation for		
Male	58	58
Female	58	58

**Sensitivity Analysis**

	March 31, 2021
Projected Benefit Obligation on Current Assumptions	6,53,460
Delta Effect of +1% Change in Rate of Discounting	(42,173)
Delta Effect of -1% Change in Rate of Discounting	45,387
Delta Effect of +1% Change in Rate of Salary Increase	40,155
Delta Effect of -1% Change in Rate of Salary Increase	(38,068)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

	March 31, 2021
1st Following Year	68,940
2nd Following Year	66,941
3rd Following Year	2,01,764
4th Following Year	1,73,853
5th Following Year	28,835
Sum of Years 6 To 10	1,56,381

**(iii) Defined contribution plans**

The company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is included in "Employee benefit Expense".





**ION EXCHANGE ENVIRO FARMS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

( Amount in INR )

**28. RELATED PARTY TRANSACTIONS**

Related party transaction has been identified by the management and relied on by auditors.

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Name of Related Party	Nature of Relationship	Country of Incorporation
Ion Exchange (India) Limited	Holding Company	India
Aquanomics Systems Pvt.Ltd.	Associates	India
Ion Exchange Projects and Engineering Ltd.	Associates	India
Ion Exchange Environment Management Ltd.	Associates	India

(ii) Transactions with related parties

The following transactions occurred with related parties

Name	Nature of Relationship	Nature of Transaction	March 31, 2021	March 31, 2020
Ion Exchange (India) Limited	Holding Company	Sale of Finished Goods*	-	73,64,412
		Interest (Gross)	4,46,72,748	4,28,33,644
		Loan Taken	4,73,08,027	5,04,07,117
		Loan Repaid	37,71,366	15,74,400
		Rental Income	39,53,700	34,38,000

\* Amounts are inclusive of GST

(iii) Loans to/from related parties

Loans from related parties	Nature of Relationship	Particulars	MAR 31, 2021	MAR 31, 2020
Ion Exchange (India) Limited	Holding Company	Beginning of the year	29,46,60,745	25,31,92,440
		Loans received	26,35,279	75,73,473
		Loan repayments made	37,71,366	89,38,812
		Interest charged	4,46,72,748	4,28,33,644
		Interest paid	4,46,72,748	4,28,33,644
		End of the year	33,81,97,406	29,46,60,745

(iii) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables and payables. For the year ended March 31, 2021, the company has not recorded any impairment of receivables relating to amount owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates.



**ION EXCHANGE ENVIRO FARMS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

**29 (a). SEGMENT REPORTING**

For management purposes, the Company is organised into business units based on its products and services and has three reportable segments, as follows:

- Agriculture Goods
- Inputs
- Unallocated

No operating segments have been aggregated to form the above reportable operating segment

The Board monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

**Year ended 31st March 2021**

Particulars	Agriculture Goods	Inputs	Unallocated	Total segments
<b>Revenue</b>				
External customers	4,420	-	-	4,420
Other Income	-	-	57,66,151	57,66,151
<b>Total revenue</b>	<b>4,420</b>	<b>-</b>	<b>57,66,151</b>	<b>57,70,571</b>
<b>Segment Result</b>	<b>(94,65,702)</b>	<b>-</b>	<b>38,56,521</b>	<b>(56,09,182)</b>
Interest Expense	-	-	(4,47,06,191)	(4,47,06,191)
<b>Loss before Taxation</b>	<b>(94,65,702)</b>	<b>-</b>	<b>(4,08,49,670)</b>	<b>(5,03,15,373)</b>
<b>Total Assets</b>	<b>11,34,28,953</b>	<b>1,48,188</b>	<b>48,95,274</b>	<b>11,84,72,415</b>
<b>Total liabilities</b>	<b>2,62,10,861</b>	<b>1,23,153</b>	<b>49,03,69,488</b>	<b>51,67,03,502</b>
<b>Other Information</b>				
Depreciation	4,23,900	-	1,23,992	5,47,892

**Year ended March 31, 2020**

Particulars	Agriculture Goods	Inputs	Unallocated	Total segments
<b>Revenue</b>				
External customers	68,04,602	-	-	68,04,602
Other Income	6,150	-	67,15,486	67,21,636
<b>Total revenue</b>	<b>68,10,752</b>	<b>-</b>	<b>67,15,486</b>	<b>1,35,26,238</b>
<b>Income/(Expenses)</b>				
Other material non-cash items				
<b>Segment Result</b>	<b>(7,75,536)</b>	<b>-</b>	<b>17,27,308</b>	<b>9,51,772</b>
Interest Expense	-	-	(4,28,33,644)	(4,28,33,644)
<b>Loss before Taxation</b>	<b>(7,75,536)</b>	<b>-</b>	<b>(4,11,06,336)</b>	<b>(4,18,81,872)</b>
<b>Total assets</b>	<b>11,87,50,834</b>	<b>1,48,188</b>	<b>71,59,621</b>	<b>12,60,58,642</b>
<b>Total liabilities</b>	<b>1,99,36,531</b>	<b>1,23,153</b>	<b>45,39,49,045</b>	<b>47,40,08,728</b>
<b>Other disclosures</b>				
Capital Expenditure				
Depreciation	4,26,118	-	1,42,250	5,68,368

Inter-segment revenues are eliminated upon consolidated and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below.





**Adjustments and eliminations**

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties.

**33 (c). Lease Disclosure****Details of non-cancelable Lease Arrangement as Lessor**

Particulars	Minimum Future Lease Rental			INR Recognised During the Year
	Due within 1 year	Due later than 1 year and not later than 5 years	Due after 5 years	
Office Premises	80,80,546	90,63,928	-	66,63,442

Note: Figures shown in the brackets pertain to previous year

In respect of a lessee namely M/s Bakelite Hylam Limited, company's claim of increased rent has been challenged by the lessee and on

24/08/2016 the order has been granted to lessee to handover the premises. The company is entitled to recover the mesne profit from the

Lessee. The Recovery is matter of sub judice. Considering the fact, it is not possible to disclose minimum future lease rental.

Further, The Company has filed Civil Revision Application bearing Stamp No.12668 of 2019 before the High Court against the Order of Small

Causes Appeal Court. Subsequently to this Bakelite has filed LD Suit No. 76 of 2019 in Small Causes Court for specific performance to Execute

leave and license agreement which is already expired long time back and to accept license fees through court order. The Company has filed

the Written Statement in matter. Matter is now listed for hearing on 16th June 2021 at 11.00 AM for Filing Evidence.



**ION EXCHANGE ENVIRO FARMS LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021****30. FAIR VALUE MEASUREMENTS****i. Financial Instruments by Category**

Particulars	Carrying Amount		Fair Value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>FINANCIAL ASSETS</b>				
Amortised cost				
Trade Receivables	-	-	-	-
Cash and Cash Equivalents	11,91,766	5,04,934	11,91,766	5,04,934
Other Financial Assets	3,05,29,548	3,05,29,548	3,05,29,548	3,05,29,548
<b>Total</b>	<b>3,17,21,314</b>	<b>3,10,34,482</b>	<b>3,17,21,314</b>	<b>3,10,34,482</b>
<b>FINANCIAL LIABILITIES</b>				
Amortised cost				
Borrowings	48,81,97,406	44,46,60,745	48,81,97,406	44,46,60,745
Trade Payables	28,62,750	35,14,220	28,62,750	35,14,220
Other financial liabilities	88,66,941	88,66,941	88,66,941	88,66,941
<b>Total</b>	<b>49,99,27,097</b>	<b>45,70,41,906</b>	<b>49,99,27,097</b>	<b>45,70,41,906</b>

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. The Company has not disclosed the fair value of current financial instruments such as trade receivables, cash and cash equivalent, bank balances - others, loans, others, borrowings, trade payables and other financial liabilities because their carrying amounts are a reasonable approximation of fair value.

**ii. Fair Value Hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

**There have been no transfers among Level 1, Level 2 and Level 3 during the period**

**Level 1** - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2** - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3** - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares, contingent consideration and indemnification assets included in level 3.





**ION EXCHANGE ENVIRO FARMS LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

(Amount in INR)

**31. FINANCIAL RISK MANAGEMENT**

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

- Credit risk;
- Liquidity risk

**(i) 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 Company's risk management policies are established to identify and analyse the risks 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, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee 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 audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

**(i) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

**Trade receivables**

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. In respect of trade receivables, the company is not exposed to any significant credit risk exposure to any single counter party or any group of counterparties having similar characteristics. Based on historical information about customer default rates management consider the credit quality of trade receivable.

**Cash and cash equivalents**

The Company held cash and cash equivalents of INR 11.91 Lacs as at 31st March 2021 (as at 31st March 2020: INR 5.04 Lacs). The cash and cash equivalents are held with banks.

**Other financial assets**

Security Deposit for Land represents amounts paid by the Company for acquiring agricultural land, inclusive of stamp duty and registration charges, which are unsold as at 31st March 2021. The Company has conducted valuation of land and found the market value are higher than the original cost and hence the company has not made provision for the same.

**(ii) 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 the Company's reputation.

The Company has obtained fund and non-fund based working capital limits from various banks. The Company invests its surplus funds in bank fixed deposit.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Particulars	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
<b>As at 31st March 2021</b>						
<b>Financial liabilities</b>						
Long Term Borrowings	37,00,00,000	37,00,00,000	-	15,00,00,000	-	22,00,00,000
Short Term Borrowings	11,81,97,406	11,81,97,406	11,81,97,406	-	-	-
Trade Payables	28,62,750	28,62,750	28,62,750	-	-	-
Other financial liabilities	88,66,941	88,66,941	88,66,941	-	-	-
	<b>49,99,27,097</b>	<b>49,99,27,097</b>	<b>12,99,27,097</b>	<b>15,00,00,000</b>	<b>-</b>	<b>22,00,00,000</b>
<b>As at 31st March 2020</b>						
<b>Financial liabilities</b>						
Long Term Borrowings	37,00,00,000	37,00,00,000	1,05,00,000	2,10,00,000	16,05,00,000	-
Short Term Borrowings	7,46,60,745	7,46,60,745	7,46,60,745	-	-	-
Trade Payables	35,14,220	35,14,220	35,14,220	-	-	-
Other financial liabilities	88,66,941	88,66,941	88,66,941	-	-	-
	<b>45,70,41,906</b>	<b>45,70,41,906</b>	<b>9,75,41,906</b>	<b>2,10,00,000</b>	<b>16,05,00,000</b>	<b>-</b>

**Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. In cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

**Exposure to interest rate risk**

Company's interest rate risk arises primarily from borrowings. The interest rate profile of the Company's interest-bearing financial instruments is as follows.

Particulars	March 31, 2021	March 31, 2020
<b>Financial liabilities - measured at amortised cost</b>		
Long term borrowings	37,00,00,000	37,00,00,000
Short term borrowings	11,81,97,406	7,46,60,745
	<b>(48,81,97,406)</b>	<b>(44,46,60,745)</b>

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

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

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	2020-21		2019-20	
	1% Increase	1% Decrease	1% Increase	1% Decrease
1% Movement	-	-	-	-

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.



**ION EXCHANGE ENVIRO FARMS LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

(Amount in INR)

**32. CAPITAL MANAGEMENT**

For the purpose of the company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	March 31, 2021	March 31, 2020
Borrowings other than convertible preference shares	48,81,97,406	44,46,60,745
Trade payables	28,62,750	35,14,220
Other payables	1,77,30,845	1,77,87,659
Less: cash and cash equivalents	(11,91,766)	(5,04,934)
<b>Net Debt</b>	<b>50,75,99,235</b>	<b>46,54,57,690</b>
Equity		
Other Equity	69,47,000	69,47,000
	(39,82,31,087)	(34,79,50,087)
<b>Total Capital</b>	<b>(39,12,84,087)</b>	<b>(34,10,03,087)</b>
<b>Capital and net debt</b>	<b>11,63,15,148</b>	<b>12,44,54,603</b>
<b>Gearing ratio</b>	<b>436</b>	<b>374</b>





**ION EXCHANGE ENVIRO FARMS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

33. ASSETS PLEDGED AS SECURITY		
Total current assets pledge as security		
NON CURRENT ASSETS	March 31, 2021	March 31, 2020
Buildings	83,33,701	85,97,641
<b>First Charge</b> The security is created on secured non-convertible debentures aggregating to Rs.15,00,00,000 by way of equitable mortgage of deposit of title deeds on the immovable property of company situated at 3rd floor of Ion House admeasuring 15000 sq. ft. together with 20% undivided interest in the said land on which the said building stands and land being plot no. 1A plot no. 3 of Cadastral survey no 69(part) of Lower Parel division situated at Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011		
<b>Total non current assets pledge as security</b>	<b>83,33,701</b>	<b>85,97,641</b>



### 34 Notes to Accounts

#### 34.1 Net Worth

The net worth of the Company has been eroded completely as at 31<sup>st</sup> March 2021. The Management has undertaken various cost reduction programs during the year and it expects better returns in the coming years from its organic farming activities, bio-pesticides and bio-fertilizers marketing. The Holding Company has assured financial support to the Company. It has provided funds aggregating Rs 48,81,97,406/- up to March 31, 2021. In view of these, the accounts of the Company have been prepared on a 'going concern' basis.

#### 34.2 (A) Provisional registration by SEBI

In response to the SEBI (Collective Investment Schemes) Regulations, 1999 (the "Guidelines"), notified by Securities and Exchange Board of India (SEBI) on 15<sup>th</sup> October 1999, the Company had applied for registration to SEBI on 14<sup>th</sup> December 1999. In response, SEBI had granted provisional registration to the Company on 13<sup>th</sup> February 2001, subject to certain conditions. The provisional registration was subsequently extended and expired on 13<sup>th</sup> February 2003.

The company applied to SEBI seeking exemptions from provisions of the regulations, because it was not able to comply with certain requirements of SEBI (CIS) Regulations, 1999. The SEBI did not grant exemption and further vide letter dated 7th January, 2003 SEBI called upon the company to show cause why the provisional registration granted to it should not be revoked. After hearing the Company's submission, SEBI vide order dated 27th November, 2003 directed the company to wind up the scheme and refund the monies with returns to investors.

Against the aforesaid order the company filed an appeal before Securities Appellate Tribunal (SAT) which vide its order pronounced on 5th May, 2006 upheld that SEBI order in so far as it relates to refund the monies along with the return to the investors by the company and to wind up of the scheme.

IEEFL had filed appeal against the order of SAT in Hon'ble Supreme Court of India on 4th July, 2006. The Hon'ble Supreme Court of India had dismissed the company's appeal on 26th February, 2013. IEEFL in order to comply with SAT order dated 5th May 2006 has submitted a letter on 17th May 2013 to SEBI seeking its directions to comply with the SAT order.

Subsequent to this there was a meeting with SEBI Officials on 27th November 2013, wherein some additional details about compliance of the Scheme and financial results etc were called for which have been duly complied with vide letter dated 13th December, 2013. Pursuant to this, IEEFL has initiated actions in line with the aforesaid meetings with SEBI Officials & letters submitted to SEBI.

Subsequent to SEBI order of 30th December 2015, for closer of the CIS Scheme (which inter-alia included directions to refund Rs. 20.06 crores to investors, as per the earlier order of 27th November 2003), IEEFL was granted a personal hearing on 3rd February 2016 and additional information called for was submitted on 23rd March 2016. IEEFL has requested permission to wind up the scheme in terms of rule 73(1) to (9) of CIS Regulation as it has completed all obligations towards the investors, i.e. sale of lands and development and maintain the lands then after as per the agreements.

As SEBI refused to accede to IEEFL's request has preferred a fresh appeal at Securities Appellate Tribunal (SAT) on 9th February 2017 no (1) 40 Of 2017 –citing practical difficulties in execution of the SEBI order to refund to all investors as investors have already received their lands / refunds as per the agreements.

IEEFL's plea in SAT is for issuing suitable directions to SEBI for verifying the documentary proofs submitted by IEEFL for conveying of lands, refunds made and thereafter calling outstanding claims, if any, and thereafter declaring wind up of the scheme in terms of the CIS Regulations. Appeal has been already admitted by SAT and certain hearings have also taken place.

The Appeal was heard and vide order dated 18th October, 2019 SAT has dismissed the appeal. The Company has Filed a Review Petition before the SAT, Mumbai on 3rd December 2019 for correction of factual errors in the said order. Further, based on the Legal Advice, pending final order from SAT on the Review Petition, an Appeal is filed in the Supreme Court Against order of SAT on 18th February 2020. As per the SAT hearing dated 19th March 2021, it was held that, there is not an error apparent on the face of the record and thus review application filed was dismissed by SAT. As such the appeal is set aside against the company and further the case is pending with the Supreme Court and the next date of hearing is on 8th July 2021.

#### (B) Administrator's Appointment:

SEBI had on 25th April 2019 under SEBI (Appointment of Administrator and Procedure for Refunding of Investors) Regulations 2018 had appointed an Administrator for selling the Land at Goa (Quepam) of the Company and Recovering the Dues however vide Letter dated 30th April 2019. The Company has Requested the Recovery Office of SEBI to keep the proceedings in abeyance. Further, in view of the above developments the proceedings are in Abeyance or on hold as on date.

#### 34.3 Covid Impact





The company has considered the possible effects that may result from the pandemic relating to carrying amounts of receivables, inventories, fixed assets and investments. In developing the assumptions relating to the possible future uncertainty in the global economic conditions because of this pandemic, The Company, as at the date of approval of these financial statements has used internal and external sources. Based on company's current estimates, the carrying value of these assets will be recovered. Further, the pandemic has created a big disruption in everything including economic activities and the company is no exception to that. But the management has taken appropriate steps to minimise the impact of COVID19.

Secondly, the company is involved in trading in organic dry fruits for which there is no inventory and the company purchases the same against specific orders. There is no significant affect in the business, further the value of land held by the company is not less than the purchase cost .



34.4 **Maintenance Expenses Recoverable:**

Maintenance expenses recoverable represent expenses incurred on sites sold under the scheme, which are to be recovered from future income generated by sale of inter-crop and main crop. The recovery is dependant on farm activities. The Management expects that there will be sufficient future returns from crop/land sales to completely recover all these expenses.

No provision is considered necessary by the Management for the balance as at the year end of Rs.1,97,47,651/- Previous Year - Rs. 2,63,47,650/-) as future returns from crop sales and Sale of land will be available to recover the same.

34.5 **Security Deposit for Land**

Security Deposit for Land represents amounts paid by the Company for acquiring agricultural land, inclusive of stamp duty and registration charges, which are unsold as at 31<sup>st</sup> March 2021. The Company has conducted valuation of land and found the market value are higher than the original cost and hence the company has not made provision for the same.

34.6 **Advances for Repurchases**

Advances for repurchase represents amounts paid to investors for purchase of sites sold to them in earlier years, at prices announced by the Company from time to time. These amounts are paid to investors on their execution of an irrevocable Power of Attorney in favour of the Company's nominees for sale thereof at future date.

34.7 **Contingent Liabilities :**

**Particulars**

TDS Default (Prior Years)

As at 31st March 2021

Rs. 34,711

34.8 **Debenture**

The Company has issued 15,00,000 7% p.a secured redeemable non convertible Debentures of Rs. 100 each to its holding company Ion Exchange (India) Limited on 31st March 2010. On 31st March 2017, the Debenture has been rollover and the company shall redeem the debentures on or before 31st March, 2024. The Debentures shall have a call and put option after end of six months from the date of rollover. The debentures are secured by way of first charge on immovable property situated at 3rd Floor, Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011.

34.9 The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprise development Act 2006 and hence no disclosure required under the said Act can be made.

34.10 In the opinion of the board, there are no amount outstanding and due for more than 30 days in excess of Rs One Lacs to Small Scale undertaking as stipulated by notification issued on 22 February 1999 in the Gazette of India (GSR No 129(E) dated 22 February 1999) issued by the department of Company Affair, Ministry of Law Justice & Company affair, Government of India.

35 Previous years figures have been regrouped/ rearranged, wherever necessary.

For GMJ & Co  
Chartered Accountants  
Firm No. 103429W

  
CA Atul Jain  
Partner  
M. No. 37097  
Place : Mumbai  
Date : 4th June 2021



For and on behalf of the Board of Directors



Rajesh Sharma  
Director  
DIN 00515486



P.M. Nawathe  
Director  
DIN 06582114

