The Chief Financial Officer
Ion Exchange (India) Limited
ION House, 4th floor,
Dr. E. Moses Road,
Mahalaxmi,
Mumbai 400 011

and

The Auditors of Ion Exchange (India) Limited (‘the Holding Company’)

We have performed the audit of the accompanying Fit For Consolidation (FFC) accounts of **ION EXCHANGE LLC, USA** (“the Company”) for the year ended 31 March 2021 in accordance with the accounting principles/policies followed by the Holding Company, which are in compliance with Indian Accounting Standards (IndAS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies(Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 of the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 (“the Act’’) and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

1 The FFC accounts have been prepared by and are responsibility of the Company’s management. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

2 We are informed by the Company’s management that the FFC accounts have been prepared solely to enable the Holding Company to prepare its consolidated financial statement for the year ended 31 March 2021.

3 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion for the year ended 31 March 2021.

4 In our opinion and to the best of our information and according to the explanations given to us, the said FFC accounts together with the notes thereon 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 March 2021;its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

5 This report is intended solely for the use of Statutory Auditors of Ion Exchange (India) Limited (holding company) in connection with the audit of consolidated financial statements of the Holding Company and should not be used for any other purpose.

For Mohan Nagpurkar & Associates
Chartered Accountants
Firm’s Registration No: 106524W

Santosh Krishna Chande

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Date: 2021.06.05 18:13:46 +05'30'

Santosh Chande
Proprietor
Membership Number:121365

Place: Mumbai
Date: 20.05.2021
UDIN: **21121365AAAACY6299**

Auditor's Report

To,

The Directors of ION EXCHANGE LLC, USA

We have audited the accompanying financial statements of **ION EXCHANGE LLC, USA** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss and Other Comprehensive Income and Cash Flow Statement for the year ended on that date, and Notes to accounts forming part of the financial statements and other explanatory information.

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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 under Section 133 of the Act. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making, those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the 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 as per Indian Accounting Standards (IND AS):

a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2021;
b) in the case of the Statement of Profit and Loss Account and other comprehensive income, of the profit for the year ended on that date; and
c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Mohan Nagpurkar & Associates
Chartered Accountants

Santosh
Krishna Chande

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serialNumber=DF3555C5162E9F7DC82A4473E2100CDEC16EEA9
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Date: 2021.06.05 18:14:24 +05'30'

Santosh Chande
Proprietor
Membership no.: 121365
Firm registration number: 106524W

UDIN: 21121365AAAACY6299

Place: Mumbai

Date: 20.05.2021

Ion Exchange LLC, USA
(Incorporated in the California State, Federal)

Balance sheet as at 31 st March 2021

	Notes	As at 31 st Mar 2021 Currency US$	As at 31st March 2020 Currency US$
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	750	1,108
(b) Capital work-in-progress		-	-
(c) Other intangible assets		-	-
(d) Financial assets			
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Loans		-	-
(e) Deferred tax assets (Net)		-	-
(f) Other non current assets		-	-
(g) Non current tax assets (Net)		-	-
Total non-current assets		**750**	**1,108**
Current assets			
(a) Inventories	3	22,89,886	9,78,462
(b) Financial assets			
(i) Investments		-	-
(ii) Trade receivables	4	11,48,177	13,50,488
(iii) Cash and cash equivalents	5	6,86,368	3,28,185
(iv) Bank balances other than (iii) above		-	-
(v) Loans	6	6,875	6,875
(vi) Other financial assets		-	-
(c) Other current assets	7	12,171	13,505
(d) Forex Fluctuation			
Total current assets		**41,43,477**	**26,77,514**
Total assets		**41,44,227**	**26,78,622**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	8	7,00,000	7,00,000
(b) Other equity	9	(1,38,333)	(4,24,559)
Total equity		**5,61,667**	**2,75,441**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings		-	-
(ii) Other financial liabilities		-	-
(b) Provisions		-	-
(c) Deferred tax liabilities (Net)		-	-
(d) Other non-current liabilities		-	-
(e) Non current tax liabilities (Net)		-	-
Total non-current liabilities		**-**	**-**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings		-	-
(ii) Trade payables			
- Due to micro and small enterprises		-	-
- Due to others	10	35,30,160	23,35,338
(iii) Other financial liabilities	11	13,250	11,917
(b) Other current liabilities	12	1,292	24,283
(c) Provisions		-	-
(d) Liabilities for current tax (Net)	13	37,859	31,643
Total current liabilities		**35,82,560**	**24,03,181**
Total liabilities		**35,82,560**	**24,03,181**
Total equity and liabilities		**41,44,227**	**26,78,622**
Significant accounting policies	1	**-**	**-**
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For Mohan Nagpurkar & Associates
Chartered Accountants
Firm's Registration No.: 106524W

Santosh Krishna Chande
Digitally signed by Santosh Krishna Chande

Santosh Chande
Proprietor
Membership no.: 121365
UDIN NO: 21121365AAAACY6299

For
Ion Exchange LLC. USA

RAJESH CHANDRABHAN SHARMA
Digitally signed by RAJESH CHANDRABHAN SHARMA
Date: 2021.05.20 04:34:02 +05'30'

Rajesh Sharma
Director

AANKUR PATNI
Digitally signed by AANKUR PATNI
Date: 2021.05.20 04:35:20 +05'30'

Ankur Patni
Director

Place : Mumbai
Date : 20.05.2021

Ion Exchange LLC, USA
(Incorporated in the California State, Federal)
Statement of profit or loss and other comprehensive income for the year ended 31 st March 2021

	Notes	**Year ended 31 st March 2021 Currency US$**	**Year ended 31 st March 2020 Currency US$**
Income			
Revenue from operations	14	68,79,106	96,34,485
Other income	15	-	4,553
Total Income (I)		**68,79,106**	**96,39,038**
Expenses			
Cost of materials and components consumed		-	0
Purchases of Traded Goods	16	73,10,070	82,91,878
Change in inventories of finished goods, work-in-progress and stock-in-trade	17	(13,11,424)	7,32,798
Employee benefits expenses	18	1,07,035	1,12,548
Finance costs		-	-
Depreciation and amortization expenses	19	357	357
Other expenses	20	3,50,552	2,06,968
Total expenses (II)		**64,56,591**	**93,44,550**
Profit before tax (I - II)		**4,22,516**	**2,94,488**
Tax expense	21		
Current tax		1,36,290	49,782
Deferred tax		-	-
Total tax expense		**1,36,290**	**49,782**
Profit after tax (III)		**2,86,226**	**2,44,706**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Remeasurement benefit of defined benefit plans		-	-
(b) Income tax expense on remeasurement benefit of defined benefit plans		-	-
Total other comprehensive income (IV)		**-**	**-**
Total comprehensive income (III + IV)		**2,86,226**	**2,44,706**
Earnings per equity share: [Nominal value of shares US$ 1 (2020-21: US$ 1)]			
Basic (in US$)		0.41	0.35
Diluted (in US$)		0.41	0.35

Significant accounting policies	1	
The accompanying notes are an integral part of the financial statements		

As per our report of even date

For Mohan Nagpurkar & Associates
Chartered Accountants
Firm's Registration No.: 106524W

Santosh Krishna Chande

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Date: 2021.06.05 17:08:03 +05'30'

Santosh Chande
Proprietor
Membership no.: 121365
UDIN NO: 21121365AAAACY6299

Ion Exchange LLC. USA

RAJESH CHANDRABHAN SHARMA

Digitally signed by RAJESH CHANDRABHAN SHARMA
Date: 2021.05.20 04:34:19 +05'30'

Rajesh Sharma
Director

AANKUR PATNI

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Date: 2021.05.20 04:35:49 +05'30'

Ankur Patni
Director

Place : Mumbai
Date : 20.05.2021

Ion Exchange LLC, USA
Statement of changes in Equity for the year ended 31 st March 2021

A. Equity share capital

	2020-21		2019-20	
	Number of shares	Currency US$	Number of shares	Currency US$
Issued, subscribed and fully paid up equity shares	7,00,000	7,00,000	7,00,000	7,00,000
Add: Shares issued on exercise of employee stock options during the year	-	-	-	-
Issued, subscribed and fully paid up equity shares	**7,00,000**	**7,00,000**	**7,00,000**	**7,00,000**

B. Other equity

	Reserves and Surplus					Treasury Shares	Total other equity
	Security premium account	Employee stock options outstanding	Special reserve	General reserve	Retained earnings		
	Currency US$	Currency US$	Currency US$	Currency US$	Currency US$	Currency US$	Currency US$
Balance as at 1st April 2019	**-**		**-**	**-**	**(6,69,265)**	**-**	**(6,69,265)**
Profit for the year (a)	-	-	-	-	2,44,706	-	2,44,706
Other Comprehensive Income (b)	-	-	-	-	-	-	-
Total comprehensive income for the year (a+b)	-	-	-	-	2,44,706	-	2,44,706
Issue of equity shares		-	-	-	-	-	-
Gross compensation granted during the year	-		-	-	-	-	-
Transferred to securities premium account on exercise of options	-		-	-	-	-	-
Transferred to employee compensation expenses	-		-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-
Tax on Dividend paid	-	-	-	-	-	-	-
Balance as at 31st March 2020	**-**	**-**	**-**	**-**	**(4,24,559)**	**-**	**(4,24,559)**
Profit for the year (c)	-	-	-	-	2,86,226	-	2,86,226
Other Comprehensive Income (d)	-	-	-	-	-	-	-
Total comprehensive income for the year (c+d)	-	-	-	-	2,86,226	-	2,86,226
Dividend paid	-	-	-	-	-	-	-
Tax on Dividend paid	-	-	-	-	-	-	-
Balance as at 31 st March 2021	**-**	**-**	**-**	**-**	**(1,38,333)**	**-**	**(1,38,333)**

As per our report of even date

For Mohan Nagpurkar & Associates
Chartered Accountants
Firm's Registration No.: 106524W

Santosh Krishna Chande

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Date: 2021.06.05 17:09:02 +05'30'

Santosh Chande
Proprietor
Membership no.: 121365
UDIN NO: 21121365AAAACY6299

Place : Mumbai
Date : 20.05.2021

Ion Exchange LLC. USA

RAJESH CHANDRABHAN SHARMA

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Rajesh Sharma
Director

AANKUR PATNI

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Date: 2021.05.20 04:36:05 +05'30'

Ankur Patni
Director

Ion Exchange LLC, USA
(Incorporated in the California State, Federal)
Cash flow statement for the year ended 31 st March 2021

		Year ended 31 st March 2021 Currency US$	Year ended 31 st March 2020 Currency US$
A. Cash flow from operating activities:			
Profit before tax		**4,22,516**	**2,94,488**
Adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortization expense		357	357
Operating profit before working capital changes		**5,93,400**	**2,94,845**
Movements in working capital:			
(Increase) / Decrease in inventories		(13,11,424)	7,32,798
(Increase) / Decrease in trade receivables		31,784	2,31,766
(Increase) / Decrease in other current assets		1,334	(3,026)
(Decrease) / Increase in trade payables		11,94,822	(9,92,943)
(Decrease) / Increase in other financial liabilities		1,333	(1,313)
(Decrease) / Increase in other current liabilities		(22,992)	10,589
Cash generated from operations		**4,88,257**	**2,72,716**
Taxes paid		(1,30,074)	(1,12,893)
Net cash generated from operating activities	**(A)**	**3,58,183**	**1,59,824**
B. Cash flow from investing activities:			
Purchase of property, plant and equipment		-	-
Proceeds from sale of property, plant and equipment		-	0
Net cash used in investing activities	**(B)**	**-**	**0**
C. Cash flow from financing activities:			
Proceeds from issuance of share capital on exercise of options		-	-
Repayment of borrowings		-	-
Proceeds from borrowings		-	-
Dividend paid		-	-
Dividend tax paid		-	-
Finance cost		-	-
Net cash generated / (used) in financing activities	**(C)**	**-**	**-**
Net Increase / (Decrease) in cash and cash equivalents	**(A)+(B)+(C)**	**3,58,183**	**1,59,824**
Effect of exchange difference on cash and cash equivalent held in foreign		**-**	**-**
Cash and cash equivalents as at the beginning of the year		**3,28,185**	**1,68,362**
Cash and cash equivalents as at the end of the year		**6,86,368**	**3,28,185**

Notes:

1 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.

2 Cash and cash equivalents excludes the following balances with bank:

	Year ended 31 st March 2021 Currency US$	Year ended 31 st March 2020 Currency US$
Cash and cash equivalents disclosed under current assets [Note 5]	6,86,368	3,28,185
Other bank balances disclosed under current assets	-	-
Total cash and cash equivalents as per Balance Sheet	**6,86,368**	**3,28,185**
Total cash and cash equivalents as per Statement of Cash Flows	**6,86,368**	**3,28,185**

As per our report of even date

For Mohan Nagpurkar & Associates
Chartered Accountants
Firm's Registration No.: 106524W

Santosh Krishna Chande

Digitally signed by Santosh Krishna Chande

Santosh Chande
Proprietor
Membership no.: 121365
UDIN NO: 21121365AAAACY6299

Ion Exchange LLC. USA

RAJESH CHANDRABHAN SHARMA

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Date: 2021.05.20 04:34:51 +05'30'

Rajesh Sharma
Director

AANKUR PATNI

Digitally signed by AANKUR PATNI
Date: 2021.05.20 04:36:23 +05'30'

Ankur Patni
Director

Place : Mumbai
Date : 20.05.2021

2. Property, plant and equipment

Currency US$

	Furniture Canada	Computer Canada	Laptop-Canada	Total
Gross block				
As at 1st April 2020	225	542	1,202	1,969
Addition during the year				-
Disposal during the year				-
As at 31 st March 2021	**225**	**542**	**1,202**	**1,969**
Depreciation / Amortisation				
As at 1st April 2020	146	455	260	861
Depreciation during the year	45	72	240	357
Deduction during the year				-
As at 31 st March 2021	**191**	**527**	**501**	**1,218**
Net carrying value as at 31 st March 2021	**34**	**15**	**701**	**750**
Gross block				
As at 1st April 2019	225	542	1,202	1,969
Addition during the year				-
Disposal during the year				-
As at 31st March 2020	**225**	**542**	**1,202**	**1,969**
Depreciation / Amortisation				
As at 1st April 2019	101	383	20	504
Depreciation during the year	45	72	240	357
Deduction during the year				-
As at 31st March 2020	**146**	**455**	**260**	**861**
Net carrying value as at 31st March 2020	**79**	**87**	**942**	**1,108**

3. Inventories

(valued at lower of cost and net realizable value)

	31 st March 2021	31 st March 2020
	Currency US$	Currency US$
Raw materials and components	-	-
Work-in-progress	-	-
Finished goods	-	-
Traded goods (includes in transit US$ 11,06,741 31st March 2020: US$ 4,00,837)	22,89,886	9,78,462
Stores and spares	-	-
Contract work-in-progress	-	-
	22,89,886	**9,78,462**

* includes in transit

4. Trade receivables

	Non-current		Current	
	As at 31 st March 2021 Currency US$	As at 31 st March 2020 Currency US$	As at 31 st March 2021 Currency US$	As at 31 st March 2020 Currency US$
Trade receivables				
(a) Unsecured, considered good	-		11,48,177	13,50,488
(b) Unsecured, considered doubtful			-	-
	-	-	11,48,177	13,50,488
Less: Provision for unsecured doubtful debts	-		-	-
	-	**-**	**11,48,177**	**13,50,488**

5. Cash and cash equivalents

	As at	As at
	31 st March 2021	31 st March 2020
	Currency US$	Currency US$
Balances with banks		
On current accounts	6,84,749	3,26,566
On Exchange Earner's Foreign Currency accounts	-	-
Cash on hand	1,619	1,619
	6,86,368	**3,28,185**

6. Loans

	Non-current		Current	
	As at 31 st March 2021 Currency US$	As at 31 st March 2020 Currency US$	As at 31 st March 2021 Currency US$	As at 31 st March 2020 Currency US$
Tender, security and other deposits				
(a) Unsecured, considered good	-	-	6,875	6,875
(b) Unsecured, considered doubtful			-	-
	-	-	6,875	6,875
Less: Provision for doubtful deposits			-	-
(A)	-	-	6,875	6,875
(A)	**-**	**-**	**6,875**	**6,875**

7. Other assets

	Non-current		Current	
	As at 31 st March 2021 Currency US$	As at 31 st March 2020 Currency US$	As at 31 st March 2021 Currency US$	As at 31 st March 2020 Currency US$
Capital advances	-	-	-	-
Balance with statutory authorities	-	-	-	-
Advance to suppliers				
Unsecured, considered good	-	-	-	-
Unsecured, considered good - related parties	-	-		
Unsecured, considered doubtful			-	-
	-	-	-	-
Less: Provision for doubtful advances			-	-
	-	-	-	-
Prepaid expenses	-	-	12,171	13,505
	-	**-**	**12,171**	**13,505**

8. Equity share capital

	As at 31 st March 2021		As at 31st March 2020	
	No of shares	Currency US$	No of shares	Currency US$
Authorised capital				
Equity shares of US$ 1 each.	7,00,000	7,00,000	7,00,000	7,00,000
Issued, subscribed and fully paid-up capital				
Equity shares of US$ 1 each.	7,00,000	7,00,000	7,00,000	7,00,000
		7,00,000		**7,00,000**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at 31 st March 2021		As at 31st March 2020	
	No of shares	Currency US$	No of shares	Currency US$
At the beginning of the year	7,00,000	7,00,000	7,00,000	7,00,000
Add: Issued during the year - ESOS	-	-		-
At the end of the year	7,00,000	7,00,000	7,00,000	7,00,000

9. Other equity

	As at 31 st March 2021 Currency US$	As at 31 st March 2020 Currency US$
Security premium account		
Balance as at 1st April	-	-
Transferred from employee stock option	-	-
(A)	**-**	**-**
Special reserve		
Balance as at 1st April	-	-
(As per section 45 - IC of the Reserve Bank		
(B)	**-**	**-**
General reserve		
Balance as at 1st April	-	-
(C)	**-**	**-**
Retained earnings		
Balance as at 1st April	(4,24,559)	(6,69,265)
Profit for the year	2,86,226	2,44,706
Other comprehensive income	-	-
Appropriations		
- Dividend	-	-
- Tax on dividend	-	-
(D)	**(1,38,333)**	**(4,24,558.88)**
(A+B+C+D)	**(1,38,333)**	**(4,24,559)**

10. Trade payables

	As at 31 st March 2021 Currency US$	As at 31 st March 2020 Currency US$
Trade payables (including acceptances)		
- Due to micro and small enterprises		
- Due to others (Refer note no 25)	35,30,160	23,35,338
	35,30,160	**23,35,338**

11. Other financial liabilities - Current

	As at 31 st March 2021 Currency US$	As at 31 st March 2020 Currency US$
Current maturities of long term borrowings	-	-
Interest accrued but not due	-	-
Employee benefits payable	13,250	11,917
- Unpaid dividend	-	-
	13,250	**11,917**

12. Other current liabilities

	As at 31 st March 2021 Currency US$	As at 31 st March 2020 Currency US$
Advance from customers	-	-
Statutory dues	1,292	24,283
Others liabilities	-	-
	1,292	**24,283**

13. Tax liabilities

	Non-current		Current	
	As at 31 st March 2021 Currency US$	As at 31 st March 2020 Currency US$	As at 31 st March 2021 Currency US$	As at 31 st March 2020 Currency US$
(Net of advance tax)	-	-	37,859	31,643
	-	-	37,859	31,643

14. Revenue from operations

	Year ended 31 st March 2021 Currency US$	Year ended 31 st March 2020 Currency US$
Revenue from operations		
Sale of products		
Finished goods	-	-
Traded goods	68,79,106	96,34,485
Sale of services	-	-
Others operating revenue		
Scrap sale	-	-
Management fees	-	-
Other operating income	-	-
	68,79,106	**96,34,485**

15. Other income

	Year ended 31 st March 2021 Currency US$	Year ended 31 st March 2020 Currency US$
Interest income on financial instruments measured at amortised cost		
- From banks	-	-
- From subsidiaries	-	-
- From joint venture	-	-
- From others	-	-
Guarantee commission	-	-
Rent	-	-
Dividend income on		
- Investment in subsidiaries	-	-
- Current investments	-	-
- Long-term investments	-	-
Amount set aside for liabilities, no longer required, written back	-	-
Exchange gain (Net)	-	4,553
Profit on fixed assets sold/discarded (Net)	-	-
Other non operating Income	-	-
	-	**4,553**

Cost of raw material and components consumed

	Year ended 31 st March 2021 Currency US$	Year ended 31 st March 2020 Currency US$
Inventory at the beginning of the year	-	
Add: Purchases		
Less: Inventory at the end of the year	-	-
Cost of raw material and components consumed	**-**	**0**

16. Purchases of Traded Goods

	Year ended 31 st March 2021 Currency US$	Year ended 31 st March 2020 Currency US$
Consumer products		
Traded Goods-Resin	73,10,070	82,91,878
Traded Goods-Membranes	-	-
	73,10,070	82,91,878

17. Changes in inventories of finished goods, stock-in-trade and work-in-progress

	Year ended 31 st March 2021 Currency US$	Year ended 31 st March 2020 Currency US$
Inventories at the end of the year		
Traded goods	22,89,886	9,78,462
Work-in-progress	-	-
Finished goods		
Contract work-in-progress	-	-
	22,89,886	9,78,462
Inventories at the beginning of the year		
Traded goods	9,78,462	17,11,260
Work-in-progress	-	
Finished goods		
Contract work-in-progress	-	
	9,78,462	17,11,260
	(13,11,424)	**7,32,798**

18. Employee benefits expense

	Year ended 31 st March 2021 Currency US$	Year ended 31 st March 2020 Currency US$
Salaries, wages and bonus	1,05,129	1,06,088
Contribution to provident and other funds	224	1,417
Staff welfare expense	1,682	5,043
	1,07,035	**1,12,548**

19. Depreciation and amortisation expense

	Year ended 31 st March 2021 Currency US$	Year ended 31 st March 2020 Currency US$
Depreciation of property, plant and equipment (Refer note 2)	357	357
Amortization of intangible assets		
	357	**357**

20. Other expenses

	Year ended 31 st March 2021 Currency US$	Year ended 31 st March 2020 Currency US$
Repairs and Maintenance - Others	2,361	1,641
Rent (Net of recoveries)	5,739	5,292
Rates and taxes	300	625
Insurance (Net of recoveries)	25,675	27,713
Travelling and conveyance	7,407	32,317
Storage & Warehousing Charges	36,827	43,443
Freight (Net of recoveries)	22,163	17,970
Packing (Net of recoveries)	129	-
Advertisement and publicity	3,078	8,020
Commission	13,760	-
Labour Charges	38,055	44,592
Legal and professional charges	13,312	6,731
Telephone and telex	2,594	3,162
Bad debts written off	1,70,527	-
Bank charges	2,471	8,232
Exchange loss (Net)	2,513	-
Establishment and other miscellaneous expenses	3,642	7,229
	3,50,552	**2,06,968**

20.1 Auditors' remuneration (excluding taxes)

	Year ended 31 st March 2021 Currency US$	Year ended 31 st March 2020 Currency US$
As auditor:		
- Audit fees		
- Tax audit fees		
- Limited review		
In other capacity:		
- Other services (Certification fees)		
Reimbursement of expenses		
	-	**-**

21. Tax expense

		Year ended 31 st March 2021 Currency US$	Year ended 31 st March 2020 Currency US$
Current tax		1,36,290	49,782
Deferred tax		-	-
		1,36,290	**49,782**
Reconciliation of Tax Expense			
Profit before tax		4,22,516	2,94,488
Applicable tax rate		30.00%	30.00%
Computed tax expense	**(A)**	**1,26,755**	**88,346**
Adjustments for:			
Non-deductible tax expenses		-	-
Tax-exempt income		-	-
Incremental deduction allowed for research and development costs		-	-
Deduction under house property		-	
Income taxed at different rate		-	-
Others (Deffred tax assets not recognised)		9,535	(38,564)
Net adjustments	**(B)**	**9,535**	**(38,564)**
Tax expense	**(A+B)**	**1,36,290**	**49,782**

ION Exchange LLC, USA
(Incorporated in the California State, Federal)

Notes to financial statements for the year ended 31 st March 2021 (contd.)

Note 22

Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

i. Profit attributable to Equity holders of parent

	31 st March 2021 US$	31 st March 2020 US$
Profit attributable to equity holders of the parent:		
Net Profit as per statement of profit and loss available for equity shareholders	2,86,226	2,44,706
Profit attributable to equity holders	**2,86,226**	**2,44,706**

ii. Weighted average number of ordinary shares

	31 st March 2021	31 st March 2020
Basic outstanding shares	7,00,000	7,00,000
Less : weighted average shares held with the shareholding trust		
Weighted average number of shares at March 31 for basic and diluted EPS	**7,00,000**	**7,00,000**

Earnings per share in Rupees (Weighted average)

	31 st March 2021	31 st March 2020
Basic earnings per share	0.41	0.35
Diluted earnings per share	0.41	0.35

23. Financial instruments

Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels.It does not include the fair value information for current financial assets and current financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

Currency US$

	As at 31 st March 2021			As at 31st March 2020		
	Carrying Amount	Fair value		Carrying Amount	Fair value	
		Level of input used in			Level of input used in	
		Level 1	Level 2		Level 1	Level 2
Financial assets - Non-current						
At amortised cost						
Trade receivables	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Investments	-	-	-		-	-
At FVTPL						
Investments		-	-		-	-
Financial assets - Current *						
At amortised cost						
Trade receivables	11,48,177			13,50,488		
Cash and cash equivalents	6,86,368			3,28,185		
Bank balances other than above	-			-		
Loans	6,875			6,875		
Others	-			-		
At FVTPL						
Investments	-	-	-	-	-	-
Financial liabilities - Non-current						
At amortised cost						
Borrowings	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
Financial liabilities - Current *						
Borrowings	-			-		
Trade payables	35,30,160			23,35,338		
Other financial liabilities	13,250			11,917		

* 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

B. Measurement of fair values
Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique
Forward contracts for foreign exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies
Non current financial assets and liabilities measured at amortised cost	Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate.
Investments in unquoted preference shares and debentures	Discounted cash flow: The fair value is estimated considering net present value calculated using long term growth rate and discount rate.
Investments in unquotedequity shares	Discounted cash flow: Using long term growth rate.

C. Financial risk management
The Company has exposure to the following risks arising from financial instruments:
▪ Credit risk;
▪ Liquidity risk; and
▪ Market risk

(i) <u>Risk management framework</u>

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 analyses 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.

(ii) **<u>Credit risk</u>**

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. Trade receivables consist of a large number of customers in various geographical areas. The company assesses the credit quality of the trade receivables based on market intelligence, customers payment history and defaults.

Cash and cash equivalents

The Company held cash and cash equivalents of US$ 6,86,368 as at 31 st March 2021 (as at 31st March 2020: US$ 3,28,185). The cash and cash equivalents are held with banks with good credit ratings.

Ion Exchange LLC, USA

Notes to financial statements for the year ended 31 st March 2021 (contd.)

Financial instruments – Fair values and risk management (continued)

iii. 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 lines from various banks. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks. The Company monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.
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.

Exposure to liquidity risk

31 st March 2021	Contractual cash flows					
	Carrying Amount	**Total**	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
(i) Borrowings	-	-				
(ii) Other Non current financial liabilities	-	-				
(iii) Issued financial guarantee contract on behalf of related parties*	-	-				
Current Financial liabilities						
(i) Short term borrowings	-	-	-	-	-	-
(ii) Trade payables	35,30,160	35,30,160	35,30,160	-	-	-
(iii) Other financial liabilities	13,250	13,250	13,250	-	-	-
	35,43,410	**35,43,410**	**35,43,410**	**-**	**-**	**-**

31 st March 2020	Contractual cash flows					
	Carrying amount	**Total**	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
a) Non-derivative financial liabilities						
(i) Borrowings	-					
(ii) Other Non current financial liabilities	-	-				
(iii) Issued financial guarantee contract on behalf of related parties*		-				
Current Financial liabilities						
(i) Short term borrowings	-	-	-			
(ii) Trade payables	23,35,338	23,35,338	23,35,338			
(iii) Other financial liabilities	11,917	11,917	11,917			
	23,47,255	**23,47,255**	**23,47,255**	**-**	**-**	**-**

ION Exchange LLC, USA

Notes to financial statements for the year ended 31 st March 2020 (contd.)

Note 24
(Currency : US$)
Segment reporting

Information about primary business segments

	Engineering		Chemicals		Unallocated		Total	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Revenue								
External Sales (Gross)	3,357	376	68,75,750	96,34,108		-	68,79,106	96,34,485
Less: Excise duty recovered						-		
External Sales (Net)	**3,357**	**376**	**68,75,750**	**96,34,108**		**-**	**68,79,106**	**96,34,485**
Inter-segmental Sales						-	-	-
Other Income			-	4,553			-	4,553
Total Revenue	**3,357**	**376**	**68,75,750**	**96,38,661**		**-**	**68,79,106**	**96,39,037**
Less: Eliminations								
Add : Interest Income							-	-
Total Enterprise Revenue							68,79,106	96,39,037
Result								
Segment Results	(5,180)	(626)	4,27,696	2,95,114			4,22,516	2,94,488
Unallocated Expenditure net of unallocated Income	-						-	-
Finance Cost	-						-	-
Interest Income	-	-					-	-
Profit before Taxation	**(5,180)**	**(626)**	**4,27,696**	**2,95,114**		**-**	**4,22,516**	**2,94,488**
Other Information								
Segment Assets	2,022	105	41,42,206	26,78,518			41,44,228	26,78,622
Segment Liabilities	1,748	95	35,80,813	24,03,087			35,82,561	24,03,182
Capital Expenditure							-	-
Depreciation			357	357			357	357
Non Cash Expenditure other than Depreciation							-	-

Major Customer

Revenue from one customer represented US$ 15,88,273 (previous year US$ 06,29,281) out of the Company's total revenue

II. Notes:

(a) The company's operations are organized into Two business segments, namely:

Chemicals – comprising of resins & Engineering- Comprising of Membrane.

25 Related party disclosures

Names of related parties and related party relationship

Related parties where control exists	
Holding company	Ion Exchange (India) Ltd
Ultimate holding company	

Related parties with whom transactions have taken place during the year

Associates
Jointly controlled entity
Key management personnel

Relatives of key management personnel
Enterprises owned or significantly influenced by key management personnel or their relatives

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a. Sale/ purchase of goods and services **(` Amt in US$)**

	Year ended	Sale of goods	Purchase of traded goods (Net)	Amount owed by related parties*	Amount owed to related parties*
Holding, ultimate holding companies & Associates					
Ion Exchange (India) Ltd	31-Mar-21		65,88,363		33,86,109
	31-Mar-20		71,39,481		22,06,678

26 Subsequent Events

Subsequent to the reporting date, the existence of the infectious disease COVID-19 ('Coronavirus') has become widely known, and begun to rapidly spread throughout the world. The Company considers this to be a non-adjusting event after the reporting date. Since the reporting date this has caused increasing disruption to populations, to business and economic activity. As this situation is rapidly developing, it is not yet practicable to estimate the potential impact this may have on the Company.

Ion Exchange LLC, USA
Notes to Financial Statements for the year ended 31st March 2021

Company Overview

IE LLC, USA is a limited liability company incorporated in the California State, Federal Government of USA. The Company has operations in USA and Canada. It is a 100% subsidiary of Ion Exchange (India) Ltd .The Company operates in the field of water treatment.

1. Significant Accounting Policies

1.1 Statement of compliance

The company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of sections 133 read with sub-section (1) of Section 210A of the Companies Act, 1956 (1 of 1956). In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied.

1.2 Basis of preparation

The standalone financial statements have been prepared on the going concern basis and at historical cost, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

1.3 Functional and presentation currency

The standalone financial statements are presented in US$, which is also the company's functional currency. All amounts have been rounded off to two decimal places to the nearest US$, unless otherwise indicated.

1.4 Basis of measurement

The standalone financial statements have been prepared on a historical cost convention, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- net defined benefit (asset)/ liability that are measured at fair value of plan assets less present value of defined benefit obligations.

1.5 Use of estimates

The preparation of the standalone financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31st March 2021 are as follows:

a) Evaluation of percentage completion

Determination of revenues under the percentage of completion method necessarily involves making estimates, some of which are technical in nature, concerning, where relevant, the percentage of completion, costs to completion, expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognized in the financial statements for the period in which such changes are determined.

b) Useful life of property, plant and equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

c) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

1.6 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1.7 Property, plant and equipment and depreciation

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost includes taxes, duties, freight and other incidental expenses directly related to acquisition/construction and installation of the assets. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation is provided on straight line basis based on life assigned to each asset in accordance with Schedule II of the Act or as per life estimated by the Management, whichever is lower, as stated below.

Assets	Useful lives
Furniture and fixtures	5 years
Office equipments – Computers/Laptops	5 years

Leasehold assets are depreciated over the period of lease.

In case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from those class of assets. The Company uses its technical expertise along with historical and industry trends for arriving the economic life of an asset.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

An item of property, plant and equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal are recognised in the Statement of Profit and Loss.

1.8 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost and are carried at cost less accumulated amortization and impairment.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The amortization period and the amortization method are reviewed at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Computer software is amortized on a straight-line basis over the period of 5 years.

An intangible asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal are recognised in the statement of profit and loss.

1.9 Impairment

Impairment loss, if any, is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal/external factors. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at end of its useful life. In assessing value in use, the present value is discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Net selling price is the amount obtainable from sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

1.10 Foreign currency transactions

Transactions in foreign currencies are recognized at exchange rates prevailing on the transaction dates. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise. Foreign currency monetary items are reported at the year-end rates. Exchange differences arising on reinstatement of foreign currency monetary items are recognized as income or expense in the statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

1.11 Inventories

Inventories are valued at lower of cost and net realizable value.

Cost of raw materials, components, stores and spares are computed on a weighted average basis. However, 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.

Cost of work-in-progress includes cost of raw material and components, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is computed on weighted average basis.

Contract cost that has been incurred and relates to the future activity of the contract are recognized as contract work-in-progress as it is probable that it will be recovered from the customer.

Cost of finished goods includes cost of raw material and components, cost of conversion, other costs including manufacturing overheads incurred in bringing the inventories to their present location/ condition. Cost is computed on weighted average basis.

Costs of traded goods are computed on first-in-first-out basis. Cost includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition.

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.

1.12 Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument. The company determines the classification of its financial assets and financial liabilities at initial recognition based on its nature and characteristics.

A. Financial assets

(i) Initial recognition and measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset.

The financial assets include debt instruments, equity investments, trade and other receivables, loans, cash and bank balances and derivative financial instruments.

(ii) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

a) At amortised cost,
A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) At fair value through other comprehensive income (FVTOCI)
A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) At fair value through profit or loss (FVTPL).
A financial asset which is not classified in any of the above categories are measured at FVTPL.

(iii) Equity investments

All equity investments in the scope of Ind AS 109 are measured at fair value except in case of investment in subsidiaries, associates and joint venture carried at deemed cost. Deemed cost is the carrying amount under the previous GAAP as at the transition date i.e. 1st April 2016.

Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in profit or loss. The company may make an irrevocable election to present in OCI subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment.

However, the company may transfer the cumulative gain or loss within equity.

Impairment of investments in subsidiaries:

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(iv) Impairment of financial assets

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

(v) De-recognition of financial assets

The company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the assets.

B. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are deducted from the fair value measured on initial recognition of financial liabilities.

The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, derivative financial instruments, etc.

(ii) Classification and subsequent measurement

For the purpose of subsequent measurement, Financial liabilities are classified in two categories:
a) Financial liabilities excluding derivative financial instruments at amortised cost, and
b) Derivative financial instruments at fair value through profit or loss (FVTPL).

- Financial liabilities excluding derivative financial instruments at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

- Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting period. Any changes therein are generally recognised in the profit and loss account.

(iii) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the statement of profit and loss.

1.13 Retirement and other employee benefits

(i) Retirement benefit in the form of Canada Pension Plan (CPP) and Employment Insurance (EI) are defined contribution scheme and the contribution is charged to the statement of profit and loss of the year when the contribution to the respective fund is due. There is no other obligation other than the contribution payable.

1.14 Revenue recognition

Revenue from sale of goods is recognizes at the point in time when control of the assets is transferred to the customer, generally on delivery of the goods.

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 related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.

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.

Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers into categories that depict the nature of services and geography.

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

- Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

- Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

1.15 Taxation

(i) Provision for current taxation has been made in accordance with the tax laws of Canada Revenue Agency and US Corporation for the relevant tax period.

1.16 Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

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

1.17 Earnings per share

Basic earnings per equity share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per equity share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.18 Segment reporting policies

Identification of segments
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chairman and Managing Director who makes strategic decisions.

Inter-segment Transfers
The Company accounts for inter-segment sales and transfers at cost plus appropriate margin.

Allocation of common costs
Common allocable costs are allocated to each segment according to the turnover of the respective segments.

Unallocated costs
The unallocated segment includes general corporate income and expense items which are not allocated to any business segment.

Segment policies
The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

1.19 Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

1.20 Leases

Where the company is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets given on operating leases by the company are included in property, plant and equipment. Lease income is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Where the company is the lessee

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. However, finance charges pertaining to the period up to date of commissioning of assets are capitalised. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

In case of profit on sale and lease back arrangements resulting in operating leases, where the sale price is above fair value, the excess over the fair value is deferred and amortized over the period for which the asset is expected to be used.

As per our report of even date

For Mohan Nagpurkar & Associates
Chartered Accountants
Firm's Registration No.: 106524W

Santosh Krishna Chande

Digitally signed by Santosh Krishna Chande
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Date: 2021.06.05 17:10:59 +05'30'

Santosh Chande
Proprietor
Membership no.: 121365
UDIN NO: 21121365AAAACY6299

Ion Exchange LLC. USA

RAJESH CHANDRABHAN SHARMA

Digitally signed by RAJESH CHANDRABHAN SHARMA
Date: 2021.05.20 04:33:32 +05'30'

Rajesh Sharma
Director

AANKUR PATNI

Digitally signed by AANKUR PATNI
Date: 2021.05.20 04:37:19 +05'30'

Ankur Patni
Director

Place : Mumbai
Date : 20.05.2021