





# Ion Exchange.....

## .....Demonstrating Resilience

FY 2020-21 was a year of a global pandemic, collapse of the global economy and strong but uneven recovery in the last quarter of the financial year buoyed by speedy actions from governments. It was a year in which each of us confronted difficult personal challenges and some of us lost loved ones. My deep condolences to the families who endured this loss.

It was a year when companies discovered that they were capable of mitigating pandemic challenges and set new sights to achieve business commitments and goals. Your Company weathered the pandemic by adapting very quickly to the challenges on private consumption, investment and external trade posed by the pandemic. It also prioritized the health and well being of its employees, while ensuring business continuity and growth by embracing the new normal.

We continued to remain strongly networked with our customers to meet their core needs with our products and services. Maintaining our onsite presence with stringent SOPs, we leveraged our digital marketing and communication abilities to ensure zero degrees of separation from our customers and vendors alike. Here, your Company's Service and O&M teams did an exceptional job of providing continuity of service to customers that ensured seamless operation of their plants. Your Company's manufacturing units' ensured regular production and timely execution of orders. Ion Exchange leveraged its resources efficiently to deliver on our promise to customers. Your Company's agility, resilience and responsiveness during the crisis earned remarkable goodwill from clients across sectors.

The global disruption caused by pandemic has brought about positive effects on environment and climate. Due to significant slowdown of social and economic activities and restricted movements, air quality has improved in major cities of the world and there is considerable reduction in water pollution. People have realised the value of clean environment and sustainable development. This opens up opportunities for your Company to offer its state-of-the-art technologies and cost effective solutions for water and environment management.

Ion Exchange has begun FY 2021-22 with a strong sense of hope and optimism. Our ability to deliver, even in a crisis, reflects a strong strategic foresight, strength of committed employees, channel partners and business associates. Going ahead, your Company is confident to meet its growth objectives despite uncertainties of a third wave with capital investment and market expansion plans.

**BOARD OF DIRECTORS**

Mr. Rajesh Sharma	Chairman & Managing Director
Mr. Dinesh Sharma	Executive Director
Mr. Aankur Patni	Executive Director
Dr. V. N. Gupchup	Director
Mr. M. P. Patni	Director
Mr. T. M. M. Nambiar	Director
Mr. P. Sampath Kumar	Director
Mr. Abhiram Seth	Director
Mr. Shishir Tamotia	Director
Ms. Kishori J. Udeshi	Director

**REGISTERED OFFICE**

Ion House,  
Dr. E. Moses Road,  
Mahalaxmi  
Mumbai - 400 011

**BANKERS**

Bank of India  
Canara Bank  
State Bank of India  
Axis Bank  
Punjab National Bank  
Export-Import Bank of India  
IDFC First Bank  
Standard Chartered Bank

**SENIOR MANAGEMENT**

Mr. Rajesh Sharma	Chairman & Managing Director
Mr. Aankur Patni	Executive Director
Mr. Dinesh Sharma	Executive Director
Mr. Ajay A. Popat	President - Corporate Diversification, Technology & Marketing
Mr. N. M. Ranadive	Group Chief Financial Officer
Mr. Dinesh Sadasivan	President - Standard Systems, CSD & Services
Mr. S. V. Mehendale	Executive Vice President - Resin & Membrane Division
Mr. S. N. Iyengar	Executive Vice President - Medium Industry Segment
Mr. Vasant Naik	Executive Vice President - Finance

**AUDITORS**

M/s. BSR & Co. LLP

**ADVOCATE & SOLICITORS**

Crawford Bayley & Co.

**COMPANY SECRETARY**

Mr. Milind Puranik

**REGISTRAR & SHARE TRANSFER AGENT & REGISTRAR FOR FIXED DEPOSITS**

M/s. TSR Darashaw Consultants Private Limited  
C-101, 1st Floor, 247 Park  
Lal Bahadur Shastri Marg  
Vikhroli (West) Mumbai – 400 083  
Tel No.: 6617 8484  
Fax No.: 6617 8494  
Email: [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in)  
Website: [www.tcplindia.co.in](http://www.tcplindia.co.in)

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## NOTICE

NOTICE is hereby given that the Fifty Seventh Annual General Meeting of the members of Ion Exchange (India) Limited will be held on Tuesday, 24<sup>th</sup> August, 2021 at 11:00 a.m. through Video Conferencing (“VC”)/Other Audio Video Means (“OAVM”) to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company at Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai- 400011.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statement and Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021, and the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend on equity shares.
3. To appoint a Director in place of Mr. M.P.Patni (DIN:00515553), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to consider, and if thought fit, pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Companies Act, 2013 read with rules thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. M.P.Patni (DIN:00515553), a Non-Executive Non-Independent Director of the Company, who is liable to retire by rotation at this Annual General Meeting of the Company, and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation, notwithstanding that he has crossed the age of 75 years.”

### SPECIAL BUSINESS

#### 4. **Appointment of Branch Auditors**

To consider and if, thought fit, to pass with or without modification(s), if any, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 143 (8) and Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Angadi & Co., Chartered Accountants (M No. – 237235), be and is hereby appointed as Branch Auditors of the Company for auditing the books of accounts maintained by Ion Exchange Services (Division of Ion Exchange (India) Limited) to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next Annual General Meeting of the Company and the Board of Directors be and is hereby authorized to fix their remuneration.”

#### 5. **Approval of Cost Auditors Remuneration**

To consider and if, thought fit, to pass with or without modification(s), if any, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2022, at a remuneration amounting to INR 350,000 (Rupees Three Lakhs Fifty Thousand only) plus applicable taxes and out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.”

#### 6. **To approve payment of Commission to Non-Executive Directors**

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), as amended from time to time, a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, be paid to and distributed amongst the Non-Executive Directors of the Company in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors of the Company and such payments shall be made in respect of the profits of the Company for each year, commencing from April 1, 2020.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and/or the Nomination and Remuneration Committee constituted by the Board be and are hereby authorized to take all actions and do all such acts, deeds and things, as may be necessary to give effect to the said resolution.”

**Registered Office:**

Ion House  
Dr. E. Moses Road  
Mahalaxmi  
Mumbai 400 011  
**CIN: L74999MH1964PLC014258**  
Mumbai, 8<sup>th</sup> June 2021

By Order of the Board

Milind Puranik  
Company Secretary

**NOTES :**

- In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020, May 5, 2020 and January 13, 2021 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11, Dated January 15, 2021 (referred to as “SEBI Circular”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
- The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 16<sup>th</sup> August, 2021 to Tuesday, 24<sup>th</sup> August, 2021 (both days inclusive).
- Details of Directors seeking appointment/re-appointment as required under Regulation 36 (3) of Listing Regulations and Secretarial Standards on General Meetings:

Name	Mr. M. P. Patni
Designation	Non-Executive Director
Date of Birth	25.09.1945
Date of Appointment	28.09.2001
Qualification	B.E. (Mechanical)
Expertise	Mr. M P Patni has wide range of experience in the marketing of heavy and medium engineering equipments, water treatment plants and allied items since last 53 years. He has considerable exposure in handling large projects of national importance.
Terms and Conditions of Appointment	Not Applicable
Details of Remuneration sought to be paid	Not Applicable
Remuneration last drawn	Not Applicable
Number of shares held in the Company	7,55,497
Relationship with other Directors, Manager and other key managerial personnel of the Company	Mr. M.P. Patni is related to Mr. Aankur Patni who is an Executive Director.



Chairman/Director of Other Companies	<ol style="list-style-type: none"> <li>1. Aartus &amp; Associates Pvt. Ltd.</li> <li>2. Labhda Properties Pvt. Ltd.</li> <li>3. IEI Water Tech (M) Sdn. BHD.</li> <li>4. IEI Environmental Management (M) SDN.BHD.</li> <li>5. Ion Exchange Environmental Management (BD) Ltd.</li> <li>6. Ion Exchange Asia Pacific Pte. Ltd.(Singapore)</li> <li>7. Ion Exchange Asia Pacific (Thailand) Ltd.</li> <li>8. Ion Exchange Projects &amp; Engineering Ltd.</li> <li>9. Ion Exchange PSS Ltd. (Thailand)</li> <li>10. Ion Exchange Safic (Pty.) Ltd. (South Africa)</li> </ol>
Chairman/Member of the committees of the Company and other Company(s)	<p>Member of the following committees of Ion Exchange (India) Ltd.</p> <ol style="list-style-type: none"> <li>1.Employee Stock Option Compensation Committee</li> <li>2. Nomination and Remuneration Committee</li> <li>3.Corporate Social Responsibility Committee</li> </ol> <p>Member of the following committees of Ion Exchange Projects and Engineering Limited.</p> <ol style="list-style-type: none"> <li>1.Audit Committee</li> </ol>
No of Board Meetings attended	Seven out of Seven

5. Dividend, if declared at the meeting will be paid subject to deduction of tax at source on or before 30<sup>th</sup> August, 2021 to those members (holding shares in physical form) whose names appear on the Register of members as on 24<sup>th</sup> August, 2021 and to those beneficial owners (holding shares in electronic form) whose names appear in the Beneficiary report furnished by the depositories.
6. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, TSR Darashaw Consultants Private Limited (TSRDCPL) for assistance in this regard.
7. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, TSR Darashaw Consultants Private Limited (TSRDCPL) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to TSRDCPL.
8. Unclaimed Dividend for the period 2012-2013 has been transferred to Investors Education and Protection Fund, pursuant to Sections 125 of the Companies act, 2013. Shareholders who have not claimed Dividend for the period 2013-2014 and subsequent years are advised to write to our R&T.
9. Pursuant to the Provision of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") which came into effect from 7<sup>th</sup> September, 2016 and further amended "the Rules" vide notification dated 28<sup>th</sup> February, 2017, the Company is mandated to transfer all shares in the name of the Investor Education and Protection Fund (IEPF) DEMAT Account of the Authority in respect of which dividend has not been paid or claimed for seven consecutive years or more. The Company has transferred 6,141 shares to the Investor Education and Protection Fund Authority during the year 2020-21.
10. Nomination form can be obtained from our R&T, M/s.TSRDCPL. This form will have to be used by only those shareholders,

holding in physical form & the same should be submitted to our R&T for registration. For shareholders, holding in dematerialized form, the nomination form prescribed by the Depository will have to be used and submitted with the Depository Participant.

11. Members seeking any information with regard to the Accounts are requested to e-mail to the Company at [investorhelp@ionexchange.co.in](mailto:investorhelp@ionexchange.co.in) on or before 18<sup>th</sup> August, 2021. The same shall be replied by Company suitably.
12. The Company has been maintaining, inter alia, the following statutory registers at its registered office:
  - i) Register of contracts or arrangements in which Directors are interested under section 189 of the Act.
  - ii) Register of Directors and Key Managerial Personnel and their shareholding under section 170 of the Act.

The said registers will be made accessible for inspection through electronic mode and shall remain open and be accessible to any member during the continuance of the meeting.

13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.ionindia.com](http://www.ionindia.com) and on the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com).
14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act
15. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with TSRDCPL/Depositories.
16. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ TSRDCPL (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [csg-exemptforms2122@tcplindia.co.in](mailto:csg-exemptforms2122@tcplindia.co.in)

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [investorhelp@ionexchange.co.in](mailto:investorhelp@ionexchange.co.in).

17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

#### **18. Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI LODR the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The members who have cast their vote by remote e-voting/Ballot Form (prior to the AGM) may also attend the AGM) but shall not be entitled to cast their vote again.
- III. The remote e-voting period commences on 20<sup>th</sup> August 2021 (9.00 a.m) and ends on 23<sup>rd</sup> August 2021 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 17<sup>th</sup> August 2021, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.



IV. The process and manner for remote e-voting are as under:

- (i) Open email and open PDF file viz; "IONEX e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on 'Shareholders' - Login
- (iv) A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
  
(Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.)
- (v) Your User ID details are given below
  - a) For Members who hold shares in demat account with NSDL - 8 Character DP ID followed by 8 Digit Client ID
  - b) For Members who hold shares in demat account with CDSL - 16 Digit Beneficiary
  - c) For Members holding shares in Physical Form - EVEN Number followed by Folio Number registered with the company
- (vi) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- (vii) How to retrieve your 'initial password'?
  - a) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - b) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
- (viii) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (ix) Select "EVEN" of "Ion Exchange (India) Limited".
  - a. Now you are ready for remote e-voting as Cast Vote page opens.
  - b. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - c. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - d. Once you have voted on the resolution, you will not be allowed to modify your vote.
  - e. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizers' email ID: [vvchakra@gmail.com](mailto:vvchakra@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- (x) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

**Process for those shareholders whose E-mail IDs are not registered with the depositories for procuring User ID and Password and registration of E-mail IDs for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investorhelp@ionexchange.co.in](mailto:investorhelp@ionexchange.co.in)

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investorhelp@ionexchange.co.in](mailto:investorhelp@ionexchange.co.in)

2. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned above, as the case may be.
  3. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
- V. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VI. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 17<sup>th</sup> August, 2021.
- VIII. Any person, who acquires shares of the Company and become member of the Company after sending of the notice and holding shares as of the cut-off date i.e. 17<sup>th</sup> August, 2021 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Registrars M/s. TSR Darashaw Consultants Private Limited at [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in).
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- IX. Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- X. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting.
- XI. Mr. V.V. Chakradeo, Company Secretaries (COP No. 1705) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XII. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.ionindia.com](http://www.ionindia.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**19. Instructions For Members For Attending The AGM Through VC / OAVM Are As Under:**

- a. Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's

AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

- b. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
- c. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact further, please find below details of NSDL officials for queries.

Mr. Amit Vishal, Senior Manager, NSDL, 022-2499 4360 or email at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in)

Ms. Pallavi Mhatre, Manager, NSDL, 022-2499 4545 or email at [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in)

- d. Members are encouraged to join the Meeting through Laptops for better experience.
- e. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- f. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- g. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [investorhelp@ionexchange.co.in](mailto:investorhelp@ionexchange.co.in) from 18<sup>th</sup> August, 2021 (9:00 a.m. IST) to 20<sup>th</sup> August, 2021(5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**Registered Office:**

Ion House  
Dr. E. Moses Road  
Mahalaxmi  
Mumbai 400 011

**CIN: L74999MH1964PLC014258**

Mumbai, 8<sup>th</sup> June 2021

By Order of the Board

Milind Puranik  
Company Secretary

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 6 of the accompanying Notice:

**Item No. 3**

Mr. M.P.Patni is a Non-Executive Non-Independent Director on the Board of the Company and is liable to retire by rotation at the ensuing Fifty Seventh Annual General Meeting of the Company. Being eligible, he has offered himself for re-appointment. As per Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of 75 years unless a Special Resolution is passed to that effect. Therefore, continuance of Mr. M.P.Patni as Non-Executive Non-Independent Director requires consent of the members by way of a Special Resolution.

The Company admires the caliber and expertise of Mr. M. P. Patni in the fields of marketing of heavy and medium engineering equipments, water treatment plants and allied items. The quality of his inputs/ views to the Board/ Committee on governance principles has given the company a broader picture having a positive effect on the overall outcome, thus adding value to the organisation. His vast experience in the various fields gives the Company a better insight in planning and executing the projects. Keeping in view the experience of and contributions made by Mr. M. P. Patni, the Board recommends the Special Resolutions set out in Item No. 3 for the approval of the shareholders of the Company.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors or KMP is concerned or interested in the said Resolution, except Mr. Aankur Patni who is related to Mr. M.P. Patni is concerned or interested in the Resolution.

**Item No. 4**

It is proposed to appoint M/s. Angadi & Co., Chartered Accountants as the Branch Auditors for conducting Audit of Ion Exchange Services (Division of Ion Exchange (India) Limited).

M/s. Angadi & Co., Chartered Accountants have given their consent to act as the Branch auditors, if appointed.

The Board recommends the Resolution at Item No. 4 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors or KMP is concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

**Item No. 5**

M/s. Kishore Bhatia & Associates, Cost Accountants, are appointed as Cost Auditors of the Company to audit the accounts relating to cost records for the financial year ending March 31, 2022.

Remuneration payable to M/s. Kishore Bhatia & Associates, Cost Auditors of the Company for the financial year ended March 31, 2022 was recommended by the Audit Committee to the Board and subsequently, was considered and approved by the Board of Directors at its meeting held on June 8, 2021.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

The Board recommends the Resolution at item No. 5 for the approval by the Members.

None of the Directors or key managerial personnel (KMP) or relatives of Directors or KMP is any way interested or concerned in the Resolution at item No. 5 of the accompanying Notice.

**Item No. 6**

Section 197 of the Act permits payment of remuneration to Non-Executive Directors of a Company by way of commission, if the Company authorises such payment by way of a resolution of Members. Regulation 17(6)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 authorises the Board of Directors to recommend all fees and compensation, if any, to Non-Executive Directors, including Independent Directors and shall require approval of members in general meeting. The Members of the Company at the Fifty Second Annual General Meeting of the Company held on September 9, 2016, approved of the payment of commission to Non-Executive Directors of the Company not exceeding one percent per annum of the net profits of the Company for a period of five years commencing from April 1, 2015.

Considering the rich experience and expertise brought to the Board by the Non-Executive Directors, it is proposed that remuneration not exceeding one percent per annum of the net profits of the Company calculated in accordance with provisions of Section 197 of the Act, be continued to be paid and distributed amongst the Non-Executive Directors of the Company in accordance with the recommendations of the Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Such payment will be in addition to the sitting fees for attending Board/Committee meetings.

The Board recommends the Resolution at Item No. 6 of the accompanying Notice for approval by the Members.

All the Directors of the Company and their relatives (except Chairman and Managing Director, Executive Directors and their relatives) are concerned or interested in the resolution at Item no. 6 of the notice to the extent of the remuneration that may be received by each of these Directors. None of the Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested in the resolution at Item no. 6 of the notice.

**Registered Office:**  
Ion House  
Dr. E. Moses Road  
Mahalaxmi  
Mumbai 400 011  
**CIN: L74999MH1964PLC014258**  
Mumbai, 8<sup>th</sup> June 2021

By Order of the Board

Milind Puranik  
Company Secretary

## DIRECTORS' REPORT

To

The Members,

Directors have pleasure in presenting the 57<sup>th</sup> Annual Report and Accounts for the year ended 31<sup>st</sup> March, 2021.

### FINANCIAL RESULTS

The highlights of the financial results are as follows:

	Year ended March 2021 (INR in Lacs)	Year ended March 2020 (INR in Lacs)
Profit before taxation	19,587	13,418
Less: Provision for taxation:		
Current tax	5,385	3,642
Deferred tax	(395)	(136)
Profit after tax	14,597	9,912
Other comprehensive income (Net of Taxes)	95	(92)
Total Comprehensive income	14,692	9,820

### OPERATIONS

During the financial year ended 31<sup>st</sup> March, 2021, the net profit after tax of the company has increased to INR 14,597 Lacs as compared to previous year's net profit after tax of INR 9,912 Lacs showing a mark improvement of 47% over the previous year. The Company has achieved a turnover of INR 1401.76 crores as compared to INR 1407.18 crores of the previous year.

### DIVIDEND

The Directors are pleased to recommend a dividend of INR 10/- [100%] per equity share for the financial year ended 31<sup>st</sup> March, 2021.

### FUTURE OUTLOOK

India's GDP bounced back to the pre-pandemic level in the fourth quarter of FY 2020-21 after a sharp contraction in the first quarter, followed by a V shaped recovery in the subsequent quarters. The world economy also experienced a good but highly disparate recovery during this period. However, the second Covid-19 wave from April 2021 poses a significant downside risk to the growth forecast. This is now expected to be 8 – 8.3% in FY 2021-22 with the GDP expected to surpass the pre-pandemic level only in the third quarter.

One of the important demand side driver of economic growth viz investments was greatly affected in the previous financial year. Gross fixed capital formation (GFCF) declined 10.8% last fiscal to INR 42 Lac crore, a figure similar to 2018. While there was slight improvement in later part of previous year, the second wave can once again create uncertainties in demand and potentially reduce private sector investment in new capacity building. That said, Central Government's planned investment in infrastructure, core sectors like

steel, oil refining and petrochemicals etc is expected to continue its contribution to gross capital formation. Investments in construction activity especially roads and water infrastructure augurs well for both capacity utilization and brownfield expansion in sectors like steel, cement, chemicals, etc.

In the budget for FY 2021-22 there were significant policy shifts as the government announced doubling of the spend on health. The Reserve Bank of India (RBI) announced further measures to support the liquidity provision to micro, small and medium firms and further relaxation on provisioning for non-performing loans. Recently, the government announced an INR 6.28 Lac crore stimulus package for Covid affected sectors.

The Production Linked Incentive scheme (PLI) that provides incentives of INR 2 Lac crore across 14 targeted industrial sectors, aims at significant incremental revenue from the sectors with a capex outlay of INR 2.7 Lac crore, which will give a much required boost to economic growth.

Your Company has a good enquiry bank and order backlog from the industrial and municipal sector. Your Company offers predesigned and pre-engineered water and waste treatment products catering to a wide range of industries such as food and beverage, sugar, electronics, pharmaceutical, automotive, cement, chemicals, realty, etc. The demand from these segments is expected to be better in the coming financial year. As mentioned elsewhere in the section, investment optimism is also high in core sectors like steel, refinery and municipal infrastructure which augurs well for new orders to add to the existing order backlog. Further, with easing of pandemic related restrictions, particularly in



the construction of new projects, your Company expects a steady quarter-wise growth in turnover during the financial year.

India's export performance with its major trading partners like EU, US and Asia is expected to be bolstered by the strong global growth forecast of 5.5%. This growth is expected from large fiscal stimulus committed by developed economies and accelerated recoveries aided by increased vaccine coverage in these economies. Further Indian exports can expect to benefit from "China Plus" sourcing strategy being contemplated by various global customers.

One of the major outcome of the pandemic is the increased awareness of sustainability and the urgent need for environment protection. Post-pandemic recovery also presents an opportunity on greener development path through government's planned investment in water infrastructure, renewable energy, thereby also improving its commitment to improve environmental performance on lowering greenhouse gas emissions. Further the government's plan to enhance environmental cleanup activities also offers good growth prospects for the water and environment industry which will also see more private investment in this sector. This will certainly result into increased opportunities for your Company in water, waste management and renewable energy from waste.

The risk for the above future outlook and forecasted growth will be emergence of a third wave and resultant localized lockdown, tardy pace of vaccination and rising international commodity prices resulting in higher inflation, lower consumption and reduced current account balance. In states like Delhi, Maharashtra, Karnataka, Kerala, Tamil Nadu and Uttar Pradesh that were most impacted during the first wave and suffering heavily the second time, the lockdown restrictions were not as strict as those imposed during the first wave. Manufacturing, construction and transport were allowed to function with SOP restrictions. The concern is that these restrictions are stretching longer. Thus, private final consumption expenditure, the biggest demand side driver of GDP, can come under renewed pressure if the urban demand for products and services remain weak.

#### **Strategy to ensure business continuity and growth**

Your Company has evolved a sound business strategy based on the future outlook and also learnings from the previous year on managing its business efficiently despite challenges posed by the pandemic. Thus, in order to achieve its business goals and growth prospects, it has devised segment specific strategies to ensure planned level of revenues through timely supplies of products and services against temporary disruptions. Further, it aims

at increasing its market share through faster proliferation of new products with enhanced market coverage in geographies it serves. It will also continue to manage its cash flows and overheads efficiently through risk mitigating measures including careful selection of credit-worthy customers.

#### **FINANCIAL RESOURCES**

##### **Fixed Deposits**

The Company has not accepted any deposits during the year, within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

##### **Particulars of Loans, Guarantees or Investments**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

#### **SUBSIDIARY COMPANIES**

##### **Aqua Investments (India) Ltd. and Watercare Investments (India) Ltd.**

During the year ended 31<sup>st</sup> March, 2021, the Subsidiary companies M/s. Aqua Investments (India) Limited posted profit after tax of INR 16.06 Lacs compared to INR 29.18 Lacs of the previous year and M/s. Water Care Investments (India) Ltd. posted profit after tax of INR 12.90 Lacs compared to INR 22.54 Lacs of the previous year.

##### **Ion Exchange Enviro Farms Limited (IEEFL)**

During the year under review, Company's a turnover was lower at INR 0.04 Lacs as against INR 68.05 Lacs in the previous year. The sale of organic goods was affected due to the impact of Covid -19 pandemic in the country resulting in lower turnover for the company.

The Company's appeal at Securities Appellate Tribunal (SAT) was decided on 18<sup>th</sup> October, 2019 and a review petition was filed on 3<sup>rd</sup> December, 2019 for corrections of factual errors in the said order.

SAT vide its order dated 19<sup>th</sup> March, 2021 rejected Company's review petition. Further, based on the legal advice, pending final order from SAT on the review petition an appeal has also been filed in the Supreme Court against the said SAT order. The Company's appeal filed in Supreme Court is pending for hearing.

##### **Ion Exchange Asia Pacific Pte Ltd., Singapore and Ion Exchange Asia Pacific (Thailand) Ltd., Thailand and Pt Ion Exchange Asia Pacific, Indonesia**

The company achieved consolidated turnover of INR 1981.84 Lacs during the year under review. Resurgence of second wave of Covid -19 during last quarter posed challenges for the execution of the ongoing projects. Order inflow, however, improved during the year under review.

With a healthy order backlog, the Company is in a position to improve its performance in the coming year.

Warehousing and assembly centre earlier set up in Indonesia is well equipped to handle the growth.



#### **IEI Environmental Management [M] SDN.BHD, Malaysia**

The Company's main activity is trading in water filtration equipments, water chemicals, resins and taking up projects of installing water filtration plants of any nature.

The Company has been established with a view of facilitating operations in Malaysia and is a strategic investment. Company has initiated the process of restructuring its operations in this region.

#### **Ion Exchange Environment Management (BD) Limited, Bangladesh**

Company achieved turnover of INR 921.75 lacs.

Country wide lockdown imposed due to Covid-19 pandemic in first quarter and resurgence of second wave of Covid -19 in later part of the year under review affected the turnover of the company.

As Bangladesh economy has seen increase in investment in infrastructure segment, especially power sector, the company is well equipped to cater to the growing demand in this sector which will enable the Company to show improved performance in the coming years.

#### **Ion Exchange WTS (Bangladesh) Limited, Bangladesh**

The Company achieved a turnover of INR Nil for the year under review.

The Company is currently not in operation.

#### **Ion Exchange & Co. LLC, Oman**

The company achieved a turnover of INR 1800.87 Lacs for the year under review as against INR 1985.46 lacs in previous year. It registered a profit after tax of INR 213.84 Lacs as compared to INR 205.53 Lacs for the previous year

During the year in spite of lockdown and challenges posed by Covid-19 pandemic, company continued its industrial service activities (O&M activities) at various customers' sites by following all the Government mandated protocols and safety measures to ensure continuity of customers' operations and also ensuring safety and wellness of employees.

#### **Ion Exchange LLC, USA**

The Company achieved a turnover of INR 5,092.10 Lacs for the year under review as against INR 6,819 Lacs for the previous year. Turnover of the company was affected due to Covid-19 pandemic in North America during the year under review. It registered a profit after tax of INR 211.87 Lacs as compared to INR 173.20 Lacs for the previous year on account of better realization of certain products and product mix.

#### **Ion Exchange Projects and Engineering Limited**

The Company achieved a turnover of INR 3606.12 Lacs for the year under review as against INR 2860.01 lacs in previous year.

The Company has provided project Management services and design services to the parent company for its ongoing contracts which ensured better utilization of its resources thus resulting profit after tax of INR 311.54 Lacs as compared to loss after tax of INR 159.40 Lacs during the previous year.

#### **Global Composites and Structurals Limited**

The Company achieved a turnover of INR 457.72 Lacs for the year under review. The turnover of the company was affected due to the impact of Covid -19 pandemic in the country and consequent lockdowns imposed during major part of the year under review.

The Company is in the business of providing integrated engineering services across the life cycle of a project and has expertise in the manufacture of RO pressure tubes and FRP tanks and electrical panels for water treatment industries.

#### **Ion Exchange Safic (Pty) Limited, South Africa**

The Company achieved a turnover of INR 905.58 Lacs for the year under review as compared to INR 803.63 Lacs of the previous year.

The Company is a Joint venture Company set up in South Africa with Safic (Pty) Ltd. which is a part of Accentuate Group.

The battling South African economy was further affected due to the continued onslaught of Covid-19 pandemic. This affected overall performance of the Company.

#### **Ion Exchange Arabia**

The Company achieved a turnover of INR 260.91 Lacs for the year under review.

Due to the continued Covid-19 related restrictions prevailing in the country, the Company was not able to run full fledged operations during the year under review. We are confident that once the lockdown restrictions are eased, the company will be in a position to operate at optimum capacity.

#### **Total Water Management Services (India) Ltd.**

The Company achieved a turnover of INR 14.28 Lacs for the year under review, as against INR 45.92 Lacs for the previous year.

The Company is in the business of providing total water management consultancy across the spectrum.

#### **Ion Exchange Purified Drinking Water Pvt. Ltd.**

The Company achieved a turnover of INR 407.44 Lacs for the year under review.

The Company is set-up as a special purpose vehicle to implement PPP (Public Private Partnership) project for bottle water supply to Indian Railway Catering and Tourism Corporation Limited (IRCTC).

Since the railway operations were severely affected due to Covid-19 related restrictions offtake by IRCTC for bottled water produced was low. This affected the Company's turnover.

#### **Ion Exchange Environment Management Limited**

The Company achieved a turnover of INR 137.15 Lacs for the year under review. The turnover of the company was mainly affected due to the impact of Covid -19 pandemic in the country.

The Company is in the business of providing advanced environmental solutions and services for industrial, infrastructure and municipal applications.

## ASSOCIATE AND JOINT VENTURE COMPANIES

A statement as required under Section 129 of the Companies Act, 2013, is attached to the Annual Report in form AOC – 1.

## DIRECTORS

Mr. M.P. Patni, Director of the company, retires by rotation and being eligible has offered himself for re-appointment.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

## BOARD PERFORMANCE EVALUATION

Pursuant to the provisions of the Section 149 Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually, as well as the evaluation of the working of its Committees. The evaluation was done after taking into consideration the criteria laid down by Nomination and Remuneration committee. The criteria for evaluation included participation in deliberations, specific contributions made, compliance with company's code of conduct, carrying out assigned tasks in timely and efficient manner and planning and formulating the company's strategies. The performance evaluation of Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman, non-independent Directors and the Board was carried out by Independent Directors. The Board of Directors expressed satisfaction with the evaluation process.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3) (c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2021, the applicable accounting standards have been followed along with proper explanation given relating to material departures, if any;
- appropriate accounting policies have been selected and applied consistently and judgments and estimates were made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities have been taken to the best of their knowledge;

- the annual accounts have been prepared for the financial year ended 31<sup>st</sup> March, 2021 on a going concern basis.
- proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## KEY MANAGERIAL PERSONNEL

The Company has following persons as Key Managerial Personnel.

Sr. No.	Name of the Person	Designation
1	Mr. Rajesh Sharma	Chairman & Managing Director
2	Mr. N.M. Ranadive	Chief Financial Officer
3	Mr. Milind Puranik	Company Secretary

## NUMBER OF MEETINGS OF THE BOARD

The details of number of meetings of the Board held during the financial year 2020-21 forms part of the Corporate Governance Report.

## WHISTLE BLOWER POLICY

The Company has a whistle blower policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company ([www.ionindia.com](http://www.ionindia.com)).

## RELATED PARTY TRANSACTIONS

All transactions entered with related parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of section 188 of the Companies Act, 2013 are not attracted. Further, there are no material related party transactions under review with the promoters, directors or key managerial personnel. The Company has developed a related party transactions framework through standard operating procedures for the purpose of identification and monitoring of such transactions.

As per the policy on Related Party Transactions, the Audit Committee granted omnibus approval for the transactions which are repetitive in nature. The related party transactions were placed before the Audit Committee and the Board on quarterly basis for review, pursuant to omnibus approval.

The policy on related party transactions as approved by the board of directors has been uploaded on the website of the company. The web link of the same has been provided in the corporate governance report. None of the directors has any pecuniary relationship vis a vis the Company

## PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent

to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

#### **QUALITY INITIATIVES**

Your Company has always been passionate about achieving the highest standards of quality for its products and services.

All its manufacturing establishments and even support functions like technology, services, corporate communications are certified for Quality Management System namely ISO 9001:2015. Your Company's facilities for manufacturing Resins at Ankleshwar - Gujarat, Chemicals at Patancheru and Membranes at Goa is certified for ISO 14001:2015 Environmental Management System. Besides this, the Resins manufacturing facility has obtained renewed certificates for WQA-Gold seal; Kosher, Halal, EU, Canadian Health, WHO GMP, GMP (Good Manufacturing Practice) and GLP (Good Laboratory Practice).

The Chemical manufacturing facility at Patancheru is also certified for ISO Occupational Health and Safety Management System namely ISO 45001:2018. The facility has also obtained renewed certificates for Kosher, Halal and NSF/ANSI 60. Further, our R&D laboratories at Patancheru and Vashi are certified by DSIR and the laboratory at Bangalore by NABL.

Your Company strives for continuous improvement in its operations, processes and procedures. Towards this end your company undertakes several Quality improvement programs like 'Lean Six Sigma Program' etc.

#### **AUDITORS**

##### **Statutory Auditors**

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. B S R & Co. LLP, Chartered Accountants (Reg No. 101248W/W-100022), were appointed as statutory auditors of the Company for a period of four years from the conclusion of the Fifty Sixth Annual General Meeting (AGM) of the Company held on September 22, 2020 till the conclusion of the Sixtieth AGM to be held in the year 2024. Consequent to amendment to Companies Act, 2013, ratification of Statutory Auditor's appointment is not required at every Annual General Meeting.

##### **Branch Auditors**

The Branch Auditors, M/s. Angadi & Co., appointed to conduct Audit of Ion Exchange Services [A division of Ion Exchange (India) Limited], Bangalore, hold office until the conclusion of this meeting and are eligible for appointment. Pursuant to the

provisions of section 139 and 143(8) of the Companies Act 2013 and rules framed there under, it is proposed to appoint M/s. Angadi & Co., as branch auditors of the Company from the conclusion of forthcoming AGM till the conclusion of next AGM.

#### **Cost Auditors**

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its Chemicals, Membranes and Standard water treatment plants manufacturing activity are required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed M/s. Kishore Bhatia & Associates to audit the cost accounts of the Company for the financial year ending 31<sup>st</sup> March 2021. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s. Kishore Bhatia & Associates, Cost Auditors is included in the Notice convening the Annual General Meeting.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Companies Act, 2013 (The Act), read with the Companies (Accounts) Rules, 2014, SEBI (Listing Regulations) and Ind AS 110 – Consolidated Financial Statements and Ind AS 28 – Investment in Associates and Joint Venture – the audited consolidated financial statements are provided in this report.

The consolidated financial statements have been prepared on the basis of the audited financial statements of the company, its Subsidiaries, Joint Venture and Associate companies, as approved by their Board of Directors.

The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies are placed on Company's website and the same are open for inspection at the Registered Office of the Company.

#### **CORPORATE GOVERNANCE**

A report on Corporate Governance as required under Regulation 34 of Listing Regulations read with Schedule V (Part C) forms part of this annual report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Report on Management discussion and analysis as required under Regulation 34 of Listing Regulations forms part of this Annual Report.

#### **BUSINESS RESPONSIBILITY REPORT**

Business Responsibility Report as Required Under Regulation 34 of Listing Regulations read with Schedule V (Part B) forms part of this Annual Report.

#### **ANNUAL RETURN**

The annual return of the Company as required under the Companies Act, 2013 will be available on the website of the Company ([www.ionindia.com](http://www.ionindia.com)).

#### SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. GMJ & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as “Annexure I”.

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a part of its initiative under the “Corporate Social Responsibility” (CSR) drive, the Company has undertaken projects in the areas of environment, education and safe drinking water. These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company’s CSR Policy. The Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as “Annexure II” forming part of this report.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

Information in accordance with Section 134 (3) (m) of the Companies Act 2013 read with the Companies (Accounts) Rules, 2014 and forming part of this Report for the year ended 31<sup>st</sup> March, 2021 is given in “Annexure III”.

#### ACKNOWLEDGEMENTS

Your Board conveys its deep appreciation of the co-operation extended by customers, suppliers, banks, financial institutions, contribution made by employees for the company’s growth, shareholders and fixed deposit holders.

On behalf of the Board of Directors

**Rajesh Sharma**  
Chairman & Managing Director

Mumbai

Date: 8<sup>th</sup> June, 2021

**Annexure I**  
**FORM MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To,**  
**The Members,**  
**Ion Exchange (India) Limited**  
Ion House, Dr. E. Moses Road,  
Mahalaxmi,  
Mumbai - 400 011

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ion Exchange (India) Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We have verified the documents provided by the Company through Virtual Private Network (VPN) for audit purpose due to COVID-19 restrictions in Maharashtra, Mumbai as physical examination of certain documents was not possible.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 complied with the statutory provisions of the applicable Acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") viz:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **[Not applicable during the period of audit]**.
  - f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share based Employee Benefits) Regulations, 2014; **[Not applicable during the period of audit]**.
  - g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable during the period of audit]**.



- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable during the period of audit]**.
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations 2018; **[Not applicable during the period of audit]**.
- vi. We report that the Company operates in manufacturing of water treatment chemicals, water treatment products and water treatment plants and apart from Labour Laws and Environment, Pollution and safety related compliances no specific Acts were applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India;
- b) The Listing Agreement entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

As per Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company was required to pass a Special Resolution to continue the directorship of a non-executive director who had attained the age of seventy five years but due to the unprecedented situation of COVID-19, the company could not comply with the said requirement within specified time limit.

However, the Company is now compliant with Reg. 17(1A) and all necessary formalities have been complied with.

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, Board Committee Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that based on the information provided and the representation made by the Chief Financial Officer/Company Secretary, taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the year under report, the company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above.

For **GMJ & ASSOCIATES**

*Company Secretaries*

**[CS PRABHAT MAHESHWARI]**

**PARTNER**

**M. No. : FCS 2405**

**COP No.: 1432**

**UDIN:F002405C000434727**

**PLACE: MUMBAI**

**DATE: 8<sup>TH</sup> JUNE, 2021**

**Note:** This report is to be read with our letter of even date which is annexed as Annexure I and forms an integral part of this report.



## ANNEXURE I

To,  
**The Members,**  
**Ion Exchange (India) Limited**  
Ion House, Dr. E. Moses Road,  
Mahalaxmi,  
Mumbai - 400 011

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **GMJ & ASSOCIATES**  
**Company Secretaries**

**[CS PRABHAT MAHESHWARI]**  
**PARTNER**  
**M. No. : FCS 2405**  
**COP No.: 1432**  
**UDIN:F002405C000434727**

**PLACE: MUMBAI**  
**DATE: 8<sup>TH</sup> JUNE, 2021**

## Annexure II

### Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

**1. A brief outline of the Company's CSR policy:**

The CSR policy was approved by the Board of Directors at its Meeting held on 17<sup>th</sup> March, 2015 and has been uploaded on the Company's website.

All projects under the Ion Exchange umbrella are implemented by Ion Foundation, a Company incorporated under Section 8 of the Companies Act, 2013.

The focus areas are Education, Health & Hygiene and Environment for initiatives near our Company's manufacturing sites, besides other locations.

The CSR Policy has been uploaded on the website of the Company at: [www.ionindia.com/pdf/ionindia/CSR%20Policy.pdf](http://www.ionindia.com/pdf/ionindia/CSR%20Policy.pdf)

**2. The Composition of the CSR Committee:**

Sr. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. V. N. Gupchup	Chairman	2	2
2	Mrs. K. J. Udeshi	Member	2	2
3	Mr. M. P. Patni	Member	2	2
4	Mr. Rajesh Sharma	Member	2	2

**3. The Composition of CSR committee, CSR Policy and CSR projects approved by the board are available at: [www.ionindia.com/pdf/ionindia/CSR%20Policy.pdf](http://www.ionindia.com/pdf/ionindia/CSR%20Policy.pdf)**

**4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 - Not Applicable**

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year – Not Applicable**

**6. Average net profit of the company as per section 135(5) - INR 1,01,51,32,307**

7. (a) Two percent of average net profit of the company as per section 135(5) – INR 20,302,646  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – Not  
 (c) Amount required to be set off for the financial year – Not Applicable  
 (d) Total CSR obligation for the financial year (7a+7b-7c) - INR 20,302,646

**8. (a) CSR amount spent or unspent for the financial year: As per below given table**

Total Amount Spent for the Financial Year. (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
20,302,646	NA	NA	NA	NA	NA

(b) **Details of CSR amount spent against ongoing projects for the financial year:** Not Applicable

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount spent in the current financial Year (in INR)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State.	District				Name	CSR Registration number
1	Salary of 2 Vidya Volunteers @Rs.8000/8500 pm from Jan 2020 - March 2021, Stationery Rs.1.85L & Tree Plantation & Tree Guards - 60,000 : Chitkul Primary School (390 students)	Education, Environment	No	Telangana	Sangareddy	One year	241,500	No	Ion Foundation	CSR00002747
2	Salary of 1 IT cum Biology teacher @ Rs.10000 pm for Jan 2020 - March 2021, Electrical Work for all classrooms with fans at 1.5L & Construction of one classroom for students at 400 sqft. At 5.5L* : Zilla Parishad School (320 students)	Education	No	Telangana	Sangareddy	One year	145,500	No	Ion Foundation	CSR00002747
3	Gardener salary @ Rs.9,500 pm + Rs.8,000 pa auto charges for 3 schools Jan 2020 - March 2021 ; Rain Water Harvesting pits to raise ground water near bore well (bigger size 20kl) approx. at 1.85L : New Gurukul Girls High School cum Jr. College (660 students)	Education	No	Telangana	Sangareddy	One year	147,500	No	Ion Foundation	CSR00002747
4	Tree plantation - 1.20L & repair of existing toilets - 3.50L : New Gurukul Girls High School cum Jr. College (640 students)	Education, Environment, Sanitation	No	Telangana	Sangareddy	One year	152,000	No	Ion Foundation	CSR00002747
5	Salary of 1 Vidya Volunteers @Rs.7,000 pm from Feb & March 2020, April - March 2021; Stationery: Rs.85,000, Minor Work for washrooms at Rs.15,000, Sports items at Rs.35,000 & 1 Water filter: Mucharala Primary School (82 students)	Education, Sanitation	No	Telangana	Sangareddy	One year	98,000	No	Ion Foundation	CSR00002747
6	Activities relating to Education, Health & Hygiene, Sports : Timbaktu Collective ( 50 students)	Education, Health & Hygiene	No	Andhra Pradesh	Anantapur	One year	329,000	No	Ion Foundation	CSR00002747
7	Educational Asst./Health & Sports to Home of Faith Charitable Trust & Orphanage (45 students)	Education, Health	No	Karnataka	Bangalore	One year	55,550	No	Ion Foundation	CSR00002747

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount spent in the current financial Year (in INR)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State.	District				Name	CSR Registration number
8	Educational Asst./Health & Sports to SoCare Ind (60 students)	Education	No	Karnataka	Bangalore	One year	160,000	No	Ion Foundation	CSR00002747
9	Education, Stationery, Health & Sports related assistance to Shishu Mandir Orphanage & School (245 students)	Education	No	Karnataka	Bangalore	One year	200,000	No	Ion Foundation	CSR00002747
10	Therapy progs./Health & sports to children with special needs to Tamahar Trust (60 beneficiaries)	Education	No	Karnataka	Bangalore	One year	200,000	No	Ion Foundation	CSR00002747
11	Water filter & Tuition fees for Deaf & Dumb children at PADC (90 students)	Education, Water	No	Karnataka	Bangalore	One year	200,000	No	Ion Foundation	CSR00002747
12	RO plant at Arockia Home for the aged (30 beneficiaries)	Water	No	Tamil Nadu	Hosur	Three months	236,463	No	Ion Foundation	CSR00002747
13	5 teachers salary @ Rs.5500/5500/6000/6500/7000 pm and one month salary as bonus : Kids Centre (70 students)(April - Dec 2020)	Education	No	West Bengal	Kolkata	One year	305,000	No	Ion Foundation	CSR00002747
14	5 teachers salary @ Rs.5500/5500/6000/6500/7000 pm and one time educational expenses at Rs.58,540/- : Kids Centre (70 students)(Jan - March 2021)	Education	No	West Bengal	Kolkata	Three months	150,040	No	Ion Foundation	CSR00002747
15	4 teachers salary @ Rs.8,000 pm : Prayatna Foundation (60 students)	Education	No	West Bengal	Kolkata	One year	384,000	No	Ion Foundation	CSR00002747
16	Teachers salary and one time educational expenses: Universal Smile (36 students)(Jan - March 2021)	Education	No	West Bengal	Kolkata	Three months	131,400	No	Ion Foundation	CSR00002747
17	Educational Assistance - Boys & Girls at Bethesda Life Centre (96 students)	Education	No	Goa		One year	75,000	No	Ion Foundation	CSR00002747
18	Educational Assistance : Stationery Govt. Primary School (20 students)	Education	No	Goa		One year	49,830	No	Ion Foundation	CSR00002747
19	Educational Assistance, to St. Joseph's Convent (150 students)	Education	No	Goa		One year	50,000	No	Ion Foundation	CSR00002747
20	Infrastructure : Table & Chairs, Govt. Balwadi school : Bogmalo (25 children)	Education	No	Goa		One year	90,380	No	Ion Foundation	CSR00002747
21	Educational Assistance (salary of 5) at 8800/7800/6800/6000/4000 (April - March 2021) + Stationery* : Rs.50,000 : Hind Education Society (290 students)	Education	No	Goa		One year	450,800	No	Ion Foundation	CSR00002747

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount spent in the current financial Year (in INR)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State.	District				Name	CSR Registration number
22	Medical expenditure of terminally ill patients : IMA Ponda Charitable Trust(2 beneficiaries)	Health & Hygiene	No	Goa		One year	300,000	No	Ion Foundation	CSR00002747
23	Construction : Reinforced cement concrete for dormitory at Jay Mataji Ashram Shala,Silgudi,Ankleshwar (289 students)	Education	No	Gujarat	Bharuch	Six months	1,081,828	No	Ion Foundation	CSR00002747
24	1 Clinical Psychologist & 1 Nurse@ Rs. 12,000 pm;2 teachers: 10,000/- pm at Aapulki Sahyadri Shikshan Sanstha ( 60 students)	Education	No	Maharashtra	Satara	One year	408,000	No	Ion Foundation	CSR00002747
25	Salary of Project I/C & Science Facilitator @ Rs.15,000 pm & Rs.12,000 pm resp.; 1 lab attendant Rs.7000 pm to Vasundhara Public Charitable Trust, "Science on Wheels project' ,Sindhudurg ( 9,000 students)	Education	No	Maharashtra	Sindhudurg	One year	408,000	No	Ion Foundation	CSR00002747
26	Educational assistance to educational 'Project Anando' of Light of Life Trust (45 students)	Education	No	Maharashtra	Raigad	One year	432,000	No	Ion Foundation	CSR00002747
27	4 E-teach English teachers @ Rs.8,000/- pm & Adm. & training expenses from June - March 2021) & 10% training cost : WINGS Foundation, Palghar ( 1380 students)	Education	No	Maharashtra	Palghar	One year	352,000	No	Ion Foundation	CSR00002747
28	1 Speech therapist @ Rs.22,200 & Occupational Therapist @ Rs. 23,500 pm at ICMH, Nerul (83 students)	Education	No	Maharashtra	Navi Mumbai	One year	548,400	No	Ion Foundation	CSR00002747
29	Educational assistance(school fees) & Salary of 3 teachers for 10 months @Rs.6,000 each pm to Shiksha Amrit Found. Navi Mumbai ( 45 students)	Education	No	Maharashtra	Navi Mumbai	One year	406,140	No	Ion Foundation	CSR00002747
30	Support to children suffering from leukemia/ blood disorders thru Cherish Life India Foundation( 3 beneficiaries)	Health	Yes	Maharashtra	Mumbai	One year	300,000	No	Ion Foundation	CSR00002747

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount spent in the current financial Year (in INR)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State.	District				Name	CSR Registration number
31	Salary of 2 (Nurse & Technician) at Rs.25,000 pm : Blood Centre, Indian Red Cross Society(12,000)	Health & Hygiene	Yes	Maharashtra	Mumbai	One year	600,000	No	Ion Foundation	CSR00002747
32	2 Teachers teach exp. Rs.21,050 & 15,000 p.m. to The Anchorage (24 students)	Education	Yes	Maharashtra	Mumbai	One year	432,600	No	Ion Foundation	CSR00002747
33	Remdial Education School fees : 80,000: Teacher salaries:3.36L (2 teachers Rs.8000 pm; 1 teacher Rs.5000 pm; 2 teacher Rs.3500 pm.), Infrastructure, Stationery & misc at Rs. 40,000 PA at Chetna Learning Centre (100 students)	Education	Yes	Maharashtra	Mumbai	One year	419,300	No	Ion Foundation	CSR00002747
34	Salary of 1 therapist @ Rs.38,000 pm till August 2020 and September onwards 5 % increase at Rs.39,900 pm (Sept 2020-March 2021) and another salary at Rs.20,000/- pm for a Program Manager (March 2020 - March 2021) : Yash Charitable Trust (44 students)	Education	Yes	Maharashtra	Mumbai	One year	709,300	No	Ion Foundation	CSR00002747
35	Salary of 3 (Matron at Rs.1,88,500 PA; 2 Caregivers at Rs.143,000 & Rs.65,000 PA) : MBA Foundation (16 students)	Education	No	Maharashtra	Navi Mumbai	One year	396,500	No	Ion Foundation	CSR00002747
36	Salary of 2 Special educators @ Rs.13,081 each pm for 12 months : Snehalaya Education Society : (60 students)	Education	No	Maharashtra	Wagholi	One year	313,944	No	Ion Foundation	CSR00002747
37	Remedial education : Build a Foundation Program at Sarthak Prayas Centre (40 students)	Education	No	Delhi		One year	125,000	No	Ion Foundation	CSR00002747
38	Vocational Training equipments relating to Electrician Trade Course , Bhanudas Maniram Seva Shikshan Sanstha (80 beneficiaries)	Education	No	Maharashtra	Dahanu	One year	399,475	No	Ion Foundation	CSR00002747
39	Educational assistance (School & Higher education fees) paid directly to institutes : IAPA	Education	Yes	Maharashtra	Mumbai	One year	288,416	No	Ion Foundation	CSR00002747
40	Higher Education(Fee sponsorship) for needy children : Direct	Education	Yes	Maharashtra	Mumbai	One year	403,207	No	Ion Foundation	CSR00002747



Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount spent in the current financial Year (in INR)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State.	District				Name	CSR Registration number
41	RO plant at Missionaries of Charity (175 beneficiaries)	Water	No	Delhi		Three months	113,907	No	Ion Foundation	CSR00002747
42	Donation to Charitable Trust for Covid Relief Support : Jayaben Mody Hospital	Health & Hygiene	No	Gujarat	Bharuch	Three months	300,000	No	Ion Foundation	CSR00002747
43	Food grain kits 1000 nos during Covid -19 (1000 beneficiaries)	Health & Hygiene	No	Gujarat	Bharuch	Three months	550,000	Yes		
44	C/F - Sanitation : Construction for Boys- WC-3, U-3, HW-3 and for Girls WC-3, U-3, HW-3 at Sharda Vidyalay Nehroli,Wada : Habitat for Humanity India Trust (437 beneficiaries)	Sanitation	No	Maharashtra	Palghar	Eighteen months	573,837	No	Ion Foundation	CSR00002747
45	C/F - Voltage Stabilizer for RO plant : New Gurukul Girls high school,Isnapur(660 students)	Water	No	Telangana	Sangareddy	One year	37,170	No	Ion Foundation	CSR00002747
46	C/F - RO plant at BESSO Children's home (30 children)	Water	No	Tamil Nadu	Hosur	One year	231,023	No	Ion Foundation	CSR00002747
47	C/F - RO plant at Shishu Mandir,Bangalore & replacement of membranes for existing water purifiers(245 + vocational training students)	Water	No	Karnataka	Bangalore	One year	134,582	No	Ion Foundation	CSR00002747
48	C/F - Water Purifiers to 14 Corporation School Kadambathur Block, Tiruvallur Dist., T.N. thru VOICE Foundation (800 students)	Water	No	Tamil Nadu	Tiruvallur	Eighteen months	36,212	No	Ion Foundation	CSR00002747
49	C/F - Water Purifiers to Ganga Gorjeshwar Vidyam andir,Falegaon,Kalyan,Dist rict(180 beneficiaires)	Water	No	Maharashtra	Kalyan	One year	84,830	No	Ion Foundation	CSR00002747
50	Health & Expenses	Health & Hygiene		India			150,000	No	Ion Foundation	CSR00002747
51	PM Care funds to fight Covid 19 Pandemic	Health & Hygiene		India			4,131,503	Yes		
	Amount Contributed for which activity is in progress						1,750,930			
	Administrative Overheads						32,580			
	<b>Total</b>						<b>20,302,646</b>			

- (d) Amount spent in Administrative Overheads – INR 32,580
- (e) Amount spent on Impact Assessment - Nil
- (f) Total amount spent for the Financial Year – INR 20,302,646
- (g) Excess amount for set off- Not Applicable

9. (a) **Details of Unspent CSR amount for the preceding three financial years:** Not Applicable
- (b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** Not Applicable
10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:** Not Applicable
11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** Not Applicable

Sd/-

**Rajesh Sharma**

Chairman & Managing Director

Mumbai

Date: 8<sup>th</sup> June, 2021

Sd/-

**Dr. V. N. Gupchup**

Chairman of CSR Committee

### ANNEXURE III

#### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information under Section 134 (3) (m) of Companies Act, 2013 read with Rule 8 (3) of Companies (Accounts) Rules, 2014 is given herein below:

**(A) Conservation of Energy and Water**

**i. The steps taken to reduce energy and water footprint at our various manufacturing facilities is summarized here:**

**1. Patancheru:**

State-of-the-art ETP & RO operations led to further reduction of fresh water intake compared to the previous year. Together with judicious use of power from State Electricity Board and in-house DG sets resulted in reduction of cost of utilities (water, power and fuel charges).

**2. Ankleshwar:**

Reduction in water consumption by 13% per m<sup>3</sup> of resin production was achieved through improvements in the process and investments in ETP-Recycle system.

Natural Gas consumption (energy) was reduced significantly as compared to previous year through process optimization and efficient management of utility equipments.

**ii. The steps taken by the company for utilizing alternate sources of energy:**

**1. Patancheru:**

Roof top solar project has been initiated and is expected to be completed by third quarter 2021-22.

**2. Ankleshwar:**

Projects are being undertaken to reduce water and energy foot print.

**3. Goa:**

Solar powered pumps are installed to reduce energy consumption. Further conventional lighting in existing and planned new facilities will be replaced with energy efficient LED lighting.

**iii. The capital investment on energy conservation equipments:**

As described above, your Company has invested in improving energy and water footprints during FY 2020-21. It has earmarked a bigger outlook to carry forward these sustainable practices during FY 2021-22.

**(B) Technology absorption:**

**(i) During the period under review, your Company has absorbed and commercialized the following new products / processes**

**Ion exchange resins:** New products, processes and application development

- **Non water applications:** Applications / processes were developed in various application areas during the year. These include:

- New applications were commercialized for API purifications & isolations
- Separation of impurities in agro and speciality chemicals
- Removal of organics from process effluents

- **Water applications:** For water applications in the industrial and municipal space, following new ion exchange resins / processes were developed

- MEG lean water purification
- Inert resin beads for high purity mixed bed applications
- Perchlorate removal for municipal applications

**Benefits derived as a result of the above include:**

- Import substitute resins for critical process applications for our customers
- Improving environment sustainability and safety for our customers
- Improved market share and profitability in speciality applications

**Speciality chemicals:**

- Improved chemistry for defoamers and anti-foaming for various industrial processes and utility applications
- New enzyme chemistries for enhancing product yields and energy use in manufacturing process
- Introduced a wide range of sanitization products for industrial and consumer markets

**Benefits derived as a result of the above include:**

- Improved product/market share in various industrial and consumer segments

**Membrane materials:**

- Newer range of membranes for water and non-water applications.
- Innovative separation, purification and concentration processes using advanced membrane solutions

**Benefits derived as a result of the above include:**

- Import substitutes
- Improved product/market share in various industrial and consumer segments

**Water and environment management technologies:**

- Affordable zero liquid discharge
- Advanced sludge management
- Biological processes to remove nutrients
- Improved clarification and filtration processes
- Standardization of odour control and waste to energy processes

**Benefits derived as a result of the above include:**

Improving sustainability quotient of our customers through efficient and affordable technologies and thereby increase in market penetration

- (ii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
- (a) the details of technology imported : None
  - (b) the year of import : NA
  - (c) whether the technology been fully absorbed : NA
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reason thereof : NA

(iii) the expenditure incurred on Research and Development

Sr. No.		Location	
		Patancheru (INR in Lacs)	Vashi, New Mumbai (INR in Lacs)
a.	Capital Expenditure	104.20	4.12
b.	Revenue Expenditure	416.20	516.12
<b>c.</b>	<b>Total</b>	<b>520.40</b>	<b>520.24</b>
d.	Total R & D Expenditure as percentage of Turnover: 0.74%		

**(C) Foreign exchange earnings and Outgo**

During the year under review foreign exchange earnings were INR 57,059.64 Lacs and foreign exchange outgo was INR 26,881.02 Lacs.

On behalf of the Board of Directors

**Rajesh Sharma**  
Chairman & Managing Director

Mumbai

Date: 8<sup>th</sup> June, 2021

## BUSINESS RESPONSIBILITY REPORT

### SECTION A: General Information about the Company

1.	CIN	L74999MH1964PLC014258	
2.	Name of the Company	Ion Exchange (India) Limited	
3.	Registered address	Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai- 400011	
4.	Website	<a href="http://www.ionindia.com">www.ionindia.com</a>	
5.	E-mail ID	<a href="mailto:investorhelp@ionexchange.co.in">investorhelp@ionexchange.co.in</a>	
6.	Financial Year reported	FY 2020-21	
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code	Description
20131, 20119		Ion Exchange Resins	
37003, 36000		Water Treatment Plant	
20119		Chemical Additives	
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Water treatment and Environment management products in: i. Engineering segment ii. Chemicals segment iii. Consumer Products segment	
9.	Total number of locations where the Company undertakes business activity-		
	(a) Number of International Locations (Provide details of major 5)	Company has substantial operations across SAARC countries, South East Asia, Middle East, Africa and North America.	
	(b) Number of National Locations	Company serves Pan India Market at local and state level. The Company has manufacturing facilities at Hosur (Tamil Nadu), Patancheru (Telangana), Ankleshwar (Gujarat), Navi Mumbai (Maharashtra), Goa (Maharashtra). Refer Annual Report for details of manufacturing facilities.	
10.	Markets served by the Company – Local/State/ National/International	Company serves whole of the Indian Market. The International Market covered includes large parts of Asia, Europe, North America and African Continent.	

### SECTION B: Financial Details of the Company

1.	Paid up Capital	INR 1,467 Lacs
2.	Total Turnover	INR 140,176 Lacs
3.	Total profit after taxes	INR 14,597 Lacs
4.	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit before tax pursuant to Section 198 (%)	2%
5.	List of activities in which expenditure in 4 above has been incurred	Refer Annual Report on CSR activities annexed to Directors' Report



### SECTION C: Other Details

1.	Does the Company have any Subsidiary Company/ Companies?	1. Yes, Ion Exchange (India) Limited has 18 subsidiary companies in India and abroad as on March 31, 2021. 2. For details of subsidiaries refer to the Annual Report.
2.	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	The Company positively influences and encourages its subsidiaries to adopt Business Responsibility (BR) initiatives. All the Company's subsidiaries are guided by the Code of Conduct (CoC) to conduct their business in an ethical, transparent and accountable manner. It covers suppliers, customers and other stakeholders. It also addresses key BR issues like Quality and Customer value, Corruption and Bribery, Health and Safety, Environment, Human Rights and Employee well-being.
3.	Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Company encourages all its relevant stakeholders to adopt Business Responsibility policies. At present the number of entities participating in the above initiative is less than 30%.

### SECTION D: BR Information

#### 1. Details of Director/Directors responsible for BR

##### (a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1.	DIN	00515486
2.	Name	Mr. Rajesh Sharma
3.	Designation	Chairman and Managing Director

##### (b) Details of the BR head

1.	DIN (if applicable)	NA
2.	Name	Mr. Ajay Papat
3.	Designation	President
4.	Telephone Number	022-62312031
5.	E-mail ID	<a href="mailto:ajay.papat@ionexchange.co.in">ajay.papat@ionexchange.co.in</a>

#### 2. Principle-wise (as per NVGs) BR Policy/policies

##### (a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for....	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Has the policy being formulated in consultation with the relevant stakeholders?	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Indicate the link for the policy to be viewed online?	<a href="http://www.ionindia.com">www.ionindia.com</a>								

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to Company's key internal stakeholders. The BR policies are communicated through this report. Besides, the Company will also explore other formal channels to communicate with more relevant stakeholders.								
8	Does the Company have in-house structure to implement the policy/ policies?	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Yes. All our policies and procedures are continuously evaluated by internal auditors.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	NA								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

### 3. Governance related to BR

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year	Annually by the Board
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes  The Business Responsibility Report is a part of Annual Report and is available on the website of the Company, <a href="http://www.ionindia.com">www.ionindia.com</a>

**SECTION E : Principle-wise Performance**

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

At Ion Exchange, Corporate Governance is fundamental to the business and is the core of our existence. It is steered by your Company’s policies on ethics, including the Code of Conduct (CoC) and the Whistle Blower Policy. Your Company’s philosophy is based on transparent governance and disclosure practices, respect for human rights, individual dignity and adherence to norms of moral and professional conduct. Your Company is committed to total customer satisfaction and enhanced value creation. The CoC and Whistle Blower Policy are available on your Company’s website <http://www.ionindia.com>. These policies are applicable to board members, senior management and employees. These are also applicable to all our subsidiaries and associate companies.

Your Company has laid down its CoC with the objective to remain committed and vigilant towards ethical conduct of business processes.

At the apex level in the governance structure, the CoC committee comprising of Senior Executives, meet at least twice a year to review the CoC and ensure implementation across the organization. Under the Whistle Blower Policy, a multi-tiered mechanism has been instated for receiving and investigating complaints from any employee/business associate.

Your Company also has a shareholder complaint redressal mechanism to protect the interest of shareholders especially the minority shareholders.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

Water crisis, human-made environmental disasters and climate action failures are amongst the top ten risks identified by leading corporates served by your Company.

We have been providing state-of-the-art sustainable technologies and solutions for managing liquid, solid and gaseous waste generated by industries, institutions, homes and communities. Examples of such solutions that enhance the sustainability quotient of our customers are:

- (1) Complete Zero Liquid Discharge Solutions with resource recovery
1. A major FMCG company engaged your Company for designing, manufacturing, supply and installation of a complete Zero Liquid Discharge (ZLD) system. It was commissioned during the pandemic and helps them to adhere to the environment pollution control guidelines and also reduces the operating cost by reusing the treated water in the manufacturing process at their plant.



**Birds eye view of complete ZLD System for a leading FMCG**

2. A leading brewery with several strong brands was mandated to implement complete Zero Liquid Discharge (ZLD) for one of their major breweries in Rajasthan. Your Company successfully commissioned a 950 m<sup>3</sup>/d ZLD system complete with advanced biological, membrane and thermal evaporation process, significantly reducing waste discharge and maximizing water recovery.



**Complete ZLD System for a leading Brewery**

3. A leading manufacturer of high quality industrial grade paper used for corrugated packaging products in South Asia was facing major issues of meeting stricter environment compliance for discharge of waste water, high costs of waste treatment and reducing the water footprint. Your Company supplied state-of-the-art waste treatment plants for their two manufacturing units in Philippines and Indonesia to meet the above objectives along with resource recovery (energy).



**Birds eye view of complete Waste Water Treatment System for a leading paper manufacturer**

**Principle 3: Businesses should promote the wellbeing of all employees**

Your Company is committed to the well-being and all-round development of its employees. Employees are important contributors to the success of your Company and it is our continuous endeavour to attract qualified people and invest in their long-term growth and development through a well-organized program. Your Company regularly engages its employees, conducts learning and development programs and provides them with an opportunity to move across verticals and divisions to gain wider professional exposure. Your Company also focuses on continual education of its employees and provides opportunities for their academic and professional development.

The Human Resources and employee well-being policies of your Company are largely aligned; while taking into consideration the distinct nature of business of the respective segments and the need to benchmark with industry peers.

Your Company regularly organized a series of programs for promoting general health and all-round career development of its employees during the year. Employees were also trained on managing their finances and work from home life better.

Your Company has adequately insured all its employees under the group medical insurance and accidental policy.

Your Company has taken requisite steps to prevent the spread of Covid-19. At the outset it took various measures such as:

- (1) Adapting work from home policy
- (2) Traveling to work and business only in most essential and exceptional cases

- (3) Extensive precautionary measures were taken in facilities that were allowed to function with minimum staff and complete SOP's not restricted to sanitization of offices, availability of hand sanitizers, body temperature equipments, oximeters, downloading of the Aarogya Setu app, advisory regards home-cooked food and masks were implemented.

Your Company has also taken steps to take care of the families of employees who lost their lives due to the Covid-19 pandemic. These include:

- (1) Job consideration for the spouse or one of the children at Ion Exchange
- (2) Your Company will provide free education for two children up to graduation
- (3) Medical Insurance of the deceased employee's family will be taken care of by your Company for the next 10 years
- (4) Priority release of the full and final settlement of the employee
- (5) Providing the increment which would have been due to the employee if he/she was still under employment

Your Company prohibits discrimination based on race, caste, religion, colour, gender or disability. Further, your Company has a zero-tolerance policy towards harassment, whether sexual or physical against any employee.

To prevent any kind of discrimination, your Company has various policies and procedures in place. The 'Policy on Prevention of Sexual Harassment at Workplace' ensures the safety and security of female employees. Each complaint of sexual harassment is investigated by an independent committee consisting of internal and external female members, providing full anonymity to the complainant and in cases where evidence of harassment is found, strict disciplinary action is initiated.

Your Company does not employ child labour in its premises and did not receive any complaints relating to child labour, forced labour or involuntary labour in FY 2020-21. Your Company has not received any complaints of sexual harassment during the year. The subsidiaries have robust processes for investigating all complaints in line with recommended best practices.

**Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

Your Company has identified and mapped its internal and external stakeholders impacted by its operations. It encourages continuous feedback from all stakeholders and has a structured mechanism to act upon it. Through your Company's CSR initiative, it organizes projects which benefit the disadvantaged, vulnerable and marginalized stakeholders, thereby improving the quality of their lives. The initiatives include educational support, preventive healthcare and environment sustainability. During the pandemic



your Company reached out to both its internal and external stakeholders specially the less privileged ones to help them with various aspects of dealing with the pandemic in the areas of health, hygiene, education and during emergencies. This included providing water purifiers, medical equipment, equipments for conducting electrical trade courses, vocational training for operation & maintenance of water treatment plants etc. More details can be found under section CSR.

**Principle 5: Businesses should respect and promote human rights**

Your Company stands against violation of human rights, child labour or violations of individual rights and sexual harassment. It follows the principle of equal opportunity, irrespective of religion, caste, creed and gender.

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

Your Company realizes that a clean environment is critical for human existence and it continues to invest in advanced technologies to replenish water used in its manufacturing process. Further, factories make all possible efforts to reduce energy and water footprint by investing capital for this purpose.

Your Company has a robust and innovative waste management strategy targeted to reduce, reuse and recycle water and all kinds of waste. Your Company has identified newer initiatives for adaption of cleaner, efficient technologies for its waste management.

Systems and processes under ISO 14001 ensure systemic adherence to environmental protection guidelines and periodic reporting of compliance to the senior management. These systems also ensure relevant statutory compliances by your Company's manufacturing facilities. The emissions/waste generated by your Company are within the permissible limits given by CPCB/SPCB and the same is monitored on a continuous basis. There are no show cause/legal notices received from CPCB/SPCB during FY 2020-21. Further, your Company keeps itself abreast with all applicable regulations and its efforts are always to be ahead on the compliance curve.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

Ion Exchange advocates its opinions on adoption of sustainable processes and technologies for cleaner environment, safe drinking water, promotion of 'Make in India' initiative, rationalization of taxes, duties etc.

Your Company is a member of many trade associations including:

1. Confederation of Indian Industry (CII)
2. Water Quality India Association (WQIA)
3. The Associated Chambers of Commerce & Industry of India (ASSOCHAM)
4. Process Plant and Machinery Association of India (PPMAI)

5. Industry Associations at its manufacturing locations

Your Company actively supported and partnered with these institutes during the pandemic in creating awareness on sustainable environment management and best available practices through a series of virtual workshops / webinars during the year. Your Company's contributions were well received and appreciated by a large number of participants in these events.

**Principle 8: Businesses should support inclusive growth and equitable development**

Your Company actively encourages inclusive growth and equitable development. It runs multiple programs and initiatives towards this end through its CSR arm, Ion Foundation. Ion Foundation is committed to support education of the underprivileged children as well as providing vocational training thereby improving their economic standing in the long run. Ion Foundation also works closely with several communities around its offices and factories on skill development and sustainable management practices. Programmes/Projects are implemented under Ion Foundation through its employees and partners. Periodic feedback is taken from the beneficiaries and implementation partners. Preferential employment opportunities are also provided to these up-skilled members.

Your Company's total contribution to community development projects amounted to INR 203.03 Lacs including contribution to PM Cares Fund. For all such initiatives, your Company's employees are actively involved along with other stakeholders right from the start of the project till the development and building of community ownership for the project.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

Your Company takes its responsibility towards customers and communities very seriously. It is your Company's constant endeavour to make a positive contribution to people's lives and the environment at large with the help of continually refreshed line of products and technologies. Your Company has an extensive protocol/mechanism to test its products for their impact on the customers and the environment. An extended period of piloting of our products & services also validates their efficacy and value proposition. Health & Safety Policy ensures not just the well-being of our employees but also of our customers and their employees. An example of this is the extensive pre-launch test marketing that was conducted for your Company' import substitute product 'ZeroB Hydrolife', that produces alkaline and hydrogen water for boosting immunity, preventing lifestyle diseases and providing pure and safe drinking water for homes.

Ion Exchange has set up a robust infrastructure to receive customer feedback, suggestions, complaints, etc. through multiple channels. A dedicated in-house Customer Care Centre for inbound and outbound customer calls is manned by competent customer service agents. Further, Ion Exchange also has Customer Relationship Officers at its regional offices for both face-to-face and telephonic interactions.

In previous years, a platform for receiving customer feedback and enquiries for its home water solution products and services was created on your Company's website <http://www.zerobonline.com> along with a toll-free number +91-(0)22-27881234. It enhanced customer satisfaction. Following this success, your Company extended the concept for the industrial customers through its website <http://www.ionindia.com> and launched a new toll-free number 1-800-4250-788.

The above systems ensure that customer feedback is acknowledged and responded within the shortest time as defined in your Company's Quality Management System. Ion Exchange conducts annual customer experience surveys for all its products and services and measures their level of satisfaction.

Your Company's products display all information which is mandated by law. Product information and marketing collaterals

are updated and available on your Company's websites as well as it is available with its channel partners and employees who interact with customers.

There are no pending cases filed by any stakeholder against your Company for unfair trade practices. Also, there are no consumer cases pending against your Company.

On behalf of the Board of Directors

**Rajesh Sharma**  
Chairman & Managing Director

Mumbai

Date: 8<sup>th</sup> June, 2021



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### A. INDUSTRY STRUCTURE AND DEVELOPMENT

#### Overview:

Ion Exchange (India) Ltd. (IEIL) is a premier Indian Company that offers total water and environment management solutions. Supported by a robust infrastructure of ISO 9001 certified manufacturing facilities and the largest after-sales network in the country, the Company has a strong domestic and growing international presence.

The Covid-19 pandemic has highlighted the gap between demand and access to safe and reliable water. Now more than ever, to meet the rising demand for water it is important to effectively manage water not just at the source but throughout its life cycle. Corporate leadership efforts are now focused on water and waste management, contributing towards meeting the Sustainable Development Goals. Ion Exchange supports these corporate efforts by providing water, waste water management, solid waste management and waste to energy solutions to combat growing environmental issues. Comprehensive technologies, products and services, enable us to cater not just to industries and municipalities but also to institutions, homes and communities both urban & rural. With initiatives in effluent recycle, zero liquid discharge, municipal sewage treatment and product and resource recovery along with source substitution of water (alternate sources of water) such as sea water desalination, Ion Exchange provides the most suitable alternatives to meet the growing water demand.

During the pandemic, to cater to our customers' needs, we swiftly introduced products in the hygiene and sanitation segments for various sectors that we serve – industries, institutions, homes & communities under our flagship brands Indion and Zero B.

#### Global Economy:

Covid-19 declared as a global pandemic last year, brought about significant changes in the way we live and work. Huge loss of both lives and livelihoods led to extreme social, economic and health infrastructure strain that the world still confronts.

After having grown at 2.8 percent in 2019, the global economy contracted by -3.3 percent in 2020. Although GDP in general recovered stronger than expected in the second half of 2020, it remains significantly below pre-pandemic trends in several countries. The second and third infection waves necessitated renewed restrictions in many countries and this stop-go rhythm has led to an uneven and far from complete recovery. Across countries, the recovery has been based on the path of the pandemic, policy decisions and restrictions

imposed to contain the spread of the virus. Adaptation to pandemic life has enabled the global economy to do well despite subdued overall mobility, leading to a stronger-than-anticipated rebound, on average, across regions. Additional fiscal support in some economies (especially the United States) on top of an already unprecedented fiscal response last year and continued monetary accommodation, further uplifted the economic outlook.

The global economy is expected to show a stronger recovery with projected growth of 5.5 percent in 2021, moderating to 4.4 percent in 2022. In spite of a high degree of uncertainty with regards to the path of the pandemic, a way out of this health and economic crisis is visible. Multi speed recoveries are under way in all regions and across income groups. However, much still depends on the rollout of vaccines across various countries, extent of economic policy support and improvements in business sentiments in service-oriented sectors. Advanced economies which showed a contraction of -4.7 percent in 2020 are projected to grow at 5.1 percent and 3.6 percent in 2021 & 2022 respectively. Among them, the United States is expected to surpass its pre-Covid GDP level in 2021, while many others in the group will return to their pre-Covid levels only in 2022. However, emerging market and developing economies which had shown a contraction of -2.2 percent in 2020 are expected to grow at 6.7 percent in 2021 and 5.5 percent in 2022.

*Source: International Monetary Fund, World Economic Outlook, 2021 April*

#### Indian Economy:

The Covid-19 pandemic last year was a damper in India's march towards a \$ 5 trillion economy. The Indian economy which had already slowed down before the pandemic, suffered further disruptions in its growth due to the stringent lockdown which was imposed across the country during the first few months of FY 2020-21 and a slew of localized lockdowns throughout the year.

The Indian Economy has contracted by 7.3 percent in FY 2020-21 as compared to a growth of 4 percent in 2019-20 as per GOI. The economy which had contracted by a record 24.4 percent in Q1, saw the contraction reduce to 7.5 percent in Q2 as economic activity started picking up due to several Covid-mitigation measures aimed at reviving economic activities. The Indian economy saw a V shaped recovery, came out of recession and expanded by 0.4 percent in Q3. The rural economy showed unprecedented resilience and emerged as a silver lining for the contracting Indian economy in terms of demand and record agriculture production for FY 2020-21.

Various stimulus packages were announced by the Indian Government to help spur demand and ramp up capital expenditure, boost economy and protect the poor and vulnerable sections from the impact of the Covid-19 crisis. The Aatmanirbhar Bharat Abhiyan package was one such package largely focusing on supply side measures and long term reforms. The fiscal stimulus from increased allocation for capital expenditure under the Union Budget 2021-22, expanded production-linked incentives (PLI) scheme and rising capacity utilization (from 63.3 percent in Q2 to 66.6 percent in Q3) should provide strong support to investment demand and growth.

Given the significant uncertainty pertaining to both epidemiological and policy developments, GDP growth for FY 2021-22 is expected to be 8 - 8.3 percent (Source: International Monetary Fund, World Economic Outlook, 2021 April) depending on a good monsoon, pace of vaccination and mobility restrictions if any due to a third wave. Economic activity is expected to continue its recovery which started in Q3 2020-21 and rebound strongly in FY 2021-22 with an uptick in urban demand especially in services, government investments in infrastructure, incentives for manufacturing and continued support to boost rural incomes.

#### **Indian Water and Environment Industry:**

Covid-19 has heightened awareness about the value of water, hygiene and sanitation. It has reinforced the importance of access to safe and reliable water in India as well as globally especially in the less developed and poor countries. The average per capita availability of water in India has reduced from 1816 cubic meters in 2011 to 1486 cubic meters in 2021. The pandemic has once again reiterated the importance of water conservation and waste water management.

Water, wastewater management and sanitation projects were a part of the government of India's economic stimulus expenditures during FY 2020-21. In the new financial year, the central government has once again budgeted substantial outlay for major schemes in water and environment sector.

The Ministry of Home Affairs has progressively permitted construction of roads, irrigation projects, buildings and all kind of industrial projects from the second quarter onwards. As a result, industries like cement, steel, electrical etc. witnessed enhanced demand and capacity utilizations. Core industries like steel and metallurgy also saw increased demand from select international market. This helped increase their capacity utilization and outlook for new brownfield projects. Similarly, de-bottlenecking and expansion projects were announced by various state and private owned refineries. Huge investments were announced for producing solar power in line with the country's goal of 100 GW of solar power by 2022. This resulted in enhanced demand for Engineering projects, chemicals and services.

By the end of the 3<sup>rd</sup> quarter, the automobile industry saw a revival in demand. The paper industry also saw a good demand for various grades of papers for packaging of medicines, consumer products, sanitizers and manufacturing of napkins. The sugar industry continued to see good demand for ethanol resulting in enhanced profitability though round-the-year manufacturing in integrated sugar mills. The textile industry remained impacted due to induced restrictions in the retail sector. However integrated textile producers witnessed improved demand of their products in export markets particularly European countries. The pharmaceutical, food and beverages segments saw mixed performances during the year. While some companies benefited from strong demand during the pandemic period, others witnessed recovery from third quarter onwards. In general, business sentiments picked up only in the third quarter in these segments. This resulted in muted enquiry flows and reduced market opportunities both in the engineering and chemicals segment.

Due to increasing industrialisation, growing population and implementation of stricter environmental regulations there is an increase in demand for waste water treatment plants across all sectors be it industries, institutions, hospitals, homes or communities. Corporates have also realised that sustainability reduces risk and are integrating water sustainability into their strategy to mitigate water risk with significant capital allocation in recycle and zero liquid discharge. Such investments will lead to increased revenue as their customers will prefer products and brands produced through sustainable means and it will also improve profits because of reduced utility cost.

Exports of engineering products, customized EPC projects and services as well as water treatment chemicals and resins are important revenue generator for this sector. However, during the year, revenues were affected due to logistic constraints, economic slowdown, credit risks and other such challenges.

The water and environment industry witnessed significant business challenges like reduced market size, margin pressures, increased credit risks, restricted manpower mobility, supply chain risks etc. to name a few. Further, customers distinctly showed preference for adapting integrated water and environment management solutions. This challenging environment has led to several smaller players not being able to sustain operations. Even larger players had to dig deep to sustain their operations. Consequently the year saw customers favouring companies with better risk management, balanced portfolio of products and markets, stronger balance sheets and overall reliability.

**B. Highlights of Performance:**

**Standalone**

- Total Income: INR 1439 crores registering a decline of 1% annually
- EBITDA: INR 232 crores registering a growth of 38% annually
- EBITDA Margin: 16.1%
- Net Profit After Tax: INR 146 crores registering a growth of 47% annually
- PAT Margin: 10.1%
- Diluted EPS: INR 118.75

**Consolidated**

- Total Income: INR 1483 crores registering a decline of 2% annually
- EBITDA: INR 235 crores registering a growth of 38% annually
- EBITDA Margin: 15.8%
- Net Profit After Tax: INR 143 crores registering a growth of 52% annually
- PAT Margin: 9.6%
- Diluted EPS: INR 121.41

**C. Segment wise Operational Performance:**

The business of your company can be segmented into:

1. Engineering
2. Chemicals
3. Consumer Products

**Engineering**

The year started with worldwide lockdowns due to the pandemic at its peak. This created a huge challenge for all contracts under execution globally. It also delayed the finalisation of several contracts. In India there were associated challenges with migration of work forces involved in construction projects. Despite this fact your Company was able to closely monitor and ensure progress on all its water, waste treatment contracts worldwide.

On a standalone basis, the Engineering segment achieved a turnover of INR 903 crores compared to INR 892 crores for the previous year. However, profits increased by 42 percent.

Your Company's Sri Lanka Project continues to progress satisfactorily with 72 percent completion by the end of

FY 2020-21. Although the Covid-19 pandemic affected important milestones, your Company is still on track for completion of major project milestones by October 2021 and work is progressing on all major fronts despite Covid related challenges. Your Company expects the treatment plant to be operational around the third quarter of FY 2021-22. Your Company is working to convert more prospects of similar nature in targeted geographies. The turnkey EPC order your Company received from Vedanta (erstwhile Cairn Energy) for its onshore oil and gas processing facility also progressed significantly last year despite the pandemic.

Your Company ensured safety of its employees and subcontractors and implemented government mandated health protocols and procedures at all sites. Its operations are now geared to face the ever changing conditions due to the pandemic. Your Company will continue to strengthen its systems and procedures to enhance its capability to manage large engineering contracts maintaining robust revenue and protecting profitability.

Your Company's state-of-the-art membrane manufacturing facility in Goa is in its third year of commercial operation. During the year under review the membrane business registered a substantial growth on a year-on-year (YOY) basis based on wide acceptance of its 'Hydrarem' brand with customers, OEM's in India and globally. The membrane plant has achieved 100 percent capacity utilization. Consequently, your Company has initiated expansion of the capacity. Your Company is confident of achieving double digit growth in the coming year and establishing a leadership position in the domestic market in the near future.

**Chemicals Segment**

The Chemical segment performed satisfactorily despite the pandemic and contributed a major share towards your Company's profits.

Due to the Covid-19 pandemic and the subsequent lockdowns several industry segments particularly the MSME sector in India were virtually shut in the first quarter of FY 2020-21 which affected the sales for the quarter. However, sales growth in India caught up during subsequent three quarters.

Whilst retaining its market share in India, export markets were affected right through the year by general slowdown, logistic issues and increased freight cost. Despite these challenges, your Company retained its position as a reliable and quality supplier in geographies such as USA, Europe and in the South East Asian markets.

The segment benefited due to good enquiry bank, global customers looking at alternatives to sourcing from China, improved throughputs and yields, various overhead controls and cost saving initiatives. However, this segment

witnessed headwinds on account of raw material cost increase from the last quarter of FY 2020-21.

On standalone basis, the segment achieved sales turnover of INR 430 crores compared to INR 443 crores of the previous year, but the profits from this segment grew by 39.5 percent.

Your Company continued to expand its portfolio of specialty and value added products under both its sub-segments - Resins and Industrial Chemicals. Several new products were commercialized during the year for process, utility and sanitary applications.

### Consumer Products

On a standalone basis, the consumer products segment achieved a turnover of INR 108.43 Crores during FY 2020-21. The lockdowns due to the Covid-19 pandemic had a significant impact on demand from the Indian residential, institutions and commercial water purifier segments served by the division. This segment relies largely on face to face interaction with customers which was heavily impacted during the extended lockdowns. Consequently, the segments revenue and profitability was badly affected.

The segment launched several new innovative products targeted to improve reach and value addition. Such new launches included Zero B hand sanitizers and a dispenser, Zero B Kitchenmate UV Pro' was introduced with a perfect mix of technology and design which aesthetically blends with a modular kitchen. For the Commercial segment we introduced three new water cooler models with unique feature of purified water being dispensed at three temperature variants - Normal / Warm / Cold. 'Indion Quencher' - a tailor made innovation for the hospitality industry designed to wash and recycle glass bottles with an aim to reduce single-use plastic continues to receive encouraging response from reputed business houses in the hospitality industry

For Laboratory water applications, 'Lab Q Ultra Plus' was introduced which is an extension of the Lab Q range offering a unique advantage of zero wastage and is a plug and play product delivering ASTM Type 1 water for critical and sensitive laboratory application.

In the Rural Segment your Company continues to grow through its participation in various Government initiatives such as the Jal Jeevan Mission as well as with its association and support to non-government organizations and companies under their CSR activities.

### Exports

The export business of your Company registered a good growth of 11.6 percent as compared to the previous year. A healthy enquiry bank, your Company's relations with its customers as well as services provided by your Company, helped generate this increased business. A large percentage of the sales undertaken were from

your Company's existing customers. Special permission provided by the Indian authorities to operate your Company's Export Oriented unit (EOU) at Rabale helped ensure the assembly and delivery of the equipment's during the first quarter of FY 2020-21, a peak lock down period in India.

The current enquiry bank of exports is very good with delivery schedules up to 2023 which will provide your Company with steady export growth in the coming years.

The Covid-19 pandemic did to some extent affect the consumables business consisting of resins and chemicals, especially from Europe and USA. However, the current year business prospects look impressive in spite of the slowdown in many countries where we operate.

The turnover for export for the current financial year was INR 563 crores with a good growth in profitability.

### Digital Initiatives

The mobility restrictions necessitated by the health pandemic has accelerated the digital adaption for conducting various business activities.

Your Company had already embarked on a journey towards digitization. This included remote sensing, monitoring and control of its water management programs. The pre pandemic adaption and penetration of these value added digital initiatives to improve operational efficiency, reduce costs and enhance reliability were accelerated during enforced lockdowns. Several of our customers invested in these advanced technology solutions developed indigenously by the Company.

On the customer service front, mobile apps were introduced which helped the customers connect remotely and digitally for fulfilling their various service needs.

Your Company had planned to convert most of its "print" marketing communication (marcom) to "digital" marcom. As in the case of Digital Water Management Program, the pandemic became a boon for near complete adaption of its Marcom on digital platforms.

Going further, the Company plans to expand its digital initiatives to various other activities to further enhance its competitive edge in meeting customer's expectations.

## D. Risks, Threats, Concerns & Risk Mitigation

Pre-empting risks and activating a mitigation plan has been a priority on the management's agenda. Your Company has a comprehensive risk management framework that identifies risks arising out of internal as well as external factors, assesses, reports and mitigates impact of these risks. The multi-layered risk management



framework adopted by your Company is aimed at achieving the strategic objective of increasing market share, optimal utilization of assets to increase productivity, comprehensive financial reporting and compliance to regulatory and social obligations.

The Covid-19 pandemic which surfaced in November 2019, is a global humanitarian and health crisis, and continues to impact key geographies that we operate in, with many countries reporting second and third waves of infections. The actions taken by various governments to contain the pandemic, such as closing of borders and lockdown restrictions, have resulted in significant disruption to people, production and supply chains. Your Company continued reassessment of short-term and long-term impacts on economies of countries of interest.

During the 1st quarter, your Company practiced cautious alignment of its export strategy with changes in global market with focused deliberate efforts to minimize operations in countries heavily impacted by the pandemic and opting out of business requiring unfeasible cross country movements. Your company gave relative priority to protecting its employees and assets in those countries. Towards the beginning of the 2nd quarter, the Global economy showed signs of recovery with logistics resuming albeit with restrictions. Though opportunities of doing business did emerge during the 9 months, your Company practiced commercial prudence over sale aggression.

The Indian economy was also severely affected by the pandemic and to control the spread of the Covid-19 pandemic, India imposed severe lockdowns and sealing of cross state borders in April and May 2020 resulting in curtailment of economic activities. During the 1st quarter, amidst the situation of business disruption globally as well as domestically, your Company ramped up its efforts on collections to ensure consistent cash flow, practiced severe austerities by being discretionary in expenditures and re-negotiated terms with many of its customers and suppliers. Further, we ensured support and service to operating enterprises to the extent permitted by local regulations. This was not only crucial for our customers but also allowed us to fulfil our obligations on open contracts and generate revenues where feasible. Your Company also ensured that its contractual and legal interest were protected and in few cases invoked the Force majeure clause.

To mitigate the risk of disruption in supply chain, your Company took steps to proactively expand its supply chain and manage inventories.

The healthy mix of profitable and relatively stable stream of revenues from the chemical segment along with a good opening order bank for the engineering segment was very useful in safely tiding over the challenges during the pandemic year. Your Company will continue to build a high quality engineering order bank while augmenting its strengths in the chemical segment.

For large EPC jobs your Company has built in a robust and a dynamic risk identification and mitigation framework through provision of proper infrastructure, tight operational and internal controls and an extensive monitoring mechanism. For other large jobs matching the company's business profile, your Company is very selective and cautious evaluation is done with respect to various risks. Other risk mitigating measures include robust screening of customers for ensuring business with only credit worthy customers, prime focus on liquidity and positive operational cash flow, deferring of decisions on major capital expenditure till normalcy is restored and cut in discretionary spend. Your Company continues to reassess and realign its strategies in the wake of the changes in market dynamics and business uncertainties brought about by the pandemic.

At all workplaces, Standard Operating Procedures to provide guidance on Covid-appropriate behavior have been implemented. Also preempting the impact of the pandemic, your Company quickly enabled work from home for most of its employees through provisioning of optimal and secured infrastructure.

#### **E. Human Resources and Training**

Your Company's people strategy focuses on enhancing key capabilities and embedding a performance centric culture. Your Company makes efforts to attract the right talent and build enough competencies to align with the Company's aspirations. Your Company takes significant efforts on a continuous basis to monitor rigorously and to consistently adhere to compliance and governance norms.

In this unprecedented year, when employees were working from home, your Company took various initiatives to keep employees productive, motivated and engaged by using available digital platforms. Increased virtual meetings, quick connect and bonding sessions with leaders and colleagues and other initiatives focused on improving the employees' general wellbeing.

Your Company follows a well-established approach to hiring and on-boarding. Your Company has also created a strong leadership pipeline across levels by identifying the right talent internally and grooming them for challenging roles which in turn has resulted in a work force that is well motivated and trained to deliver value to the customer.

As always, Long Service Awards were conferred upon employees who have completed milestones of working for 10 years and beyond.

#### **F. Internal controls**

Your Company maintains a robust internal control framework to ensure that there is reasonable assurance with respect to all information within the business and for that which is available for external publication is

correct and adequate. The existing governance and policy framework implemented by your Company provides reasonable assurance of the efficacy of the internal control operating within the Company.

The Company has a well-qualified Internal Audit Department. The internal audits are planned from risk perspective. In preparing the Annual Audit Plan, reference is made to past audit experience, current economic and business environment, the groups risk matrix, directives from senior management and audit committee members. Major observations are periodically highlighted to the audit committee members and are also reviewed by the statutory auditors.

#### G. Social Responsibility Initiatives

Your Company continues to focus on its Corporate Social Responsibility (CSR) initiatives by bringing about a positive social impact and sustainable change in building resilient communities. Through social investments, your Company addresses the needs of communities residing in the vicinity of its facilities/factories by taking sustainable initiatives in the areas of education, health, sanitation, environment conservation, community development, and contributing to disaster relief with on-ground efforts. CSR activities of your Company are channeled through Ion Foundation.

Your Company believes that good education will empower people and communities, enable genuine progress and is a strong foundation for the overall well-being of our society. Your Company has partnered with various NGOs across many states in India to reach out to various schools, educators as well as under privileged children and those with disabilities.

During the Covid-19 pandemic in FY 2020-21 your Company undertook projects by partnering with educational organizations that addressed a gamut of critical issues faced by children of disadvantaged communities such as urban slums, migrant labour families and those on the street. This included enrolment in schools, counseling services for children and parents, remedial education, just to name a few. Association with a wide network of education organizations helped cover middle and high school students as well as scholars pursuing undergraduate and postgraduate education

through provision of teaching aids and teacher development programs besides drinking water, infrastructure and sanitation facilities at the educational institutions.

Going beyond schooling, your Company also supported projects for children with disabilities that provide counseling services, skill development and livelihood programs, community support, specially trained teachers, assistive technology, access to healthcare etc.

#### Besides education, the other major focus of your organization under CSR is Primary Health Care.

Your Company supported treatment cost for critical patients including children suffering from cancer and other life-threatening illnesses along with salary expenses of additional technicians required to deal with the Covid-19 crisis.

During the pandemic your Company extended its support by using its manufacturing facilities to make and supply sanitizers as well as provide medical equipments to a few hospitals. Your Company has also contributed to the PM Cares Fund and Chief Minister's Fund towards healthcare facilities and supply of food grain kits for the marginalized communities that are currently bearing the brunt of loss of lives and livelihoods.

Employees also contributed their one-day salary towards the PM Cares Fund.

#### Cautionary Statement

The statements or explanations given in this report may contain some forward looking statements based on assumptions having regard to the government policies, economic conditions, etc. The management cannot guarantee the accuracy of the assumptions and expected performance of the Company in future. Hence, the actual results may substantially differ from those expressed or implied herein.

On behalf of the Board of Directors

**Rajesh Sharma**  
Chairman & Managing Director

Mumbai  
Date: 8<sup>th</sup> June, 2021



## CORPORATE GOVERNANCE REPORT

### 1. Philosophy

The Company's philosophy on Corporate Governance is to observe highest level of ethics in all its dealings, to ensure the efficient conduct of the affairs of the Company to achieve its goal of maximizing value for all its stakeholders.

The Company is in compliance with the requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (Listing Regulations) entered with the Bombay Stock Exchange with regard to Corporate Governance.

### 2. Board of Directors (The Board)

#### i. Composition & Category of Directors [as on 31<sup>st</sup> March, 2021]

The Board comprises of ten directors, of whom seven directors are non - executive and six directors are Independent. The Composition of Board is given below:

Name	Category
Mr. Rajesh Sharma	Executive - Chairman & Managing Director
Mr. Dinesh Sharma	Executive
Mr. Aankur Patni	Executive
Dr. V. N. Gupchup	Non-Executive, Independent
Mr. M. P. Patni	Non-Executive
Mr. T. M. M. Nambiar	Non-Executive, Independent
Mr. P. SampathKumar	Non-Executive, Independent
Mr. Abhiram Seth	Non-Executive, Independent
Mr. Shishir Tamotia	Non-Executive, Independent
Ms. K.J. Udeshi	Non-Executive, Independent

The Company does not have a Nominee Director on the Board.

#### ii. Board Meetings, Annual general meeting and Attendance of each Director

The Company held seven Board Meetings on 25.06.2020, 14.07.2020, 12.08.2020, 22.09.2020, 10.11.2020, 02.02.2021 and 18.03.2021. At every board meeting, the matters specified under Schedule II (Part A) of Listing Regulation were placed and discussed.

The notice of each Board meeting is given in writing to each Director. The Agenda along with relevant notes and others material information are sent in advance separately to each Director and in exceptional cases tabled at the meeting. This ensures timely and informed decision by the Board. The Board reviews the performance of the Company vis a vis the budget/targets.

The previous Annual General Meeting (AGM) of the Company was held on 22<sup>nd</sup> September, 2020 was attended by all ten Directors.

The attendance of directors at the Board meeting, their Directorships in other Companies and Membership / Chairmanship in the Committees constituted by other Companies are given below:

Name	Number of Board Meetings attended	Directorships in other Company(s) as on (31/3/21) #	Member/ Chairman of committees of other company(s) (as on 31/3/21)	Name of the Listed Company (s) in which Director holds Directorship- Category of Director
Mr. Rajesh Sharma	7	16	0	-
Mr. Dinesh Sharma	7	11	1 (chairman)	-
Mr. Aankur Patni	7	9	0	-
Dr. V. N. Gupchup	7	3	1	
Mr. M. P. Patni	7	10	1	-
Mr. T. M. M. Nambiar	7	3	1	Navin Fluorine International Limited - Non-Executive - Non Independent Director
Mr. P. SampathKumar	7	0	0	-
Mr. Abhiram Seth	7	6	1	
Mr. Shishir Tamotia	7	1	0	-

Name	Number of Board Meetings attended	Directorships in other Company(s) as on (31/3/21) #	Member/ Chairman of committees of other company(s) (as on 31/3/21)	Name of the Listed Company (s) in which Director holds Directorship- Category of Director
Ms. K.J. Udeshi	7	7	5 (including 2 chairmanship)	1. Elantas Beck India Limited - Non-Executive - Independent Director 2. Haldyn Glass Limited - Non-Executive - Independent Director 3. Thomas Cook (India) Limited - Non-Executive - Independent Director 4. Shriram Transport Finance Company Limited - Non-Executive - Independent Director 5. Kalyan Jewellers India Limited

# It covers foreign, private, public and listed companies.

iii. Inter – se relationship among Directors

- Mr. Rajesh Sharma & Mr. Dinesh Sharma are brothers
- Mr. M. P. Patni is the father of Mr. Aankur Patni

Except for the above, there are no Inter – se relationship among the other directors.

iv. Following is the Matrix showing skills/ expertise/ competence of the board of directors which are required in the context of its business(es) and sector(s):

Name of the Director	Skills/ Expertise/ Competence
Mr. Rajesh Sharma	Vast Experience in Sales, Marketing and Management
Mr. Dinesh Sharma	Vast experience in field of Business Management, Marketing and Management position
Mr. M.P. Patni	Marketing of heavy and medium engineering equipments, water treatment plants and allied items.
Mr. Aankur Patni	Finance Management & Information Technology.
Mr. Abhiram Seth	Rich and varied professional experience in the area of sales and marketing including exports.
Mr. T.M.M. Nambiar	Vast experience & Expertise in the field of Finance and General Management.
Mr. P. SampathKumar	Exposure in the field of handling large projects of National Importance.
Dr. V.N. Gupchup	Vast Experience in the field of Technical Education.
Mr. Shishir Tamotia	Vast Experience in Science and Technology
Mrs. Kishori Udeshi	Vast experience in the Banking, Non-Banking sector, Financial sector and Regulatory matters.

v. Code of Conduct

The Board of Directors has laid down code of conduct for all Board members and senior Management of the Company. A copy of the code has been put on the Company's website [www.ionindia.com](http://www.ionindia.com).

A declaration signed by the Managing Director is given below:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the code of conduct in respect of the Financial Year 2020-21.

**Rajesh Sharma**  
**Chairman & Managing Director**

3. **Audit Committee**

The Audit Committee regularly reviews and analyses the adequacy of internal control system, the financial and risk management policies of the Company and other matters as laid down under Regulation 18 (3) read with Part C of Schedule II of the Securities And Exchange Board of India (Listing Obligations And disclosure Requirements) Regulations, 2015. The Internal Auditor submits reports periodically to the Committee and suggestions are given for effective functioning of the internal control system.

The Committee held five meetings during the year on 25.06.2020, 12.08.2020, 22.09.2020, 10.11.2020 and 02.02.2021.

Name	Number of the Audit Committee meetings attended
Mr. T.M.M.Nambiar (Chairman)	5
Dr. V.N.Gupchup	5
Mr. Abhiram Seth	5

#### 4. Nomination and Remuneration Committee

The remuneration policy of the company determines the remuneration package of the directors (executive and non-executive) and statutory compensation payment. The Remuneration Committee is headed by Dr. V. N. Gupchup (Non-Executive & Independent) along with the members of the Committee which are Mr. Abhiram Seth (Non-Executive & Independent) and Mr. M. P. Patni (Non-Executive).

The Committee held one meeting during the year on 22.09.2020.

Name	Number of the Nomination and Remuneration meetings attended
Dr. V.N. Gupchup (Chairman)	1
Mr. M.P. Patni	1
Mr. Abhiram Seth	1

#### REMUNERATION POLICY

##### (I) Criteria for Determining Qualifications, Positive Attributes & Independence of Director:

###### 1. Qualifications of Independent Director:

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business.

###### 2. Positive attributes of Independent Directors:

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

###### 3. Independence of Independent Directors:

An Independent director should meet the requirements of the Companies Act, 2013 and perform the obligations as specified under Regulation 25 of Listing Regulation concerning independence of directors. In the opinion of the Board, the Independent Directors fulfill the conditions specified under SEBI Listing Regulations as amended from

time to time and are independent of the management.

##### (II) Remuneration Policy for Directors, Key Managerial Personnel and other employees

###### A. NON-EXECUTIVE DIRECTORS (NEDs)

NEDs shall be paid a sitting fee of Rs. 50,000/- for every meeting of the board, Rs. 25,000/- for other committees thereof and Rs. 10,000/- for Stakeholder Relationship Committee attended by them as a member.

NEDs may be paid commission upto an aggregate amount not exceeding 1% of the net profits of the company for the year subject to availability of profits. The payment of commission shall be based on their attendance at the board and the committee meetings as member.

The company has no stock options plans and no payment by way of bonus, pension, incentives etc. shall be paid.

###### B. MANAGING DIRECTOR (MD's) & KEY MANAGERIAL PERSONNEL & OTHER EMPLOYEES

The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent.

The Remuneration to Managing Director shall take into account the Company's overall performance, MD's contribution for the same & trends in the industry in general, in a manner which will ensure and support a high performance culture.

The Remuneration to others will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Remuneration to Directors, Key Managerial Personnel and Senior Management will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals. The Managing Director and Executive Directors may be paid commission based on performance, subject to availability of profits.

The above criteria and policy are subject to review by the Nomination & Remuneration committee & the Board of Directors of the Company.

The remuneration paid to Chairman & Managing Director, Mr. Rajesh Sharma and Executive Directors Mr. Dinesh Sharma and Mr. Aankur Patni during the financial year 2020-2021 is given hereunder.

Name	Tenure	Salary & Allowances (INR)	Commission (INR)	Contribution to Provident & other funds (INR)	Perquisites (INR)	Total (INR)
Mr. Rajesh Sharma	2020-21	38,392,450	10,000,000	3,681,390	671,678	52,745,518
Mr. Dinesh Sharma	2020-21	15,726,744	5,000,000	3,053,760	139,600	23,920,104
Mr. Aankur Patni	2020-21	15,384,000	5,000,000	3,053,760	100,000	23,537,760

During the year, the Company paid INR 32,20,000/- as sitting fees to the non-executive Directors for attending the Board and Committee Meetings and INR 1,29,50,000/- as Commission. The details are given below:

Name of Director	Commission	Sitting fees	Total Compensation	No. of shares held
Dr. V. N. Gupchup	1,850,000	585,000	2,435,000	111,126
Mr. M. P. Patni	1,850,000	425,000	2,275,000	755,497
Mr. T. M. M. Nambiar	1,850,000	500,000	2,350,000	83,200
Mr. P. Sampath Kumar	1,850,000	375,000	2,225,000	58,200
Mr. Abhiram Seth	1,850,000	525,000	2,375,000	154,800
Mr. S.L. Tamotia	1,850,000	375,000	2,225,000	2,270
Ms. K.J. Udeshi	1,850,000	435,000	2,285,000	3,630

#### 5. RISK MANAGEMENT COMMITTEE

Pursuant to an amendment to the Listing Regulations, the Company has constituted a Risk Management Committee with effect from June 8, 2021. Ms. Kishori Udeshi, Non- Executive Independent Director, is the Chairperson of the Committee. Mr. Dinesh Sharma – Executive Director and Mr. Aankur Patni –Executive Director are the other Members of the Committee.

The roles and responsibilities of the Committee are as under:

- To assist the Board in overseeing and implementation of the Company's risk management framework.
- To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- To assure business growth with financial stability
- To carry out any other function as may be required by relevant laws or delegated by the Board.

#### 6. Employee Stock Option Compensation Committee (ESOCC)s

The Employee Stock Option Compensation Committee (ESOCC) of the company administers the Employee Stock Option Schemes. The ESOCC is headed by Mr. M. P. Patni (Non-Executive) along with the members of the Committee are, Dr. V. N. Gupchup, Mr. T. M. M. Nambiar and Mr. P. SampathKumar (Independent Director).

#### 7. Stakeholders' Relationship (Grievance) Committee

The members of the Committee are Dr. V. N. Gupchup (Non-executive and Independent), Mr. Rajesh Sharma and Ms. Kishori Udeshi. The Committee is headed by Dr. V. N. Gupchup and Company Secretary is the Compliance Officer.

To expedite the process of share transfer mechanism and for effective resolution of grievances/ complaints, the Committee has delegated powers to the executives of the Company Mr. Milind Puranik, Company Secretary and Mr. N. M. Ranadive, Chief Financial Officer.

The Stakeholders' Relationship (Grievance) Committee meets at regular intervals to review the status of redressal of Members'/Investors' Grievances

The Committee held one meeting during the year on 18.03.2021.

Number of Queries / Complaints / Requests received during the financial year from shareholders / investors:

Sr. No.	QUERIES / COMPLAINTS/ REQUESTS RELATED TO	TOTAL RECEIVED	TOTAL REPLIED
1	Payments		
A	Instruments found already paid / payment sent for electronic credit to Bank	0	0
B	Outdated, Duplicate Warrants and Changes on live warrants (where new instruments being issued)	74	64
C	Issue of new Drafts against unencashed Drafts/ Recovery Drafts	55	53
D	Non Receipt of warrants (where recon in progress)	0	0
E	Non Receipt of payments (where new Instruments already issued)	29	29
F	Unclaimed and Unpaid amounts transferred to ROC / IEPF	2	2
G	Miscellaneous	28	27
2	Annual Report	0	0
3	Bonus Issue	0	0
4	Change In Name / Status	2	2
5	Communication received through SEBI and other statutory/ regulatory bodies	2	2
6	Conversion / Demerger - Scheme of Arrangement / Exchange/ Merger - Amalgamation of Cos/ Subdivision	5	5
7	Dematerialisation/ Rematerialisation of Securities	5	5
8	Dividend / Interest	10	10
9	Document Registration	0	0
10	Legal Matters	63	61
11	Loss of Securities	2	2
12	Nomination	0	0
13	Tax Exemption	1	1
14	Transfer of Securities	11	10

Sr. No.	QUERIES / COMPLAINTS/ REQUESTS RELATED TO	TOTAL RECEIVED	TOTAL REPLIED
15	Transmission of Securities	48	46
16	Other Queries	0	0
	<b>TOTAL</b>	<b>337</b>	<b>319</b>
	<b>Request For</b>		
1	Change of Address	30	30
2	Change in Bank Details	52	52
3	Issue of New Certificates on Split/Consolidation/ Renewal	6	6
4	Nomination	0	0
5	Pan Updation	25	25
	<b>TOTAL</b>	<b>113</b>	<b>113</b>
	<b>GRAND TOTAL :</b>	<b>450</b>	<b>432</b>

#### Share Transfer System

All activities relating to processing of share transfers in physical mode & dematerialization activities are undertaken at the Company's Registrar & Transfer Agents, M/s. TSR Darashaw Consultants Private Limited. The approval for transfers in physical mode and confirmation to the depositories on Demat requests are given within 10 days of receipt, provided the documents are clear in all respects. During the financial year 2020 - 2021 the Stakeholders' Relationship committee held 1 meeting. Dr. V.N. Gupchup (Non – Executive Director), Mr. Rajesh Sharma (Executive Director) and Ms. Kishori Udeshi (Non – Executive Director) are the members of the Committee. The Company Secretary is the Compliance Officer.

#### 8. Corporate Social Responsibility (CSR) Committee

The Board of Directors, at their meeting held on 28<sup>th</sup> May, 2014, constituted "Corporate Social Responsibility Committee" pursuant to the provisions of Section 135 of the Companies Act, 2013.

During the year 2020-21, the Committee met two times on 14.08.2020 and 03.02.2021. The Composition and details of the meetings attended by the members are given below:

Name	Number of the Corporate Social Responsibility (CSR) Committee meetings attended
Dr. V. N. Gupchup (Chairman)	2
Ms. K. J. Udeshi	2
Mr. M. P. Patni	2
Mr. Rajesh Sharma	2



The Company Secretary acts as the Secretary to the Committee.

The brief Terms of Reference of the CSR Committee are as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

The Company has familiarized the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc. The details of the familiarization programme is available on the website of the Company at

#### 9. Independent Directors' Meeting

During the year under review, the Independent Directors met once on March 22, 2021 inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;

[http://www.ionindia.com/pdf/ionindia/familiarization%20program\\_%20independent%20directors.pdf](http://www.ionindia.com/pdf/ionindia/familiarization%20program_%20independent%20directors.pdf)

#### 10. Annual General Meetings

Location and Time where last three Annual General Meetings were held:

Year	Date	Time	Location	Special Resolution Passed
2017-2018	07.09.2018	11.00 a.m.	Ravindra Natya Mandir, P.L. Deshpande, Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Raod, Prabhadevi, Mumbai – 400 025	—
2018-2019	30.08.2019	11.00 a.m.	Ravindra Natya Mandir, Mini Theatre, 3rd Floor, Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai – 400 025	To re-appoint Mr. Dr. V. N. Gupchup, Mr. T.M.M.Nambiar, Mr. P. Sampath Kumar, Mr. Abhiram Seth, Mr. Shishir Tamotia and Ms. Kishori Udeshi as Independent Director
2019-2020	22.08.2020	11.00 a.m.	Ion House, Dr. E Moses Road, Mahalxmi, Mumbai- 400011	—

#### 11. Postal Ballot:

During the year 2020-21, one Postal Ballot was conducted in accordance with Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, as per the details given below:

Particulars of the Resolution	Special Resolution for Approval for appointment and continuation of Directorship of Mr. M. P. Patni (00515553) as a Non-Executive Director beyond the age of 75 years.	
Name of Scrutinizer	Mr. Virendra Bhatt, Practicing Company Secretary	
Date of Report of Scrutinizer	13 <sup>th</sup> November 2020	
Date of Declaration of Results	13 <sup>th</sup> November 2020	
	Number of valid Postal / electronic ballot forms received	5720390
	Votes in favour of the Resolution	5692456
	Votes against the Resolution	27934
	Number of invalid Votes (Postal/ Electronic)	0
	% Votes in favour	99.51%

#### 12. Disclosures

- Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in notes to accounts annexed to the financial statements. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between

the Company and Related Parties. As required under Regulation 23 of Listing Regulation the Company has formulated a policy on dealing with Related Party Transaction. The policy is available on the website of the Company. [https://www.ionindia.com/pdf/ionindia/Related%20party\\_Policy\\_Updated\\_06042021.pdf](https://www.ionindia.com/pdf/ionindia/Related%20party_Policy_Updated_06042021.pdf)



- b. The Board of Directors of the Company has adopted the policy and procedures with regard to determination of Material Subsidiaries. The details of the Policy are available on the website of the Company at <https://www.ionindia.com/pdf/ionindia/policy%20for%20determining%20material%20subsidiaries.pdf>
- c. The Company has not entered into any transaction of a material nature with the Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company at large.
- d. With regard to matters related to capital markets, the Company has complied with all requirements of the Listing Regulation as well as SEBI regulations and guidelines. No penalties were imposed or strictures passed against the Company by the Stock Exchanges, SEBI or any other statutory authority during the last three years in this regard.
- e. Disclosures have also been received from the senior management personnel relating to the financial and commercial transactions in which they or their relatives may have a personal interest. However, none of these transactions have potential conflict with the interests of the Company at large.
- f. As required by Regulation 17(8) of SEBI LODR, the Compliance Certificate on the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting has been obtained from Mr. Rajesh Sharma (Chairman & Managing Director) and Mr. N.M. Ranadive (Chief Financial Officer).
- g. The Company has complied with the compliances as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI LODR.
- h. The Company has obtained a certificate from Mr. V. V.Chakradeo & Co., Practicing Company Secretaries, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by SEBI, MCA or any such Statutory Authority.
- i. During 2020-2021, the total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to BSR & Co. LLP and all entities in the network firm/network entity of BSR & Co. LLP was Rs. 45.69 Lacs.

**13. Policy for Prevention, Detection and Investigation of Frauds and Protection of Whistleblowers (the Whistleblower Policy)**

The Company is committed to provide an open, honest and transparent working environment and seeks to eliminate fraudulent activities in its operations. To

maintain high level of legal, ethical and moral standards and to provide a gateway for employees to report unethical behavior and actual or suspected frauds, the Company has adopted the Whistleblower Policy as per Regulation 22 of Listing Regulation.

No personnel have been denied access to the Audit Committee.

The Whistleblower Policy broadly covers a detailed process for reporting, handling and investigation of fraudulent activities and providing necessary protection to the employees who report such fraudulent activities / unethical behaviour.

The details of the Policy are available on the website of the Company at <https://www.ionindia.com/pdf/ionindia/Whistle%20Blower%20Policy.pdf>

**14. Means of Communication**

As per the requirements of Listing Agreement with The Stock Exchange, Mumbai, the quarterly, half yearly and annual financial results of the Company are faxed & sent to the Stock Exchange immediately after the same are approved by the Board. The same is published in English (Free press journal) and regional language (Navshakti) newspapers, within 48 hours of approval by the Board and uploaded on our company's website ([www.ionindia.com](http://www.ionindia.com)).

Annual report is circulated to all the shareholders and all others like Auditors, equity analysts, etc.

The Management Discussion and Analysis forms part of this annual report.

**15. General Shareholder Information**

**i) Annual General Meeting**

Date : Tuesday, 24<sup>th</sup>, August, 2021

Time : 11.00 a.m

Venue : The Company is conducting meeting through Video Conferencing (VC) / Other Audio Video Means (OAVM) pursuant to the MCA circular. For details please refer to the notice of AGM.

**ii) Financial Year 2021-22**

Financial year	: 1 <sup>st</sup> April to 31 <sup>st</sup> March
Quarter ending June 30, 2021	: First week of August, 2021
Quarter ending September 30, 2021	: Last week of October, 2021
Quarter ending December 31, 2021	: Last week of January, 2022
Year ending March 31, 2022	: Last week of May, 2022

**iii) Book closure date**

The Register of Members and the Share Transfer Books of the Company will remain closed from 16<sup>th</sup> August 2021 to 24<sup>th</sup> August, 2021 (both days inclusive) for determining the entitlement of shareholders to receive dividend for the year ended 31<sup>st</sup> March, 2021, if declared at the Annual general meeting.

**iv) Dividend payment date**

Dividend, if declared shall be paid on or before 30<sup>th</sup> August, 2021.

**v) Listing on Stock Exchange**

The Company's equity shares are listed at BSE Limited. Annual listing fees for the Financial Year 2020-21 has been paid to BSE.

**vi) Stock code and ISIN Number**

BSE Limited - 500214.

ISIN Number - INE570A01014

**vii) Rating Action**

<b>Long Term Rating</b>	<b>CRISIL A-/Stable (Reaffirmed)</b>
<b>Short Term Rating</b>	<b>CRISIL A2+ (Reaffirmed)</b>

CRISIL has reaffirmed its 'CRISIL A-/Stable/ CRISIL A2+' ratings on bank facilities of the Company. The ratings continue to reflect the Company's established market position in the water treatment segment, its diverse product mix, and comfortable financial risk profile.

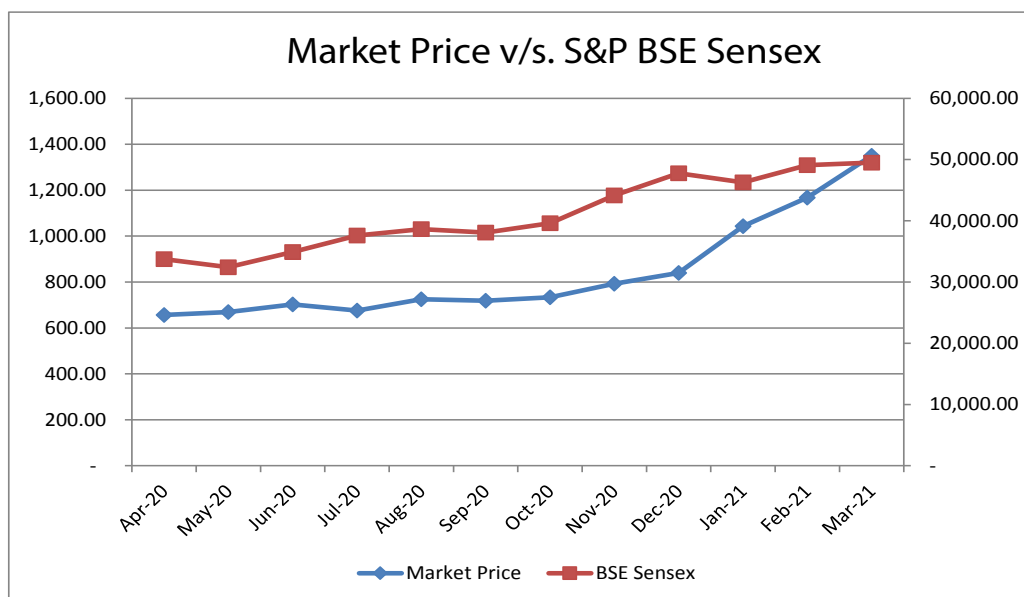
During the year under review, there have been no revisions in Credit Rating obtained by the Company.

**The Stock Exchange, Mumbai**

**Market Price Data: High/Low during each month of the Financial Year**

Month	High Price (INR)	Low Price (INR)
April 2020	728	585
May 2020	719	620
June 2020	780	625.85
July 2020	720	632
August 2020	851	599
September 2020	782	656
October 2020	765	702
November 2020	850	735.05
December 2020	914	765
January 2021	1196	890.10
February 2021	1282	1052.60
March 2021	1495	1205

**Market Price v/s. S&P BSE Sensex**



**DISTRIBUTION OF HOLDINGS AS ON 31/03/2021**

DESCRIPTION	SHARES	NO. OF SHARES	%	NO. OF HOLDERS	%	
1		500	1,607,870	10.96	20,951	92.32
501	-	1000	666,130	4.54	879	3.87
1001	-	2000	574,991	3.92	396	1.74
2001	-	3000	319,872	2.18	126	0.56
3001	-	4000	227,946	1.55	64	0.28
4001	-	5000	258,645	1.76	56	0.25
5001	-	10000	624,549	4.26	90	0.40
10001	-	99999999	10,386,656	70.82	132	0.58
<b>TOTAL</b>		<b>14,666,659</b>	<b>100.00</b>	<b>22,694</b>	<b>100.00</b>	

**SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2021**

Category	Holdings As on 31-03-2021	%
Promoter & Promoter Group	3,961,213	27.01
Mutual Funds & UTI	620,446	4.23
Banks, Financial Institutions & Insurance Companies	386	0.00
FII's	125,153	0.85
Domestic Companies	1,621,969	11.06
Public	5,720,152	39
NRIs/OCBs	243,726	1.66
Non Promoter Non Public	2,373,614	16.18
<b>Total</b>	<b>14,666,659</b>	<b>100.00</b>

**Dematerialization of Shares and Liquidity**

The Company's Equity Shares are in compulsory demat i.e. electronic mode and as on 31<sup>st</sup> March, 2021, 97.31% of the equity capital were held in dematerialised form.

**GDR / ADR / Warrants** - Not applicable as not issued.

**Plant Locations**

Resin manufacturing plant : Unit II – 5811-12-13, GIDC Ankleshwar Industrial Estate Ankleshwar – 393 002 Bharuch, Gujarat

Assembly Centre for Local : R-14, TTC, MIDC, Nr. Thane Belapur Road, Rabale, Navi Mumbai - 400 701

Manufacture & Assembly of Standard Plants : 105, SIPCOT Industrial Complex, Dharmapuri, of Standard Plants Tamilnadu, Hosur - 635 126

Water Treatment Chemicals, Sugar Treatment Chemicals, Polymer products : 19/A, Phase II Industrial Development Area, Medak, Andhra Pradesh Patancheru - 502 319

Consumer Products : Plot Nos. L48 & L49 Verna Electronics City Phase II, Verna, Salcette Goa - 403 722

Membrane Manufacturing Plant : Plot Nos. U 04/5, Phase IV, Verna IDC, Verna, Goa - 403 722

**Address for correspondence :**

All investor related queries should be addressed to our Registrar & Transfer Agent.

**M/s. TSR Darashaw Consultants Private Limited**

(Formerly Known as M/s. TSR Darashaw Ltd)

Unit: Ion Exchange (India) Ltd.  
 C-101, 1st Floor, 247 Park  
 Lal Bahadur Shastri Marg  
 Vikhroli (West) Mumbai – 400 083  
 Tel No.: 6656 8484  
 Fax No.: 6656 8494  
 Email: [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in)  
 Website: [www.tcplindia.co.in](http://www.tcplindia.co.in)

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To the Members of Ion Exchange (India) Limited

We have examined the compliance of the conditions of Corporate Governance by Ion Exchange (India) Limited for the year ended 31<sup>st</sup> March, 2021, as per the relevant provisions of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15(2) of Listing Regulations for the period 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**V.V. CHAKRADEO & CO.**  
Company Secretaries

**V. V. Chakradeo**  
Proprietor  
(C.P. No.1705)

Place: Mumbai

Date: June 8, 2021

## Independent Auditors' Report

To the Board of Directors of  
Ion Exchange (India) Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of Ion Exchange (India) Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditors of the Company's branch at Bengaluru and IEI Shareholding (Staff Welfare) Trusts – Sixty trusts ("trusts") and HMIL Shareholding Trust's (seventeen trusts) audited by respective auditor of the Trusts (hereinafter referred to as 'Standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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, and profit and other comprehensive income, 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 Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act 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 on the Standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
<p><b>Revenue Recognition</b> (Refer note 1.17 and note 39 to the standalone financial statements)</p>	
<p>The arrangement for EPC business contracts includes fixed price contracts. Revenue for such contracts usually extends beyond a reporting period. Contract revenue is measured based on the proportion of contract costs incurred for work performed to date relative to estimated total contract costs. It is computed as per the input method. The estimate is formed by the Company considering the following:</p> <ul style="list-style-type: none"> <li>• Application of the revenue recognition accounting standard is complex. One of the key estimate is total cost-to-completion of these contracts. It is used to determine the percentage of completion of the relevant performance obligation.</li> <li>• This method requires the Company to perform an initial assessment of total estimated cost and further reassess these estimates on a periodic basis, including end of each reporting period.</li> </ul> <p>Trade receivable balances represent significant portion of the Company's assets. Expected Credit Loss (ECL) allowances on trade receivables for delays and defaults in recovery involves significant judgments and estimates.</p> <p>Considering the significant estimate involved in measurement of revenue and receivables in EPC business, we have considered measurement of revenue and ECL as a key audit matter.</p>	<p>Our audit procedures over estimation of total contract costs and revenue recognition for EPC business included the following:</p> <ul style="list-style-type: none"> <li>• Testing the design, implementation and operating effectiveness of key internal financial controls and processes. This includes estimation of total project cost-to-completion related revenue and control over accounting of measurement of ECL on trade receivables;</li> <li>• For selected sample of contracts, we inspected key contractual terms with signed contracts and assessed revenue recognized in accordance with Ind AS by:</li> <li>• Observing the approval of percentage of completion workings.</li> <li>• Challenging the Company's forecasted cost to completion, through comparison of costs incurred with project budgets, and executed purchase orders and agreements. Identifying significant variations and testing variations resulting into re-estimating the remaining costs to complete the contract</li> <li>• Comparing, on a sample basis, revenue transactions recorded during the year with the underlying contracts, progress reports, invoices raised on customers and collections in bank accounts. Also, checked the related revenue, contract costs, evaluation for onerous contracts, contract assets and unearned revenue had been recognised in accordance with the Company's revenue recognition policies.</li> <li>• Performing analytical procedures on incurred and estimated contract costs or efforts. It includes assessment of contracts with unusual or negative margins, little or no movement in efforts from previous periods.</li> <li>• Evaluated the status of trade receivables on sample basis which are past due as at year end, the Company's on-going business relationship with customer and past payment history of the customers through discussion with management.</li> <li>• Challenging the ECL estimates by examining the information used to form such estimates such as application of future economic conditions, credit risk of customers, etc.</li> </ul>



Key audit matters	How our audit addressed the key audit matter
<b>Recovery of carrying value of investment and receivables from group Companies.</b> (Refer Note 1.13 and 42 to the Standalone Financial Statements)	
<p>The Company has investments in subsidiaries and associates. These investments are accounted for at cost less any provision for impairment. The Company evaluates the indicators of impairment of the said investments regularly by reference to the requirements under Ind AS 36 Impairment of Assets.</p> <p>The Company carries out impairment assessment for each investment by:</p> <ul style="list-style-type: none"> <li>• Comparing the carrying value of each investment with the net asset values of each company</li> <li>• Comparing the performance of the investee companies with projections used for valuations and approved business plans</li> </ul> <p>The recoverable amounts of the above investments are estimated in order to determine the extent of the impairment loss. As impairment assessment involves significant assumptions and judgment, we regard this as a key audit matter.</p> <p>Refer to note 5 – “Investments” of the standalone financial statements</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessed the indications of impairment of investments in subsidiaries and associates. We have also examined the basis of estimates of the recoverable amounts of these investments, the assumptions used in making such estimates, and the allowance for impairment.</li> <li>• Comparison of the carrying values of the Company’s investment in subsidiaries and associates with their respective net asset values / recoverable values and the consequent allowance for impairment if any</li> <li>• Evaluated key assumptions in the Company’s valuation models used to determine recoverable amount including assumptions of projected adjusted EBITDA, growth rate, rate used for discounting cash flows etc. We also evaluated the forecasts based on historical performance.</li> <li>• Assessment for indications of impairment of such investments. In cases where such indicators existed, we have assessed for the estimation made by the Company for the recoverable amounts</li> <li>• Tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units</li> <li>• Involved internal valuation expert to assist in evaluating the key assumptions of the valuations</li> </ul> <p>We tested the related disclosures in Note 5 of the financial statements</p>

### Other Information

The Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report, but does not include the financial statements and our auditors’ report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

### Management’s and Board of Directors’ Responsibility for the Standalone Financial Statements

The Company’s Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 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 accuracy and completeness of the

accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter**

We did not audit the standalone financial statements / financial information of a branch and trusts included in the standalone financial statements of the Company, whose financial statements/ financial information reflect total assets of Rs. 8,503 lacs as at 31 March 2021, total revenue of Rs 10,488 lacs, total net profit after tax of Rs. 686 lacs and net cash outflows of Rs 196 lacs for the year ended on that date, as considered in the standalone financial statements. The branch and trusts have been audited by their respective independent auditors whose reports have been furnished to us by the

management, and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of the branch and trusts, is based solely on the report of such branch and other auditors.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) 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 reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors and report on accounts of the trusts have been sent to us and have been properly dealt with by us in preparing this report.
  - d) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - e) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
  - f) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' 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 as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 47 to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **BSR & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Rajiv Shah**

*Partner*

Mumbai  
8 June 2021

Membership No: 112878  
UDIN: 21112878AAAAAT6673

## Annexure A to the Independent Auditors' Report - 31 March 2021

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. per demand, and thus, there has been no default on the part of the companies covered in the register maintained under section 189 of the Act.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were physically verified by the management during the year and the discrepancies reported on such verification were not material and have been properly dealt with in the books of account. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. (c) There are no overdue amounts in respect of the loan granted to the companies listed in the register maintained under section 189 of the Act.
- (c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 2 to the standalone financial statements are held in the name of the Company, except the following:

Particular	Freehold Land (Rs. in Lac)	Building (Rs. in Lac)
Gross block as at 31 March 2021	18.44	Nil
Net block as at 31 March 2021	18.44	Nil

- (ii) The inventory, except goods-in-transit and stock lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have been substantially confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material. (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of investments made, loans given, guarantees and securities given.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to eleven companies covered in the register maintained under Section 189 of the Companies Act 2013 (the Act), in respect of which:
- (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the interest of the Company. (v) In our opinion, and according to the information and explanations given to us, during the year the Company has not accepted any new deposits. The Company has complied with the provisions of Section 73 to 76 of the Act or other relevant provisions of the Act and the rules framed thereunder/the directives issued by the Reserve Bank of India (as applicable) with regard to deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal (as applicable) or Reserve Bank of India or any Court or any other Tribunal.
- (b) The loans granted are repayable on demand and as per terms of the agreement. We are informed that the Company has not demanded repayment of such loan from six such companies during the year and other companies has paid the loan as (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, duties of customs, goods and service tax, cess, professional tax and other material statutory dues, as applicable, with the appropriate authorities.
- (a) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess, professional tax and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, service tax, duty of customs, duty of

- excise, value added tax and goods and service tax which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in the Annexure I to this report.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions or banks. The Company does not have any loans or borrowings from Government, nor has it issued any debentures.
- (ix) According to the information and explanations given to us and based on our examination of the records, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the terms loans taken by the Company have been applied for the purpose for which they are raised.
- (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 explanations 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) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Rajiv Shah**

*Partner*

Mumbai  
8 June 2021

Membership No: 112878  
UDIN: 21112878AAAAAT6673



## Annexure I

Name of the Statute	Nature of dues	Amount in (Rs.) (net of deposit paid under protest)	Period to which amount relates	Forum where dispute is pending
Central Sales tax Act and Local Sales tax Act	Sales tax (including interest and penalty, if applicable) -Disallowance on account of non-submission of required forms	11,619,875	1993-94, 1995-96 2004-05, 2006-07, 2007-08, 2009-10	Joint Commissioner Appeals
		34,560,055	2006-07, 2007-08, 2009-10, 2013-14, 2015-16, 2017-18	Assistant Commissioner Appeals
		6,248,241	2010-11	Commercial tax appeals
		16,948,760	2008-09, 2010-11, 2011-12, 2013-14, 2014-15	Deputy Commissioner Appeals
		7,841,209	2016-17	Assistant Commissioner of Commercial Tax
		16,619,413	2010-11	Objection Hearing Authority
		920,825	2015-16, 2016-17, 2017-18	Assessment Authority
The Central Excise Act	Excise duty (including interest and penalty, if applicable)	1,678,600	2004-05	Commercials of Central Excise
		1,332,857	2006-07	Tribunal Appeals, Ahmedabad
Finance Act, 1994-Service Tax	Disallowance of service tax taken on input services	340,976	2006-2012	Additional Commissioner of Central Excise
		25,005,759	2012 to 2017	CESTAT, Appeals
Income tax Act, 1961	Income tax demand	21,742,929	2008-2009 and 2010-2011	Income Tax Appellate Tribunal
		30,411,507	2009-10 to 2014-2015	Commissioner of Income Tax (Appeal)
		18,435,510	2015-2016 to 2016-2017	Deputy Commissioner of Income Tax

**Annexure B to the Independent Auditors' report on the standalone financial statements****Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

(Referred to in paragraph 2 (A) (g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Ion Exchange (India) Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial

statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal



control stated in the Guidance Note. 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 Companies Act, 2013 (hereinafter referred to as "the Act").

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial controls with Reference to Standalone Financial Statements**

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial

controls with reference to standalone financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements**

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

### **Other Matter**

We did not audit the internal financial controls with reference to financial statements of a branch of the Company. The internal financial controls with reference to financial statements of a branch have been audited by the branch auditor whose reports have been furnished to us, and our opinion in so far as it relates to the internal financial controls with reference to financial statements included in respect of these branch, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Rajiv Shah**

*Partner*

Mumbai  
8 June 2021

Membership No: 112878  
UDIN: 21112878AAAAAT6673

**Balance sheet as at 31st March 2021**

	Notes	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2(i)	14,206.67	13,850.33
(b) Capital work-in-progress	2(ii)	1,459.82	1,150.82
(c) Right-of-use assets	3	2,981.93	3,682.82
(d) Other intangible assets	4	215.53	158.99
<b>(e) Financial assets</b>			
(i) Investments	5	6,246.89	6,204.37
(ii) Trade receivables	6	123.71	294.09
(iii) Loans	7	4,199.73	4,195.01
(f) Other non current assets	8	356.60	533.01
(g) Deferred tax assets (Net)	9	419.93	56.95
<b>Total non-current assets</b>		<b>30,210.81</b>	<b>30,126.39</b>
<b>Current assets</b>			
(a) Inventories	10	10,242.64	11,800.97
<b>(b) Financial assets</b>			
(i) Investments	11	23.75	11.07
(ii) Trade receivables	6	45,282.75	51,373.48
(iii) Cash and cash equivalents	12	7,612.67	8,460.87
(iv) Bank balances other than (iii) above	13	41,084.77	26,909.14
(v) Loans	7	5,371.83	4,723.76
(vi) Other financial assets	14	921.42	2,241.09
(c) Other current assets	8	8,812.89	8,023.67
<b>Total current assets</b>		<b>119,352.72</b>	<b>113,544.05</b>
<b>Total assets</b>		<b>149,563.53</b>	<b>143,670.44</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	1,466.67	1,466.67
(b) Other equity	16	61,230.72	46,682.71
<b>Total equity</b>		<b>62,697.39</b>	<b>48,149.38</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	17	795.01	1,875.27
(ii) Lease liabilities		456.19	1,011.56
(iii) Other financial liabilities	18	847.92	808.32
(b) Provisions	19	1,483.03	1,398.22
(c) Non current tax liabilities (Net)	20	-	190.31
<b>Total non-current liabilities</b>		<b>3,582.15</b>	<b>5,283.68</b>
<b>Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	21	1,194.13	5,045.92
(ii) Lease liabilities		585.09	954.72
(iii) Trade payables	22		
- Total outstanding dues of micro and small enterprises		1,504.76	908.96
- Total outstanding dues of creditors other than micro and small enterprises		48,947.51	46,146.92
(iv) Other financial liabilities	23	3,710.93	3,939.38
(b) Other current liabilities	24	24,419.74	31,176.71
(c) Provisions	19	465.44	491.03
(d) Current tax liabilities (Net)	20	2,456.39	1,573.74
<b>Total current liabilities</b>		<b>83,283.99</b>	<b>90,237.38</b>
<b>Total liabilities</b>		<b>86,866.14</b>	<b>95,521.06</b>
<b>Total equity and liabilities</b>		<b>149,563.53</b>	<b>143,670.44</b>
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

For and on behalf of the board of directors of  
ION EXCHANGE (INDIA) LIMITED  
CIN - L74999MH1964PLC014258

RAJIV SHAH  
Partner  
Membership no.: 112878

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 8th June 2021

N. M. RANADIVE  
Chief Financial Officer

Place : Mumbai  
Date : 8th June 2021

### Statement of profit and loss for the year ended 31st March 2021

	Notes	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
<b>Income</b>			
Revenue from operations	25	140,176.56	140,718.22
Other income	26	3,677.82	4,854.15
<b>Total Income (I)</b>		<b>143,854.38</b>	<b>145,572.37</b>
<b>Expenses</b>			
Cost of materials consumed	27	86,167.54	91,899.75
Purchases of stock-in-trade	28	3,277.35	4,368.43
Change in inventories of finished goods, stock-in-trade and work-in-progress	29	301.35	(498.72)
Employee benefits expenses	30	14,104.03	14,859.38
Finance costs	31	989.60	1,318.75
Depreciation and amortization expenses	32	2,613.97	2,204.93
Other expenses	33	16,812.98	18,002.30
<b>Total expenses (II)</b>		<b>124,266.82</b>	<b>132,154.82</b>
<b>Profit before tax (I - II)</b>		<b>19,587.56</b>	<b>13,417.55</b>
<b>Tax expense</b>			
Current tax	34	5,385.00	3,642.20
Deferred tax (credit) / charged	9	(395.00)	(136.35)
<b>Total tax expense</b>		<b>4,990.00</b>	<b>3,505.85</b>
<b>Profit after tax (III)</b>		<b>14,597.56</b>	<b>9,911.70</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss	35		
(a) Remeasurement benefit of defined benefit plans		127.22	(123.14)
(b) Income tax expense on remeasurement benefit of defined benefit plans		(32.02)	31.00
<b>Total other comprehensive income (IV)</b>		<b>95.20</b>	<b>(92.14)</b>
<b>Total comprehensive income (III + IV)</b>		<b>14,692.76</b>	<b>9,819.56</b>
<b>Earnings per equity share:</b> [Nominal value of shares INR 10 (2019-20: INR 10)] (Refer note 36)			
Basic (in INR)		118.75	81.85
Diluted (in INR)		118.75	81.85
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

For and on behalf of the board of directors of  
ION EXCHANGE (INDIA) LIMITED  
CIN - L74999MH1964PLC014258

RAJIV SHAH  
Partner  
Membership no.: 112878

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 8th June 2021

N. M. RANADIVE  
Chief Financial Officer

Place : Mumbai  
Date : 8th June 2021

**STATEMENT OF CHANGES IN EQUITY for the year ended 31st March 2021****A. Equity share capital**

	As at 31st March 2021		As at 31st March 2020	
	Number of shares	INR in Lacs	Number of shares	INR in Lacs
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	14,666,659	1,466.67	14,666,659	1,466.67
Add: Shares issued during the year	-	-	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	<b>14,666,659</b>	<b>1,466.67</b>	<b>14,666,659</b>	<b>1,466.67</b>

**B. Other equity**

	Reserves and Surplus				Treasury Shares	Total other equity
	Security premium account	Special reserve	General reserve	Retained earnings	(Refer note 16)	
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs
<b>Balance as at 1st April 2019</b>	<b>8,276.09</b>	<b>16.00</b>	<b>2,644.66</b>	<b>28,028.51</b>	<b>(2,996.99)</b>	<b>35,968.27</b>
Transition impact of Ind AS 116	-	-	-	29.51	-	29.51
<b>Balance as at 1st April 2019</b>	<b>8,276.09</b>	<b>16.00</b>	<b>2,644.66</b>	<b>28,058.02</b>	<b>(2,996.99)</b>	<b>35,997.78</b>
Profit for the year (a)	-	-	-	9,911.70	-	9,911.70
Other Comprehensive Income (b)	-	-	-	(92.14)	-	(92.14)
Total comprehensive income for the year (a+b)	-	-	-	9,819.56	-	9,819.56
Proceeds from sale of treasury shares	-	-	-	2,189.41	-	2,189.41
Cost of treasure shares sold	-	-	-	(188.71)	188.71	-
Dividend paid	-	-	-	(1,093.58)	-	(1,093.58)
Tax on dividend paid	-	-	-	(230.46)	-	(230.46)
<b>Balance as at 31st March 2020</b>	<b>8,276.09</b>	<b>16.00</b>	<b>2,644.66</b>	<b>38,554.24</b>	<b>(2,808.28)</b>	<b>46,682.71</b>
Profit for the year (c)	-	-	-	14,597.56	-	14,597.56
Other Comprehensive Income (d)	-	-	-	95.20	-	95.20
Total comprehensive income for the year (c+d)	-	-	-	14,692.76	-	14,692.76
Additional treasury shares	-	-	-	47.35	(4.36)	42.99
Dividend paid	-	-	-	(187.74)	-	(187.74)
Tax on dividend paid	-	-	-	-	-	-
<b>Balance as at 31st March 2021</b>	<b>8,276.09</b>	<b>16.00</b>	<b>2,644.66</b>	<b>53,106.61</b>	<b>(2,812.64)</b>	<b>61,230.72</b>

As per our report of even date attached

For B S R &amp; Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

For and on behalf of the board of directors of

ION EXCHANGE (INDIA) LIMITED

CIN - L74999MH1964PLC014258

RAJIV SHAH

Partner

Membership no.: 112878

RAJESH SHARMA

Chairman &amp; Managing Director

DIN - 00515486

M. P. PATNI

Director

DIN - 00515553

MILIND PURANIK

Company Secretary

Place : Mumbai

Date : 8th June 2021

N. M. RANADIVE

Chief Financial Officer

Place : Mumbai

Date : 8th June 2021

### Cash flow statement for the year ended 31st March 2021

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
<b>A. Cash flow from operating activities:</b>		
<b>Profit before tax</b>	<b>19,587.56</b>	<b>13,417.55</b>
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expenses	2,613.97	2,204.93
Loss on assets sold / discarded (Net)	(1.39)	9.89
Finance cost	989.60	1,318.75
Dividend Income	(126.66)	(131.38)
Interest Income	(3,243.80)	(3,253.88)
Provision for doubtful debts / Bad debts written off	919.28	1,068.08
Doubtful advances/Claim written off	286.00	-
Change in fair value of investments	(12.68)	25.46
Guarantee commission	(60.57)	(70.69)
Unrealised exchange loss / (gain)	52.97	(1,070.03)
Others	61.09	-
<b>Operating profit before working capital changes</b>	<b>21,065.37</b>	<b>13,518.68</b>
Movements in working capital:		
(Increase) / Decrease in inventories	1,558.33	(885.67)
(Increase) / Decrease in trade receivables	4,881.60	(8,868.30)
(Increase) / Decrease in loans	(79.73)	(982.54)
(Increase) / Decrease in other assets	(668.81)	(1,255.69)
(Decrease) / Increase in trade payables	3,537.96	6,543.60
(Decrease) / Increase in other financial liabilities	237.35	376.21
(Decrease) / Increase in other current liabilities	(6,756.97)	1,390.94
(Decrease) / Increase in provisions	186.44	198.50
<b>Cash generated from operations</b>	<b>23,961.54</b>	<b>10,035.73</b>
Taxes paid	(4,792.66)	(3,563.17)
<b>Net cash generated from operating activities</b>	<b>(A) 19,168.88</b>	<b>6,472.56</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant and equipment	(2,976.05)	(3,111.89)
Proceeds from sale of property, plant and equipment	1.53	30.64
Proceeds from sale of treasury shares	-	2,189.41
Investments made in subsidiaries	(0.05)	(59.27)
(Increase) / Decrease in loans	(859.06)	1,511.71
Bank deposit made during the year (with maturity more than three months)	(18,151.76)	(14,143.26)
Bank deposit matured during the year (with maturity more than three months)	3,964.71	11,195.44
Dividend Received	126.66	131.38
Interest Received	4,563.47	2,850.20
<b>Net cash generated / (used) in investing activities</b>	<b>(B) (13,330.55)</b>	<b>594.36</b>

## Cash Flow Statement for the year ended 31st March 2021 (Contd.)

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
<b>C. Cash flow from financing activities:</b>		
Repayment of borrowings	(5,364.85)	(2,599.39)
Proceeds from borrowings	664.30	3,936.14
Payment towards lease liability	(1,157.78)	(1,235.61)
Dividend paid	(187.74)	(1,093.58)
Dividend tax paid	-	(230.46)
Finance cost	(906.15)	(1,043.23)
<b>Net cash (used) in financing activities</b>	<b>(C) (6,952.22)</b>	<b>(2,266.13)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>(A)+(B)+(C) (1,113.89)</b>	<b>4,800.79</b>
<b>Effect of exchange difference on cash and cash equivalent held in foreign currency</b>	<b>265.69</b>	<b>60.53</b>
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>8,460.87</b>	<b>3,599.55</b>
<b>Cash and cash equivalents as at the end of the year</b>	<b>7,612.67</b>	<b>8,460.87</b>

## Notes:

- 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.
- Purchase of property, plant and equipment represents additions to property, plant and equipment, and other intangible assets adjusted for movement of capital-work-in-progress for property, plant and equipment.
- Cash and cash equivalents excludes the following balances with bank:

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Cash and cash equivalents disclosed under current assets [Note 12]	7,612.67	8,460.87
Other bank balances disclosed under current assets [Note 13]	41,084.77	26,909.14
<b>Total cash and cash equivalents as per balance sheet</b>	<b>48,697.44</b>	<b>35,370.01</b>
Less: Other bank balances disclosed under current assets		
On unclaimed dividend account	54.71	65.92
On unclaimed interest on fixed deposits	0.52	0.73
On deposit account	24,417.16	10,475.53
On margin money account	16,612.38	16,366.96
<b>Total cash and cash equivalents as per statement of cash flows</b>	<b>7,612.67</b>	<b>8,460.87</b>

As per our report of even date attached

For B S R &amp; Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

For and on behalf of the board of directors of

ION EXCHANGE (INDIA) LIMITED

CIN - L74999MH1964PLC014258

RAJIV SHAH

Partner

Membership no.: 112878

RAJESH SHARMA

Chairman &amp; Managing Director

DIN - 00515486

M. P. PATNI

Director

DIN - 00515553

MILIND PURANIK

Company Secretary

Place : Mumbai

Date : 8th June 2021

N. M. RANADIVE

Chief Financial Officer

Place : Mumbai

Date : 8th June 2021



## **NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021**

### **Company Overview**

Ion Exchange (India) Limited (the 'company') offers a wide range of solutions across the water cycle from pre-treatment to process water treatment, waste water treatment, recycle, zero liquid discharge, sewage treatment, packaged drinking water, sea water desalination etc. The company is also engaged in manufacturing resins, speciality chemicals for water and waste water treatment as well as non-water applications. The company's water and environment management solutions extend beyond the industrial sector to homes, hotels, spas, educational institutions, hospitals, laboratories, realty sector, defense establishments and rural communities, providing safe drinking water and a clean environment.

The company is a public limited company incorporated and domiciled in India. It is listed on BSE Limited (BSE).

#### **1. Significant Accounting Policies**

##### **1.1 Statement of compliance**

These financial statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time as notified under Section 133 of Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act"), and the guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements are authorised for issue by the Board of Directors of the company at their meeting held on 8th June 2021.

##### **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.

The standalone financial statements includes financials statements of IEI Shareholding (Staff Welfare) Trusts (60 trusts) and HMIL Shareholding (Staff Welfare) Trusts (17 trusts).

The operating cycle in case of projects division comprising of turnkey projects which forms a part of engineering segment is determined for each project separately based on the expected execution period of the contract. In case of the other divisions the company has ascertained its operating cycle as twelve months.

##### **1.3 Functional and presentation currency**

The standalone financial statements are presented in Indian rupees, which is also the company's functional currency. All amounts have been rounded off to two decimal places to the nearest lacs, 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 judgments, 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 recognised in the financial statements for the period in which such changes are determined.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****1. Significant Accounting Policies (contd...)****1.5 Use of estimates (contd...)****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.

**d) Expected credit loss (ECL) – Refer note no. 1.13 on Impairment of financial assets****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 based on technical evaluation, whichever is lower, as stated below.

Assets	Useful lives
Road	10 years
Building - Other than factory buildings	30 – 60 years
- Factory buildings	20 – 30 years
Plant and machinery	10 – 15 years
Site equipments	3 years
Furniture and fixtures	10 years
Vehicles	4 – 8 years
Office equipments	3 – 5 years

## **NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

### **1. Significant Accounting Policies (contd...)**

#### **1.7 Property, plant and equipment and depreciation (contd...)**

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.

The company reviews its carrying value of investments carried at cost and 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.

#### **1.10 Foreign currency transactions**

Transactions in foreign currencies are recognised 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 recognised 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 recognised 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 recognised 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.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****1. Significant Accounting Policies (contd...)****1.11 Inventories (contd...)**

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 Research and development**

Capital expenditure on research and development is treated in the same manner as property, plant and equipment. Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured.

**1.13 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 is 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 recognised 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 recognised 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.

**(iv) Impairment of financial assets**

The Company assesses impairment based on Expected Credit Losses (ECL) model for the following:

Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

## **NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

### **1. Significant Accounting Policies (contd...)**

#### **1.13 Financial instruments (contd...)**

Other financial assets such as deposits, advances etc., the company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition.

As a practical expedient, the Company uses the provision matrix to determine impairment loss allowance on the trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and its adjusted forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) during the period is recognised as other expense in the statement of profit and loss.

#### (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.

#### **1.14 Financial guarantees**

Where guarantees in relation to loans of group companies are provided for no compensation, the fair value are accounted for as contribution and recognised as part of cost of investment.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****1. Significant Accounting Policies (contd...)****1.15 Retirement and other employee benefits**

- (i) Retirement benefit in the form of provident fund managed by Government Authorities and Superannuation Fund are defined contribution scheme and the contribution is charged to the statement of profit and loss for the year when the contribution to the respective fund is due. There is no other obligation other than the contribution payable.
- (ii) Provident Fund scheme managed by trust set up by the company is a defined benefit plan. Employee benefits, in form of contribution to provident fund managed by such trust, are charged to the statement of profit and loss as and when the related services are rendered. The deficit, if any, in the accumulated corpus of the trust is recognised in the statement of profit and loss based on actuarial valuation.
- (iii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit method made at the end of each financial year. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI).
- (iv) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.
- (v) Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per Projected Unit Credit method made at the end of each financial year. The company presents the leave liability as non-current in the balance sheet, to the extent it has an unconditional right to defer its settlement for a period beyond 12 months, balance amount is presented as current.

**1.16 Employee stock compensation cost**

Equity-settled plans are accounted at fair value as at the grant date. The fair value of the share-based option is determined at the grant date using a market-based option valuation model (Black Scholes Option Valuation Model). The fair value of the option is recorded as compensation expense amortized over the vesting period of the options, with a corresponding increase in Reserves and Surplus under the head "Employee Stock Option Outstanding". On exercise of the option, the proceeds are recorded as share capital and security premium account.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the company's best estimate of the number of equity instruments that will ultimately vest.

**1.17 Revenue recognition**

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

Revenue is recognised upon transfer of control of promised products or services to customers for 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 fixed-price construction 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.



## **NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

### **1. Significant Accounting Policies (contd...)**

#### **1.17 Revenue recognition (contd...)**

Unearned and deferred revenue ("contract liability") is recognised when there are 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 judgments 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 identify distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgment 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 judgment 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 judgment 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 construction contract is recognised using percentage-of-completion method. The company uses judgment 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.

#### **1.18 Taxation**

- (i) Provision for current taxation has been made in accordance with the Indian Income tax laws prevailing for the relevant assessment years.
- (ii) Deferred tax is recognised, subject to the consideration of prudence, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Un-recognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****1. Significant Accounting Policies (contd...)****1.18 Taxation (contd...)**

Deferred tax relating to items recognised outside profit or loss are recognised in correlation to the underlying transaction either in Other Comprehensive Income (OCI) or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation.

**1.19 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.

**1.20 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 calculating the weighted average number of equity shares outstanding, 2,368,939 (2019-20: 2,368,939) equity shares and 4,675 equity shares are being excluded on consolidation of equity shares held by IEI Shareholding (Staff Welfare) Trusts and HMIL Shareholding (Staff Welfare) Trusts respectively.

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.

**1.21 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.

**1.22 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.

**1.23 Leases**

Leases are accounted as per Ind AS 116 which has become mandatory from April 1, 2019.

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 lease by the company are included in property, plant and equipment. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

## **NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

### **1. Significant Accounting Policies (contd...)**

#### **1.23 Leases (contd...)**

##### Where the company is the lessee

Assets taken on lease are accounted as right-of-use assets and the corresponding lease liability is accounted at the lease commencement date.

Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The lease liability is initially measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, or a change in the estimate of the guaranteed residual value, or a change in the assessment of purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated amortisation and cumulative impairment, if any. The right-of-use asset is amortised, using the straight-line method over the period of lease, from the commencement date to the end of the lease term or useful life of the underlying asset whichever is earlier. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Lease payments associated with following leases are recognised as expense on straight-line basis:

- (i) Low value leases; and
- (ii) Leases which are short-term.

#### **1.24 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset till such time that it is required to complete and prepare the assets to get ready for its intended use. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **1.25 Dividend payable**

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as a liability on the date of declaration by the company's board of directors. A corresponding amount is recognised directly in equity.

The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay/distribute dividend after deducting applicable taxes.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****2(i). Property, plant and equipment**

	INR in Lacs									
	Land (Freehold) (Refer note a)	Land (Leasehold)	Road	Building on freehold land (Refer note b, c, d and e)	Building on leasehold land	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Total
<b>Gross block</b>										
As at 1st April 2020	204.29	-	88.46	3,778.84	3,017.62	9,590.33	580.91	339.36	859.76	18,459.57
Addition during the year	-	-	7.42	104.02	580.52	1,233.14	95.20	1.37	138.10	2,159.77
Disposal during the year	-	-	-	-	-	-	-	3.82	0.56	4.38
<b>As at 31st March 2021</b>	<b>204.29</b>	<b>-</b>	<b>95.88</b>	<b>3,882.86</b>	<b>3,598.14</b>	<b>10,823.47</b>	<b>676.11</b>	<b>336.91</b>	<b>997.30</b>	<b>20,614.96</b>
<b>Depreciation / Amortisation</b>										
As at 1st April 2020	-	-	38.67	239.94	424.40	3,068.02	189.70	155.39	493.12	4,609.24
Depreciation during the year	-	-	10.20	113.72	148.69	1,275.86	65.24	63.19	126.39	1,803.29
Deduction during the year	-	-	-	-	-	-	-	3.82	0.42	4.24
<b>As at 31st March 2021</b>	<b>-</b>	<b>-</b>	<b>48.87</b>	<b>353.66</b>	<b>573.09</b>	<b>4,343.88</b>	<b>254.94</b>	<b>214.76</b>	<b>619.09</b>	<b>6,408.29</b>
<b>Net carrying value As at 31st March 2021</b>	<b>204.29</b>	<b>-</b>	<b>47.01</b>	<b>3,529.20</b>	<b>3,025.05</b>	<b>6,479.59</b>	<b>421.17</b>	<b>122.15</b>	<b>378.21</b>	<b>14,206.67</b>
<b>Gross block</b>										
As at 1st April 2019	204.29	360.13	88.46	2,212.67	2,999.70	10,450.62	509.41	287.74	1,008.52	18,121.54
Transition impact of Ind AS 116 (Refer note 45)	-	(360.13)	-	-	-	(2,156.28)	-	-	(361.36)	(2,877.77)
Cost as at 1st April 2019	204.29	-	88.46	2,212.67	2,999.70	8,294.34	509.41	287.74	647.16	15,243.77
Addition during the year	-	-	-	1,566.17	17.92	1,409.55	72.87	82.47	220.70	3,369.68
Disposal during the year	-	-	-	-	-	113.56	1.37	30.85	8.10	153.88
<b>As at 31st March 2020</b>	<b>204.29</b>	<b>-</b>	<b>88.46</b>	<b>3,778.84</b>	<b>3,017.62</b>	<b>9,590.33</b>	<b>580.91</b>	<b>339.36</b>	<b>859.76</b>	<b>18,459.57</b>
<b>Depreciation / Amortisation</b>										
As at 1st April 2019	-	24.14	27.17	166.99	293.20	2,621.88	134.87	126.57	475.18	3,870.00
Transition impact of Ind AS 116 (Refer note 45)	-	(24.14)	-	-	-	(547.42)	-	-	(110.22)	(681.78)
Accumulated depreciation as at 1st April 2019	-	-	27.17	166.99	293.20	2,074.46	134.87	126.57	364.96	3,188.22
Depreciation during the year	-	-	11.50	72.95	131.20	1,070.27	55.85	59.67	132.93	1,534.37
Deduction during the year	-	-	-	-	-	76.71	1.02	30.85	4.77	113.35
<b>As at 31st March 2020</b>	<b>-</b>	<b>-</b>	<b>38.67</b>	<b>239.94</b>	<b>424.40</b>	<b>3,068.02</b>	<b>189.70</b>	<b>155.39</b>	<b>493.12</b>	<b>4,609.24</b>
<b>Net carrying value As at 31st March 2020</b>	<b>204.29</b>	<b>-</b>	<b>49.79</b>	<b>3,538.90</b>	<b>2,593.22</b>	<b>6,522.31</b>	<b>391.21</b>	<b>183.97</b>	<b>366.64</b>	<b>13,850.33</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

**2(i). Property, plant and equipment (contd...)**

Notes

- a) Freehold land includes land at Pune, the title deeds of which are in the name of the nominees of the company.  
Deemed gross book value INR 18.44 Lacs (2019-20: INR 18.44 Lacs)
- b) Buildings on freehold land includes residential flats, the cost of which includes:
- INR 250 (2019-20: INR 250) being the value of 5 Shares (unquoted) of INR 50 each, fully paid up in Sunrise Co-operative Housing Society Limited.
  - INR 3,500 (2019-20: INR 3,500) being the value of 70 Shares (unquoted) of INR 50 each, fully paid up in Usha Milan Co-operative Society Limited.
- c) Buildings on freehold land includes residential flats acquired at Mumbai, the society formation of which is in progress.  
Deemed gross book value INR 41.15 Lacs (2019-20: INR 41.15 Lacs)  
Net book value INR 35.95 Lacs (2019-20: INR 36.99 Lacs)
- d) Buildings on freehold land includes residential flats comprising of 2 LIG flats (Nos. B-16 and B-17) and 1 MIG flat (No. B-14) at Hosur, the title deeds of which are awaited from authorities.  
Deemed gross book value INR Nil (2019-20: INR Nil)  
Net book value INR Nil (2019-20: INR Nil)
- e) Buildings on freehold land includes office premises given on operating lease :  
Deemed gross book value INR 144.44 Lacs (2019-20: INR 144.44 Lacs)  
Accumulated depreciation INR 32.77 Lacs (2019-20: INR 26.92 Lacs)  
Depreciation for the year INR 5.85 Lacs (2019-20: INR 7.50 Lacs)  
Net book value INR 111.67 Lacs (2019-20: INR 117.52 Lacs)
- f) Addition to Property, plant and equipment includes amount of INR 108.32 Lacs (2019-20: INR 1,516.74 Lacs) pertaining to research and development.
- g) Certain property, plant and equipment are given as security for borrowings, the details relating to which have been described in note 17 and note 21

**2(ii). Capital work-in-progress**

INR in Lacs

	Year ended 31st March 2021	Year ended 31st March 2020
<b>As at 1st April</b>	1,150.82	1,228.49
Addition during the year	2,015.89	4,229.16
Capitalisation / deductions during the year	1,706.89	4,306.83
<b>As at 31st March</b>	<b>1,459.82</b>	<b>1,150.82</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****3. Right-of-use assets**

	INR in Lacs					
	Land	Building	Plant and machinery (Refer note a)	Vehicles	Office equipments (Refer note a)	Total
<b>Gross block</b>						
As at 1st April 2020	335.99	479.93	3,157.76	-	324.35	4,298.03
Addition during the year	-	-	-	9.18	42.00	51.18
Disposal during the year	-	-	-	-	-	-
<b>As at 31st March 2021</b>	<b>335.99</b>	<b>479.93</b>	<b>3,157.76</b>	<b>9.18</b>	<b>366.35</b>	<b>4,349.21</b>
<b>Depreciation / Amortisation</b>						
As at 1st April 2020	9.48	140.12	342.57	-	123.04	615.21
Depreciation during the year	9.48	141.12	468.70	0.48	132.29	752.07
Deduction during the year	-	-	-	-	-	-
<b>As at 31st March 2021</b>	<b>18.96</b>	<b>281.24</b>	<b>811.27</b>	<b>0.48</b>	<b>255.33</b>	<b>1,367.28</b>
<b>Net carrying value as at 31st March 2021</b>	<b>317.03</b>	<b>198.69</b>	<b>2,346.49</b>	<b>8.70</b>	<b>111.02</b>	<b>2,981.93</b>
<b>Gross block</b>						
As at 1st April 2019	-	-	-	-	-	-
Reclassified on account of adoption of Ind AS 116 (Refer note 45)	335.99	-	1,608.86	-	251.14	2,195.99
Addition during the year	-	479.93	1,548.90	-	73.21	2,102.04
Disposal during the year	-	-	-	-	-	-
<b>As at 31st March 2020</b>	<b>335.99</b>	<b>479.93</b>	<b>3,157.76</b>	<b>-</b>	<b>324.35</b>	<b>4,298.03</b>
<b>Depreciation / Amortisation</b>						
As at 1st April 2019	-	-	-	-	-	-
Depreciation during the year	9.48	140.12	342.57	-	123.04	615.21
Deduction during the year	-	-	-	-	-	-
<b>As at 31st March 2020</b>	<b>9.48</b>	<b>140.12</b>	<b>342.57</b>	<b>-</b>	<b>123.04</b>	<b>615.21</b>
<b>Net carrying value as at 31st March 2020</b>	<b>326.51</b>	<b>339.81</b>	<b>2,815.19</b>	<b>-</b>	<b>201.31</b>	<b>3,682.82</b>

## Notes

- a) Finance lease obligations are secured by hypothecation of under lying plant and machinery and equipment's taken on lease. Lease obligations are discharged by monthly / quarterly lease rental payments. The lease terms are for 2 to 4 years.



**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**
**4. Intangible assets**

	INR in Lacs	
	Computer Software	Total
<b>Gross block</b>		
As at 1st April 2020	346.66	346.66
Addition during the year	115.15	115.15
Disposal during the year	-	-
<b>As at 31st March 2021</b>	<b>461.81</b>	<b>461.81</b>
<b>Amortisation</b>		
As at 1st April 2020	187.67	187.67
Amortised during the year	58.61	58.61
Deduction during the year	-	-
<b>As at 31st March 2021</b>	<b>246.28</b>	<b>246.28</b>
<b>Net carrying value as at 31st March 2021</b>	<b>215.53</b>	<b>215.53</b>
<b>Gross block</b>		
As at 1st April 2019	269.18	269.18
Addition during the year	77.48	77.48
Disposal during the year	-	-
<b>As at 31st March 2020</b>	<b>346.66</b>	<b>346.66</b>
<b>Amortisation</b>		
As at 1st April 2019	132.32	132.32
Amortised during the year	55.35	55.35
Deduction during the year	-	-
<b>As at 31st March 2020</b>	<b>187.67</b>	<b>187.67</b>
<b>Net carrying value as at 31st March 2020</b>	<b>158.99</b>	<b>158.99</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****5. Non-current investments**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
<b>Measured at cost in equity shares of subsidiaries</b>		
<b>Unquoted, fully paid-up</b>		
1,760,000 (31st March 2020: 1,760,000) equity shares of INR 10 each, fully paid-up in Aqua Investments (India) Limited	176.00	176.00
1,770,000 (31st March 2020: 1,770,000) equity shares of INR 10 each, fully paid-up in Watercare Investments (India) Limited	177.00	177.00
547,000 (31st March 2020: 547,000) equity shares of INR 10 each, fully paid-up in Ion Exchange Enviro Farms Limited	54.70	54.70
2,603,211 (31st March 2020: 2,603,211) equity shares of SGD 1 each, fully paid-up in Ion Exchange Asia Pacific Pte. Ltd.	1,123.66	1,118.73
250,000 (31st March 2020: 250,000) equity shares of MYR 1 each, fully paid-up in IEI Environmental Management (M) Sdn. Bhd.	18.10	18.10
Less: Aggregate amount of provision for impairment in the value of investments	(18.10)	-
	-	18.10
700,000 (31st March 2020: 700,000) equity shares of USD 1 each, fully paid-up in Ion Exchange LLC	372.01	372.01
153,000 (31st March 2020: 153,000) equity shares of OMR 1 each, fully paid-up in Ion Exchange And Company LLC	180.85	180.85
55,862 (31st March 2020: 55,862) equity shares of BDT 100 each, fully paid-up in Ion Exchange Environment Management (BD) Limited	39.21	38.38
27,469 (31st March 2020: 27,469) equity shares of BDT 100 each, fully paid-up in Ion Exchange WTS (Bangladesh) Limited	2.45	2.45
2,170,000 (31st March 2020: 2,170,000) equity shares of INR 10 each, fully paid-up in Global Composite And Structural Limited	301.25	282.25
13,968,634 (31st March 2020: 13,968,634) equity shares of INR 10 each, fully paid-up in Ion Exchange Projects And Engineering Limited	1,460.21	1,445.06
600 (31st March 2020: 600) equity shares of ZAR 1 each, fully paid-up in Ion Exchange Safic Pty Ltd.	75.90	66.24
3,000 (31st March 2020: 3,000) equity shares of SAR 100 each, fully paid-up in Ion Exchange Aribia for Water	58.18	58.18
65,618 (31st March 2020: 65,618) equity shares of INR 10 each, fully paid-up in Total Water Management Services (India) Limited	18.00	18.00
10,000 (31st March 2020: 10,000) equity shares of INR 10 each, fully paid-up in Ion Exchange Purified Drinking Water Private Limited	39.01	39.01
5,000,000 (31st March 2020: 4,999,500) equity shares of INR 10 each, fully paid-up in Ion Exchange Environment Management Limited	501.28	501.23
	<b>(A) 4,579.71</b>	<b>4,548.19</b>
<b>Measured at cost in equity shares of associates</b>		
<b>Unquoted, fully paid-up</b>		
460,000 (31st March 2020: 460,000) equity shares of INR 10 each, fully paid-up in Aquanomics Systems Limited	101.00	90.00
	<b>(B) 101.00</b>	<b>90.00</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

**5. Non-current investments (contd...)**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
<b>Measured at fair value through profit and loss in equity shares of others</b>		
<b>Unquoted, fully paid-up</b>		
6,000 (31st March 2020: 6,000) equity shares of INR 10 each, fully paid-up in IEK Plastics Limited	-	-
113 (31st March 2020: 113) equity shares of INR 10 each, fully paid-up in Patancheru Enviro-tech Limited	0.01	0.01
10,500 (31st March 2020: 10,500) equity shares of INR 10 each, fully paid-up in Bharuch Enviro Infrastructure Limited	1.05	1.05
352,500 (31st March 2020: 352,500) equity shares of INR 10 each, fully paid-up in Bharuch Eco-Aqua Infrastructure Limited	35.25	35.25
71,518 (31st March 2020: 71,518) equity shares of INR 10 each, fully paid-up in GPCL Consulting Services Limited	27.46	27.46
1,000 (31st March 2020: 1,000) equity shares of INR 10 each, fully paid-up in Ion Foundation	0.10	0.10
7,143 (31st March 2020: 7,143) equity shares of INR 10 each, fully paid-up in Water Quality India Association	0.71	0.71
11,000 (31st March 2020: 11,000) equity shares of INR 10 each, fully paid-up in Haldia Water Services Pvt. Ltd. [Refer note (a) below]	1.10	1.10
<b>(C)</b>	<b>65.68</b>	<b>65.68</b>
<b>Measured at amortised cost in preference shares of others</b>		
<b>Unquoted, fully paid-up</b>		
75,000 (31st March 2020: 75,000) 14.25% preference shares of INR 100 each, fully paid-up in HMG Industries Limited	0.50	0.50
<b>(D)</b>	<b>0.50</b>	<b>0.50</b>
<b>Measured at amortised cost in debenture of subsidiaries</b>		
1,500,000 (31st March 2020: 1,500,000) 7% secured redeemable non-convertible debenture of INR 100 each, fully paid-up in Ion Exchange Enviro Farms Limited	1,500.00	1,500.00
<b>(E)</b>	<b>1,500.00</b>	<b>1,500.00</b>
<b>Total non current investments</b>	<b>(A+B+C+D+E) 6,246.89</b>	<b>6,204.37</b>
Aggregate amount of quoted Investments	-	-
Aggregate amount of unquoted Investments	6,246.89	6,204.37

Note

(a) 11,000 equity shares are pledged to a non-banking financial company during the year

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****6. Trade receivables**

	Non-current		Current	
	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Trade receivables				
(a) Unsecured, considered good	-	-	45,282.75	51,373.48
(b) Unsecured, have significant increase in credit risk	123.71	294.09	-	-
(c) Unsecured, credit impaired	59.62	59.62	1,707.28	788.00
	183.33	353.71	46,990.03	52,161.48
Less: Provision for credit impaired	59.62	59.62	1,707.28	788.00
	<b>123.71</b>	<b>294.09</b>	<b>45,282.75</b>	<b>51,373.48</b>

**7. Loans**

	Non-current		Current	
	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Tender, security and other deposits				
(a) Unsecured, considered good	853.09	853.09	64.18	308.92
(b) Unsecured, credit impaired	13.74	13.74	-	-
	866.83	866.83	64.18	308.92
Less: Provision for credit impaired	13.74	13.74	-	-
(A)	853.09	853.09	64.18	308.92
Loans and advances to related parties (Refer note 41)				
(a) Unsecured, considered good	3,346.64	3,341.92	4,278.27	3,423.93
(b) Unsecured, credit impaired	19.50	19.50	-	-
	3,366.14	3,361.42	4,278.27	3,423.93
Less: Provision for credit impaired	19.50	19.50	-	-
(B)	3,346.64	3,341.92	4,278.27	3,423.93
Claims receivables	-	-	1,004.29	902.56
Loans and advance to employees	-	-	25.09	88.35
Rent receivable (Unsecured, credit impaired)	17.05	17.05	-	-
Less: Provision for credit impaired	17.05	17.05	-	-
(E)	-	-	-	-
Others - Unsecured, credit impaired				
- Inter corporate deposits	57.07	57.07	-	-
- Other loans and advances	55.07	55.07	-	-
	112.14	112.14	-	-
Less: Provision for credit impaired	112.14	112.14	-	-
(F)	-	-	-	-
<b>(A+B+C+D+E+F)</b>	<b>4,199.73</b>	<b>4,195.01</b>	<b>5,371.83</b>	<b>4,723.76</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021(contd...)**
**8. Other assets**

		Non-current		Current	
		As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Capital advances (Refer note 49)	(A)	52.49	108.49	-	-
Balance with statutory authorities	(B)	304.11	424.52	4,964.15	2,301.74
Advance to suppliers					
Unsecured, considered good - Others		-	-	2,489.84	4,462.76
Unsecured, considered good - related parties [Refer note 41]		-	-	802.76	723.97
Unsecured, credit impaired		14.20	14.20	-	-
		14.20	14.20	3,292.60	5,186.73
Less: Provision for credit impaired		14.20	14.20	-	-
	(C)	-	-	3,292.60	5,186.73
Prepaid expenses	(D)	-	-	556.14	535.20
	<b>(A+B+C+D)</b>	<b>356.60</b>	<b>533.01</b>	<b>8,812.89</b>	<b>8,023.67</b>

**9. Deferred tax assets (Net)**
**As at 31st March 2021**
**INR in Lacs**

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance	Deferred tax assets	Deferred tax liabilities
<b>Deferred tax assets/ (liabilities)</b>						
Property, plant and equipment	(1,274.39)	37.20	-	(1,237.19)	-	(1,237.19)
Trade receivables	623.28	221.71	-	844.99	844.99	-
Loans and borrowings	64.50	51.67	-	116.17	116.17	-
Retention money	93.95	(28.94)	-	65.01	65.01	-
Other items	549.61	113.36	(32.02)	630.95	630.95	-
<b>Tax assets/(liabilities)</b>	<b>56.95</b>	<b>395.00</b>	<b>(32.02)</b>	<b>419.93</b>	<b>1,657.12</b>	<b>(1,237.19)</b>

**As at 31st March 2020**
**INR in Lacs**

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance	Deferred tax assets	Deferred tax liabilities
<b>Deferred tax assets/ (liabilities)</b>						
Property, plant and equipment	(1,309.69)	35.30	-	(1,274.39)	-	(1,274.39)
Trade receivables	256.40	366.88	-	623.28	623.28	-
Loans and borrowings	61.22	3.28	-	64.50	64.50	-
Retention money	137.21	(43.26)	-	93.95	93.95	-
Other items	744.46	(225.85)	31.00	549.61	549.61	-
<b>Tax assets/(liabilities)</b>	<b>(110.40)</b>	<b>136.35</b>	<b>31.00</b>	<b>56.95</b>	<b>1,331.34</b>	<b>(1,274.39)</b>

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****10. Inventories**

(valued at lower of cost and net realizable value)

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Raw materials and components (includes in transit INR 266.36 Lacs, 31st March 2020: INR 468.04 Lacs)	3,819.23	4,910.09
Work-in-progress	1,179.35	1,537.98
Finished goods (includes in transit INR 25.59 Lacs, 31st March 2020: INR 203.13 Lacs)	3,756.20	3,372.94
Traded goods	759.91	1,135.10
Stores and spares	623.17	789.29
Contract work-in-progress	104.78	55.57
	<b>10,242.64</b>	<b>11,800.97</b>

**11. Investments**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
<b>Investments measured at fair value through profit and loss</b>		
<b>Quoted, fully paid-up</b>		
5,875 (31st March 2020: 5,875) equity shares of INR 2 each, fully paid-up in Sterlite Technologies Limited	11.41	3.75
70 (31st March 2020: 70) equity shares of INR 2 each, fully paid-up in Jain Irrigation Systems Limited	0.01	0.00
8,100 (31st March 2020: 8,100) equity shares of INR 10 each, fully paid-up in Canara Bank	12.33	7.32
	<b>23.75</b>	<b>11.07</b>
Aggregate amount of quoted investments	23.75	11.07
Aggregate amount of unquoted investments	-	-

**12. Cash and cash equivalents**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Balances with banks		
On current accounts [Refer note below]	7,551.27	8,340.63
On Exchange Earner's Foreign Currency accounts	16.63	17.05
Cash on hand	44.77	103.19
	<b>7,612.67</b>	<b>8,460.87</b>

## Note

Includes balance of Rs.3,581.90 Lacs (31st March 2020: Rs.5,898.85 Lacs) in escrow accounts for utilisation in the execution of a specific EPC contract.



**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

**13. Bank balances other than cash and cash equivalents**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Balances with banks		
On Unclaimed dividend account	54.71	65.92
On Unclaimed interest on fixed deposits	0.52	0.73
Other bank balances:		
On deposit account	24,417.16	10,475.53
On margin money account [Refer note below]	16,612.38	16,366.96
	<b>41,084.77</b>	<b>26,909.14</b>

Note

Margin money deposits with a carrying amount of INR 16,612.38 Lacs (31st March 2020: INR 16,366.96 Lacs ) are subject to first charge to secure bank guarantees issued by banks on our behalf.

**14. Other financial assets**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Interest accrued on deposits and margin money	921.42	2,241.09
	<b>921.42</b>	<b>2,241.09</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****15. Equity share capital**

	As at 31st March 2021		As at 31st March 2020	
	No of shares	INR in Lacs	No of shares	INR in Lacs
<b>Authorised capital</b>				
17,000,000 (31st March 2020: 17,000,000) equity shares of INR 10 each.	17,000,000	1,700.00	17,000,000	1,700.00
<b>Issued, subscribed and fully paid-up capital</b>				
14,666,659 (31st March 2020: 14,666,659) equity shares of INR 10 each.	14,666,659	1,466.67	14,666,659	1,466.67
	<b>14,666,659</b>	<b>1,466.67</b>	<b>14,666,659</b>	<b>1,466.67</b>

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

	As at 31st March 2021		As at 31st March 2020	
	No of shares	INR in Lacs	No of shares	INR in Lacs
At the beginning of the year	14,666,659	1,466.67	14,666,659	1,466.67
Add: Issued during the year	-	-	-	-
At the end of the year	<b>14,666,659</b>	<b>1,466.67</b>	<b>14,666,659</b>	<b>1,466.67</b>

**(b) Terms/rights attached to equity shares**

The company has only one class of equity shares having a 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 preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholders holding more than 5% shares in the company \***

	As at 31st March 2021		As at 31st March 2020	
	No of shares	% holding	No of shares	% holding
Mr. Rajesh Sharma	824,968	5.62%	824,968	5.62%
Mr. Mahabir Prasad Patni	755,497	5.15%	755,497	5.15%
Mr. Rakesh Jhunjhunwala	-	0.00%	775,000	5.28%

\* As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**(d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.**

The aggregate number of equity shares issued pursuant to exercise of options granted under the Employee Stock Option Scheme (ESOS) wherein part consideration was received in form of employee services preceding last five years ended on 31st March 2021: 109,500 shares (Previous period of five years ended 31st March 2020: 134,500 shares)

**(e) Shares reserved for issued under ESOS**

There are no pending shares reserved for issue under Employee Stock Option Schemes (ESOS).

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

**16. Other equity**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
<b>Security premium account</b>		
Balance as at 1st April	8,276.09	8,276.09
<b>(A)</b>	<b>8,276.09</b>	<b>8,276.09</b>
<b>Special reserve</b>		
Balance as at 1st April (As per section 45 - IC of the Reserve Bank of India Act, 1934)	16.00	16.00
<b>(B)</b>	<b>16.00</b>	<b>16.00</b>
<b>General reserve</b>		
Balance as at 1st April	2,644.66	2,644.66
<b>(C)</b>	<b>2,644.66</b>	<b>2,644.66</b>
<b>Retained earnings</b>		
Balance as at 1st April	38,554.24	28,028.51
Transition impact of Ind AS 116	-	29.51
Profit for the year	14,597.56	9,911.70
Other comprehensive income	95.20	(92.14)
Proceeds from sale of treasury shares	-	2,189.41
Cost of treasury shares sold	-	(188.71)
Additional treasury shares	47.35	-
Appropriations		
- Dividend	(187.74)	(1,093.58)
- Tax on dividend	-	(230.46)
<b>(D)</b>	<b>53,106.61</b>	<b>38,554.24</b>
<b>Treasury shares</b>		
Balance as at 1st April	(2,808.28)	(2,996.99)
Additional treasury shares	(4.36)	-
Cost of Treasury Shares sold	-	188.71
<b>(E)</b>	<b>(2,812.64)</b>	<b>(2,808.28)</b>
<b>(A+B+C+D+E)</b>	<b>61,230.72</b>	<b>46,682.71</b>

**Notes**

**(a) Description of nature and purpose of each reserve**

**Security premium account:** Securities premium account is used to record the premium on issue of shares. Securities premium also includes the difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to employee stock options scheme. The reserve is utilised in accordance with the provisions of the Act.

**Special reserve:** Special reserve is created by the company in past as per provision of section 45 - IC of the Reserve Bank of India Act, 1934 for repayment of fixed deposit holders.

**General reserve:** The company created a General Reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirement to transfer profits to General Reserve is not mandatory. General reserve represents appropriation of retained earnings and are available for distribution to shareholders.

**Treasury shares:** Treasury shares represents equity shares of the company held by IEI Shareholding (Staff Welfare) Trusts and HMIL Shareholding (Staff Welfare) Trusts.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****16. Other equity (contd...)****(b) Dividend on equity shares paid during the year**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Dividend [INR 1.50 per equity share (2019-20: INR 4.50 per equity share)]	220.00	660.00
Interim dividend (2019-20: INR 4.50 per equity share)	-	660.00
Less: Dividend on treasury shares	(32.26)	(226.42)
Dividend distribution tax	-	230.46
	187.74	1,324.04

**17. Borrowings**

	Non-current		Current	
	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Term loans (Secured)				
Indian rupee loan from financial institution [Refer note (a) below]	310.96	726.28	418.44	418.44
Indian rupee loan from a bank [Refer note (b) and (c) below]	404.69	1,014.27	609.58	609.58
Indian rupee vehicle loan from banks and finance companies [Refer note (d) below]	79.36	134.72	56.15	57.13
	<b>795.01</b>	<b>1,875.27</b>	<b>1,084.17</b>	<b>1,085.15</b>
The above amount includes				
Secured borrowings	795.01	1,875.27	1,084.17	1,085.15
Unsecured borrowings	-	-	-	-
Amount included under the head "Other financial liabilities" (Refer note 23)	-	-	(1,084.17)	(1,085.15)
	<b>795.01</b>	<b>1,875.27</b>	-	-

**Notes**

- (a) Indian rupees loan from financial institution for capital expenditure carries interest @ 10.60 to 11.30% p.a. The loan is secured by first charge on movable and immovable fixed assets pertaining to a manufacturing facility at Goa and is repayable in 54 months with moratorium of 6 months from the date of actual commercial operation date.
- (b) Indian rupees loan of INR 1,500.00 Lacs from a bank for capital expenditure. Loan is repayable in 48 months from the date of the first disbursement and carries interest @ 9.60% to 10.20% p.a. The loan is secured by exclusive first charge on three residential properties.
- (c) Indian rupees loan of INR 925.00 Lacs from a bank for capital expenditure. Loan is repayable in 48 months from the date of the first disbursement and carries interest rate of 10.15% to 10.90% p.a. The loan is secured by exclusive first charge on three residential properties.
- (d) Indian rupee vehicle loans from banks and finance companies carries interest @ 8.00% to 13.50% p.a. The loans are repayable within a period of 36 to 60 months in equal monthly installments along with interest, from the various dates of disbursements. The loans are secured by hypothecation of under lying vehicles.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**
**18. Other financial liabilities - Non Current**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Deposits	847.92	808.32
	<b>847.92</b>	<b>808.32</b>

**19. Provisions**

	Non-current		Current	
	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Provision for employee benefits (Refer note 37)	1,483.03	1,398.22	438.31	469.36
Provision for warranties	-	-	27.13	21.67
	<b>1,483.03</b>	<b>1,398.22</b>	<b>465.44</b>	<b>491.03</b>

**Provision for warranties**

A provision is recognised for expected warranty claims on Consumer Product Division's products sold during last one year, based on past experience of the level of repairs and returns.

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
At the beginning of the year	21.67	25.55
Arising during the year	27.13	21.67
Utilised during the year	21.67	25.55
Unused amounts reversed	-	-
At the end of the year	<b>27.13</b>	<b>21.67</b>

**20. Tax liabilities**

	Non-current		Current	
	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Provision for income tax (Net of advance tax)	-	190.31	2,456.39	1,573.74
	-	<b>190.31</b>	<b>2,456.39</b>	<b>1,573.74</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****21. Borrowings - Current**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Working capital loan from banks (Secured) [Refer note (a) below]	442.12	4,725.42
Purchase Bill Discounting (Unsecured) [Refer note (b) below]	402.51	-
Inter-corporate deposits (Unsecured) [Refer note (c) below] - from related parties [Refer note 41]	349.50	320.50
	<b>1,194.13</b>	<b>5,045.92</b>
The above amount includes		
Secured borrowings	442.12	4,725.42
Unsecured borrowings	752.01	320.50
	<b>1,194.13</b>	<b>5,045.92</b>

- (a) The working capital loan is secured by joint hypothecation of book debts and stocks and collateral security by way of charge on the fixed assets at its manufacturing facilities situated in Hosur, Patancheru, Vashi, Goa, Ankleshwar and Mumbai (Office Premises). The working capital loan is repayable on demand and carries interest @ 8.00% to 12.35% p.a.
- (b) Purchase Bill Discounting Finance availed from finance company and carries interest @ 8.50% p.a.
- (c) Inter corporate deposit are for a period from 90 to 365 days and carried interest @ 10% p.a.

**22. Trade payables**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Trade payables (including acceptances)		
- Total outstanding dues of micro and small enterprises (Refer note 48)	1,504.76	908.96
- Total outstanding dues of creditors other than micro and small enterprises	48,947.51	46,146.92
	<b>50,452.27</b>	<b>47,055.88</b>

**23. Other financial liabilities - Current**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Current maturities of long term borrowings (Refer note 17)	1,084.17	1,085.15
Interest accrued but not due	3.26	19.81
Employee benefits payable	2,040.37	1,842.63
Creditors for capital goods	525.90	922.85
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
- Unpaid dividend	54.71	65.92
- Unclaimed interest on fixed deposit	0.52	0.72
- Unclaimed matured deposit	2.00	2.30
	<b>3,710.93</b>	<b>3,939.38</b>



**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

**24. Other current liabilities**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Advance from customers	12,407.56	21,344.29
Unearned revenue on construction contracts	10,637.21	9,078.15
Unearned revenue on AMC services	455.24	357.81
Statutory dues	919.73	396.46
	<b>24,419.74</b>	<b>31,176.71</b>

**25. Revenue from operations**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
<b>Revenue from operations</b>		
<b>Sale of products</b>		
Finished goods	95,098.20	102,677.18
Traded goods	6,787.47	7,183.73
<b>Sale of services</b>	37,254.24	29,027.42
<b>Others operating revenue</b>		
Scrap sale	206.55	248.92
Management fees	87.43	88.56
Other operating income	742.67	1,492.41
	<b>140,176.56</b>	<b>140,718.22</b>

Revenue disaggregation as per industry vertical and geography has been included in segment information (Refer note 40)

**26. Other income**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Interest income on financial instruments measured at amortised cost		
- From banks	1,938.24	1,792.21
- From subsidiaries and joint venture	923.03	1,141.70
- From others	382.53	319.97
Guarantee commission	60.57	70.69
Rent	216.99	202.48
Dividend income on		
- Investment in subsidiaries	114.09	116.30
- Long-term investments	12.57	15.08
Exchange gain (Net)	-	979.28
Profit on fixed assets sold/discarded (Net)	1.39	-
Other non operating Income	15.73	216.44
Change in fair value of investments classified at FVTPL	12.68	-
	<b>3,677.82</b>	<b>4,854.15</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****27. Cost of raw material consumed**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Inventory at the beginning of the year	4,910.09	4,678.63
Add: Purchases*	85,076.68	92,131.21
Less: Inventory at the end of the year	3,819.23	4,910.09
Cost of raw material and components consumed **	<b>86,167.54</b>	<b>91,899.75</b>

\* Includes direct expenses incurred on contracts INR 6,210.64 Lacs (2019-2020: INR 6,677.27 Lacs)

\*\* The value of raw materials consumed have been arrived at on basis of opening stocks plus purchases less closing stock. The consumption therefore includes adjustments for materials sold, shortage/ excess and obsolescence.

**28. Purchases of stock-in-trade**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Consumer products	2,571.35	3,624.80
Spares	572.43	428.88
Others	133.57	314.75
	<b>3,277.35</b>	<b>4,368.43</b>

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

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
<b>Inventories at the end of the year</b>		
Traded goods	759.91	1,135.10
Work-in-progress	1,179.35	1,537.98
Finished goods	3,756.20	3,372.94
Contract work-in-progress	104.78	55.57
	<b>(A) 5,800.24</b>	<b>6,101.59</b>
<b>Inventories at the beginning of the year</b>		
Traded goods	1,135.10	778.28
Work-in-progress	1,537.98	473.09
Finished goods	3,372.94	3,354.69
Contract work-in-progress	55.57	996.81
	<b>(B) 6,101.59</b>	<b>5,602.87</b>
	<b>(B) - (A)</b>	<b>(498.72)</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

**30. Employee benefits expense**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Salaries, wages and bonus	12,678.48	13,310.66
Contribution to provident and other funds (Refer note 37)	957.22	891.61
Staff welfare expense	468.33	657.11
	<b>14,104.03</b>	<b>14,859.38</b>

**31. Finance costs**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Interest expense on financial liabilities measured at amortised cost	650.32	990.20
Interest on lease liabilities	172.13	166.51
Other borrowing costs	167.15	162.04
	<b>989.60</b>	<b>1,318.75</b>

**32. Depreciation and amortisation expense**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Depreciation of property, plant and equipment (Refer note 2)	1,803.29	1,534.37
Depreciation of ROU Assets (Refer note 3)	752.07	615.21
Amortization of intangible assets (Refer note 4)	58.61	55.35
	<b>2,613.97</b>	<b>2,204.93</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****33. Other expenses**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Stores and spare parts consumed	62.20	133.34
Power and fuel	1,496.19	1,467.45
Repairs and maintenance - Buildings	71.18	84.80
- Plant and machinery	426.71	487.96
- Others	266.47	326.65
Rent (Net of recoveries)	335.82	349.45
Rates and taxes	515.56	473.69
Insurance (Net of recoveries)	236.64	202.04
Travelling and conveyance	1,716.57	3,161.40
Freight (Net of recoveries)	3,137.14	2,811.99
Packing (Net of recoveries)	1,581.51	1,631.94
Advertisement and publicity	397.29	885.47
Commission	153.26	134.23
Legal and professional charges	1,329.84	1,058.46
Telephone and telex	184.17	175.83
Bad debts written off	-	280.08
Provision for doubtful debts	919.28	788.00
Doubtful advances / Claims written off	286.00	-
Auditors' remuneration (Refer note 33.1)	41.03	43.20
Directors' fees (Refer note 41)	32.20	33.70
Directors' commission	175.00	129.50
Bank charges	186.74	290.24
Exchange loss (Net)	361.68	-
Loss on fixed assets sold/discarded (Net)	-	9.89
Change in fair value of investments classified at FVTPL	-	25.46
Provision for Impairment in value of Investments	18.10	-
Establishment and other miscellaneous expenses	2,882.40	3,017.53
	<b>16,812.98</b>	<b>18,002.30</b>

**33.1 Auditors' remuneration (excluding taxes)**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
As auditor:		
- Audit fees	19.75	14.75
- Tax audit fees	4.00	3.00
- Limited review	5.25	5.25
In other capacity:		
- Other services (Certification fees)	5.70	13.00
Reimbursement of expenses	1.68	2.80
Branch auditor		
- Audit fees	2.75	2.50
- Other services (Certification fees)	1.50	1.50
- Reimbursement of expenses	0.40	0.40
	<b>41.03</b>	<b>43.20</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**
**34. Tax expense**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Current tax	5,385.00	3,642.20
Deferred tax	(395.00)	(136.35)
	<b>4,990.00</b>	<b>3,505.85</b>
Reconciliation of tax expense		
Profit before tax	19,587.56	13,417.55
Applicable tax rate	25.17%	25.17%
<b>Computed tax expense</b>	<b>(A) 4,930.19</b>	<b>3,377.20</b>
Adjustments for:		
Non-deductible tax expenses	68.35	74.88
Tax-exempt income	(31.88)	(3.56)
Corporate social responsibility expenditure	51.10	40.35
Deduction under house property	(17.65)	(15.29)
Income taxed at different rate	-	(9.32)
Reduction in tax rate	-	(10.79)
Others	(10.11)	52.38
<b>Net adjustments</b>	<b>(B) 59.81</b>	<b>128.65</b>
<b>Tax expense</b>	<b>(A+B) 4,990.00</b>	<b>3,505.85</b>

**35. Other comprehensive income**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
<b>Items that will not be reclassified to profit or loss</b>		
Re-measurements of defined benefit plans	127.22	(123.14)
Income tax relating to items that will not be reclassified to profit or loss	(32.02)	31.00
	<b>95.20</b>	<b>(92.14)</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****36. Earnings per share (EPS)**

	Particulars	31st March 2021	31st March 2020
I	Profit computation for both basic and diluted earnings per share of INR 10 each		
	Net profit as per the statement of profit and loss available for equity shareholders (INR in Lacs)	14,597.56	9,911.70
II	Weighted average number of equity shares for earnings per share computation		
A)	For basic earnings per share		
	No. of shares	14,666,659	14,666,659
	Less: Treasury shares held by IEI Shareholding (Staff Welfare) Trusts and HMIL Shareholding (Staff Welfare) Trusts (Weighted average)	2,373,614	2,557,683
	No. of shares for basic earnings per share	12,293,045	12,108,976
B)	For diluted earnings per share		
	No. of shares for basic EPS	12,293,045	12,108,976
	Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	-	-
	No. of shares for diluted earnings per share	12,293,045	12,108,976
III	Earnings per share in Rupees		
	Basic (INR)	118.75	81.85
	Diluted (INR)	118.75	81.85

**37. Employee benefits**

- A. The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service. The scheme is funded to a separate trust duly recognised by Income tax authorities.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

INR in Lacs

	Particulars	2020-21	2019-20
<b>I</b>	<b>Change in defined benefit obligation</b>		
	Defined benefit obligation, Beginning of period	2,122.21	1,776.77
	Interest cost	126.11	118.19
	Service cost	167.58	133.95
	Liability transferred in / acquisitions	0.23	-
	Actual plan participants' contributions	-	-
	Total actuarial (gains)/losses	(113.36)	134.43
	a. Effect of change in financial assumptions	15.54	39.60
	b. Effect of change in demographic assumptions	(94.18)	-
	c. Experience (gains) / losses	(34.72)	94.83
	Changes in foreign currency exchange rates	-	-
	Acquisition / Business combination/divestiture	-	-
	Benefits paid	(138.25)	(56.95)
	Past service cost	-	15.82
	Losses / (gains) on curtailments / settlements	-	-
	Defined benefit obligation, end of period	2,164.52	2,122.21



**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**
**37. Employee benefits (contd...)**
**INR in Lacs**

	Particulars	2020-21	2019-20
<b>II</b>	<b>Change in the fair value of plan assets</b>		
	Fair value of plan assets at the beginning of the period	1,869.89	1,612.00
	Interest income	119.04	114.54
	Contributions by the employer	79.38	186.74
	Expected contributions by the employees	-	-
	Assets transferred in / acquisitions	-	-
	(Assets transferred out / divestments)	-	-
	(Benefit paid from the fund)	(124.03)	(54.68)
	(Assets distributed on settlements)	-	-
	Effects of asset ceiling	-	-
	The effect of changes in foreign exchange rates	-	-
	Return on plan assets, excluding interest income	13.86	11.29
	Fair value of plan assets at the end of the period	1,958.14	1,869.89
<b>III</b>	<b>Expenses recognised in the statement of profit or loss for current period</b>		
	Current service cost	167.58	133.95
	Net interest cost	7.06	3.67
	Past service cost	-	15.82
	(Expected contributions by the employees)	-	-
	(Gains) / Losses on curtailments and settlements	-	-
	Net effect of changes in foreign exchange rates	-	-
	Expenses recognised	174.64	153.44
<b>IV</b>	<b>Expenses recognised in the other comprehensive income (OCI) for current period</b>		
	Actuarial (gains) / losses on obligation for the period	(113.36)	134.43
	Return on plan assets, excluding interest income	(13.86)	(11.29)
	Change in asset ceiling	-	-
	Net (income) / expense for the period recognised in OCI	(127.22)	123.14
<b>V</b>	<b>Maturity analysis of the benefit payments</b>		
	Projected benefits payable in future years from the date of reporting		
	1st following year	448.97	459.96
	2nd following year	637.78	278.51
	3rd following year	244.57	578.44
	4th following year	229.64	233.87
	5th following year	161.95	181.61
	Sum of years 6 to 10	541.62	519.76
	Sum of years 11 and above	266.56	257.14
<b>VI</b>	<b>Sensitivity analysis</b>		
	Projected benefit obligation on current assumptions	2,164.52	2,122.22
	Delta effect of +0.5% change in rate of discounting	(39.52)	(39.98)
	Delta effect of -0.5% change in rate of discounting	41.39	41.79
	Delta effect of +0.5% change in rate of salary increase	40.64	40.51
	Delta effect of -0.5% change in rate of salary increase	(25.57)	(38.40)
	Delta effect of +0.5% change in rate of employee turnover	(3.16)	(2.76)
	Delta effect of -0.5% change in rate of employee turnover	3.27	2.85

The company expects to contribute INR 84.26 Lacs (2020-21: INR 147.25 Lacs Lacs) to gratuity in 2021-22.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****37. Employee benefits (contd...)**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Sr. No.	Categories of Assets	% of holding(Gratuity)	
		2020-21	2019-20
1	Central and state government bonds	-	-
2	Public sector undertaking	-	-
3	Insurance policy	100%	100%
4	Special deposit scheme 1975	-	-
5	Other assets	-	-

The expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Notes:

a) Amounts recognised as an expense and included in note 30:

Gratuity in "Contribution to provident and other funds" INR 72.48 Lacs (2019-20: INR 253.18 Lacs).

**B. Provident fund**

The company's provident fund schemes which are administered through Government of India are defined contribution plan. The company's contribution paid / payable under the scheme is recognised as expense in the statement of profit and loss during the year in which the employee renders the related services. There are no other obligations other than the contribution payable to the respective fund.

The company's provident fund scheme which is managed by trust set up by the company, the contribution to the provident fund is remitted to a separate trust established for this purpose based on a fixed percentage of the eligible employees' salary and charged to statement of profit and loss. Shortfall, if any, in the fund assets, based on the government specified minimum rate of return, will be made good by the company and charged to statement of profit and loss. The actual return earned by the fund has mostly been higher than the government specified minimum rate of return in the past years. There is a shortfall of INR 33.64 Lacs in the fund as on 31st March 2021 as per valuation report, which has been provided for by the company. There was no shortfall in the fund as on 31st March 2020.

The details of fund obligations are given below:

INR in Lacs

Particulars	As at 31st March 2021	As at 31st March 2020
Present value of benefit obligation at period end	5,944.98	5,402.15

**C. Defined contribution plan**

Amount recognised as an expense and included in the note 30 – "Contribution to provident and other funds" of the statement of profit and loss INR 584.77 Lacs (2019-20: INR 575.42 Lacs).

**D. Other employee benefits**

Amounts recognised as an expense and included in note 30

Leave encashment in "Salaries, wages and bonus" INR 237.49 Lacs (2019-20: INR 354.85 Lacs)

**E. The net provision for leave encashment liability upto 31st March 2021 is INR 1,662.91 Lacs (31st March 2020: INR 1,612.58 Lacs)**

Note:

The Indian parliament has approved the Code of Social Security, 2020 ('the code'), which, inter alia, deals with employee benefits during employment and post-employment. The code has been published in the gazette of India. The effective date of the code and rules thereunder are yet to be notified. In view of this, the impact of the change, if any, will be assessed and recognised post notification of the relevant provisions.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

**38. 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

INR in Lacs

	As at 31st 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 3		Level 1	Level 2	Level 3		
<b>Financial assets - Non-current</b>										
<b>At amortised cost</b>										
Trade receivables	123.71	-	123.71	-	294.09	-	294.09	-		
Loans	4,199.73	-	4,199.73	-	4,195.01	-	4,195.01	-		
Investments *	0.50	-	0.50	-	0.50	-	0.50	-		
<b>At FVTPL</b>										
Investments *	65.68	-	-	65.68	65.68	-	-	65.68		
<b>Financial assets - Current **</b>										
<b>At amortised cost</b>										
Trade receivables	45,282.75				51,373.48					
Cash and cash equivalents	7,612.67				8,460.87					
Bank balances other than above	41,084.77				26,909.14					
Loans	5,371.83				4,723.76					
Others	921.42				2,241.09					
<b>At FVTPL</b>										
Investments	23.75	23.75	-	-	11.07	11.07	-	-		
<b>Financial liabilities - Non-current</b>										
<b>At amortised cost</b>										
Borrowings	795.01	-	795.01	-	1,875.27	-	1,875.27	-		
Lease liabilities	456.19	-	456.19	-	1,011.56	-	1,011.56	-		
Other financial liabilities	847.92	-	847.92	-	808.32	-	808.32	-		
<b>Financial liabilities - Current **</b>										
Borrowings	1,194.13				5,045.92					
Lease liabilities	585.09				954.72					
Trade payables	50,452.27				47,055.88					
Other financial liabilities	3,710.93				3,939.38					

\* Excludes investments measured at cost

\*\* The company has not disclosed the fair value of current financial instruments such as trade receivables, cash and cash equivalents, bank balances - others, loans, others, borrowings, lease liabilities, trade payables and other financial liabilities because their carrying amounts are a reasonable approximation of fair value.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****38. Financial instruments (contd...)****B. Measurement of fair values**

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used. The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

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 unquoted equity 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) 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 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.

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 adhoc reviews of risk management controls and procedures, the major observation are periodically reported to the audit committee.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

**38. Financial instruments (contd...)**

**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 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 customer based on market intelligence, past payment history and defaults.

Credit risk management procedure includes regular monitoring of outstanding trade receivables to ensure risk of credit loss is minimal.

As per policy, trade receivables are classified into different buckets based on the overdue period. There are different provisioning norms for each bucket which are ranging from 25% to 100%.

The movement in the provision for expected credit loss in respect of trade receivables (including retention money) and accrued value of work done during the year is as follows:

Particulars	Trade Receivable INR in Lacs
Balance as at 1st April 2019	59.62
Provision recognised	788.00
Amount utilised	-
Balance as at 31st March 2020	847.62
Provision recognised	919.28
Amount utilised	-
Balance as at 31st March 2021	1,766.90

**Cash and cash equivalents**

The company held cash and cash equivalents of INR 7,612.67 Lacs as at 31st March 2021 (as at 31st March 2020: INR 8,460.87 Lacs). The cash and cash equivalents are held with banks with good credit ratings.

**Other bank balances**

The company held other bank balances equivalents of INR 41,084.77 Lacs as at 31st March 2021 (as at 31st March 2020: INR 26,909.14 Lacs). The other bank balances are mainly temporary surplus fund invested in fixed deposits with banks having good rating and margin money against bank guarantees issued by banks on the company's behalf.

**Investments**

The company has invested an insignificant amount in listed securities. The company does not expect any losses.

**Other financial assets**

Other financial assets mainly comprise of tender deposits and security deposits which are given to customers or governmental agencies in relation to contracts bid / execution and are assessed by the company for credit risk on a continuous basis.

**(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 temporary surplus funds in bank fixed deposit.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****38. Financial instruments (contd...)**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.

**As at 31st March 2021****INR in Lacs**

	Carrying amount	Contractual cash flows *				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
(i) Borrowings **	1,879.18	2,079.88	1,224.67	845.62	9.59	-
(ii) Lease liabilities **	1,041.28	1,471.36	242.17	1,049.63	36.39	143.17
(iii) Other Non-current financial liabilities	847.92	847.92	-	-	-	847.92
(iv) Issued financial guarantee contract on behalf of related parties***	-	-	-	-	-	-
<b>Current Financial liabilities</b>						
(i) Short term borrowings	1,194.13	1,194.13	1,194.13	-	-	-
(ii) Trade payables	50,452.27	50,452.27	50,452.27	-	-	-
(iii) Other financial liabilities	2,626.76	2,626.76	2,626.76	-	-	-
	<b>58,041.54</b>	<b>58,672.32</b>	<b>55,740.00</b>	<b>1,895.25</b>	<b>45.98</b>	<b>991.09</b>

**As at 31st March 2020****INR in Lacs**

	Carrying amount	Contractual cash flows *				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
(i) Borrowings **	2,960.42	3,419.05	1,339.96	1,866.79	212.30	-
(ii) Lease liabilities **	1,966.28	2,544.50	1,137.24	1,108.59	173.72	124.95
(iii) Other Non-current financial liabilities	808.32	808.32	-	-	-	808.32
(iv) Issued financial guarantee contract on behalf of related parties***	-	-	-	-	-	-
<b>Current Financial liabilities</b>						
(i) Short term borrowings	5,045.92	5,045.92	5,045.92	-	-	-
(ii) Trade payables	47,055.89	47,055.89	47,055.89	-	-	-
(iii) Other financial liabilities	2,854.23	2,854.23	2,854.23	-	-	-
	<b>60,691.06</b>	<b>61,727.91</b>	<b>57,433.24</b>	<b>2,975.38</b>	<b>386.02</b>	<b>933.27</b>

\* Contractual cash flow includes interest payout in the respective years on borrowings.

\*\* Includes current and non-current portion.

\*\*\* Guarantees issued by the company on behalf of subsidiaries and associates are with respect to working capital facilities raised by the respective subsidiaries and associates. These amounts will be payable in the event of default by the concerned parties. As of the reporting date, none of the subsidiaries and associates have defaulted and hence, the company does not have any present obligation to third parties in relation to such guarantees (Refer note 41).



## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)

### 38. Financial instruments (contd...)

#### (iii) Market risk

The company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates to the floating rate debt obligations.

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.

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
<b>Fixed rate instruments</b>		
<b>Financial assets - measured at amortised cost</b>		
Loans to related parties	7,624.91	6,765.85
Other bank balances - On deposit account	24,417.16	10,475.53
Other bank balances - On margin money account	16,612.38	16,366.96
	<b>48,654.45</b>	<b>33,608.34</b>
<b>Financial liabilities - measured at amortised cost</b>		
Long term borrowings *	1,149.78	1,815.70
Short term borrowings	752.01	320.50
	<b>1,901.79</b>	<b>2,136.20</b>
<b>Variable rate loan</b>		
<b>Financial liabilities - measured at amortised cost</b>		
Long term borrowings *	729.40	1,144.72
Short term borrowings	442.12	4,725.42
	<b>1,171.52</b>	<b>5,870.14</b>

\* Including current maturity of long term borrowings

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****38. Financial instruments (contd...)**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 remain constant.

	31st March 2021		31st March 2020	
	Increase (-) INR in Lacs	Decrease + INR in Lacs	Increase (-) INR in Lacs	Decrease + INR in Lacs
1% Movement	(11.72)	11.72	(58.70)	58.70

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.

Foreign currency risk

The company is exposed to currency risk on account of its revenue generating and operating activities in foreign currency. The functional currency of the company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed in recent periods and may continue to fluctuate in the future.

Exposure to currency risk:

The currency profile of financial assets and financial liabilities as at 31st March 2021 and 31st March 2020 are as below:

**As at 31st March 2021****INR in Lacs**

	USD	EUR	SAR	AED	Others	Total
<b>Financial assets</b>						
Loans to subsidiaries	389.45	-	-	-	-	389.45
Cash and cash equivalents	3,701.02	-	-	578.26	1,614.21	5,893.49
Trade and other receivables	22,085.57	121.76	125.61	572.33	294.79	23,200.06
	<b>26,176.04</b>	<b>121.76</b>	<b>125.61</b>	<b>1,150.59</b>	<b>1,909.00</b>	<b>29,483.00</b>
Less: Forward exchange contracts	(2,844.82)	-	-	-	-	(2,844.82)
Less: Natural hedge	(1,929.14)	(121.76)	(12.75)	(219.45)	(1,884.62)	(4,167.72)
<b>Net exposure on financial assets</b>	<b>21,402.08</b>	<b>-</b>	<b>112.86</b>	<b>931.14</b>	<b>24.38</b>	<b>22,470.46</b>
<b>Financial liabilities</b>						
Trade and other payables	1,929.14	819.83	12.75	219.45	2,045.83	5,027.00
	<b>1,929.14</b>	<b>819.83</b>	<b>12.75</b>	<b>219.45</b>	<b>2,045.83</b>	<b>5,027.00</b>
Less: Forward exchange contracts	-	(271.21)	-	-	-	(271.21)
Less: Natural hedge	(1,929.14)	(121.76)	(12.75)	(219.45)	(1,884.62)	(4,167.72)
<b>Net exposure on financial liabilities</b>	<b>-</b>	<b>426.86</b>	<b>-</b>	<b>-</b>	<b>161.21</b>	<b>588.07</b>
<b>Total net exposure</b>	<b>21,402.08</b>	<b>426.86</b>	<b>112.86</b>	<b>931.14</b>	<b>185.59</b>	<b>23,058.53</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**
**38. Financial instruments (contd...)**
**As at 31st March 2020**
**INR in Lacs**

	USD	EUR	SAR	AED	Others	Total
<b>Financial assets</b>						
Loans to subsidiaries	336.91	-	-	-	-	336.91
Cash and cash equivalents	3,514.01	-	-	370.10	224.06	4,108.17
Trade and other receivables	13,080.93	-	348.01	1,424.55	303.89	15,157.38
	<b>16,931.85</b>	<b>-</b>	<b>348.01</b>	<b>1,794.65</b>	<b>527.95</b>	<b>19,602.46</b>
Less: Forward exchange contracts	(1,779.11)	-	-	-	-	(1,779.11)
Less: Natural hedge	(2,244.94)	-	(12.99)	(402.33)	(498.91)	(3,159.17)
<b>Net exposure on financial assets</b>	<b>12,907.80</b>	<b>-</b>	<b>335.02</b>	<b>1,392.32</b>	<b>29.04</b>	<b>14,664.18</b>
<b>Financial liabilities</b>						
Trade and other payables	2,244.94	280.83	12.99	402.33	971.98	3,913.07
	<b>2,244.94</b>	<b>280.83</b>	<b>12.99</b>	<b>402.33</b>	<b>971.98</b>	<b>3,913.07</b>
Less: Forward exchange contracts	-	-	-	-	-	-
Less: Natural hedge	(2,244.94)	-	(12.99)	(402.33)	(498.91)	(3,159.17)
<b>Net exposure on financial liabilities</b>	<b>-</b>	<b>280.83</b>	<b>-</b>	<b>-</b>	<b>473.07</b>	<b>753.90</b>
<b>Total net exposure</b>	<b>12,907.80</b>	<b>280.83</b>	<b>335.02</b>	<b>1,392.32</b>	<b>502.11</b>	<b>15,418.08</b>

**Sensitivity analysis:**

A reasonably possible strengthening / weakening of the Indian Rupee against foreign currency at 31st March would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

**INR in Lacs**

	Profit or (loss)			
	31st March 2021		31st March 2020	
	(Strengthening)	Weakening	(Strengthening)	Weakening
<b>1% movement</b>				
USD	(214.02)	214.02	(129.08)	129.08
EUR	(4.27)	4.27	(2.81)	2.81
SAR	(1.13)	1.13	(3.35)	3.35
AED	(9.31)	9.31	(13.92)	13.92
Others	(1.86)	1.86	(5.02)	5.02
	<b>(230.59)</b>	<b>230.59</b>	<b>(154.18)</b>	<b>154.18</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****39. Disclosure as per Ind AS 115**

- (a) The company offers wide range of solutions across the water cycle from pre-treatment to process water treatment, waste water treatment, recycle, zero liquid discharge, sewage treatment, packaged drinking water, sea water desalination etc. The company is also engaged in manufacturing resins, speciality chemicals for water and waste water treatment as well as non-water applications.

The type of work in the contracts with the customers involves designing, engineering, supply of materials, installation and commissioning of the plant, project management, operations and maintenance. The effect of initially applying Ind AS 115 on the Company's revenue from contracts with customers is described in Note 1.17.

- (b) Revenue disaggregation as per industry vertical and geography has been included in segment information (Refer note 40).

- (c) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers in respect of contracts in progress:

INR in Lacs

Particulars	As at 31st March 2021	As at 31st March 2020
Receivables which are included in trade and other receivables	26,376.06	27,444.51
Contract assets		
- Accrued value of work done net off provision	Nil	Nil
Contract liabilities		
- Unearned revenue on construction contracts	10,637.21	9,078.15
- Advance from clients	9,586.69	17,274.50

- (d) Remaining performance obligations

The following table includes revenue expected to be recognised in future related to performance obligations that are unsatisfied or partially unsatisfied at reporting date

The company applies practical expedient included in Para 121 of Ind AS 115 and does not disclose information about the remaining performance obligations that have an original expected contract duration of one year or less

INR in Lacs

	31st March 2021	31st March 2020
Amount of revenue expected to be recognised for contracts having original expected duration of more than one year in progress as at reporting date	72,210.00	120,508.00

- (e) Performance obligation

The company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the company provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the company enters into multiple contracts with the same customer, the company evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

The company recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's input methods of revenue recognition as the amounts are not reflective of our transferring control of the plant to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**
**39. Disclosure as per Ind AS 115 (contd...)**

If estimated incremental costs on any contract, are greater than the net contract revenues, the Company recognises the entire estimated loss in the period the loss becomes known.

Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

- (f) Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.
- (g) Revenue from sale of goods is recognised at the point in time when control of the assets is transferred to the customer, generally on delivery of the goods.
- (h) 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.
- (i) Reconciliation of revenue recognised in the statement of profit and loss

The following table discloses the reconciliation of amount of revenue recognised:

**INR in Lacs**

Particulars	2020-21	2019-20
Revenue	140,436.63	140,977.51
Less: Reduction towards variable consideration component *	260.07	259.29
<b>Revenue recognised in the statement of profit and loss</b>	<b>140,176.56</b>	<b>140,718.22</b>

\* Reduction towards variable consideration component includes discount etc.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****40. Segment****i. Information about business segments**

INR in Lacs

	Engineering		Chemicals		Consumer Products		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	31.03.2021	31.03.2020
<b>Revenue</b>										
External sales	87,937.92	85,766.99	41,308.31	42,307.29	10,842.90	12,555.31	87.43	88.63	140,176.56	140,718.22
Inter-segmental Sales	2,336.19	3,419.37	1,667.85	2,000.18	-	-	-	-	4,004.04	5,419.55
Total revenue	90,274.11	89,186.36	42,976.16	44,307.47	10,842.90	12,555.31	87.43	88.63	144,180.60	146,137.77
Less: Eliminations									(4,004.04)	(5,419.55)
Add : Interest income							3,243.80	3,253.88	3,243.80	3,253.88
Add : Other income	88.74	1,069.88	0.55	20.62	2.60	2.40	342.13	507.37	434.02	1,600.27
Total enterprise revenue									143,854.38	145,672.37
<b>Result</b>										
Segment results	8,638.74	6,083.20	10,591.64	7,592.47	(408.47)	(705.68)	-	-	18,821.91	12,969.99
Unallocated expenditure net of unallocated income							(1,488.55)	(1,487.57)	(1,488.55)	(1,487.57)
Finance cost							(989.60)	(1,318.75)	(989.60)	(1,318.75)
Interest income							3,243.80	3,253.88	3,243.80	3,253.88
Profit before taxation							765.65	447.56	19,587.56	13,417.55
<b>Other Information</b>										
Segment assets	95,886.53	90,335.29	25,932.95	27,379.37	3,423.67	3,812.87	24,320.38	22,142.91	149,563.53	143,670.44
Segment liabilities	62,944.97	67,252.41	11,126.32	10,890.02	3,246.72	2,813.99	9,548.13	14,564.64	86,866.14	95,521.06
Capital expenditure	249.32	284.52	1,726.21	2,947.89	113.32	17.41	237.25	197.34	2,326.10	3,447.16
Depreciation	703.30	695.84	1,472.46	1,096.92	41.23	44.95	396.98	367.22	2,613.97	2,204.93
Non cash expenditure other than depreciation	1,161.59	687.84	454.63	778.44	112.57	124.47	(361.79)	(202.85)	1,367.00	1,387.90

**ii. Information about geographical segments**

INR in Lacs

	India		Outside India		Total	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
External revenue	83,829.77	90,237.85	56,346.79	50,480.37	140,176.56	140,718.22
Carrying amount of segment assets	117,882.34	121,779.71	31,681.19	21,890.73	149,563.53	143,670.44
Additions to property, plant and equipment	2,324.41	3,443.60	1.69	3.56	2,326.10	3,447.16

**iii. Notes:**

- (a) The company's operations are organized into three business segments, namely:  
 Engineering division – comprising of water treatment plants, spares and services in connection with the plants.  
 Chemicals – comprising of resins, water treatment chemicals and speciality chemicals.  
 Consumer Products – comprising of water purification equipments for homes, institutions and communities.
- (b) The segment revenue in the geographical segments considered for disclosure are as follows:  
 Revenue within India includes sales to customers located within India and earnings in India. Revenue outside India includes sales to customers located outside India and earnings outside India.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

**41. Related party disclosures** (As identified by the management):

Where control exists

- a) Subsidiary companies
- Ion Exchange Enviro Farms Ltd.
  - Watercare Investments (India) Ltd.
  - Aqua Investments (India) Ltd.
  - Ion Exchange Asia Pacific Pte. Ltd., Singapore
  - Ion Exchange Asia Pacific (Thailand) Ltd., Thailand \*
  - PT Ion Exchange Asia Pacific, Indonesia\*
  - IEI Environmental Management (M) Sdn. Bhd., Malaysia
  - Ion Exchange Environment Management (BD) Ltd., Bangladesh
  - Ion Exchange LLC, USA
  - Ion Exchange And Company LLC, Oman
  - Ion Exchange WTS (Bangladesh) Ltd., Bangladesh
  - Ion Exchange Projects and Engineering Ltd.
  - Global Composites and Structural Ltd.
  - Ion Exchange Safic Pty. Ltd., South Africa
  - Total Water Management Services (India) Ltd.
  - Ion Exchange Purified Drinking Water Pvt. Ltd.
  - Ion Exchange Environment Management Ltd.
  - Ion Exchange Arabia For Water, Saudi Arabia

Others

- b) Associates
- Aquanomics Systems Ltd.
  - IEI Water-Tech (M) Sdn. Bhd., Malaysia \*\*
  - Ion Exchange PSS Co. Ltd., Thailand \*\*
  - Ion Exchange Financial Products Pvt. Ltd. \*\*
- c) Key managerial personnel
- Mr. Rajesh Sharma - Chairman & Managing Director
  - Mr. Dinesh Sharma - Executive Director
  - Mr. Aankur Patni - Executive Director
- d) Non-executive directors
- Dr. V. N. Gupchup
  - Mr. M. P. Patni
  - Mr. T. M. M. Nambiar
  - Mr. P. Sampathkumar
  - Mr. Abhiram Seth
  - Mr. Shishir Tamotia
  - Mrs. Kishori Udeshi
- e) Relatives of key managerial personnel
- Mr. Mahabir Patni - Father of Mr. Aankur Patni
  - Mrs. Nirmala Patni - Mother of Mr. Aankur Patni
  - Mrs. Aruna Sharma - Wife of Mr. Rajesh Sharma
  - Mrs. Poonam Sharma - Wife of Mr. Dinesh Sharma
  - Mrs. Nidhi Patni - Wife of Mr. Aankur Patni
  - Ms. Pallavi Sharma - Daughter of Mr. Rajesh Sharma
- f) Enterprise owned or significantly influenced by key managerial personnel or their relatives
- Ion Foundation
- g) Post-employment benefit plans
- Ion Exchange (India) Ltd.'s Provident Institution
  - Ion Exchange (India) Ltd.'s Management Staff Gratuity Fund
  - Ion Exchange Staff Superannuation Scheme
  - Ion Exchange India Ltd. – Gratuity Fund Trust

\* Subsidiary company of subsidiary

\*\* Associate companies of subsidiaries



**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****41. Related party disclosures (contd...)**

i. Related party-wise transactions during the year with outstanding balances as at year-end:

INR in Lacs

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Sale of goods *</b>								
Ion Exchange And Company LLC, Oman	91.98	111.33	-	-	-	-	91.98	111.33
Ion Exchange Asia Pacific Pte. Ltd., Singapore	1,013.74	150.07	-	-	-	-	1,013.74	150.07
Ion Exchange Environment Management (BD) Ltd., Bangladesh	158.95	172.49	-	-	-	-	158.95	172.49
Ion Exchange LLC, USA	4,847.33	4,977.27	-	-	-	-	4,847.33	4,977.27
Global Composites And Structurals Ltd.	105.45	287.58	-	-	-	-	105.45	287.58
Ion Exchange Projects And Engineering Ltd.	20.35	0.14	-	-	-	-	20.35	0.14
Ion Exchange Safic Pty. Ltd., South Africa	422.00	350.67	-	-	-	-	422.00	350.67
PT Ion Exchange Asia Pacific, Indonesia	84.92	96.58	-	-	-	-	84.92	96.58
Ion Exchange Purified Drinking Water Pvt. Ltd.	0.86	0.22	-	-	-	-	0.86	0.22
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	218.89	0.71	-	-	-	-	218.89	0.71
Aquanomics Systems Ltd.	-	-	7,220.29	6,309.85	-	-	7,220.29	6,309.85
Ion Exchange PSS Co. Ltd., Thailand	-	-	165.55	106.25	-	-	165.55	106.25
Ion Foundation	-	-	-	-	3.50	12.87	3.50	12.87
<b>Total</b>	<b>6,964.47</b>	<b>6,147.06</b>	<b>7,385.84</b>	<b>6,416.10</b>	<b>3.50</b>	<b>12.87</b>	<b>14,353.81</b>	<b>12,576.03</b>
<b>Services rendered</b>								
Ion Exchange Enviro Farms Ltd.	1.75	3.16	-	-	-	-	1.75	3.16
Ion Exchange Projects And Engineering Ltd.	11.18	61.33	-	-	-	-	11.18	61.33
Total Water Management Services (India) Ltd.	8.43	12.90	-	-	-	-	8.43	12.90
Ion Exchange Environment Management Ltd.	0.07	-	-	-	-	-	0.07	-
<b>Total</b>	<b>21.43</b>	<b>77.39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21.43</b>	<b>77.39</b>
<b>Rental income</b>								
Ion Exchange Projects And Engineering Ltd.	76.18	73.97	-	-	-	-	76.18	73.97
Ion Exchange Environment Management Ltd.	18.08	18.32	-	-	-	-	18.08	18.32
<b>Total</b>	<b>94.26</b>	<b>92.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94.26</b>	<b>92.29</b>
<b>Interest income on loan and advances</b>								
IEI Environmental Management (M) Sdn. Bhd., Malaysia	4.17	3.88	-	-	-	-	4.17	3.88
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	1.63	1.52	-	-	-	-	1.63	1.52
Ion Exchange Asia Pacific Pte. Ltd., Singapore	16.48	15.76	-	-	-	-	16.48	15.76
Ion Exchange Enviro Farms Ltd.	446.73	428.36	-	-	-	-	446.73	428.36
Ion Exchange Projects And Engineering Ltd.	152.76	374.40	-	-	-	-	152.76	374.40

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**
**41. Related party disclosures (contd...)**

I. Related party-wise transactions during the year with outstanding balances as at year-end: (contd...)

**INR in Lacs**

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Interest income on loan and advances (contd...)</b>								
Ion Exchange Purified Drinking Water Pvt. Ltd.	93.65	101.74	-	-	-	-	93.65	101.74
Ion Exchange Safic Pty. Ltd., South Africa	14.24	13.26	-	-	-	-	14.24	13.26
Total Water Management Services (India) Ltd.	0.57	1.62	-	-	-	-	0.57	1.62
Ion Exchange Environment Management Ltd.	190.35	200.51	-	-	-	-	190.35	200.51
Ion Exchange Arabia For Water, Saudi Arabia	2.45	0.65	-	-	-	-	2.45	0.65
<b>Total</b>	<b>923.03</b>	<b>1,141.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>923.03</b>	<b>1,141.70</b>
<b>Management fees</b>								
Aquanomics Systems Ltd.	-	-	87.43	88.56	-	-	87.43	88.56
<b>Total</b>	<b>-</b>	<b>-</b>	<b>87.43</b>	<b>88.56</b>	<b>-</b>	<b>-</b>	<b>87.43</b>	<b>88.56</b>
<b>Purchase of goods *</b>								
Global Composites And Structurals Ltd.	298.46	988.61	-	-	-	-	298.46	988.61
PT Ion Exchange Asia Pacific, Indonesia	7.22	-	-	-	-	-	7.22	-
Aquanomics Systems Ltd.	-	-	284.31	170.54	-	-	284.31	170.54
Ion Exchange PSS Co. Ltd., Thailand	-	-	20.97	23.33	-	-	20.97	23.33
<b>Total</b>	<b>305.68</b>	<b>988.61</b>	<b>305.28</b>	<b>193.87</b>	<b>-</b>	<b>-</b>	<b>610.96</b>	<b>1,182.48</b>
<b>Services received</b>								
Global Composites And Structurals Ltd.	162.84	184.75	-	-	-	-	162.84	184.75
Ion Exchange Projects And Engineering Ltd.	3,503.83	2,794.22	-	-	-	-	3,503.83	2,794.22
Ion Exchange Environment Management (BD) Ltd., Bangladesh	81.26	-	-	-	-	-	81.26	-
Ion Exchange Environment Management Ltd.	137.15	200.89	-	-	-	-	137.15	200.89
PT Ion Exchange Asia Pacific, Indonesia	17.76	-	-	-	-	-	17.76	-
Total Water Management Services (India) Ltd.	2.25	18.74	-	-	-	-	2.25	18.74
<b>Total</b>	<b>3,905.09</b>	<b>3,198.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,905.09</b>	<b>3,198.60</b>
<b>Rental expenses</b>								
Ion Exchange Enviro Farms Ltd.	39.54	34.38	-	-	-	-	39.54	34.38
<b>Total</b>	<b>39.54</b>	<b>34.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39.54</b>	<b>34.38</b>
<b>Purchase of miscellaneous items</b>								
Ion Exchange Enviro Farms Ltd.	-	73.64	-	-	-	-	-	73.64
<b>Total</b>	<b>-</b>	<b>73.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73.64</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****41. Related party disclosures (contd...)**

## I. Related party-wise transactions during the year with outstanding balances as at year-end: (contd...)

INR in Lacs

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Interest paid on inter corporate deposits</b>								
Aqua Investments (India) Ltd.	18.86	11.44	-	-	-	-	18.86	11.44
Watercare Investments (India) Ltd.	15.46	9.46	-	-	-	-	15.46	9.46
<b>Total</b>	<b>34.32</b>	<b>20.90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34.32</b>	<b>20.90</b>
<b>Provision for doubtful debts</b>								
Ion Exchange Environment Management Ltd.	246.51	-	-	-	-	-	246.51	-
IEI Environmental Management (M) Sdn. Bhd., Malaysia	221.77	-	-	-	-	-	221.77	-
<b>Total</b>	<b>468.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>468.28</b>	<b>-</b>
<b>Loans and advances given</b>								
Ion Exchange Enviro Farms Ltd.	470.85	500.91	-	-	-	-	470.85	500.91
Ion Exchange Projects And Engineering Ltd.	4,316.30	4,164.75	-	-	-	-	4,316.30	4,164.75
Ion Exchange Purified Drinking Water Pvt. Ltd.	473.81	1,248.84	-	-	-	-	473.81	1,248.84
Total Water Management Services (India) Ltd.	5.39	21.03	-	-	-	-	5.39	21.03
Ion Exchange Environment Management Ltd.	215.36	193.80	-	-	-	-	215.36	193.80
Ion Exchange Arabia For Water, Saudi Arabia	-	21.88	-	-	-	-	-	21.88
<b>Total</b>	<b>5,481.71</b>	<b>6,151.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,481.71</b>	<b>6,151.21</b>
<b>Loans and advances repaid</b>								
Ion Exchange Asia Pacific Pte. Ltd., Singapore	-	14.46	-	-	-	-	-	14.46
Ion Exchange Enviro Farms Ltd.	37.23	89.39	-	-	-	-	37.23	89.39
Ion Exchange Projects And Engineering Ltd.	4,322.76	4,699.98	-	-	-	-	4,322.76	4,699.98
Ion Exchange Purified Drinking Water Pvt. Ltd.	224.38	1,560.57	-	-	-	-	224.38	1,560.57
Total Water Management Services (India) Ltd.	16.38	55.12	-	-	-	-	16.38	55.12
Ion Exchange Environment Management Ltd.	90.07	203.90	-	-	-	-	90.07	203.90
<b>Total</b>	<b>4,690.82</b>	<b>6,623.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,690.82</b>	<b>6,623.42</b>
<b>Inter corporate deposits received</b>								
Aqua Investments (India) Ltd.	29.00	105.00	-	-	-	-	29.00	105.00
Watercare Investments (India) Ltd.	-	103.00	-	-	-	-	-	103.00
<b>Total</b>	<b>29.00</b>	<b>208.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29.00</b>	<b>208.00</b>
<b>Dividend received</b>								
Ion Exchange And Company LLC, Oman	114.09	116.30	-	-	-	-	114.09	116.30
Aquanomics Systems Ltd.	-	-	11.50	13.80	-	-	11.50	13.80
<b>Total</b>	<b>114.09</b>	<b>116.30</b>	<b>11.50</b>	<b>13.80</b>	<b>-</b>	<b>-</b>	<b>125.59</b>	<b>130.10</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**
**41. Related party disclosures (contd...)**

## I. Related party-wise transactions during the year with outstanding balances as at year-end: (contd...)

**INR in Lacs**

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Dividend paid</b>								
Aqua Investments (India) Ltd.	3.81	22.84	-	-	-	-	3.81	22.84
Watercare Investments (India) Ltd.	2.76	16.57	-	-	-	-	2.76	16.57
Aquanomics Systems Ltd.	-	-	0.02	0.09	-	-	0.02	0.09
Ion Exchange Financial Products Pvt. Ltd.	-	-	0.76	4.54	-	-	0.76	4.54
Mr. Rajesh Sharma	-	-	-	-	12.37	72.28	12.37	72.28
Mr. Dinesh Sharma	-	-	-	-	9.48	54.94	9.48	54.94
Mr. Aankur Patni	-	-	-	-	4.43	24.75	4.43	24.75
Mr. Mahabir Prasad Patni	-	-	-	-	11.33	66.03	11.33	66.03
Dr. V. N. Gupchup	-	-	-	-	1.67	9.88	1.67	9.88
Mr. Abhiram Seth	-	-	-	-	2.32	10.51	2.32	10.51
Mr. T. M. M. Nambiar	-	-	-	-	1.25	6.27	1.25	6.27
Mr. P. Sampath Kumar	-	-	-	-	0.87	4.87	0.87	4.87
Mr. Shishir Tamotia	-	-	-	-	0.05	0.15	0.05	0.15
Relatives of Key Management Personnel	-	-	-	-	2.53	15.20	2.53	15.20
<b>Total</b>	<b>6.57</b>	<b>39.41</b>	<b>0.78</b>	<b>4.63</b>	<b>46.30</b>	<b>264.88</b>	<b>53.65</b>	<b>308.92</b>
<b>Remuneration</b>								
Mr. Rajesh Sharma	-	-	-	-	427.46	442.70	427.46	442.70
Mr. Dinesh Sharma	-	-	-	-	189.20	188.46	189.20	188.46
Mr. Aankur Patni	-	-	-	-	185.38	191.45	185.38	191.45
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>802.04</b>	<b>822.61</b>	<b>802.04</b>	<b>822.61</b>
<b>Commission to executive directors</b>								
Mr. Rajesh Sharma	-	-	-	-	150.00	100.00	150.00	100.00
Mr. Dinesh Sharma	-	-	-	-	75.00	50.00	75.00	50.00
Mr. Aankur Patni	-	-	-	-	75.00	50.00	75.00	50.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300.00</b>	<b>200.00</b>	<b>300.00</b>	<b>200.00</b>
<b>Director sitting fees</b>								
Mr. Mahabir Prasad Patni	-	-	-	-	4.25	4.50	4.25	4.50
Dr. V. N. Gupchup	-	-	-	-	5.85	6.10	5.85	6.10
Mr. T. M. M. Nambiar	-	-	-	-	5.00	5.25	5.00	5.25
Mr. P. Sampath Kumar	-	-	-	-	3.75	3.75	3.75	3.75
Mr. Abhiram Seth	-	-	-	-	5.25	5.00	5.25	5.00
Mr. Shishir Tamotia	-	-	-	-	3.75	4.25	3.75	4.25
Mrs. Kishori Udeshi	-	-	-	-	4.35	4.85	4.35	4.85
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32.20</b>	<b>33.70</b>	<b>32.20</b>	<b>33.70</b>
<b>Directors commission</b>								
Mr. Mahabir Prasad Patni	-	-	-	-	25.00	18.50	25.00	18.50
Dr. V. N. Gupchup	-	-	-	-	25.00	18.50	25.00	18.50
Mr. T. M. M. Nambiar	-	-	-	-	25.00	18.50	25.00	18.50
Mr. P. Sampath Kumar	-	-	-	-	25.00	18.50	25.00	18.50
Mr. Abhiram Seth	-	-	-	-	25.00	18.50	25.00	18.50
Mr. Shishir Tamotia	-	-	-	-	25.00	18.50	25.00	18.50
Mrs. Kishori Udeshi	-	-	-	-	25.00	18.50	25.00	18.50
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>175.00</b>	<b>129.50</b>	<b>175.00</b>	<b>129.50</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****41. Related party disclosures (contd...)**

## I. Related party-wise transactions during the year with outstanding balances as at year-end: (contd...)

INR in Lacs

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>CSR expenses</b>								
Ion Foundation	-	-	-	-	203.03	160.32	203.03	160.32
<b>Total</b>	-	-	-	-	<b>203.03</b>	<b>160.32</b>	<b>203.03</b>	<b>160.32</b>
<b>Investments made during the year</b>								
Ion Exchange Environment Management Ltd.	0.05	-	-	-	-	-	0.05	-
Ion Exchange Arabia For Water, Saudi Arabia	-	58.18	-	-	-	-	-	58.18
<b>Total</b>	<b>0.05</b>	<b>58.18</b>	-	-	-	-	<b>0.05</b>	<b>58.18</b>
<b>Corporate guarantees commission</b>								
Global Composites And Structurals Ltd.	19.00	19.00	-	-	-	-	19.00	19.00
Ion Exchange Asia Pacific Pte. Ltd., Singapore	3.77	2.77	-	-	-	-	3.77	2.77
Ion Exchange Environment Management (BD) Ltd., Bangladesh	0.82	0.66	-	-	-	-	0.82	0.66
Ion Exchange Projects And Engineering Ltd.	15.16	27.84	-	-	-	-	15.16	27.84
Ion Exchange Purified Drinking Water Pvt. Ltd.	-	1.05	-	-	-	-	-	1.05
Ion Exchange Safic Pty. Ltd., South Africa	9.66	7.45	-	-	-	-	9.66	7.45
Aquanomics Systems Ltd.	-	-	11.00	11.00	-	-	11.00	11.00
Ion Exchange PSS Co. Ltd., Thailand	-	-	1.16	0.92	-	-	1.16	0.92
<b>Total</b>	<b>48.41</b>	<b>58.77</b>	<b>12.16</b>	<b>11.92</b>	-	-	<b>60.57</b>	<b>70.69</b>
<b>Corporate guarantees discharged</b>								
Ion Exchange Projects And Engineering Ltd.	1,691.00	-	-	-	-	-	1,691.00	-
Ion Exchange Purified Drinking Water Pvt. Ltd.	-	760.20	-	-	-	-	-	760.20
Ion Exchange PSS Co. Ltd., Thailand	-	-	115.58	39.38	-	-	115.58	39.38
<b>Total</b>	<b>1,691.00</b>	<b>760.20</b>	<b>115.58</b>	<b>39.38</b>	-	-	<b>1,806.58</b>	<b>799.58</b>
<b>Contribution to post-employment benefit plans</b>								
Ion Exchange (India) Ltd.'s Provident Institution	-	-	-	-	195.01	202.68	195.01	202.68
Ion Exchange (India) Ltd.'s Management Staff Gratuity Fund	-	-	-	-	67.50	162.50	67.50	162.50
Ion Exchange Staff Superannuation Scheme	-	-	-	-	125.40	133.73	125.40	133.73
Ion Exchange India Ltd. – Gratuity Fund Trust	-	-	-	-	11.88	24.24	11.88	24.24
<b>Total</b>	-	-	-	-	<b>399.79</b>	<b>523.15</b>	<b>399.79</b>	<b>523.15</b>
<b>Inter corporate deposits (Outstanding)</b>								
Aqua Investments (India) Ltd.	194.50	165.50	-	-	-	-	194.50	165.50
Watercare Investments (India) Ltd.	155.00	155.00	-	-	-	-	155.00	155.00
<b>Total</b>	<b>349.50</b>	<b>320.50</b>	-	-	-	-	<b>349.50</b>	<b>320.50</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

**41. Related party disclosures (contd...)**

I. Related party-wise transactions during the year with outstanding balances as at year-end: (contd...)

INR in Lacs

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Outstanding loans and advances ****</b>								
IEI Environmental Management (M) Sdn. Bhd., Malaysia	41.64	38.43	-	-	-	-	41.64	38.43
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	16.29	15.04	-	-	-	-	16.29	15.04
Ion Exchange Asia Pacific Pte. Ltd., Singapore	164.72	152.04	-	-	-	-	164.72	152.04
Ion Exchange Enviro Farms Ltd.	3,381.98	2,946.61	-	-	-	-	3,381.98	2,946.61
Ion Exchange Projects And Engineering Ltd.	1,146.64	1,141.92	-	-	-	-	1,146.64	1,141.92
Ion Exchange Purified Drinking Water Pvt. Ltd.	914.26	664.83	-	-	-	-	914.26	664.83
Ion Exchange Safic Pty. Ltd., South Africa	142.37	131.40	-	-	-	-	142.37	131.40
Total Water Management Services (India) Ltd.	1.40	3.96	-	-	-	-	1.40	3.96
Ion Exchange Environment Management Ltd.	1,791.18	1,649.09	-	-	-	-	1,791.18	1,649.09
Ion Exchange Arabia For Water, Saudi Arabia	24.43	22.53	-	-	-	-	24.43	22.53
Ion Exchange Financial Products Pvt. Ltd.	-	-	19.50**	19.50**	-	-	19.50**	19.50**
<b>Total</b>	<b>7,624.91</b>	<b>6,765.85</b>	<b>19.50</b>	<b>19.50</b>	<b>-</b>	<b>-</b>	<b>7,644.41</b>	<b>6,785.35</b>
<b>Advance to suppliers</b>								
Global Composites And Structurals Ltd.	779.42	655.23	-	-	-	-	779.42	655.23
Ion Exchange Projects And Engineering Ltd.	19.28	19.28	-	-	-	-	19.28	19.28
Ion Exchange Environment Management (BD) Ltd., Bangladesh	-	35.02	-	-	-	-	-	35.02
Ion Exchange PSS Co. Ltd., Thailand	-	-	4.06	14.44	-	-	4.06	14.44
<b>Total</b>	<b>798.70</b>	<b>709.53</b>	<b>4.06</b>	<b>14.44</b>	<b>-</b>	<b>-</b>	<b>802.76</b>	<b>723.97</b>
<b>Outstanding receivables (Net of payables) excluding loans and advances</b>								
Global Composites And Structurals Ltd.	10.99	10.99	-	-	-	-	10.99	10.99
IEI Environmental Management (M) Sdn. Bhd., Malaysia	221.77**	227.31	-	-	-	-	221.77**	227.31
Ion Exchange And Company LLC, Oman	114.52	226.32	-	-	-	-	114.52	226.32
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	667.41	1,217.67	-	-	-	-	667.41	1,217.67
Ion Exchange Asia Pacific Pte. Ltd., Singapore	1,085.78	544.26	-	-	-	-	1,085.78	544.26
Ion Exchange Environment Management (BD) Ltd., Bangladesh	8.95	37.03	-	-	-	-	8.95	37.03
Ion Exchange Environment Management Ltd.	246.51**	223.95	-	-	-	-	246.51**	223.95

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****41. Related party disclosures (contd...)**

## I. Related party-wise transactions during the year with outstanding balances as at year-end: (contd...)

INR in Lacs

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Outstanding receivables (Net of payables) excluding loans and advances (contd...)</b>								
Ion Exchange LLC, USA	2,488.29	1,606.06	-	-	-	-	2,488.29	1,606.06
Ion Exchange Projects And Engineering Ltd.	183.77	1,194.36	-	-	-	-	183.77	1,194.36
Ion Exchange Purified Drinking Water Pvt. Ltd.	-	0.22	-	-	-	-	-	0.22
Ion Exchange Safic Pty. Ltd., South Africa	211.33	132.36	-	-	-	-	211.33	132.36
PT Ion Exchange Asia Pacific, Indonesia	204.86	124.55	-	-	-	-	204.86	124.55
Aquanomics Systems Ltd.	-	-	2,432.79	1,733.07	-	-	2,432.79	1,733.07
IEI Water Tech (M) Sdn. Bhd., Malaysia	-	-	3.43	3.52	-	-	3.43	3.52
Ion Exchange PSS Co. Ltd., Thailand	-	-	572.16	460.66	-	-	572.16	460.66
Ion Foundation	-	-	-	-	1.14	4.87	1.14	4.87
<b>Total</b>	<b>5,444.18</b>	<b>5,545.08</b>	<b>3,008.38</b>	<b>2,197.25</b>	<b>1.14</b>	<b>4.87</b>	<b>8,453.70</b>	<b>7,747.20</b>
<b>Outstanding payables (Net of receivables) excluding loans and advances</b>								
Ion Exchange Environment Management Ltd.	32.70	-	-	-	-	-	32.70	-
Total Water Management Services (India) Ltd.	3.14	5.86	-	-	-	-	3.14	5.86
<b>Total</b>	<b>35.84</b>	<b>5.86</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35.84</b>	<b>5.86</b>
<b>Investment in equity shares / debentures</b>								
Aqua Investments (India) Ltd.	176.00	176.00	-	-	-	-	176.00	176.00
Global Composites And Structural Ltd.	301.25	282.25	-	-	-	-	301.25	282.25
IEI Environmental Management (M) Sdn. Bhd., Malaysia	18.10**	18.10	-	-	-	-	18.10**	18.10
Ion Exchange And Company LLC, Oman	180.85	180.85	-	-	-	-	180.85	180.85
Ion Exchange Arabia For Water, Saudi Arabia	58.18	58.18	-	-	-	-	58.18	58.18
Ion Exchange Asia Pacific Pte. Ltd., Singapore	1,123.66	1,118.73	-	-	-	-	1,123.66	1,118.73
Ion Exchange Enviro Farms Ltd. ***	1,554.70	1,554.70	-	-	-	-	1,554.70	1,554.70
Ion Exchange Environment Management (BD) Ltd., Bangladesh	39.21	38.38	-	-	-	-	39.21	38.38
Ion Exchange Environment Management Ltd.	501.28	501.23	-	-	-	-	501.28	501.23
Ion Exchange LLC, USA	372.01	372.01	-	-	-	-	372.01	372.01
Ion Exchange Projects And Engineering Ltd.	1,460.21	1,445.06	-	-	-	-	1,460.21	1,445.06
Ion Exchange Purified Drinking Water Pvt. Ltd.	39.01	39.01	-	-	-	-	39.01	39.01
Ion Exchange Safic Pty. Ltd., South Africa	75.90	66.24	-	-	-	-	75.90	66.24



**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**
**41. Related party disclosures (contd...)**

I. Related party-wise transactions during the year with outstanding balances as at year-end: (contd...)

**INR in Lacs**

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Investment in equity shares / debentures (contd...)</b>								
Ion Exchange WTS (Bangladesh) Ltd., Bangladesh	2.45	2.45	-	-	-	-	2.45	2.45
Total Water Management Services (India) Ltd.	18.00	18.00	-	-	-	-	18.00	18.00
Watercare Investments (India) Ltd.	177.00	177.00	-	-	-	-	177.00	177.00
Aquanomics Systems Ltd.	-	-	101.00	90.00	-	-	101.00	90.00
Ion Foundation	-	-	-	-	0.10	0.10	0.10	0.10
<b>Total</b>	<b>6,097.81</b>	<b>6,048.19</b>	<b>101.00</b>	<b>90.00</b>	<b>0.10</b>	<b>0.10</b>	<b>6,198.91</b>	<b>6,138.29</b>
<b>Corporate guarantees (Outstanding)</b>								
Global Composites And Structurals Ltd.	1,900.00	1,900.00	-	-	-	-	1,900.00	1,900.00
Ion Exchange Asia Pacific Pte. Ltd., Singapore	367.52	376.93	-	-	-	-	367.52	376.93
Ion Exchange Environment Management (BD) Ltd., Bangladesh	121.94	82.42	-	-	-	-	121.94	82.42
Ion Exchange Projects And Engineering Ltd.	1,093.00	2,784.00	-	-	-	-	1,093.00	2,784.00
Ion Exchange Safic Pty. Ltd., South Africa	982.70	966.27	-	-	-	-	982.70	966.27
Aquanomics Systems Ltd.	-	-	1,100.00	1,100.00	-	-	1,100.00	1,100.00
Ion Exchange PSS Co. Ltd., Thailand	-	-	-	115.58	-	-	-	115.58
<b>Total</b>	<b>4,465.16</b>	<b>6,109.62</b>	<b>1,100.00</b>	<b>1,215.58</b>	-	-	<b>5,565.16</b>	<b>7,325.20</b>

\* Gross amount has been considered.

\*\* Provision for impairment / expected credit loss has been made in respect of the said amounts: 2020-21: INR 505.88 Lacs (2019-20: INR 19.50 Lacs).

\*\*\* Includes INR 1,500 Lacs investment in debentures for both years.

\*\*\*\* Includes receivable on account of re-imbursement of expenses.

II. Company has given letter for continuous financial support to its Subsidiaries - Ion Exchange Safic Pty. Ltd., South Africa, Ion Exchange Asia Pacific Pte. Ltd., Singapore, Ion Exchange Projects And Engineering Ltd., Global Composites And Structurals Ltd. and Ion Exchange Environment Management Ltd.

 III. **Disclosure pursuant to the regulation 34(3) read with para A of schedule V of (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

(a) Loans and advances in the nature of loans

Name of the related party	Relationship	As at 31st March 2021 INR in Lacs	Maximum balance in 2020-21 INR in Lacs	As at 31st March 2020 INR in Lacs	Maximum balance in 2019-20 INR in Lacs
IEI Environmental Management (M) Sdn. Bhd., Malaysia	100% Subsidiary	41.64	41.64	38.43	38.43
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	100% Subsidiary	16.29	16.29	15.04	15.04
Ion Exchange Asia Pacific Pte. Ltd, Singapore	100% Subsidiary	164.72	164.72	152.04	152.04
Ion Exchange Enviro Farms Ltd.	Subsidiary	3,381.98	3,381.98	2,946.61	2,946.61
Ion Exchange Projects And Engineering Ltd.	Subsidiary	1,146.64	3,653.54	1,141.92	4,047.99
Ion Exchange Purified Drinking Water Pvt. Ltd.	100% Subsidiary	914.26	978.23	664.83	1,050.77
Ion Exchange Safic Pty. Ltd., South Africa	Subsidiary	142.37	142.37	131.40	131.40
Total Water Management Services (India) Ltd.	Subsidiary	1.40	8.99	3.96	27.83
Ion Exchange Environment Management Ltd.	100% Subsidiary	1,791.18	1,873.69	1,649.09	1,740.92
Ion Exchange Arabia For Water, Saudi Arabia	Subsidiary	24.43	24.43	22.53	22.53

**Notes:**

- Loans and advances shown above to the subsidiaries fall under the category of 'Loans and Advances in nature of Loans' which are repayable on demand and as per mutual agreement.
- Interest on loans and advances to the subsidiaries are charged at the prevailing market rates.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****41. Related party disclosures (contd...)****IV. Disclosure as per Section 186 of the Companies Act, 2013:**

The details of loans, guarantees and investments under section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

(a) Details of investment made are given in note 5 and 11.

(b) Details of loans given by the company are as follows:

Name of the party	Relationship	Purpose	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
IEI Environmental Management (M) Sdn. Bhd., Malaysia	100% Subsidiary	For business purpose	41.64	38.43
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	100% Subsidiary		16.29	15.04
Ion Exchange Asia Pacific Pte. Ltd, Singapore	100% Subsidiary		164.72	152.04
Ion Exchange Enviro Farms Ltd.	Subsidiary		3,381.98	2,946.61
Ion Exchange Projects And Engineering Ltd.	Subsidiary		1,146.64	1,141.92
Ion Exchange Purified Drinking Water Pvt. Ltd.	100% Subsidiary		914.26	664.83
Ion Exchange Safic Pty. Ltd., South Africa	Subsidiary		142.37	131.40
Total Water Management Services (India) Ltd.	Subsidiary		1.40	3.96
Ion Exchange Environment Management Ltd.	100% Subsidiary		1,791.18	1,649.09
Ion Exchange Arabia For Water, Saudi Arabia	Subsidiary		24.43	22.53

(c) Details of guarantees issued by the company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder:

Name of the party on whose behalf guarantee issued	Relationship	Purpose	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Bharuch Enviro Infrastructure Limited	Unrelated	Corporate Guarantee to Gujarat Industrial Development Corporation, for use of facilities	38.88	38.88
Global Composites And Structural Ltd.	Subsidiary	For banking facilities of respective subsidiaries and associate.	1,900.00	1,900.00
Ion Exchange Asia Pacific Pte. Ltd., Singapore	100% Subsidiary		367.52	376.93
Ion Exchange Environment Management (BD) Ltd., Bangladesh	100% Subsidiary		121.94	82.42
Ion Exchange Projects And Engineering Ltd.	Subsidiary		1,093.00	2,784.00
Ion Exchange Safic Pty. Ltd., South Africa	Subsidiary		982.70	966.27
Aquanomics Systems Ltd.	Associates		1,100.00	1,100.00
Ion Exchange PSS Co. Ltd., Thailand	Associates		-	115.58

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

42. (a) The company has an investment of INR 54.70 Lacs (31st March 2020: INR 54.70 Lacs) in equity shares and INR 1,500.00 Lacs (31st March 2020: INR 1,500.00 Lacs) in 7% Secured Redeemable Non-Convertible Debentures in Ion Exchange Enviro Farms Limited (IEEFL), a subsidiary company as at 31st March 2021 and it has also granted loans and advances as at 31st March 2021 aggregating INR 3,381.98 Lacs (31st March 2020: INR 2,946.61 Lacs) to IEEFL. As at 31st March 2021, the accumulated losses of IEEFL have substantially exceeded its paid-up share capital.

IEEFL has adequate assets in the form of developed and undeveloped land and the redeemable non-convertible debentures are secured by way of mortgage of office premises.

Also IEEFL had filed appeal against the Security Appellate Tribunal Order of refunding monies to investors with return and winding-up of scheme with Supreme Court of India on 4th July 2006. The Hon'ble Supreme Court of India had dismissed the IEEFL's appeal on 26th February 2013. Subsequent to this dismissal, IEEFL approached SEBI with a proposal related to the compliance of the said order vide letter dated 17th May 2013. During personal hearing with SEBI officials on 27th November 2013, pursuant to the above letter, SEBI had called for furnishing additional details 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 and letters submitted to SEBI.

Subsequent to SEBI order of 30th December 2015, for closure of the CIS Scheme (which inter-alia included directions to refund INR 2,006 Lacs 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 had requested permission to wind up the scheme in terms of rule 73(1) to (9) of CIS Regulations as it has completed all obligations towards the investors, i.e. sale of lands and development and maintaining the lands thereafter, as per agreements.

As SEBI refused to accede to IEEFL's request, IEEFL has preferred a fresh appeal at Securities Appellate Tribunal (SAT) on 9th 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 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 had 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 was 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.

SEBI had on 25th April 2019 under SEBI (Appointment of Administrator and Procedure for Refunding of Investors) Regulations 2018 has appointed an administrator for selling the land at Goa (Quepam) of IEEFL and recovering the dues vide letter dated 30th April 2019. IEEFL 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.

In view of the foregoing, the management is of the opinion, that there is no diminution, other than temporary, in the value of investments and the advances are fully recoverable. Hence presently no provision is considered necessary.

- (b) Further, book values of certain other long term investments in subsidiaries measured at cost, aggregating to INR 3,520.07 Lacs (31st March 2020: INR 3,806.07 Lacs) are lower than its cost. The company has also granted loans and advances to these subsidiaries as at 31st March 2021 aggregating INR 3,310.98 Lacs (31st March 2020: INR 3,117.60 Lacs). Considering the strategic and long term nature of the aforesaid investments, and asset base and business plan of the investee companies; in the opinion of the management the recoverable amount is not less than its carrying amount recognised in the books.
43. Capital expenditure incurred on research and development during the year is INR 108.32 Lacs (2019-20: INR 1,516.74 Lacs). Revenue expenditure of INR 932.32 Lacs (2019-20: INR 830.39 Lacs) incurred on research and development has been expensed to the statement of profit and loss under various expense heads. Location wise details are as follows:

INR in Lacs

Nature	2020-21			2019-20		
	Location		Total	Location		Total
	Patancheru	Vashi		Patancheru	Vashi	
Capital expenditure	104.20	4.12	108.32	1,509.32	7.42	1,516.74
Revenue expenditure	416.20	516.12	932.32	347.31	483.07	830.39

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****44. Lease****Operating Lease**Company as lessor:

The company has entered into commercial property lease of its surplus office. The lease agreement is for 5 years. The lease includes a clause to enable upward revision by 15% after completion of 3 years from the date of commencement of the lease agreement.

Further minimum rentals receivable under non-cancellable operating lease are as follows:

	<b>31st March 2021 INR in Lacs</b>	<b>31st March 2020 INR in Lacs</b>
Within one year	165.80	196.71
After one year but not more than five years	122.76	249.56
More than five years	Nil	Nil

**45. Right-of-use assets**

Effective 1st April 2019 the Company has adopted Ind AS 116 "Leases" and applied to lease contracts existing on 1st April 2019 by electing "modified retrospective approach". The Company has taken the cumulative adjustment to retained earnings on the date of initial application. On transition, the adoption of the new standard resulted in recognition of Right-of-use assets of INR 430.14 Lacs and a lease liability of INR 400.62 Lacs. The cumulative effective of applying the standard resulted in adjusting the retained earnings as at 1st April 2019 with INR 29.51 Lacs. Further WDV of Leasehold Lands, Plant and Machinery and Office Equipment of INR 335.99 Lacs, INR 1,608.86 Lacs, INR 251.14 Lacs respectively was reclassified from Property, plant and equipment to Right-to-use assets.

In the Statement of Profit and Loss for the current year, the nature of expenses in respect of operating leases has changed from lease rent to depreciation on right of use assets and finance cost for interest accrued on lease liability using the effective interest method.

**The break-up of lease expenses during the year are as follows**

<b>Particulars</b>	<b>Year ended 31st March 2021 INR in Lacs</b>	<b>Year ended 31st March 2020 INR in Lacs</b>
Short-term lease expense	335.82	349.45
Low value lease expense	-	-
<b>Total lease expenses</b>	<b>335.82</b>	<b>349.45</b>

**The break-up of Cash outflow on leases during the year are as follows**

<b>Particulars</b>	<b>Year ended 31st March 2021 INR in Lacs</b>	<b>Year ended 31st March 2020 INR in Lacs</b>
Repayment of lease liabilities	985.65	1,069.46
Interest on lease liabilities	172.13	166.15
Short-term lease expense	335.82	349.45
Low value lease expense	-	-
<b>Total cash outflow on leases</b>	<b>1,493.60</b>	<b>1,585.06</b>

**The break-up of current and non-current lease liabilities are as follows**

<b>Particulars</b>	<b>As at 31st March 2021 INR in Lacs</b>	<b>As at 31st March 2020 INR in Lacs</b>
Current lease liabilities	585.09	954.72
Non-current lease liabilities	456.19	1,011.56
<b>Total</b>	<b>1,041.28</b>	<b>1,966.28</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

**45. Right-of-use assets (contd...)**

**The movement in lease liabilities during the year**

Particulars	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Balance at the beginning	1,966.28	-
Additions	60.65	3,065.25
Finance cost accrued during the period	172.13	166.51
Deletions	-	-
Payment of lease liabilities	(1,157.78)	(1,235.61)
Transition impact	-	(29.51)
Balance at the end	<b>1,041.28</b>	<b>1,966.28</b>

**The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows**

Particulars	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Less than one year	242.17	145.05
One to five year	1,086.02	2,257.23
More than five year	143.17	147.50
<b>Total</b>	<b>1,471.36</b>	<b>2,549.78</b>

**46. Capital and other commitments**

Estimated amount of contracts (net of advances) remaining to be executed on capital account not provided for is INR 634.24 Lacs (31st March 2020: INR 257.90 Lacs).

**47. Contingent liabilities**

Contingent liabilities not provided for:

- (a) Guarantee given by the company on behalf of:
  - i) Subsidiaries – INR 4,465.16 Lacs (31st March 2020: INR 6,109.62 Lacs)
  - ii) Associates – INR 1,100.00 Lacs (31st March 2020: INR 1,215.58 Lacs)
  - iii) Others – INR 38.88 Lacs (31st March 2020: INR 38.88 Lacs)
- (b) Demand raised by authorities against which the company has filed an appeal.
  - i) Income tax – INR 601.35 Lacs (31st March 2020: INR 412.79 Lacs)
  - ii) Excise duty – INR 28.58 Lacs (31st March 2020: INR 22.80 Lacs)
  - iii) Service tax – INR 259.07 Lacs (31st March 2020: INR 5.61 Lacs)
  - iv) Sales tax / VAT – INR 1,033.01 Lacs (31st March 2020: INR 1,058.82 Lacs)
- (c) Claims against the company arising in the course of business not acknowledged as debts (to the extent ascertainable) INR 2,710.41 Lacs (31st March 2020: INR 1,747.41 Lacs).

Note: Future cash outflows/uncertainties, if any, in respect of above are determinable only on receipt of judgments/decisions pending with various forums/authorities.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****48. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 (on the basis of the information and records available with Management)**

	31st March 2021 INR in Lacs	31st March 2020 INR in Lacs
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	1,424.47	837.67
Interest due on above	9.00	10.05
	1,433.47	847.72
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	80.29	71.29
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

49. Capital advance includes amount of INR 25.33 Lacs (31st March 2020: INR 25.33 Lacs) paid for acquiring furnished office premises at Hyderabad, the ownership of which is under legal dispute for which transfer formalities are in progress.

**50. Corporate Social Responsibility expenses:**

A. Gross amount required to be spent by the company during the year INR 203.03 Lacs (2019-20: INR 160.31 Lacs)

B. Amount spent during the year on:

INR in Lacs

	In cash	Yet to be paid in cash	Total
(i) Construction / Acquisition of any assets	-	-	-
(ii) Purpose other than (i) above	161.71	-	161.71
(iii) Contribution to PM Care fund	41.32	-	41.32
<b>Total</b>	<b>203.03</b>	<b>-</b>	<b>203.03</b>

C. Related party transaction in relation to Corporate Social Responsibility: INR 161.71 Lacs (2019-20: INR 124.40 Lacs)

All CSR projects under the Ion Exchange umbrella are implemented by Ion Foundation, a company incorporated under Section 8 of the Companies Act, 2013

D. Provision during the year INR Nil (2019-20: INR Nil)

**51. Capital Management**

The company's objective is to maximise the shareholders' value by maintaining an optimum capital structure. Management monitors the return on capital as well as the debt equity ratio and makes necessary adjustments in the capital structure for the development of the business.

The company's debt to equity ratio as at 31st March 2021 was 0.05 (31st March 2020: 0.17)

Note: For the purpose of computing debt to equity ratio, Equity includes Equity share capital and Other equity and Debt includes Long term borrowings, Short term borrowings and Current maturities of long term borrowings.

**52. Subsequent events**

No significant adjusting event occurred between the balance sheet date and date of the approval of these financial statements by the board of directors of the company requiring adjustment or disclosure.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

53. The company has assessed the potential impact of Covid-19 on its capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements. The company's liquidity position is adequate to meet its commitments and it expects to recover the carrying value of its assets.

The company will continue to closely monitor any material changes to future economic conditions arising from ongoing second wave and update its assessment as necessary.

54. The figures for the corresponding previous year have been regrouped/ reclassified, wherever necessary, to make them comparable.

55. Information with regard to other matters, as required by Schedule III to the Act is either nil or not applicable to the company for the year.

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As per our report of even date attached

For B S R & Co. LLP

*Chartered Accountants*

*Firm's Registration No.: 101248W/W-100022*

For and on behalf of the board of directors of

ION EXCHANGE (INDIA) LIMITED

*CIN - L74999MH1964PLC014258*

RAJIV SHAH

*Partner*

*Membership no.: 112878*

RAJESH SHARMA

*Chairman & Managing Director*

*DIN - 00515486*

M. P. PATNI

*Director*

*DIN - 00515553*

MILIND PURANIK

*Company Secretary*

Place : Mumbai

Date : 8th June 2021

N. M. RANADIVE

*Chief Financial Officer*

Place : Mumbai

Date : 8th June 2021



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## Independent Auditors' Report

To the Board of Directors of  
Ion Exchange (India) Limited

### Report on the Audit of Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Ion Exchange (India) Limited (hereinafter referred to as the "Holding Company") which include financial information of branch at Bengaluru, IEI Shareholding (Staff Welfare) Trusts – Sixty trusts and HMIL Shareholding (Staff Welfare) Trusts - Seventeen trusts ("trusts") audited by the branch auditor and respective auditors of the trusts and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associates which comprise the consolidated balance sheet as at 31 March 2021, and consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of branch auditor and other auditors on separate financial statements of such branch, trusts, subsidiaries and associates as were audited by the branch auditor and other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group and its associates as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### 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 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates 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 financial statements under the provisions of the Act 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 obtained by us along with the consideration of audit reports of the other auditors referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Emphasis of matter

The auditors of Ion Exchange Enviro Farms Limited ('IEEFL'), a subsidiary company has mentioned emphasis of matter in audit report in respect of the matters stated below:

- (a) The Hon'ble supreme court of India has dismissed IEEFL's appeal against the order of Securities appellate tribunal for refunding monies to investors with return and for winding up of scheme. Further, IEEFL had submitted relevant details to SEBI and have initiated actions in line with the details submitted to SEBI which in December 2015 had asked IEEFL to pre deposit amount due to farm owners and close the scheme. IEEFL 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 IEEFL's request, IEEFL has preferred a fresh appeal at Securities Appellate Tribunal (SAT) on 9 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 18 October 2019; SAT has dismissed the appeal. IEEFL has filed a Review Petition before the SAT, Mumbai on 3 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 February 2020. As per the SAT hearing dated 19 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 IEEFL and further the case is pending with the supreme court and the next date of hearing is on 8 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 (Quepem) of IEEFL and Recovering the Dues however vide Letter dated 30th April 2019. IEEFL 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) Maintenance expenses recoverable aggregating Rs. 197 Lacs (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.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
<p><b>Revenue Recognition</b> (Refer note 3.16 and note 44 to the consolidated financial statements)</p>	
<p>The arrangement for EPC business contracts includes fixed price contracts. Revenue for such contracts usually extends beyond a reporting period. Contract revenue is measured based on the proportion of contract costs incurred for work performed to date relative to estimated total contract costs. It is computed as per the input method. The estimate is formed by the Company considering the following:</p> <ul style="list-style-type: none"> <li>• Application of the revenue recognition accounting standard is complex. One of the key estimate is total cost-to-completion of these contracts. It is used to determine the percentage of completion of the relevant performance obligation.</li> <li>• This method requires the Company to perform an initial assessment of total estimated cost and further reassess these estimates on a periodic basis, including end of each reporting period.</li> </ul> <p>Trade receivable balances represent significant portion of the Company's assets. Expected Credit Loss (ECL) allowances on trade receivables for delays and defaults in recovery involves significant judgments and estimates.</p> <p>Considering the significant estimate involved in measurement of revenue and receivables in EPC business, we have considered measurement of revenue and ECL as a key audit matter.</p>	<p>Our audit procedures over estimation of total contract costs and revenue recognition for EPC business included the following:</p> <ul style="list-style-type: none"> <li>• Testing the design, implementation and operating effectiveness of key internal financial controls and processes. This includes estimation of total project cost-to-completion related revenue and control over accounting of measurement of ECL on trade receivables;</li> <li>• For selected sample of contracts, we inspected key contractual terms with signed contracts and assessed revenue recognized in accordance with Ind AS by:</li> <li>• Observing the approval of percentage of completion workings.</li> <li>• Challenging the Company's forecasted cost to completion, through comparison of costs incurred with project budgets, and executed purchase orders and agreements. Identifying significant variations and testing variations resulting into re-estimating the remaining costs to complete the contract</li> <li>• Comparing, on a sample basis, revenue transactions recorded during the year with the underlying contracts, progress reports, invoices raised on customers and collections in bank accounts. Also, checked the related revenue, contract costs, evaluation for onerous contracts, contract assets and unearned revenue had been recognised in accordance with the Company's revenue recognition policies.</li> <li>• Performing analytical procedures on incurred and estimated contract costs or efforts. It includes assessment of contracts with unusual or negative margins, little or no movement in efforts from previous periods.</li> <li>• Evaluated the status of trade receivables on sample basis which are past due as at year end, the Company's on-going business relationship with customer and past payment history of the customers through discussion with management</li> <li>• Challenging the ECL estimates by examining the information used to form such estimates such as application of future economic conditions, credit risk of customers, etc</li> </ul>

## Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, 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.

## Management's and Board of Directors' Responsibilities for the consolidated financial statements

These consolidated annual financial statements have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group including its associates in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the Management and the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates is responsible for overseeing the financial reporting process of each company.

## Auditor's Responsibilities for the Audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 appropriateness of this assumption. 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 consolidated 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 Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associates to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled "Other Matters" in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

- (i) We did not audit the standalone financial statements/ financial information of a branch and trusts, whose financial statements/ financial information reflect total assets (before consolidation adjustment) of Rs. 8,503 lacs as at 31 March 2021, total revenue (before consolidation adjustment) of Rs 10,488 lacs, total net profit after tax (before consolidation adjustment) of Rs. 686 lacs and net cash outflows of Rs 196 lacs for the year ended on that

date, as considered in the consolidated financial statements which have been audited by their respective independent auditors. The independent auditors' reports on financial statements/financial information of these entities have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

- (ii) We did not audit the standalone financial statements/ financial information of 13 subsidiaries, whose financial statements/ financial information reflect total assets (before consolidation adjustments) of Rs. 17,811 lacs as at 31 March 2021, total revenues (before consolidation adjustments) of Rs. 11,875 lacs and net loss after tax (before consolidation adjustments) of Rs. 293 lacs and cash outflows of Rs. 19 lacs for the year ended on that date, as considered in the consolidated financial statements, which have been audited by their respective independent auditors. The consolidated financial statements also include the Group's share of net loss after tax (before consolidation adjustments) of Rs. 7 lacs for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of 3 associates, whose financial statements/financial information have been audited by their respective independent auditors. The independent auditors' reports on financial statements / financial information of these entities have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.
- (iii) The consolidated financial statements include the unaudited financial statements/financial information of one subsidiary, whose financial statements/financial information reflect total assets (before consolidation adjustment) of Rs. 168 lacs as at 31 March 2021, total revenues (before consolidation adjustment) of Rs. 261 lacs and total net loss after tax (before consolidation adjustments) of Rs. 91 lacs and net cash outflow of Rs. 178 lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss after tax (before consolidation adjustments) of Rs. NIL for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us or by other auditors. These unaudited financial statements/ financial information have been furnished to us by the Board of Directors and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements/ financial information are not material to the Group.



Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements /financial information certified by the Board of Directors.

#### Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associates as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies, incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31 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 with reference to consolidated financial statements of the Holding Company, its subsidiary companies and associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and associates, as noted in the 'Other Matters' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group and its associates. Refer Note 47 and Note 55 to the consolidated financial statements.
- ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.
- iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and associate companies incorporated in India during the year ended 31 March 2021.
- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and associate companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies and associate companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies and associate companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Rajiv Shah**

*Partner*

Mumbai  
8 June 2021

Membership No: 112878  
UDIN: 21112878AAAAV8828

## Annexure A to the Independent Auditors' report on the consolidated financial statements of Ion Exchange (India) Limited for the year ended 31 March 2021

### Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

#### Opinion

In conjunction with our audit of the consolidated financial statements of Ion Exchange (India) Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company as of that date and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its associate companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and associate companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the

extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and associate companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

#### Meaning of Internal Financial controls with Reference to consolidated financial statements

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



prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

**Inherent Limitations of Internal Financial controls with reference to consolidated financial statements**

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

**Other matters**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control with reference to consolidated financial statements in so far as it relates to six subsidiary companies and two associates which are incorporated in India is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Rajiv Shah**

*Partner*

Mumbai  
8 June 2021

Membership No: 112878  
UDIN: 21112878AAAAAV8828

## CONSOLIDATED BALANCE SHEET as at 31st March 2021

	Notes	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4(i)	14,864.36	14,598.27
(b) Capital work-in-progress	4(ii)	1,459.82	1,150.82
(c) Right-of-use assets	5	3,030.26	3,783.24
(d) Goodwill	61	863.10	863.10
(e) Other intangible assets	6	215.80	159.32
(f) Investment accounted using equity method	7	356.04	374.52
(g) Financial assets			
(i) Investments	8	71.18	71.18
(ii) Trade receivables	9	454.17	624.55
(iii) Loans	10	1,176.80	1,176.80
(iv) Other financial assets	11	591.05	649.22
(h) Other non current assets	13	1,355.01	1,647.81
(i) Deferred tax assets (Net)	12	534.94	148.31
(j) Non current tax assets (Net)	14	60.53	50.47
<b>Total non-current assets</b>		<b>25,033.06</b>	<b>25,297.61</b>
<b>Current assets</b>			
(a) Inventories	15	12,759.46	13,449.99
(b) Financial assets			
(i) Investments	16	23.74	11.07
(ii) Trade receivables	9	44,896.02	50,187.46
(iii) Cash and cash equivalents	17	9,206.82	10,145.56
(iv) Bank balances other than (iii) above	18	41,331.11	27,162.53
(v) Loans	10	1,535.71	1,732.31
(vi) Other financial assets	11	1,060.04	2,372.46
(c) Current tax assets (Net)	14	67.16	145.63
(d) Other current assets	13	8,417.71	7,723.04
<b>Total current assets</b>		<b>119,297.77</b>	<b>112,930.05</b>
<b>Total assets</b>		<b>144,330.83</b>	<b>138,227.66</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	19	1,422.88	1,422.88
(b) Other equity	20	49,161.06	34,891.68
<b>Equity attributable to owners</b>		<b>50,583.94</b>	<b>36,314.56</b>
<b>Non controlling interests</b>		<b>(12.45)</b>	<b>202.57</b>
<b>Total equity</b>		<b>50,571.49</b>	<b>36,517.13</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	795.01	1,875.27
(ii) Lease liabilities		483.88	1,057.35
(iii) Other financial liabilities	22	847.92	808.32
(b) Provisions	23	1,704.73	1,567.47
(c) Deferred tax liabilities (Net)	12	-	46.07
(d) Other non-current liabilities	24	50.75	50.75
(e) Non current tax liabilities (Net)	25	-	190.54
<b>Total non-current liabilities</b>		<b>3,882.29</b>	<b>5,595.77</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	26	3,259.18	7,225.05
(ii) Lease liabilities		610.34	974.98
(iii) Trade payables	27		
- Total outstanding dues of micro and small enterprises		1,504.76	915.01
- Total outstanding dues of creditors other than micro and small enterprises		52,026.95	48,440.93
(iv) Other financial liabilities	28	4,190.30	4,379.47
(b) Other current liabilities	29	25,184.26	31,897.74
(c) Provisions	23	524.98	568.99
(d) Current tax liabilities (Net)	25	2,576.28	1,712.59
<b>Total current liabilities</b>		<b>89,877.05</b>	<b>96,114.76</b>
<b>Total liabilities</b>		<b>93,759.34</b>	<b>101,710.53</b>
<b>Total equity and liabilities</b>		<b>144,330.83</b>	<b>138,227.66</b>
Significant accounting policies	3		

The accompanying notes are an integral part of the consolidated financial statements  
As per our report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

For and on behalf of the board of directors of  
ION EXCHANGE (INDIA) LIMITED  
CIN - L74999MH1964PLC014258

Rajiv Shah  
Partner  
Membership no.: 112878

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 8th June 2021

N. M. RANADIVE  
Chief Financial Officer

Place : Mumbai  
Date : 8th June 2021

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS for the year ended 31st March 2021**

	Notes	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
<b>Income</b>			
Revenue from operations	30	144,951.95	147,982.68
Other income	31	3,308.80	3,536.55
<b>Total Income (I)</b>		<b>148,260.75</b>	<b>151,519.23</b>
<b>Expenses</b>			
Cost of materials consumed	32	86,530.40	92,350.71
Purchases of stock-in-trade	33	3,277.35	4,368.43
Change in inventories of finished goods, work-in-progress and stock-in-trade	34	(617.83)	(186.13)
Employee benefits expense	35	17,362.88	18,075.40
Finance costs	36	1,260.82	1,597.28
Depreciation and amortisation expenses	37	2,767.47	2,352.52
Other expenses	38	18,169.08	19,916.95
<b>Total expenses (II)</b>		<b>128,750.17</b>	<b>138,475.16</b>
<b>Profit before tax, before share of profit / (loss) of equity accounted investee (I - II)</b>		<b>19,510.58</b>	<b>13,044.07</b>
Share of profit / (loss) of equity accounted investee (net of income tax)		(6.99)	43.95
<b>Profit from operations before income tax</b>		<b>19,503.59</b>	<b>13,088.02</b>
<b>Tax expense</b>	39		
Current tax		5,631.16	3,746.80
Deferred tax	12	(459.97)	(73.84)
<b>Total tax expense</b>		<b>5,171.19</b>	<b>3,672.96</b>
<b>Profit after tax (III)</b>		<b>14,332.40</b>	<b>9,415.06</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss	40		
(a) Remeasurement benefit of defined benefit plans		134.55	(134.57)
(b) Income tax expense on remeasurement benefit of defined benefit plans		(32.02)	31.00
Items that will be reclassified to profit or loss			
Movement in foreign currency translation reserve		(129.62)	123.48
<b>Total Other Comprehensive Income (IV)</b>		<b>(27.09)</b>	<b>19.91</b>
<b>Total Comprehensive Income (III + IV)</b>		<b>14,305.31</b>	<b>9,434.97</b>
Profit attributable to:			
Owners of the company		14,393.32	9,362.18
Non-controlling interests		(60.92)	52.88
<b>Profit for the year</b>		<b>14,332.40</b>	<b>9,415.06</b>
Other Comprehensive Income attributable to :			
Owners of the company		14.24	19.91
Non-controlling interests		(41.33)	-
<b>Other Comprehensive Income for the year</b>		<b>(27.09)</b>	<b>19.91</b>
Total Comprehensive Income attributable to :			
Owners of the company		14,407.56	9,382.09
Non-controlling interests		(102.25)	52.88
<b>Total Comprehensive Income for the year</b>		<b>14,305.31</b>	<b>9,434.97</b>
Earnings per equity share:			
[Nominal value of shares INR 10 (2019-20: INR 10)]	41		
Basic (in INR)		121.41	80.22
Diluted (in INR)		121.41	80.22
Significant accounting policies	3		
The accompanying notes are an integral part of the consolidated financial statements			

As per our report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

Rajiv Shah  
Partner  
Membership no.: 112878

Place : Mumbai  
Date : 8th June 2021

For and on behalf of the board of directors of  
ION EXCHANGE (INDIA) LIMITED  
CIN - L74999MH1964PLC014258

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

N. M. RANADIVE  
Chief Financial Officer

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 8th June 2021

**STATEMENT OF CONSOLIDATED CHANGES IN EQUITY for the year ended 31st March 2021**

	As at 31st March 2021		As at 31st March 2020	
	Number of shares	INR in Lacs	Number of shares	INR in Lacs
<b>A. Equity share capital</b>				
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	14,228,785	1,422.88	14,228,785	1,422.88
Add: Shares issued during the year	-	-	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	<b>14,228,785</b>	<b>1,422.88</b>	<b>14,228,785</b>	<b>1,422.88</b>

**B. Other equity**

	Attributable to owners										Total	
	Reserves and Surplus					Treasury Shares (Refer note 20)			Total attributable to owners	Attributable to Non-controlling interest		
	Security premium account	Special reserve	General reserve	Legal reserve	Capital reserve on consolidation	Foreign currency translation reserve	Retained earnings	INR in Lacs				INR in Lacs
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs
<b>Balance as at 1st April 2019</b>	8,334.84	22.17	2,719.79	151.54	257.48	185.81	15,905.25	(2,996.99)	24,579.89	218.70	24,798.59	
Transition impact of Ind AS 116	-	-	-	-	-	-	29.51	-	29.51	-	29.51	
<b>Balance as at 1st April 2019</b>	<b>8,334.84</b>	<b>22.17</b>	<b>2,719.79</b>	<b>151.54</b>	<b>257.48</b>	<b>185.81</b>	<b>15,934.76</b>	<b>(2,996.99)</b>	<b>24,609.40</b>	<b>218.70</b>	<b>24,828.10</b>	
Profit for the year (a)	-	-	-	-	-	-	9,362.18	-	9,362.18	52.88	9,415.06	
Other Comprehensive Income (b)	-	-	-	-	-	123.48	(103.57)	-	19.91	-	19.91	
Total comprehensive income for the year (a+b)	-	-	-	-	-	123.48	9,258.61	-	9,382.09	52.88	9,434.97	
Prior period adjustments	-	-	-	-	-	-	(4.59)	-	(4.59)	-	(4.59)	
Proceeds from sale of treasury shares	-	-	-	-	-	-	2,189.41	-	2,189.41	-	2,189.41	
Cost of treasury shares sold	-	-	-	-	-	-	(188.71)	188.71	-	-	-	
Others (Non controlling interest of subsidiary)	-	-	-	-	-	-	-	-	-	38.79	38.79	
Dividend paid	-	-	-	-	-	-	(1,054.17)	-	(1,054.17)	(107.80)	(1,161.97)	
Tax on Dividend paid	-	-	-	-	-	-	(230.46)	-	(230.46)	-	(230.46)	
<b>Balance as at 31st March 2020</b>	<b>8,334.84</b>	<b>22.17</b>	<b>2,719.79</b>	<b>151.54</b>	<b>257.48</b>	<b>309.29</b>	<b>25,904.85</b>	<b>(2,808.28)</b>	<b>34,891.68</b>	<b>202.57</b>	<b>35,094.25</b>	
Profit / (Loss) for the year (c)	-	-	-	-	-	-	14,393.32	-	14,393.32	(60.92)	14,332.40	
Other Comprehensive Income (d)	-	-	-	-	-	(88.29)	102.53	-	14.24	(41.33)	(27.09)	
Total comprehensive income for the year (c+d)	-	-	-	-	-	(88.29)	14,495.85	-	14,407.56	(102.25)	14,305.31	
Additional treasury shares	-	-	-	-	-	-	47.35	(4.36)	42.99	-	42.99	
Dividend paid	-	-	-	-	-	-	(181.17)	-	(181.17)	(112.77)	(293.94)	
<b>Balance as at 31st March 2021</b>	<b>8,334.84</b>	<b>22.17</b>	<b>2,719.79</b>	<b>151.54</b>	<b>257.48</b>	<b>221.00</b>	<b>40,266.88</b>	<b>(2,812.64)</b>	<b>49,161.06</b>	<b>(12.45)</b>	<b>49,148.61</b>	

As per our report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

For and on behalf of the board of directors of  
ION EXCHANGE (INDIA) LIMITED  
CIN - L74999MH1964PLC014258

Rejiv Shah  
Partner  
Membership no.: 112878  
Place : Mumbai  
Date : 8th June 2021

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486  
N. M. RANADIVE  
Chief Financial Officer

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 8th June 2021

### **CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March 2021**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
<b>A. Cash flow from operating activities:</b>		
<b>Profit before tax, before share of profit / (loss) of equity accounted investee</b>	<b>19,510.58</b>	<b>13,044.07</b>
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	2,767.47	2,352.52
(Profit) / Loss on assets sold / discarded (Net)	1.37	9.69
Finance cost	1,260.82	1,597.28
Dividend income	(1.07)	(2.03)
Interest income	(2,420.77)	(2,207.83)
Provision for Doubtful debts / Bad debts written off	700.90	1,091.87
Doubtful advances/Claims written off	476.32	-
Amount set aside for liabilities, no longer required, written back	190.54	-
Change in fair value of investments	(12.68)	25.46
Unrealised exchange loss / (gain)	(35.91)	(972.74)
Others	42.99	-
<b>Operating profit before working capital changes</b>	<b>22,480.56</b>	<b>14,938.29</b>
Movements in working capital:		
(Increase) / Decrease in inventories	690.53	(473.97)
(Increase) / Decrease in trade receivables	4,300.69	(7,321.51)
(Increase) / Decrease in loans	(279.72)	(677.45)
(Increase) / Decrease in other current assets	(413.75)	(1,172.71)
(Decrease) / Increase in trade payables	4,126.80	6,815.64
(Decrease) / Increase in other financial liabilities	275.66	384.05
(Decrease) / Increase in other current liabilities	(6,713.48)	1,111.99
(Decrease) / Increase in provisions	227.80	222.03
<b>Cash generated from operations</b>	<b>24,695.09</b>	<b>13,826.36</b>
Taxes paid (Net)	(4,989.60)	(3,647.80)
<b>Net cash generated from operating activities</b>	<b>(A) 19,705.49</b>	<b>10,178.56</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant and equipment	(2,995.27)	(3,204.59)
Proceeds from sale of property, plant and equipment	1.53	35.72
Investments made in others	-	(1.10)
Bank deposit made during the year (with maturity more than three months)	(18,152.34)	(14,143.27)
Bank deposit matured during the year (with maturity more than three months)	3,972.34	11,526.92
Proceeds from sale of treasury shares	-	2,189.41
Dividend received	1.07	2.03
Interest received	3,733.19	1,800.77
<b>Net cash used in investing activities</b>	<b>(B) (13,439.48)</b>	<b>(1,794.11)</b>

**CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March 2021 (contd...)**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
<b>C. Cash flow from financing activities:</b>		
Repayment of borrowings	(5,530.77)	(2,822.23)
Proceeds from borrowings	716.15	3,960.84
Payment of lease liability	(1,193.61)	(1,260.14)
Equity contribution by minority	-	38.79
Dividend paid	(293.94)	(1,161.97)
Dividend tax paid	-	(230.46)
Finance cost	(1,168.27)	(1,341.50)
<b>Net cash generated / (used) in financing activities (C)</b>	<b>(7,470.44)</b>	<b>(2,816.67)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>(1,204.43)</b>	<b>5,567.78</b>
<b>Effect of exchange difference on cash and cash equivalent held in foreign currency</b>	<b>265.69</b>	<b>60.53</b>
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>10,145.56</b>	<b>4,517.25</b>
<b>Cash and cash equivalents as at the end of the year</b>	<b>9,206.82</b>	<b>10,145.56</b>

Notes:

- 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.
- Purchase of property, plant and equipment represents additions to property, plant and equipment, and other intangible assets adjusted for movement of capital work-in-progress for property, plant and equipment.
- Cash and cash equivalents excludes the following balances with bank:

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Cash and cash equivalents disclosed under current assets [Note 17]	9,206.82	10,145.56
Other bank balances disclosed under current assets [Note 18]	41,331.11	27,162.53
<b>Total cash and cash equivalents as per balance sheet</b>	<b>50,537.93</b>	<b>37,308.09</b>
Less: Other bank balances disclosed under current assets		
On unclaimed dividend account	54.71	65.92
On unclaimed interest on fixed deposits	0.52	0.73
On deposit account	24,417.34	10,476.15
On margin money account	16,858.54	16,619.73
	<b>41,331.11</b>	<b>27,162.53</b>
<b>Total cash and cash equivalents as per Statement of Cash Flows</b>	<b>9,206.82</b>	<b>10,145.56</b>

As per our report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

Rajiv Shah  
Partner  
Membership no.: 112878

Place : Mumbai  
Date : 8th June 2021

For and on behalf of the board of directors of  
ION EXCHANGE (INDIA) LIMITED  
CIN - L74999MH1964PLC014258

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

N. M. RANADIVE  
Chief Financial Officer

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 8th June 2021

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021**

### **Overview of the group**

Ion Exchange (India) Limited (the company) is a public limited company incorporated and domiciled in India. It is listed on BSE Limited (BSE). This consolidated financial statement comprises the company and its subsidiaries (referred to collectively as 'the group') and the group's interest in associates and joint ventures.

The group offers a wide range of solutions across the water cycle from pre-treatment to process water treatment, waste water treatment, recycle, zero liquid discharge, sewage treatment, packaged drinking water, sea water desalination etc. The group is also engaged in manufacturing resins, speciality chemicals for water and waste water treatment as well as non-water applications. The group's water and environment management solutions extend beyond the industrial sector to homes, hotels, spas, educational institutions, hospitals, laboratories, realty sector, defense establishments and rural communities, providing safe drinking water and a clean environment.

### **1. Principles of consolidation:**

#### (a) Subsidiaries

Subsidiaries are all entities that are controlled by the Company. Control exists when the Company is exposed to, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases.

#### (b) Non-controlling interests ("NCI")

Non-controlling interest are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Change in Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### (c) Equity accounted investees

The group's interest in equity accounted investees comprises interest in associates and joint ventures. Associates are those entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies. Significant influence is presumed to exist when the Company holds more than 20% of the voting power of another entity.

Joint arrangements are those arrangements over which the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in associates and jointly controlled entities are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. Subsequent to initial recognition, the consolidated financial statements include the group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases.

#### (d) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated. Unrealised gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the group's interest in the investee.

#### (e) The financial statement of the subsidiaries, associates and jointly controlled entity used for consolidation are drawn up to the same reporting date as that of the parent i.e. 31st March 2021.

### **2.1 Subsidiary companies considered in the consolidated financial statements are:**

Name of the company	Country of incorporation	% of Voting power as at	
		31st March 2021	31st March 2020
Aqua Investments (India) Limited	India	99.42	99.42
Watercare Investments (India) Limited	India	99.43	99.43
Ion Exchange Enviro Farms Limited (IEEFL)	India	79.60	79.60
Ion Exchange Asia Pacific Pte. Limited	Singapore	100.00	100.00
IEI Environmental Management (M) Sdn. Bhd.	Malaysia	100.00	100.00
Ion Exchange Environment Management (BD) Limited	Bangladesh	100.00	100.00
Ion Exchange LLC	USA	100.00	100.00
Ion Exchange And Company LLC	Oman	51.00	51.00
Ion Exchange Asia Pacific (Thailand) Limited *	Thailand	100.00	100.00
PT Ion Exchange Asia Pacific *	Indonesia	95.00	95.00



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****2.1 Subsidiary companies considered in the consolidated financial statements are (contd...)**

Name of the company	Country of incorporation	% of Voting power as at	
		31st March 2021	31st March 2020
Ion Exchange WTS (Bangladesh) Limited	Bangladesh	100.00	100.00
Ion Exchange Projects And Engineering Limited	India	91.81	91.81
Global Composites And Structural Limited	India	73.92	73.92
Total Water Management Services (I) Limited	India	70.19	70.19
Ion Exchange Safic Pty. Limited	South Africa	60.00	60.00
Ion Exchange Purified Drinking Water Private Limited	India	100.00	100.00
Ion Exchange Environment Management Ltd.	India	100.00	100.00
Ion Exchange Arabia for Water	Saudi Arabia	60.00	60.00

The principal place of business of all the entities listed above is the same as their respective country of incorporation.

**2.2 The Associates considered in the consolidated financial statements are:**

Name of the company	Country of Incorporation	% of Voting power as at	
		31st March 2021	31st March 2020
IEI Water-Tech (M) Sdn. Bhd. *	Malaysia	30.00	30.00
Aquanomics Systems Limited	India	48.42	48.42
Ion Exchange Financial Products Private Limited **	India	24.02	24.02
Ion Exchange PSS Co. Limited *	Thailand	49.00	49.00

\* Holding through subsidiary company – Ion Exchange Asia Pacific Pte. Limited, Singapore.

\*\* Holding through subsidiary companies – Aqua Investments (India) Limited and Watercare Investments (India) Limited.

**3. Significant accounting policies****3.1 Statement of compliance**

The consolidated financial statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time as notified under Section 133 of Companies Act, 2013, the relevant provisions of the Companies Act, 2013 (“the Act”), and the guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The consolidated financial statements are authorised for issue by the board of directors of the company at their meeting held on 8th June 2021.

**3.2 Basis of preparation**

The consolidated 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.

The consolidated financial statements includes financials statements of IEI Shareholding (Staff Welfare) Trusts (60 trusts) and HMIL Shareholding (Staff Welfare) Trusts (17 trusts).

The operating cycle in case of projects division comprising of turnkey projects which forms a part of engineering segment is determined for each project separately based on the expected execution period of the contract. In case of the other divisions the company has ascertained its operating cycle as twelve months.

**3.3 Functional and presentation currency**

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

**3.4 Basis of measurement**

The consolidated 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.

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

### **3. Significant accounting policies (contd...)**

#### **3.5 Use of estimates**

The preparation of the consolidated 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 recognised in the consolidated 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.

d) Expected credit loss (ECL) – Refer note no. 3.13 on Impairment of financial assets

#### **3.6 Measurement of fair values**

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

The group 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 group 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 group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

#### **3.7 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****3. Significant accounting policies (contd...)****3.7 Property, plant and equipment and depreciation (contd...)**

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 based on technical evaluation, whichever is lower, as stated below.

Assets	Useful lives
Road	10 years
Building - Other than factory buildings	30 – 60 years
- Factory buildings	20 – 30 years
Plant and machinery	10 – 15 years
Site equipments	3 years
Furniture and fixtures	10 years
Vehicles	4 – 8 years
Office equipments	3 – 5 years

In case of certain class of assets, the group 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 group 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.

**3.8 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 consolidated 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.

**3.9 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.

The group reviews its carrying value of investments carried at cost and 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.

**3.10 Foreign currency transactions**

Transactions in foreign currencies are recognised 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 recognised 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 recognised 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.

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

### **3. Significant accounting policies (contd...)**

#### **3.11 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 recognised 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.

#### **3.12 Research and development**

Capital expenditure on research and development is treated in the same manner as property, plant and equipment. Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured.

#### **3.13 Financial instruments**

Financial assets and financial liabilities are recognised in the balance sheet when the group becomes a party to the contractual provisions of the instrument. The group 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****3. Significant accounting policies (contd...)****3.13 Financial instruments (contd...)**

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

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

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

**(iv) Impairment of financial assets**

The group assesses impairment based on expected credit losses (ECL) model for the following:

Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

Other financial assets such as deposits, advances etc., the group follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition.

As a practical expedient, the group uses the provision matrix to determine impairment loss allowance on the trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and its adjusted forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) during the period is recognised as other expense in the statement of profit and loss.

**(v) De-recognition of financial assets**

The group 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 group 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.

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

### **3. Significant accounting policies (contd...)**

#### **3.13 Financial instruments (contd...)**

(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.

#### **3.14 Retirement and other employee benefits**

- (i) Retirement benefit in the form of provident fund managed by Government Authorities and Superannuation Fund are defined contribution scheme and the contribution is charged to the statement of profit and loss for the year when the contribution to the respective fund is due. There is no other obligation other than the contribution payable.
- (ii) Provident Fund scheme managed by trust set up by the group is a defined benefit plan. Employee benefits, in form of contribution to provident fund managed by such trust, is charged to the statement of profit and loss as and when the related services are rendered. The deficit, if any, in the accumulated corpus of the trust is recognised in the statement of profit and loss based on actuarial valuation.
- (iii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit method made at the end of each financial year. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI).
- (iv) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.
- (v) Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per Projected Unit Credit method made at the end of each financial year. The group presents the leave liability as non-current in the balance sheet, to the extent it has an unconditional right to defer its settlement for a period beyond 12 months, balance amount is presented as current.

#### **3.15 Employee stock compensation cost**

Equity-settled plans are accounted at fair value as at the grant date. The fair value of the share-based option is determined at the grant date using a market-based option valuation model (Black Scholes Option Valuation Model). The fair value of the option is recorded as compensation expense amortized over the vesting period of the options, with a corresponding increase in Reserves and Surplus under the head "Employee Stock Option Outstanding". On exercise of the option, the proceeds are recorded as share capital and security premium account.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the group's best estimate of the number of equity instruments that will ultimately vest.

#### **3.16 Revenue recognition**

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

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the group expects to receive in exchange for those products or services.

Revenue related to fixed price maintenance and support services contracts where the group 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 fixed-price construction 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.

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.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****3. Significant accounting policies (contd...)****3.16 Revenue recognition (contd...)**

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

Use of significant judgements in revenue recognition

- The group's contracts with customers could include promises to transfer multiple products and services to a customer. The group 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 group 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 group uses judgement to determine an appropriate standalone selling price for a performance obligation. The group 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 group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The group 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 construction contract is recognised using percentage-of-completion method. The group 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.

**3.17 Service concession arrangement**

The group has recognised its rights under the service concession as receivable under service concession arrangement for contracts with government agencies for public sector infrastructure assets and services under Built Own Operate Transfer (BOOT) scheme.

**3.18 Taxation**

- (i) Provision for current taxation has been made in accordance with the Income tax laws prevailing for the relevant assessment years.
- (ii) Deferred tax is recognised, subject to the consideration of prudence, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.



## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

### **3. Significant accounting policies (contd...)**

#### **3.18 Taxation (contd...)**

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Un-recognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss are recognised in correlation to the underlying transaction either in Other Comprehensive Income (OCI) or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation.

#### **3.19 Provisions and contingent liabilities**

A provision is recognised if, as a result of a past event, the group 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.

#### **3.20 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 calculating the weighted average number of equity shares outstanding, 2,368,939 (2019-20: 2,368,939) equity shares and 4,675 equity shares are being excluded on consolidation of equity shares held by IEI Shareholding (Staff Welfare) Trusts and HMIL Shareholding (Staff Welfare) Trusts respectively.

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.

#### **3.21 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 group 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 group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the group as a whole.

#### **3.22 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****3. Significant accounting policies (contd...)****3.23 Leases:**

Leases are accounted as per Ind AS 116 which has become mandatory from 1st April 2019.

Where the group is the lessor

Leases in which the group 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 group are included in property, plant and equipment. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

Where the group the lessee

Assets taken on lease are accounted as right-of-use assets and the corresponding lease liability is accounted at the lease commencement date.

Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The lease liability is initially measured at the present value of the lease payments, discounted using the group's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, or a change in the estimate of the guaranteed residual value, or a change in the assessment of purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated amortisation and cumulative impairment, if any. The right-of-use asset is amortised, using the straight-line method over the period of lease, from the commencement date to the end of the lease term or useful life of the underlying asset whichever is earlier. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Lease payments associated with following leases are recognised as expense on straight-line basis:

- (i) Low value leases; and
- (ii) Leases which are short-term.

**3.24 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset till such time that it is required to complete and prepare the assets to get ready for its intended use. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**3.25 Dividend payable**

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as a liability on the date of declaration by the group's board of directors. A corresponding amount is recognised directly in equity.

The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay/distribute dividend after deducting applicable taxes.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**
**4(i). Property, plant and equipment**

INR in Lacs

	Land (Freehold) (Refer note a)	Land (Leasehold) *	Road	Building on freehold land (Refer note b,c,d and e)	Building on leasehold land	Plant and machinery *	Furniture and fixtures	Vehicles	Office equipments *	Total
<b>Gross block</b>										
As at 1st April 2020	342.64	-	88.46	4,024.11	3,031.44	10,001.42	639.89	536.68	995.95	19,660.59
Addition during the year	-	-	7.42	104.02	580.52	1,249.89	95.80	4.87	150.52	2,193.04
Disposal during the year	-	-	-	-	-	-	-	3.82	0.58	4.40
Exchange gain / (loss)	-	-	-	-	(0.22)	1.11	0.35	(1.74)	1.08	0.58
<b>As at 31st March 2021</b>	<b>342.64</b>	<b>-</b>	<b>95.88</b>	<b>4,128.13</b>	<b>3,611.74</b>	<b>11,252.42</b>	<b>736.04</b>	<b>535.99</b>	<b>1,146.97</b>	<b>21,849.81</b>
<b>Depreciation / Amortisation</b>										
As at 1st April 2020	-	-	38.67	278.59	425.34	3,268.47	229.43	255.82	566.00	5,062.32
Depreciation during the year	-	-	10.20	123.27	149.55	1,321.92	69.53	102.46	149.74	1,926.67
Deduction during the year	-	-	-	-	-	-	-	3.82	0.42	4.24
Exchange gain / (loss)	-	-	-	-	(0.11)	0.56	0.17	0.30	(0.22)	0.70
<b>As at 31st March 2021</b>	<b>-</b>	<b>-</b>	<b>48.87</b>	<b>401.86</b>	<b>574.78</b>	<b>4,590.95</b>	<b>299.13</b>	<b>354.76</b>	<b>715.10</b>	<b>6,985.45</b>
<b>Net carrying value as at 31st March 2021</b>	<b>342.64</b>	<b>-</b>	<b>47.01</b>	<b>3,726.27</b>	<b>3,036.96</b>	<b>6,661.47</b>	<b>436.91</b>	<b>181.23</b>	<b>431.87</b>	<b>14,864.36</b>
<b>Gross block</b>										
As at 1st April 2019	342.64	360.13	88.46	2,456.39	3,009.36	10,849.52	560.65	446.51	1,117.42	19,231.08
Transition impact of Ind AS 116 (Refer note 53)	-	(360.13)	-	-	-	(2,156.28)	-	-	(361.36)	(2,877.77)
Cost as at 1st April 2019	342.64	-	88.46	2,456.39	3,009.36	8,693.24	560.65	446.51	756.06	16,353.31
Addition during the year	-	-	-	1,567.72	21.05	1,419.88	74.48	96.76	245.48	3,425.37
Disposal during the year	-	-	-	-	-	113.56	1.37	30.85	9.31	155.09
Exchange gain / (loss)	-	-	-	-	1.03	1.86	6.13	24.26	3.72	37.00
<b>As at 31st March 2020</b>	<b>342.64</b>	<b>-</b>	<b>88.46</b>	<b>4,024.11</b>	<b>3,031.44</b>	<b>10,001.42</b>	<b>639.89</b>	<b>536.68</b>	<b>995.95</b>	<b>19,660.59</b>
<b>Depreciation / Amortisation</b>										
As at 1st April 2019	-	24.14	27.17	195.70	292.45	2,773.88	166.04	164.15	526.03	4,169.56
Transition impact of Ind AS 116 (Refer note 53)	-	(24.14)	-	-	-	(547.42)	-	-	(110.22)	(681.78)
Accumulated depreciation as at 1st April 2019	-	-	27.17	195.70	292.45	2,226.46	166.04	164.15	415.81	3,487.78
Depreciation during the year	-	-	11.50	82.89	131.67	1,117.07	60.71	103.39	152.85	1,660.08
Deduction during the year	-	-	-	-	-	76.71	1.02	22.65	5.98	106.36
Exchange gain / (loss)	-	-	-	-	1.22	1.65	3.70	10.93	3.32	20.82
<b>As at 31st March 2020</b>	<b>-</b>	<b>-</b>	<b>38.67</b>	<b>278.59</b>	<b>425.34</b>	<b>3,268.47</b>	<b>229.43</b>	<b>255.82</b>	<b>566.00</b>	<b>5,062.32</b>
<b>Net carrying value as at 31st March 2020</b>	<b>342.64</b>	<b>-</b>	<b>49.79</b>	<b>3,745.52</b>	<b>2,606.10</b>	<b>6,732.95</b>	<b>410.46</b>	<b>280.86</b>	<b>429.95</b>	<b>14,598.27</b>

\* The company leases a number of items of plant and machinery and office equipments. These leases were classified as finance leases under IND AS 17. For these finance leases, the carrying amount of the right-of-use assets, lease assets and lease liabilities as at 1st April 2019 were determined at the carrying value of the lease assets and lease liabilities under IND AS 17 immediately before that date.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****4(i). Property, plant and equipment (contd...)****Notes**

- a) Freehold land includes land at Pune, the title deeds of which are in the name of the nominees of the company.  
Gross book value INR 18.44 Lacs (31st March 2020: INR 18.44 Lacs)
- b) Buildings on freehold land includes residential flats, the cost of which includes:
- INR 250 (31st March 2020: INR 250) being the value of 5 Shares (unquoted) of INR 50 each, fully paid up in Sunrise Co-operative Housing Society Limited.
  - INR 3,500 (31st March 2020: INR 3,500) being the value of 70 Shares (unquoted) of INR 50 each, fully paid up in Usha Milan Co-operative Society Limited.
- c) Buildings on freehold land includes residential flats acquired at Mumbai, the society formation of which is in progress.  
Deemed gross book value INR 41.15 Lacs (31st March 2020: INR 41.15 Lacs)  
Net book value INR 35.95 Lacs (31st March 2020: INR 36.99 Lacs)
- d) Buildings on freehold land includes residential flats comprising of 2 LIG flats (Nos. B-16 and B-17) and 1 MIG flat (No. B-14) at Hosur, the title deeds of which are awaited from authorities.  
Gross book value INR Nil (31st March 2020: INR Nil)  
Net book value INR Nil (31st March 2020: INR Nil)
- e) Buildings on freehold land includes office premises given on operating lease :  
Deemed gross book value INR 104.74 Lacs (31st March 2020: INR 104.74 Lacs)  
Accumulated depreciation INR 11.51 Lacs (31st March 2020: INR 9.21 Lacs)  
Depreciation for the year INR 2.30 Lacs (31st March 2020: INR 2.30 Lacs)  
Net book value INR 93.23 Lacs (31st March 2020: INR 95.53 Lacs)
- f) Addition to Property, plant and equipment includes amount of INR 108.32 Lacs (31st March 2020: INR 1,516.74 Lacs) pertaining to research and development.
- g) Certain property, plant and equipment are given as security for borrowings, the details relating to which have been described in note 21 and note 26

**4(ii). Capital work-in-progress**

INR in Lacs

	Year ended 31st March 2021	Year ended 31st March 2020
<b>As at 1st April</b>	1,150.82	1,228.49
Addition during the year	2,015.89	4,229.16
Capitalisation / deductions during the year	1,706.89	4,306.83
<b>As at 31st March</b>	<b>1,459.82</b>	<b>1,150.82</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**
**5. Right-of-use assets**

	INR in Lacs					
	Land	Building	Plant and machinery (Refer note a)	Vehicle	Office equipments (Refer note a)	Total
<b>Gross block</b>						
As at 1st April 2020	335.99	595.02	3,164.67	-	324.35	4,420.03
Addition during the year	-	9.72	-	9.18	42.00	60.90
Disposal during the year	-	36.34	0.29	-	-	36.63
Exchange gain / (loss)	-	5.76	1.26	-	-	7.02
<b>As at 31st March 2021</b>	<b>335.99</b>	<b>574.16</b>	<b>3,165.64</b>	<b>9.18</b>	<b>366.35</b>	<b>4,451.32</b>
<b>Depreciation / Amortisation</b>						
As at 1st April 2020	9.48	160.20	344.07	-	123.04	636.79
Depreciation during the year	9.48	167.38	472.48	0.48	132.29	782.11
Deduction during the year	-	0.49	-	-	-	0.49
Exchange gain / (loss)	-	2.05	0.60	-	-	2.65
<b>As at 31st March 2021</b>	<b>18.96</b>	<b>329.14</b>	<b>817.15</b>	<b>0.48</b>	<b>255.33</b>	<b>1,421.06</b>
<b>Net carrying value as at 31st March 2021</b>	<b>317.03</b>	<b>245.02</b>	<b>2,348.49</b>	<b>8.70</b>	<b>111.02</b>	<b>3,030.26</b>
<b>Gross block</b>						
As at 1st April 2019	-	-	-	-	-	-
Reclassified on account of adoption of Ind AS 116 (Refer note 53)	335.99	-	1,608.86	-	251.14	2,195.99
Addition during the year	-	595.02	1,555.81	-	73.21	2,224.04
Disposal during the year	-	-	-	-	-	-
<b>As at 31st March 2020</b>	<b>335.99</b>	<b>595.02</b>	<b>3,164.67</b>	<b>-</b>	<b>324.35</b>	<b>4,420.03</b>
<b>Depreciation / Amortisation</b>						
As at 1st April 2019	-	-	-	-	-	-
Depreciation during the year	9.48	160.20	344.07	-	123.04	636.79
Deduction during the year	-	-	-	-	-	-
<b>As at 31st March 2020</b>	<b>9.48</b>	<b>160.20</b>	<b>344.07</b>	<b>-</b>	<b>123.04</b>	<b>636.79</b>
<b>Net carrying value as at 31st March 2020</b>	<b>326.51</b>	<b>434.82</b>	<b>2,820.60</b>	<b>-</b>	<b>201.31</b>	<b>3,783.24</b>

**Note**

- a) Finance lease obligations are secured by hypothecation of under lying plant and machinery and equipment's taken on lease. Lease obligations are discharged by monthly / quarterly lease rental payments. The lease terms are for 2 to 4 years.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****6. Other intangible assets**

	INR in Lacs	
	Computer Software	Total
<b>Gross block</b>		
As at 1st April 2020	351.70	351.70
Addition during the year	115.15	115.15
Disposal during the year	-	-
Exchange gain / (loss)	0.08	0.08
<b>As at 31st March 2021</b>	<b>466.93</b>	<b>466.93</b>
<b>Amortisation</b>		
As at 1st April 2020	192.38	192.38
Amortised during the year	58.69	58.69
Deduction during the year	-	-
Exchange gain / (loss)	0.06	0.06
<b>As at 31st March 2021</b>	<b>251.13</b>	<b>251.13</b>
<b>Net carrying value as at 31st March 2021</b>	<b>215.80</b>	<b>215.80</b>
<b>Gross block</b>		
As at 1st April 2019	274.23	274.23
Addition during the year	77.47	77.47
Disposal during the year	-	-
<b>As at 31st March 2020</b>	<b>351.70</b>	<b>351.70</b>
<b>Amortisation</b>		
As at 1st April 2019	136.73	136.73
Amortised during the year	55.65	55.65
Deduction during the year	-	-
<b>As at 31st March 2020</b>	<b>192.38</b>	<b>192.38</b>
<b>Net carrying value as at 31st March 2020</b>	<b>159.32</b>	<b>159.32</b>

**7. Investment accounted using equity method**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
<b>At cost in equity shares of associates</b>		
<b>Unquoted, fully paid-up</b>		
460,000 (31st March 2020: 460,000) equity shares of INR 10 each, fully paid-up in Aquanomics Systems Limited	356.04	374.52
300,000 (31st March 2020: 300,000) equity shares of MYR 1 each, fully paid-up in IEI Water-Tech (M) Sdn. Bhd.	-	-
2,450 (31st March 2020: 2,450) equity shares of INR 10 each, fully paid-up in Ion Exchange Financials Products Private Limited	-	-
14,700 (31st March 2020: 14,700) equity shares of THB 100 each, fully paid-up in Ion Exchange PSS Co. Limited	-	-
	<b>356.04</b>	<b>374.52</b>
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	356.04	374.52

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

**8. Non-current investments**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
<b>Measured at fair value through profit and loss in equity shares of others</b>		
<b>Unquoted, fully paid-up</b>		
6,000 (31st March 2020: 6,000) equity shares of INR 10 each, fully paid-up in IEK Plastics Limited	-	-
113 (31st March 2020: 113) equity shares of INR 10 each, fully paid-up in Patancheru Enviro-tech Limited	0.01	0.01
10,500 (31st March 2020: 10,500) equity shares of INR 10 each, fully paid-up in Bharuch Enviro Infrastructure Limited	1.05	1.05
352,500 (31st March 2020: 352,500) equity shares of INR 10 each, fully paid-up in Bharuch Eco-Aqua Infrastructure Limited	35.25	35.25
71,518 (31st March 2020: 71,518) equity shares of INR 10 each, fully paid-up in GPCL Consulting Services Limited	27.46	27.46
1,000 (31st March 2020: 1,000) equity shares of INR 10 each, fully paid-up in Ion Foundation	0.10	0.10
11,000 (31st March 2020: Nil) equity shares of INR 10 each, fully paid-up in Haldia Water Services Pvt. Ltd. [Refer note (a) below]	1.10	1.10
7,143 (31st March 2020: 7,143) equity shares of INR 10 each, fully paid-up in Water Quality India Association	0.71	0.71
750 (31st March 2020: 750) equity shares of INR 10 each, fully paid-up in Process Automation Engineering	-	-
9,999 (31st March 2020: 9,999) equity shares of INR 10 each, fully paid-up in The Thane Janta Sahakari Bank Ltd.	5.00	5.00
<b>(A)</b>	<b>70.68</b>	<b>70.68</b>
<b>Measured at amortised cost in preference shares of others</b>		
<b>Unquoted, fully paid-up</b>		
75,000 (31st March 2020: 75,000) 14.25% preference shares of INR 100 each, fully paid-up in HMG Industries Limited.	0.50	0.50
<b>(B)</b>	<b>0.50</b>	<b>0.50</b>
<b>Total non current investments</b>	<b>(A+B) 71.18</b>	<b>71.18</b>
Aggregate amount of quoted Investments	-	-
Aggregate amount of unquoted Investments	71.18	71.18

Note

(a) 11,000 equity shares are pledged to a non-banking financial company during the year



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****9. Trade receivables**

	Non-current		Current	
	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Trade receivables				
(a) Unsecured, considered good	330.46	330.46	44,896.02	50,187.46
(b) Unsecured, have significant increase in credit risk	123.71	294.09	-	-
(c) Unsecured, credit impaired	68.88	68.88	1,879.03	1,306.16
	523.05	693.43	46,775.05	51,493.62
Less: Provision for credit impaired	68.88	68.88	1,879.03	1,306.16
	<b>454.17</b>	<b>624.55</b>	<b>44,896.02</b>	<b>50,187.46</b>

**10. Loans**

	Non-current		Current	
	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Tender, security and other deposits				
(a) Unsecured, considered good	1,176.80	1,176.80	111.38	361.28
(b) Unsecured, credit impaired	13.74	13.74	-	-
	1,190.54	1,190.54	111.38	361.28
Less: Provision for credit impaired	13.74	13.74	-	-
(A)	1,176.80	1,176.80	111.38	361.28
Loans and advances to related parties (Refer note 46)				
(a) Unsecured, considered good	-	-	224.36	209.49
(b) Unsecured, credit impaired	19.50	19.50	-	-
	19.50	19.50	224.36	209.49
Less: Provision for credit impaired	19.50	19.50	-	-
(B)	-	-	224.36	209.49
Claims receivables and others	(C)	-	1,116.56	1,012.52
Loans and advance to employees	(D)	-	83.41	149.02
Rent receivable (Unsecured, credit impaired)		17.05	-	-
Less: Provision for credit impaired		17.05	-	-
(E)	-	-	-	-
Others - Unsecured, credit impaired				
- Inter corporate deposits	57.07	57.07	-	-
- Other loans and advances	55.07	55.07	-	-
	112.14	112.14	-	-
Less: Provision for credit impaired	112.14	112.14	-	-
(F)	-	-	-	-
<b>(A+B+C+D+E+F)</b>	<b>1,176.80</b>	<b>1,176.80</b>	<b>1,535.71</b>	<b>1,732.31</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

**11. Other financial assets**

	Non-current		Current	
	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Receivable from concession agreement (Refer note 60)	591.05	649.22	115.52	115.52
Interest accrued on margin money	-	-	944.52	2,256.94
	<b>591.05</b>	<b>649.22</b>	<b>1,060.04</b>	<b>2,372.46</b>

**12. Deferred tax assets / liabilities**

**As at 31st March 2021**

Particulars	INR in Lacs				
	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Other adjustments *	Closing balance
<b>Deferred tax assets/ (liabilities)</b>					
Property, plant and equipment	(1,377.10)	22.81	-	-	(1,354.29)
Trade Receivables and retention money	731.30	237.92	-	-	969.22
Loans and borrowings	68.77	51.67	-	-	120.44
Other items	679.27	147.57	(32.02)	4.75	799.57
<b>Tax assets/(liabilities)</b>	<b>102.24</b>	<b>459.97</b>	<b>(32.02)</b>	<b>4.75</b>	<b>534.94</b>

**Disclosed as under**

<b>Deferred tax assets (Net)</b>	<b>148.31</b>				<b>534.94</b>
<b>Deferred tax liabilities (Net)</b>	<b>46.07</b>				<b>-</b>
<b>Tax assets/(liabilities)</b>	<b>102.24</b>				<b>534.94</b>

\* Other adjustments includes currency fluctuation on conversion of foreign subsidiaries.

**As at 31st March 2020**

Particulars	INR in Lacs				
	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Other adjustments *	Closing balance
<b>Deferred tax assets/ (liabilities)</b>					
Property, plant and equipment	(1,395.03)	17.93	-	-	(1,377.10)
Trade Receivables and retention money	393.61	337.69	-	-	731.30
Loans and borrowings	65.49	3.28	-	-	68.77
Other items	930.35	(285.06)	31.00	2.98	679.27
<b>Tax assets/(liabilities)</b>	<b>(5.58)</b>	<b>73.84</b>	<b>31.00</b>	<b>2.98</b>	<b>102.24</b>

**Disclosed as under**

<b>Deferred tax assets (Net)</b>	<b>104.83</b>				<b>148.31</b>
<b>Deferred tax liabilities (Net)</b>	<b>110.41</b>				<b>46.07</b>
<b>Tax assets/(liabilities)</b>	<b>(5.58)</b>				<b>102.24</b>

\* Other adjustments includes currency fluctuation on conversion of foreign subsidiaries

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****13. Other assets**

		Non-current		Current	
		As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Capital advances (Refer note 57)	(A)	62.32	132.37	-	-
Balance with statutory authorities	(B)	533.67	689.17	5,143.70	2,451.82
Advance to suppliers					
(a) Unsecured, considered good		-	-	2,562.41	4,556.26
(b) Unsecured, considered good - related parties [Refer note 46]		-	-	4.06	14.44
(c) Unsecured, credit impaired		30.90	30.90	-	-
		30.90	30.90	2,566.47	4,570.70
Less: Provision for credit impaired		30.90	30.90	-	-
	(C)	-	-	2,566.47	4,570.70
Security Deposit for Land and other loans and advances (Refer note 48, 49 and 50)					
(a) Unsecured, considered good		759.02	826.27	-	-
(b) Unsecured, credit impaired		186.78	186.78	-	-
		945.80	1,013.05	-	-
Less: Provision for credit impaired		186.78	186.78	-	-
	(D)	759.02	826.27	-	-
Prepaid expenses	(E)	-	-	707.54	700.52
	<b>(A+B+C+D+E)</b>	<b>1,355.01</b>	<b>1,647.81</b>	<b>8,417.71</b>	<b>7,723.04</b>

**14. Tax assets**

	Non-current		Current	
	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Income tax paid (Net of provision for tax)	60.53	50.47	67.16	145.63
	<b>60.53</b>	<b>50.47</b>	<b>67.16</b>	<b>145.63</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

**15. Inventories**

(valued at lower of cost and net realizable value)

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Raw materials and components	3,909.00	5,056.11
Work-in-progress	1,297.23	1,614.22
Finished goods	6,049.52	4,788.72
Traded goods	759.91	1,135.10
Stores and spares	639.02	800.27
Contract work-in-progress	104.78	55.57
	<b>12,759.46</b>	<b>13,449.99</b>

**16. Current investments**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
<b>Investments measured at fair value through profit and loss</b>		
<b>Quoted, fully paid-up</b>		
5,875 (31st March 2020: 5,875) equity shares of INR 2 each, fully paid-up in Sterlite Technologies Limited	11.40	3.75
70 (31st March 2020: 70) equity shares of INR 2 each, fully paid-up in Jain Irrigation Systems Limited	0.01	-
8,100 (31st March 2020: 8,100) equity shares of INR 10 each, fully paid-up in Canara Bank	12.33	7.32
	<b>23.74</b>	<b>11.07</b>
Aggregate amount of quoted Investments	23.74	11.07
Market value of quoted Investments	23.74	11.07

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****17. Cash and cash equivalents**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Balances with banks		
On current accounts [Refer note below]	9,136.59	10,014.50
On Exchange Earner's Foreign Currency accounts	16.63	17.05
Cash on hand	53.60	114.01
	<b>9,206.82</b>	<b>10,145.56</b>

**Note**

Includes balance of Rs.3,581.90 Lacs (31st March 2020: Rs.5,898.85 Lacs) in escrow accounts for utilisation in the execution of a specific EPC contract.

**18. Bank balances other than cash and cash equivalents**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Balances with banks		
On Unclaimed dividend account	54.71	65.92
On Unclaimed interest on fixed deposits	0.52	0.73
Other bank balances:		
On deposit account	24,417.34	10,476.15
On margin money account [Refer note below]	16,858.54	16,619.73
	<b>41,331.11</b>	<b>27,162.53</b>

**Note**

Margin money deposits with a carrying amount of INR 16,858.54 Lacs (31st March 2020: INR 16,619.73 Lacs) are subject to first charge to secure bank guarantees issued by banks on our behalf.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**
**19. Equity share capital**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
<b>Authorised capital</b>		
17,000,000 (31st March 2020: 17,000,000) equity shares of INR 10 each.	1,700.00	1,700.00
<b>Issued, subscribed and fully paid-up capital *</b>		
14,228,785 (31st March 2020: 14,228,785) equity shares of INR 10 each.	1,422.88	1,422.88
	<b>1,422.88</b>	<b>1,422.88</b>

\* Issued, subscribed and fully paid-up shares are net of elimination of shares held by subsidiaries.

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

	As at 31st March 2021		As at 31st March 2020	
	No of shares	INR in Lacs	No of shares	INR in Lacs
At the beginning of the year	14,228,785	1,422.88	14,228,785	1,422.88
Add: Issued during the year	-	-	-	-
At the end of the year	<b>14,228,785</b>	<b>1,422.88</b>	<b>14,228,785</b>	<b>1,422.88</b>

**(b) Terms/rights attached to equity shares**

The company has only one class of equity shares having a 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 preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholders holding more than 5% shares in the company \*\***

	As at 31st March 2021		As at 31st March 2020	
	No of shares	% holding	No of shares	% holding
Mr. Rajesh Sharma	824,968	5.80%	824,968	5.80%
Mr. M. P. Patni	755,497	5.31%	755,497	5.31%
Mr. Rakesh Jhunjunwala	-	0.00%	775,000	5.45%

\*\* As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**(d) Aggregate number of share issued for consideration other than cash during the period of five years immediately preceding the reporting date.**

The aggregate number of equity shares issued pursuant to exercise of options granted under the Employee Stock Option Scheme (ESOS) wherein part consideration was received in form of employee services preceding last five years ended on 31st March 2021: 109,500 shares (Previous period of five years ended 31st March 2020: 134,500 shares)

**(e) Shares reserved for issue under ESOS**

There are no pending shares reserved for issue under Employee Stock Option Schemes (ESOS).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****20. Other equity**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
<b>Security premium account</b>		
Balance as at 1st April	8,334.84	8,334.84
<b>(A)</b>	<b>8,334.84</b>	<b>8,334.84</b>
<b>Special reserve</b>		
Balance as at 1st April (As per section 45 - IC of the Reserve Bank of India Act, 1934)	22.17	22.17
<b>(B)</b>	<b>22.17</b>	<b>22.17</b>
<b>General reserve</b>		
Balance as at 1st April	2,719.79	2,719.79
<b>(C)</b>	<b>2,719.79</b>	<b>2,719.79</b>
<b>Legal reserve</b>		
Balance as at 1st April	151.54	151.54
<b>(D)</b>	<b>151.54</b>	<b>151.54</b>
<b>Capital reserve on consolidation</b>		
Balance as at 1st April	257.48	257.48
<b>(E)</b>	<b>257.48</b>	<b>257.48</b>
<b>Foreign currency translation reserve</b>		
Balance as at 1st April	309.29	185.81
Add: Foreign currency translation profit during the year	(88.29)	123.48
<b>(F)</b>	<b>221.00</b>	<b>309.29</b>
<b>Retained earnings</b>		
Balance as at 1st April	25,904.85	15,905.25
Prior period adjustments	-	(4.59)
Sale proceeds of treasury shares	-	2,189.41
Cost of treasury shares sold	-	(188.71)
Transition impact of Ind AS 116	-	29.51
Additional treasury shares	47.35	-
Profit for the year	14,393.32	9,362.18
Other Comprehensive Income (OCI)	102.53	(103.57)
Appropriations		
- Dividend	(181.17)	(1,054.17)
- Tax on dividend	-	(230.46)
<b>(G)</b>	<b>40,266.88</b>	<b>25,904.85</b>
<b>Treasury shares</b>		
Balance as at 1st April	(2,808.28)	(2,996.99)
Cost of treasury shares sold	-	188.71
Additional treasury shares	(4.36)	-
<b>(H)</b>	<b>(2,812.64)</b>	<b>(2,808.28)</b>
<b>(A+B+C+D+E+F+G+H)</b>	<b>49,161.06</b>	<b>34,891.68</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

**20. Other equity (contd...)**

**Notes**

**a) Description of nature and purpose of each reserve**

**Security premium account:** Security premium account is used to record the premium on issue of shares. Securities premium also includes the difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to employee stock options scheme. The reserve is utilised in accordance with the provisions of the Act.

**Special reserve:** Special reserve is created by the company in past as per provision of section 45 - IC of the Reserve Bank of India Act, 1934 for repayment of fixed deposit holders.

**General reserve:** The company created a General Reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirement to transfer profits to General Reserve is not mandatory. General reserve represents appropriation of retained earnings and are available for distribution to shareholders.

**Legal reserve:** Legal reserve is reserve created in accordance with the Commercial Companies Law of Oman, 1974)

**Capital reserve on consolidation:** The amount represents capital reserve arising at the time of acquisition.

**Foreign currency translation reserve:** Exchange difference arising on re-statement of long-term monetary items that in substance forms part of group's net investment in foreign operations, is accumulated in foreign currency translation reserve.

**Treasury shares:** Treasury shares represents equity shares of the company held by IEI Shareholding (Staff Welfare) Trusts and HMIL Shareholding (Staff Welfare) Trusts.

**b) Dividend on equity shares paid during the year**

	31st March 2021 INR in Lacs	31st March 2020 INR in Lacs
Dividend [INR 1.50 per equity share (2019-20: INR 4.50 per equity share)]	213.43	640.30
Interim dividend (2019-20: INR 4.50 per equity share)	-	640.30
Less: Dividend on treasury shares	(32.26)	(226.42)
Dividend distribution tax	-	230.46
	<b>181.17</b>	<b>1,284.64</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****21. Borrowings**

	Non-current		Current	
	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Term loans (Secured)				
Indian rupee loan from financial institution [Refer note (a) below]	310.96	726.28	418.44	418.44
Indian rupee loan from a bank [Refer note (b) and (c) below]	404.69	1,014.27	609.58	609.58
Indian rupee vehicle loan from banks and finance companies [Refer note (d) below]	79.36	134.72	56.15	57.13
	<b>795.01</b>	<b>1,875.27</b>	<b>1,084.17</b>	<b>1,085.15</b>
The above amount includes				
Secured borrowings	795.01	1,875.27	1,084.17	1,085.15
Unsecured borrowings	-	-	-	-
Amount included under the head "Other financial liabilities" (Refer note 28)	-	-	(1,084.17)	(1,085.15)
	<b>795.01</b>	<b>1,875.27</b>	<b>-</b>	<b>-</b>

**Notes**

- (a) Indian rupees loan from financial institution for capital expenditure carries interest @ 10.60 to 11.30% p.a. The loan is secured by first charge on movable and immovable fixed assets pertaining to a manufacturing facility at Goa and is repayable in 54 months with moratorium of 6 months from the date of actual commercial operation date.
- (b) Indian rupees loan of INR 1,500.00 Lacs from a bank for capital expenditure. Loan is repayable in 48 months from the date of the first disbursement and carries interest @ 9.60% to 10.20% p.a. The loan is secured by exclusive first charge on three residential properties.
- (c) Indian rupees loan of INR 925.00 Lacs from a bank for capital expenditure. Loan is repayable in 48 months from the date of the first disbursement and carries interest rate of 10.15% to 10.90% p.a. The loan is secured by exclusive first charge on three residential properties.
- (d) Indian rupee vehicle loans from banks and finance companies carries interest @ 8.00% to 13.50% p.a. The loans are repayable within a period of 36 to 60 months in equal monthly installments along with interest, from the various dates of disbursements. The loans are secured by hypothecation of under lying vehicles.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**
**22. Other financial liabilities - Non Current**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Deposits	847.92	808.32
	<b>847.92</b>	<b>808.32</b>

**23. Provisions**

	Non-current		Current	
	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Provision for employee benefits (Refer note 42)	1,704.73	1,567.47	497.85	537.46
Provision for warranties	-	-	27.13	31.53
	<b>1,704.73</b>	<b>1,567.47</b>	<b>524.98</b>	<b>568.99</b>

**Provision for warranties**

A provision is recognised for expected warranty claims on Consumer Product Division's products sold and Engineering services during last one year, based on past experience of the level of repairs and returns.

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
At the beginning of the year	31.53	42.03
Arising during the year	27.13	31.53
Utilised during the year	31.53	42.03
Unused amounts reversed	-	-
At the end of the year	27.13	31.53

**24. Other non-current liabilities**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Others	50.75	50.75
	<b>50.75</b>	<b>50.75</b>

**25. Tax liabilities**

	Non-current		Current	
	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Provision for income tax (Net)	-	190.54	2,576.28	1,712.59
	<b>-</b>	<b>190.54</b>	<b>2,576.28</b>	<b>1,712.59</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****26. Borrowings - Current**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Working capital loan from banks (Secured) [Refer notes (a) to (f) below]	2,507.18	6,714.97
Buyers credit with a financial institution (Unsecured) [Refer note (g) below]	246.22	364.92
Purchase Bill Discounting (Unsecured) [Refer note (h) below]	402.51	-
Inter-corporate deposits (Unsecured) [Refer note (i) below]	103.27	145.16
	<b>3,259.18</b>	<b>7,225.05</b>
The above amount includes		
Secured borrowings	2,507.18	6,714.97
Unsecured borrowings	752.00	510.08
	<b>3,259.18</b>	<b>7,225.05</b>

## Notes:

- (a) Includes working capital loan of INR 442.12 Lacs (31st March 2020: INR 4,725.42 Lacs) secured by joint hypothecation of book debts and stocks and collateral security by way of charge on the fixed assets at its manufacturing facilities situated in Hosur, Patancheru, Vashi, Goa, Ankleshwar and Mumbai (Office Premises). The working capital loan is repayable on demand and carries interest @ 8.00% to 12.35% p.a.
- (b) Includes working capital loan of INR Nil (31st March 2020: INR Nil) from a bank secured against fixed deposits and corporate guarantees and carries interest of 2% p.a..
- (c) Includes working capital loan of INR 246.82 Lacs (31st March 2020: INR 208.67 Lacs) from a bank secured against hypothecation of book debts and stocks and also secured by corporate guarantees and carries interest of 13.50% p.a. The working capital loan is repayable on demand.
- (d) Includes working capital loan of INR 1,782.88 Lacs (31st March 2020: INR 1,780.88 Lacs) from a bank secured against hypothecation of stock and book debts and supplementary mortgage of factory land and building at village Nichole, Taluka Wada, District Thane, and hypothecation of plant and machinery present and future, and personal guarantee of directors and corporate guarantee. The cash credit is repayable on demand and carries interest @ 12.50% p.a.
- (e) Includes working capital loan from bank of INR Nil (31st March 2020: INR Nil) is secured by hypothecation of book debts and stocks by way of first charge and corporate guarantee of Holding Company - Ion Exchange (India) Limited. The working capital loan is repayable on demand and currently carries an interest @ 14.30% p.a., computed on monthly basis on the actual amount utilised.
- (f) Includes working capital loan of INR 35.36 Lacs (31st March 2020: INR Nil) is secured by hypothecation of book debts and stocks and collateral security by way of comfort letter / corporate guarantee. The working capital loan is repayable on demand and carries interest @ 13.50 % p.a.
- (g) Buyers credit is vendor bills discounting facility with a financial institution and carries interest @ 6M LIBOR + 450 bps p.a.
- (h) Purchase Bill Discounting Finance availed from finance company and carries interest @ 8.50% p.a.
- (i) Inter corporate deposit are for a period from 90 to 365 days and carried interest @ 10.00% to 12.00%. p.a.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

**27. Trade payables**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Trade payables (including acceptances)		
- Total outstanding dues of micro and small enterprises (Refer note 56)	1,504.76	915.01
- Total outstanding dues of creditors other than micro and small enterprises	52,026.95	48,440.93
	<b>53,531.71</b>	<b>49,355.94</b>

**28. Other financial liabilities - Current**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Current maturities of long term borrowings (Refer note 21)	1,084.17	1,085.15
Interest accrued but not due	9.25	24.83
Employee benefits payable	2,425.08	2,189.03
Creditors for capital goods	614.57	1,011.52
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
- Unpaid dividend	54.71	65.92
- Unclaimed interest on fixed deposit	0.52	0.72
- Unclaimed matured deposit	2.00	2.30
	<b>4,190.30</b>	<b>4,379.47</b>

**29. Other current liabilities**

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Advance from customers	12,562.90	21,547.81
Unearned revenue on construction contracts	10,637.21	9,078.15
Unearned revenue on AMC services	455.24	357.81
Statutory dues	1,369.18	766.10
Other liabilities	148.68	136.82
Deposits	11.05	11.05
	<b>25,184.26</b>	<b>31,897.74</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****30. Revenue from operations**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
<b>Sale of products</b>		
Finished goods	97,804.56	107,450.44
Traded goods	6,787.47	7,183.73
<b>Sale of services</b>	38,998.81	31,233.01
<b>Others operating revenue</b>		
Scrap sale	207.61	251.09
Management fees	87.43	88.56
Other operating income	1,066.07	1,775.85
	<b>144,951.95</b>	<b>147,982.68</b>

Revenue disaggregation as per industry vertical and geography has been included in segment information (Refer note 45)

**31. Other income**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Interest income at amortised cost		
- From banks	1,944.56	1,805.13
- From others	476.21	402.70
Rent	138.17	176.83
Dividend income on investments	1.07	2.03
Amount set aside for liabilities, no longer required, written back	190.54	-
Exchange gain (Net)	-	930.66
Profit on fixed assets sold/discarded (Net)	1.37	-
Other non operating Income	544.20	219.20
Change in fair value of investments		
- Investments classified at FVTPL	12.68	-
	<b>3,308.80</b>	<b>3,536.55</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

**32. Cost of materials consumed**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Inventory at the beginning of the year	5,056.11	4,923.04
Add: Purchases *	85,383.29	92,483.78
Less: Inventory at the end of the year	3,909.00	5,056.11
<b>Cost of raw material and components consumed</b>	<b>86,530.40</b>	<b>92,350.71</b>

\* Includes direct expenses incurred on contracts

**33. Purchases of stock-in-trade**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Consumer products	2,571.35	3,624.80
Spares	572.43	428.88
Others	133.57	314.75
	<b>3,277.35</b>	<b>4,368.43</b>

**34. Change in inventories of finished goods, work-in-progress and stock-in-trade**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
<b>Inventories at the end of the year</b>		
Traded goods	759.91	1,135.10
Work-in-progress	1,297.23	1,614.22
Finished goods	6,049.52	4,788.72
Contract work-in-progress	104.78	55.57
	<b>(A) 8,211.44</b>	<b>7,593.61</b>
<b>Inventories at the beginning of the year</b>		
Traded goods	1,135.10	778.28
Work-in-progress	1,614.22	498.50
Finished goods	4,788.72	5,133.89
Contract work-in-progress	55.57	996.81
	<b>(B) 7,593.61</b>	<b>7,407.48</b>
	<b>(B)-(A) (617.83)</b>	<b>(186.13)</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****35. Employee benefits expense**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Salaries, wages and bonus	15,704.93	16,253.97
Contribution to provident and other funds (Refer note 42)	1,066.49	1,000.28
Staff welfare expense	591.46	821.15
	<b>17,362.88</b>	<b>18,075.40</b>

**36. Finance costs**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Interest expense financial liabilities measured at amortised cost	913.39	1,264.49
Interest on lease liabilities	180.27	170.75
Other borrowing costs	167.16	162.04
	<b>1,260.82</b>	<b>1,597.28</b>

**37. Depreciation and amortisation expense**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Depreciation of property, plant and equipment (Refer note 4)	1,926.67	1,660.08
Depreciation on right-of-use assets (Refer note 5)	782.11	636.79
Amortisation of intangible assets (Refer note 6)	58.69	55.65
	<b>2,767.47</b>	<b>2,352.52</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

**38. Other expenses**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Stores and spare parts consumed	72.10	151.23
Power and fuel	1,565.69	1,610.78
Repairs and Maintenance - Buildings	71.18	84.80
- Plant and machinery	426.71	487.96
- Others	303.31	390.15
Rent (Net of recoveries)	434.95	522.63
Rates and taxes	601.92	566.03
Insurance (Net of recoveries)	284.99	245.82
Travelling and conveyance	1,983.23	3,661.47
Freight (Net of recoveries)	3,180.44	2,916.62
Packing (Net of recoveries)	1,581.62	1,633.81
Advertisement and publicity	400.83	900.43
Commission	209.13	312.08
Legal and professional charges	1,241.40	1,260.11
Telephone and telex	222.30	211.26
Bad debts written off	128.03	280.08
Provision for doubtful debts	572.87	811.79
Doubtful advances/Claims written off	476.32	-
Auditors' remuneration (Refer note 38.1)	50.34	51.84
Directors' fees	41.70	42.65
Directors' commission	175.00	129.50
Bank charges	210.78	327.87
Exchange loss (Net)	258.53	-
Loss on fixed assets sold/discarded (Net)	-	9.69
Change in fair value of investments classified at FVTPL	-	25.46
Establishment and other miscellaneous expenses	3,675.71	3,282.89
	<b>18,169.08</b>	<b>19,916.95</b>

**38.1 Auditors' remuneration (excluding taxes)**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
As auditor:		
- Audit fees	28.75	22.75
- Tax audit fees	4.00	3.00
- Limited review	5.25	5.25
In other capacity:		
- Other services (Certification fees)	5.70	13.00
Reimbursement of expenses	1.99	3.44
Branch auditor		
- Audit fees	2.75	2.50
- Other services (Certification fees)	1.50	1.50
- Reimbursement of expenses	0.40	0.40
	<b>50.34</b>	<b>51.84</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****39. Tax expense**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Current tax	5,631.16	3,746.80
Deferred tax	(459.97)	(73.84)
	<b>5,171.19</b>	<b>3,672.96</b>
<b>Reconciliation of Tax Expense</b>		
Profit before tax	19,510.58	13,044.07
Applicable tax rate	25.170%	25.170%
<b>Computed tax expense</b>	<b>(A) 4,910.81</b>	<b>3,283.19</b>
Adjustments for:		
Non-deductible tax expenses	68.35	74.88
Tax-exempt income	(31.88)	(3.56)
Corporate social responsibility expenditure	51.10	40.35
Deduction under house property	(17.65)	(15.29)
Subsidiaries chargeable at different rates	6.04	(4.31)
Deferred tax not recognised on losses	217.76	232.09
Others	(33.34)	65.61
<b>Net adjustments</b>	<b>(B) 260.38</b>	<b>389.77</b>
<b>Tax expense</b>	<b>(A)+(B) 5,171.19</b>	<b>3,672.96</b>

**40. Other comprehensive income**

	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
<b>Items that will not be reclassified to profit or loss</b>		
(a) Remeasurement benefit of defined benefit plans	134.55	(134.57)
(b) Income tax expense on remeasurement benefit of defined benefit plans	(32.02)	31.00
<b>Items that will be reclassified to profit or loss</b>		
Movement in foreign currency translation reserve	(129.62)	123.48
	<b>(27.09)</b>	<b>19.91</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**
**41. Earnings per share (EPS)**

	Particulars	31st March 2021	31st March 2020
I	Profit computation for both basic and diluted earnings per share of INR 10 each		
	Net profit as per the statement of profit and loss available for equity shareholders (INR in Lacs)	14,393.32	9,362.18
II	Weighted average number of equity shares for earnings per share computation (equity shares are after elimination of shares held by subsidiaries)		
	A) For basic earnings per share		
	No. of shares	14,228,785	14,228,785
	Less: Treasury shares held by IEI Shareholding (Staff Welfare) Trusts and HMIL Shareholding (Staff Welfare) Trusts (Weighted average)	2,373,614	2,557,683
	No. of shares for basic earnings per share	11,855,171	11,671,102
	B) For diluted earnings per share		
	No. of shares for basic EPS	11,855,171	11,671,102
	Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	-	-
	No. of shares for diluted earnings per share	11,855,171	11,671,102
III	Earnings per share in Rupees (Weighted average)		
	Basic (INR)	121.41	80.22
	Diluted (INR)	121.41	80.22

**42. Employee benefits**

- A. The group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service. The scheme is funded to a separate trust duly recognised by Income tax authorities.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

**INR in Lacs**

	Particulars	2020-21	2019-20
<b>I</b>	<b>Change in defined benefit obligation</b>		
	Defined benefit obligation, Beginning of period	2,279.17	1,915.66
	Interest cost	136.12	128.08
	Service cost	184.82	148.18
	Liability transferred in / acquisitions	-	-
	Actual plan participants' contributions	-	-
	Total actuarial (gains)/losses	(120.77)	147.33
	a. Effect of change in financial assumptions	17.52	44.58
	b. Effect of change in demographic assumptions	(94.18)	-
	c. Experience (gains) / losses	(44.11)	102.75
	Changes in foreign currency exchange rates	-	-
	Acquisition / Business combination/divestiture	-	-
	Benefits paid	(141.44)	(75.90)
	Past service cost	-	15.82
	Losses / (gains) on curtailments / settlements	-	-
	Defined benefit obligation, end of period	2,337.90	2,279.17

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****42. Employee benefits(contd...)**

INR in Lacs

	Particulars	2020-21	2019-20
<b>II</b>	<b>Change in the fair value of plan assets</b>		
	Fair value of plan assets at the beginning of the period	2,014.81	1,745.00
	Interest income	128.28	123.94
	Contributions by the employer	86.81	206.74
	Expected contributions by the employees	-	-
	Assets transferred in / acquisitions	-	-
	(Assets transferred out / divestments)	-	-
	(Benefit paid from the fund)	(127.22)	(72.50)
	(Assets distributed on settlements)	-	-
	Effects of asset ceiling	-	-
	The effect of changes in foreign exchange rates	-	-
	Return on plan assets, excluding interest income	13.78	11.63
	Fair value of plan assets at the end of the period	2,116.46	2,014.81
<b>III</b>	<b>Expenses recognised in the statement of profit or loss for current period</b>		
	Current service cost	184.82	148.18
	Net interest cost	7.84	4.14
	Past service cost	-	15.81
	(Expected contributions by the employees)	-	-
	(Gains) / Losses on curtailments and settlements	-	-
	Net effect of changes in foreign exchange rates	-	-
	Expenses recognised	192.66	168.13
<b>IV</b>	<b>Expenses recognised in the other comprehensive income (OCI) for current period</b>		
	Actuarial (gains) / losses on obligation for the period	(120.77)	146.20
	Return on plan assets, excluding interest income	(13.78)	(11.63)
	Change in asset ceiling	-	-
	Net (income) / expense for the period recognised in OCI	(134.55)	134.57
<b>V</b>	<b>Maturity analysis of the benefit payments</b>		
	Projected benefits payable in future years from the date of reporting		
	1st following year	479.02	485.84
	2nd following year	677.80	298.48
	3rd following year	264.34	614.51
	4th following year	244.27	250.67
	5th following year	176.91	194.04
	Sum of years 6 to 10	599.32	571.97
	Sum of years 11 and above	326.72	312.72
<b>VI</b>	<b>Sensitivity analysis</b>		
	Projected benefit obligation on current assumptions	2,337.91	2,279.17
	Delta effect of +0.5% change in rate of discounting	(43.69)	(43.80)
	Delta effect of -0.5% change in rate of discounting	45.83	45.87
	Delta effect of +0.5% change in rate of salary increase	44.94	44.46
	Delta effect of -0.5% change in rate of salary increase	(28.89)	(41.54)
	Delta effect of +0.5% change in rate of employee turnover	(3.76)	(3.25)
	Delta effect of -0.5% change in rate of employee turnover	3.89	3.35

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

**42. Employee benefits(contd...)**

The group expects to contribute INR 72.48 Lacs (2020-21: INR 253.18 Lacs) to gratuity in 2021-22.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Sr. No.	Categories of assets	% of holding (Gratuity)	
		2020-21	2019-20
1	Central and state government bonds	-	-
2	Public sector undertaking	-	-
3	Insurance policy	100%	100%
4	Special deposit scheme 1975	-	-
5	Other assets	-	-

The expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

**B. Provident fund**

The group's provident fund schemes which are administered through government of India are defined contribution plan. The group's contribution paid / payable under the scheme is recognised as expense in the statement of profit and loss during the year in which the employee renders the related services. There are no other obligations other than the contribution payable to the respective fund.

The group's provident fund scheme which is managed by trust set up by the group, the contribution to the provident fund is remitted to a separate trust established for this purpose based on a fixed percentage of the eligible employees' salary and charged to statement of profit and loss. Shortfall, if any, in the fund assets, based on the government specified minimum rate of return, will be made good by the group and charged to statement of profit and loss. The actual return earned by the fund has mostly been higher than the government specified minimum rate of return in the past years. There is a shortfall of INR 33.64 Lacs in the fund as on 31st March 2021 as per valuation report, which has been provided for by the company. There was no shortfall in the fund as on 31st March 2020.

The details of fund obligations are given below:

**INR in Lacs**

Particulars	As at 31st March 2021	As at 31st March 2020
Present value of benefit obligation at period end	5,944.98	5,402.15

Note:

The Indian parliament has approved the Code of Social Security, 2020 ('the code'), which, inter alia, deals with employee benefits during employment and post-employment. The code has been published in the gazette of India. The effective date of the code and rules thereunder are yet to be notified. In view of this, the impact of the change, if any, will be assessed and recognised post notification of the relevant provisions.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****43. 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

INR in Lacs

	As at 31st 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 3		Level 1	Level 2	Level 3
<b>Financial assets - Non-current</b>								
<b>At amortised cost</b>								
Trade receivables	454.17	-	454.17	-	624.55	-	624.55	-
Loans	1,176.80	-	1,176.80	-	1,176.80	-	1,176.80	-
Others	591.05	-	591.05	-	649.22	-	649.22	-
<b>At FVTPL</b>								
Investments *	71.18	-	-	71.18	71.18	-	-	71.18
<b>Financial assets - Current **</b>								
<b>At amortised cost</b>								
Trade receivables	44,896.02				50,187.46			
Cash and cash equivalents	9,206.82				10,145.56			
Bank balances other than above	41,331.11				27,162.53			
Loans	1,535.71				1,732.31			
Others	1,060.04				2,372.46			
<b>At FVTPL</b>								
Investments	23.74	23.74	-	-	11.07	11.07	-	-
<b>Financial liabilities - Non-current</b>								
<b>At amortised cost</b>								
Borrowings	795.01	-	795.01	-	1,875.27	-	1,875.27	-
Lease liabilities	483.88	-	483.88	-	1,057.35	-	1,057.35	-
Other financial liabilities	847.92	-	847.92	-	808.32	-	808.32	-
<b>Financial liabilities - Current **</b>								
Borrowings	3,259.18				7,225.05			
Lease liabilities	610.34				974.98			
Trade payables	53,531.71				49,355.94			
Other financial liabilities	4,190.30				4,379.47			

\* Excludes investments measured at cost

\*\* The group has not disclosed the fair value of current financial instruments such as trade receivables, cash and cash equivalents, bank balances - others, loans, others, borrowings, lease liabilities, trade payables and other financial liabilities because their carrying amounts are a reasonable approximation of fair value



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)

### 43. Financial instruments (contd...)

#### B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table show the valuation techniques used in measuring level 2 and level 3 fair values, as well as the significant unobservable inputs used. The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

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	Discounted cash flow: The fair value is estimated considering net present value calculated using long term growth rate and discount rate.
Investments in unquoted equity shares	Discounted cash flow: Using long term growth rate.

#### C. Financial risk management

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

- Credit risk;
- Liquidity risk; and
- Market risk

##### (i) Risk management framework

The audit committee members of the company and board of directors of the subsidiaries have overall responsibility for the establishment and oversight of the company's risk management framework.

The group's risk management policies are established to identify and analyses the risks faced by the group, 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 group's activities. The group, 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 members of the company and the board of directors of the subsidiaries oversees how management monitors compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The board of directors is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the major observations are periodically highlighted to the audit committee members of the company and the board of directors of the subsidiaries.

##### (ii) Credit risk

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

###### *Trade receivables*

Credit risk is managed through credit approvals, and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. In respect of trade receivables, the group 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 group assesses the credit quality of the customer based on market intelligence, past payment history and defaults.

Credit risk management procedures includes regular monitoring of outstanding trade receivables to ensure risk of credit loss is minimal.

The company has impaired its trade receivables using a provisioning matrix representing expected credit losses based on range of outcome.

As per policy, trade receivables are classified into different buckets based on the overdue period. There are different provisioning norms for each bucket which are ranging from 25% to 100%.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****43. Financial instruments (contd...)**

The movement in the provision for expected credit loss in respect of trade receivables (including retention money) and accrued value of work done during the year is as follows:

INR in Lacs

Particulars	Trade receivables
Balance as at 1st April 2019	563.25
Provision recognised	811.79
Amount utilised	-
Balance as at 31st March 2020	1,375.04
Provision recognised	572.87
Amount utilised	-
Balance as at 31st March 2021	1,947.91

**Cash and cash equivalents**

The group held cash and cash equivalents of INR 9,206.82 Lacs as at 31st March 2021 (as at 31st March 2020: INR 10,145.56 Lacs). The cash and cash equivalents are held with banks with good credit ratings.

**Other bank balances**

The group held other bank balances equivalents of INR 41,331.11 Lacs as at 31st March 2021 (as at 31st March 2020: INR 27,162.53 Lacs). The other bank balances are mainly temporary surplus fund invested in fixed deposits with banks having good credit rating and margin money against bank guarantees issued by bank on our behalf.

**Investments**

The group has invested an insignificant amount in listed securities. The group does not expect any losses.

**Other financial assets**

Other financial assets mainly comprise of tender deposits and security deposits which are given to customers or governmental agencies in relation to contracts under bid / under execution and are assessed by the group for credit risk on a continuous basis.

**(iii) Liquidity risk**

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

The group has obtained fund and non-fund based working capital limits from various banks. The group invests its temporary 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.

As at 31st March 2021

INR in Lacs

	Carrying amount	Contractual cash flows *				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
(i) Borrowings **	1,879.18	2,079.88	1,224.67	845.62	9.59	-
(ii) Lease liabilities **	1,094.22	1,524.29	267.41	1,077.32	36.39	143.17
(iii) Other non current financial liabilities	847.92	847.92	-	-	-	847.92
<b>Current financial liabilities</b>						
(i) Short term borrowings	3,259.18	3,259.18	3,259.18	-	-	-
(ii) Trade payables	53,531.71	53,531.71	53,531.71	-	-	-
(iii) Other financial liabilities	3,106.13	3,106.13	3,106.13	-	-	-
	<b>63,718.34</b>	<b>64,349.11</b>	<b>61,389.10</b>	<b>1,922.94</b>	<b>45.98</b>	<b>991.09</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**
**43. Financial instruments (contd...)**
**As at 31st March 2020**
**INR in Lacs**

	Carrying amount	Contractual cash flows *				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
(i) Borrowings **	2,960.42	3,419.05	1,339.96	1,866.79	212.30	-
(ii) Lease liabilities **	2,032.33	2,622.98	1,171.58	1,152.73	173.72	124.95
(iii) Other non current financial liabilities	808.32	808.32	-	-	-	808.32
<b>Current financial liabilities</b>						
(i) Short term borrowings	7,225.05	7,225.05	7,225.05	-	-	-
(ii) Trade payables	49,355.94	49,355.94	49,355.94	-	-	-
(iii) Other financial liabilities	3,294.32	3,294.32	3,294.32	-	-	-
	<b>65,676.38</b>	<b>66,725.66</b>	<b>62,386.85</b>	<b>3,019.52</b>	<b>386.02</b>	<b>933.27</b>

\* Contractual cash flows includes interest payout in the respective years on borrowings.

\*\* Including current and non-current portion.

**(iv) Market risk**

The group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates to the floating rate debt obligations.

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:

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

	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
<b>Fixed rate instruments</b>		
<b>Financial assets – measured at amortised cost</b>		
Loans to related parties	224.36	209.49
Other bank balances – On deposit account	24,417.34	10,476.15
Other bank balances – On margin money account	16,858.54	16,619.73
	<b>41,500.24</b>	<b>27,305.37</b>
<b>Financial liabilities – measured at amortised cost</b>		
Long term borrowing *	1,149.78	1,815.70
Short term borrowings	349.49	510.08
	<b>1,499.27</b>	<b>2,325.78</b>
<b>Variable rate loan</b>		
<b>Financial liabilities – measured at amortised cost</b>		
Long term borrowings *	729.40	1,144.72
Short term borrowings	2,909.69	6,714.97
	<b>3,639.09</b>	<b>7,859.69</b>

\* Including current maturity of long term borrowings

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****43. Financial instruments (contd...)**Fair value sensitivity analysis for fixed-rate instruments:

The group 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 remain constant.

	31st March 2021		31st March 2020	
	Increase	Decrease	Increase	Decrease
	(-)	+	(-)	+
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs
1% Movement	(36.39)	36.39	(78.60)	78.60

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarized 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.

Foreign currency risk

The group is exposed to currency risk on account of its revenue generating and operating activities in foreign currency. The functional currency of the group is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed in recent periods and may continue to fluctuate in the future.

Exposure to currency risk:

The currency profile of financial assets and financial liabilities as at 31st March 2021 and 31st March 2020 are as below:

**As at 31st March 2021****INR in Lacs**

	USD	EUR	SAR	AED	Others	Total
<b>Financial assets</b>						
Loans to subsidiaries	389.45	-	-	-	-	389.45
Cash and cash equivalents	3,701.02	-	-	578.26	1,614.21	5,893.49
Trade and other receivables	22,126.04	121.76	125.61	572.33	294.80	23,240.54
	<b>26,216.51</b>	<b>121.76</b>	<b>125.61</b>	<b>1,150.59</b>	<b>1,909.01</b>	<b>29,523.48</b>
Less: Forward exchange contracts	(2,844.82)	-	-	-	-	(2,844.82)
Less: Natural hedge	(4,325.28)	-	(12.75)	(219.45)	(1,884.62)	(6,442.10)
<b>Net exposure on financial assets</b>	<b>19,046.41</b>	<b>121.76</b>	<b>112.86</b>	<b>931.14</b>	<b>24.39</b>	<b>20,236.56</b>
<b>Financial liabilities</b>						
Trade and other payables	4,000.20	819.83	12.75	219.45	2,045.95	7,098.18
Borrowings	325.08	-	-	-	-	325.08
	<b>4,325.28</b>	<b>819.83</b>	<b>12.75</b>	<b>219.45</b>	<b>2,045.95</b>	<b>7,423.26</b>
Less: Forward exchange contracts	-	(271.21)	-	-	-	(271.21)
Less: Natural hedge	(4,325.28)	-	(12.75)	(219.45)	(1,884.62)	(6,442.10)
<b>Net exposure on Financial liabilities</b>	<b>-</b>	<b>548.62</b>	<b>-</b>	<b>-</b>	<b>161.33</b>	<b>709.95</b>
<b>Total net exposure</b>	<b>19,046.41</b>	<b>670.38</b>	<b>112.86</b>	<b>931.14</b>	<b>185.72</b>	<b>20,946.51</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**
**43. Financial instruments (contd)**

As at 31st March 2020						INR in Lacs
	USD	EUR	SAR	AED	Others	Total
<b>Financial assets</b>						
Loans to subsidiaries	336.91	-	-	-	-	336.91
Cash and cash equivalents	3,514.01	-	-	370.10	224.06	4,108.17
Trade and other receivables	13,110.33	-	348.01	1,424.55	303.89	15,186.78
	<b>16,961.25</b>	-	<b>348.01</b>	<b>1,794.65</b>	<b>527.95</b>	<b>19,631.86</b>
Less: Forward exchange contracts	(1,779.11)	-	-	-	-	(1,779.11)
Less: Natural hedge	(4,542.72)	-	(12.99)	(402.33)	(498.91)	(5,456.95)
<b>Net exposure on financial assets</b>	<b>10,639.42</b>	-	<b>335.02</b>	<b>1,392.32</b>	<b>29.04</b>	<b>12,395.80</b>
<b>Financial liabilities</b>						
Trade and other payables	4,210.82	280.83	12.99	402.33	971.98	5,878.95
Borrowings	331.90	-	-	-	-	331.90
	<b>4,542.72</b>	<b>280.83</b>	<b>12.99</b>	<b>402.33</b>	<b>971.98</b>	<b>6,210.85</b>
Less: Forward exchange contracts	-	-	-	-	-	-
Less: Natural hedge	(4,542.72)	-	(12.99)	(402.33)	(498.91)	(5,456.95)
<b>Net exposure on Financial liabilities</b>	-	<b>280.83</b>	-	-	<b>473.07</b>	<b>753.90</b>
<b>Total net exposure</b>	<b>10,639.42</b>	<b>280.83</b>	<b>335.02</b>	<b>1,392.32</b>	<b>502.11</b>	<b>13,149.70</b>

Sensitivity analysis:

A reasonably possible strengthening / weakening of the Indian Rupee against foreign currency at 31st March would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

**INR in Lacs**

	Profit or (loss)			
	31st March 2021		31st March 2020	
	(Strengthening)	Weakening	(Strengthening)	Weakening
<b>1% movement</b>				
USD	(190.46)	190.46	(106.39)	106.39
EUR	(6.70)	6.70	(2.81)	2.81
SAR	(1.13)	1.13	(3.35)	3.35
AED	(9.31)	9.31	(13.92)	13.92
Others	(1.86)	1.86	(5.02)	5.02
	<b>(209.46)</b>	<b>209.46</b>	<b>(131.49)</b>	<b>131.49</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****44. Disclosure as per Ind AS 115**

- (a) The group offers wide range of solutions across the water cycle from pre-treatment to process water treatment, waste water treatment, recycle, zero liquid discharge, sewage treatment, packaged drinking water, sea water desalination etc. The group is also engaged in manufacturing resins, speciality chemicals for water and waste water treatment as well as non-water applications.

The type of work in the contracts with the customers involves designing, engineering supply of materials, installation and commissioning of the plant, project management, operations and maintenance. The effect of initially applying Ind AS 115 on the group's revenue from contracts with customers is described in note 3.16.

- (b) Revenue disaggregation as per industry vertical and geography has been included in segment information – Refer note 45.
- (c) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers in respect of contracts in progress:

INR in Lacs

Particulars	As at 31st March 2021	As at 31st March 2020
Receivables which are included in trade and other receivables	26,376.06	27,444.51
Contract assets		
- Accrued value of work done net off provision	Nil	Nil
Contract liabilities		
- Unearned revenue on construction contracts	10,637.21	9,078.15
- Advance from clients	9,586.69	17,302.09

- (d) Remaining performance obligations

The following table includes Revenue expected to be recognised in future related to performance obligations that are unsatisfied or partially unsatisfied at reporting date

The Group applies practical expedient included in Para 121 of Ind AS 115 and does not disclose information about the remaining performance obligations that have an original expected contract duration of one year or less

INR in Lacs

	31st March 2021	31st March 2020
Amount of Revenue expected to be recognised for contracts having original expected duration of more than one year in progress as at reporting date	72,210.00	120,508.00

- (e) Performance obligation

The group evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the group provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the group enters into multiple contracts with the same customer, the group evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

The group recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the group's input methods of revenue recognition as the amounts are not reflective of our transferring control of the plant to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

**44. Disclosure as per Ind AS 115 (contd...)**

If estimated incremental costs on any contract, are greater than the net contract revenues, the group recognises the entire estimated loss in the period the loss becomes known.

Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

- (f) Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.
- (g) Revenue from sale of goods is recognised at the point in time when control of the assets is transferred to the customer, generally on delivery of the goods.
- (h) Revenue related to fixed price maintenance and support services contracts where the group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- (i) Reconciliation of revenue recognised in the statement of profit and loss

The following table discloses the reconciliation of amount of revenue recognised:

**INR in Lacs**

<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
Revenue recognised	145,212.02	148,241.97
Less: Reduction towards variable consideration component *	260.07	259.29
<b>Revenue recognised in the statement of profit and loss</b>	<b>144,951.95</b>	<b>147,982.68</b>

\* Reduction towards variable consideration component includes discount etc.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****45. Segment****I. Information about business segments**

INR in Lacs

	Engineering		Chemicals		Consumer Products		Other Business		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	31.03.2021	31.03.2020	31.03.2021	31.03.2020
<b>Revenue</b>												
External sales	91,733.44	90,437.32	42,288.25	44,889.79	10,842.78	12,564.65	0.04	2.29	87.44	88.63	144,951.95	147,982.68
Inter-segmental sales	2,336.19	3,419.37	1,667.85	2,000.18	-	-	-	-	-	-	4,004.04	5,419.55
Total revenue	94,069.63	93,856.69	43,956.10	46,889.97	10,842.78	12,564.65	0.04	2.29	87.44	88.63	148,955.99	153,402.23
Less: Eliminations											(4,004.04)	(5,419.55)
Add : Interest income									2,420.77	2,207.83	2,420.77	2,207.83
Other income	763.23	1,074.34	41.32	34.61	2.60	2.40	17.92	67.19	62.96	150.18	888.03	1,328.72
Total enterprise revenue											148,260.75	151,519.23
<b>Result</b>												
Segment results	9,951.29	7,712.82	10,618.38	7,337.35	(369.06)	(703.44)	(97.74)	(58.66)	-	-	20,102.87	14,288.07
Unallocated expenditure net of unallocated income									(1,752.24)	(1,854.55)	(1,752.24)	(1,854.55)
Finance cost									(1,260.82)	(1,597.28)	(1,260.82)	(1,597.28)
Interest income									2,420.77	2,207.83	2,420.77	2,207.83
Profit before taxation									(592.31)	(1,244.00)	19,510.58	13,044.07
<b>Other Information</b>												
Segment assets	100,388.57	93,777.04	26,894.77	28,279.28	3,423.67	3,819.37	1,220.07	1,297.41	12,403.75	11,054.56	144,330.83	138,227.66
Segment liabilities	68,824.78	72,151.41	12,275.82	12,314.05	3,246.72	2,818.22	218.07	227.93	9,193.95	14,198.92	93,759.34	101,710.53
Capital expenditure	281.33	329.28	1,737.19	2,988.75	113.32	17.47	-	-	237.25	197.34	2,369.09	3,502.84
Depreciation	826.63	818.01	1,497.16	1,116.52	41.23	45.09	5.48	5.68	396.97	367.22	2,767.47	2,352.52
Non cash expenditure other than depreciation	1,432.74	793.98	590.05	787.12	112.57	125.16	64.66	0.49	(343.68)	(202.85)	1,856.34	1,503.90

**II. Information about geographical segments**

INR in Lacs

	India		Outside India		Total	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
External revenue	83,870.08	91,558.01	61,081.87	56,424.67	144,951.95	147,982.68
Carrying amount of segment assets	111,482.17	116,281.80	32,848.66	21,945.86	144,330.83	138,227.66
Additions to property, plant and equipment	2,336.71	3,461.65	32.38	41.19	2,369.09	3,502.84

**III. Notes:**

(a) The group's operations are organized into three business segments, namely:

Engineering division – comprising of water treatment plants, spares and services in connection with the plants.

Chemicals – comprising of resins, water treatment chemicals and speciality chemicals.

Consumer Products – comprising of water purification equipments for homes, institutions and communities.

(b) The segment revenue in the geographical segments considered for disclosure are as follows:

Revenue within India includes sales to customers located within India and earnings in India. Revenue outside India includes sales to customers located outside India and earnings outside India.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

**46. Related party disclosures (As identified by the management):**

- |    |   |  |
|----|---|--|
| a) | Associates  | Aquanomics Systems Ltd.<br>IEI Water-Tech (M) Sdn. Bhd., Malaysia *<br>Ion Exchange PSS Co. Ltd., Thailand *<br>Ion Exchange Financial Products Pvt. Ltd. *  |
| b) | Key management personnel  | Mr. Rajesh Sharma - Chairman & Managing Director<br>Mr. Dinesh Sharma - Executive Director<br>Mr. Aankur Patni - Executive Director  |
| c) | Non-executive directors   | Dr. V. N. Gupchup<br>Mr. Mahabir Prasad Patni<br>Mr. T. M. M. Nambiar<br>Mr. P. Sampathkumar<br>Mr. Abhiram Seth<br>Mr. Shishir Tamotia<br>Mrs. Kishori Udeshi   |
| d) | Relatives of key management personnel   | Mr. Mahabir Prasad Patni - Father of Mr. Aankur Patni<br>Mrs. Nirmala Patni - Mother of Mr. Aankur Patni<br>Mrs. Aruna Sharma - Wife of Mr. Rajesh Sharma<br>Mrs. Poonam Sharma - Wife of Mr. Dinesh Sharma<br>Mrs. Nidhi Patni - Wife of Mr. Aankur Patni<br>Ms. Pallavi Sharma - Daughter of Mr. Rajesh Sharma |
| e) | Enterprise owned or significantly influenced by key management personnel or their relatives | Ion Foundation   |
| f) | Post-employment benefit plans   | Ion Exchange (India) Ltd.'s Provident Institution<br>Ion Exchange (India) Ltd.'s Management Staff Gratuity Fund<br>Ion Exchange Staff Superannuation Scheme<br>Ion Exchange India Ltd. – Gratuity Fund Trust   |

\* Associate companies of subsidiaries

I. Transactions during the year with related parties with outstanding balances as at year-end:

INR in Lacs

Particulars	Associates		Others		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Sale of goods *</b>						
Aquanomics Systems Ltd.	7,220.29	6,309.85	-	-	7,220.29	6,309.85
Ion Exchange PSS Co. Ltd., Thailand	167.69	123.81	-	-	167.69	123.81
Ion Foundation	-	-	3.50	12.87	3.50	12.87
<b>Total</b>	<b>7,387.98</b>	<b>6,433.66</b>	<b>3.50</b>	<b>12.87</b>	<b>7,391.48</b>	<b>6,446.53</b>
<b>Management fees</b>						
Aquanomics Systems Ltd.	87.43	88.56	-	-	87.43	88.56
<b>Total</b>	<b>87.43</b>	<b>88.56</b>	<b>-</b>	<b>-</b>	<b>87.43</b>	<b>88.56</b>
<b>Purchase of goods *</b>						
Aquanomics Systems Ltd.	284.31	170.54	-	-	284.31	170.54
Ion Exchange PSS Co. Ltd., Thailand	20.97	23.67	-	-	20.97	23.67
<b>Total</b>	<b>305.28</b>	<b>194.21</b>	<b>-</b>	<b>-</b>	<b>305.28</b>	<b>194.21</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****46. Related party disclosures (contd...):**

## I. Transactions during the year with related parties with outstanding balances as at year-end: (contd...)

INR in Lacs

Particulars	Associates		Others		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Loans and advances given</b>						
Ion Exchange PSS Co. Ltd.	100.75	-	-	-	100.75	-
<b>Total</b>	<b>100.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.75</b>	<b>-</b>
<b>Loans and advances repaid</b>						
Ion Exchange PSS Co. Ltd.	-	35.85	-	-	-	35.85
<b>Total</b>	<b>-</b>	<b>35.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35.85</b>
<b>Dividend paid</b>						
Aquanomics Systems Ltd.	0.02	0.09	-	-	0.02	0.09
Ion Exchange Financial Products Pvt. Ltd.	0.76	4.54	-	-	0.76	4.54
Mr. Rajesh Sharma	-	-	12.37	72.28	12.37	72.28
Mr. Dinesh Sharma	-	-	9.48	54.94	9.48	54.94
Mr. Aankur Patni	-	-	4.43	24.75	4.43	24.75
Mr. Mahabir Prasad Patni	-	-	11.33	66.03	11.33	66.03
Dr. V. N. Gupchup	-	-	1.67	9.88	1.67	9.88
Mr. Abhiram Seth	-	-	2.32	10.51	2.32	10.51
Mr. T. M. M. Nambiar	-	-	1.25	6.27	1.25	6.27
Mr. P. Sampath Kumar	-	-	0.87	4.87	0.87	4.87
Mr. Shishir Tamotia	-	-	0.05	0.15	0.05	0.15
Relatives of Key Management Personnel	-	-	2.53	15.20	2.53	15.20
<b>Total</b>	<b>0.78</b>	<b>4.63</b>	<b>46.30</b>	<b>264.88</b>	<b>47.08</b>	<b>269.51</b>
<b>Remuneration to directors</b>						
Mr. Rajesh Sharma	-	-	427.46	442.70	427.46	442.70
Mr. Dinesh Sharma	-	-	189.20	188.46	189.20	188.46
Mr. Mahabir Prasad Patni	-	-	93.83	95.58	93.83	95.58
Mr. Aankur Patni	-	-	185.38	191.45	185.38	191.45
<b>Total</b>	<b>-</b>	<b>-</b>	<b>895.87</b>	<b>918.19</b>	<b>895.87</b>	<b>918.19</b>
<b>Commission to executive directors</b>						
Mr. Rajesh Sharma	-	-	150.00	100.00	150.00	100.00
Mr. Dinesh Sharma	-	-	75.00	50.00	75.00	50.00
Mr. Aankur Patni	-	-	75.00	50.00	75.00	50.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>300.00</b>	<b>200.00</b>	<b>300.00</b>	<b>200.00</b>
<b>Director sitting fees</b>						
Mr. Rajesh Sharma	-	-	1.35	1.25	1.35	1.25
Mr. Dinesh Sharma	-	-	1.25	1.00	1.25	1.00
Mr. Aankur Patni	-	-	1.25	1.00	1.25	1.00
Mr. Mahabir Prasad Patni	-	-	4.25	4.50	4.25	4.50
Dr. V. N. Gupchup	-	-	7.40	7.55	7.40	7.55
Mr. T. M. M. Nambiar	-	-	6.35	6.60	6.35	6.60
Mr. P. Sampath Kumar	-	-	3.75	3.75	3.75	3.75
Mr. Abhiram Seth	-	-	6.55	6.45	6.55	6.45
Mr. Shishir Tamotia	-	-	3.75	4.25	3.75	4.25
Mrs. Kishori Udeshi	-	-	4.35	4.85	4.35	4.85
<b>Total</b>	<b>-</b>	<b>-</b>	<b>40.25</b>	<b>41.20</b>	<b>40.25</b>	<b>41.20</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**
**46. Related party disclosures (contd...):**

I. Transactions during the year with related parties with outstanding balances as at year-end: (contd...)

INR in Lacs

Particulars	Associates		Others		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Directors commission</b>						
Mr. Mahabir Prasad Patni	-	-	25.00	18.50	25.00	18.50
Dr. V. N. Gupchup	-	-	25.00	18.50	25.00	18.50
Mr. T. M. M. Nambiar	-	-	25.00	18.50	25.00	18.50
Mr. P. Sampath Kumar	-	-	25.00	18.50	25.00	18.50
Mr. Abhiram Seth	-	-	25.00	18.50	25.00	18.50
Mr. Shishir Tamotia	-	-	25.00	18.50	25.00	18.50
Mrs. Kishori Udeshi	-	-	25.00	18.50	25.00	18.50
<b>Total</b>	-	-	<b>175.00</b>	<b>129.50</b>	<b>175.00</b>	<b>129.50</b>
<b>CSR expenses</b>						
Ion Foundation	-	-	203.03	160.32	203.03	160.32
<b>Total</b>	-	-	<b>203.03</b>	<b>160.32</b>	<b>203.03</b>	<b>160.32</b>
<b>Corporate guarantees discharged</b>						
Ion Exchange PSS Co. Ltd.	115.58	39.38	-	-	115.58	39.38
<b>Total</b>	<b>115.58</b>	<b>39.38</b>	-	-	<b>115.58</b>	<b>39.38</b>
<b>Contribution to post-employment benefit plans</b>						
Ion Exchange (India) Ltd.'s Provident Institution	-	-	195.01	202.68	195.01	202.68
Ion Exchange (India) Ltd.'s Management Staff Gratuity Fund	-	-	67.50	162.50	67.50	162.50
Ion Exchange Staff Superannuation Scheme	-	-	125.40	133.73	125.40	133.73
Ion Exchange India Ltd. – Gratuity Fund Trust	-	-	11.88	24.24	11.88	24.24
<b>Total</b>	-	-	<b>399.79</b>	<b>523.15</b>	<b>399.79</b>	<b>523.15</b>
<b>Outstanding loans and advances</b>						
Ion Exchange Financial Products Pvt. Ltd.**	19.50	19.50	-	-	19.50	19.50
Ion Exchange PSS Co. Ltd.	224.36	209.49	-	-	224.36	209.49
<b>Total</b>	<b>243.86</b>	<b>228.99</b>	-	-	<b>243.86</b>	<b>228.99</b>
<b>Advance to suppliers</b>						
Ion Exchange PSS Co. Ltd.	4.06	14.44	-	-	4.06	14.44
<b>Total</b>	<b>4.06</b>	<b>14.44</b>	-	-	<b>4.06</b>	<b>14.44</b>
<b>Outstanding receivables (Net of payable) excluding loans and advances</b>						
Aquanomics Systems Ltd.	2,432.79	1,733.07	-	-	2,432.79	1,733.07
IEI Water Tech (M) Sdn. Bhd., Malaysia	3.43	3.52	-	-	3.43	3.52
Ion Exchange PSS Co. Ltd., Thailand	177.54	574.03	-	-	177.54	574.03
Ion Foundation	-	-	1.14	4.87	1.14	4.87
<b>Total</b>	<b>2,613.76</b>	<b>2,310.62</b>	<b>1.14</b>	<b>4.87</b>	<b>2,614.9</b>	<b>2,315.49</b>
<b>Corporate guarantees (Outstanding)</b>						
Aquanomics Systems Ltd.	1,100.00	1,100.00	-	-	1,100.00	1,100.00
Ion Exchange PSS Co. Ltd., Thailand	-	115.58	-	-	-	115.58
<b>Total</b>	<b>1,100.00</b>	<b>1,215.58</b>	-	-	<b>1,100.00</b>	<b>1,215.58</b>

\* Gross amount has been considered.

\*\* Provision has been made in respect of the said amount.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****47. (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 15th October 1999, Ion Exchange Enviro Farms Limited (IEEFL) had applied for registration to SEBI on 14th December 1999. In response, SEBI had granted provisional registration to IEEFL on 13th February 2001, subject to certain conditions. The provisional registration was subsequently extended and expired on 13th February 2003.

IEEFL 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 IEEFL to show cause why the provisional registration granted to it should not be revoked. After hearing IEEFL's submission, SEBI vide order dated 27th November 2003 directed IEEFL to wind up the scheme and refund the monies with returns to investors.

Against the aforesaid order IEEFL 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 IEEFL 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 dismissed the IEEFL's appeal on 26th February 2013. IEEFL, in order to comply with SAT order dated 5th May 2006 had 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 and letters submitted to SEBI.

Subsequent to SEBI order of 30th December 2015, for closure of the CIS Scheme (which inter-alia included directions to refund INR 2,006 Lacs 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 had requested permission to wind up the scheme in terms of rule 73(1) to (9) of CIS Regulations as it has completed all obligations towards the investors, i.e. sale of lands and development and maintaining the lands thereafter, as per agreements.

As SEBI refused to accede to IEEFL's request, IEEFL has preferred a fresh appeal at Securities Appellate Tribunal (SAT) on 9th 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 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 had 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 was 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) Administrators appointment:**

SEBI on 25th April 2019 under SEBI (Appointment of Administrator and Procedure for Refunding of Investors) Regulations 2018 has appointed an administrator for selling the land at Goa (Quepam) of IEEFL and recovering the dues vide letter dated 30th April 2019. IEEFL 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.

**48. Maintenance expenses recoverable of Ion Exchange Enviro Farms Limited (IEEFL), represent expenses incurred on sites sold under the scheme, which are to be recovered from future income generated by sale of intercrops and main crops. The recovery is dependent 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 end of INR 197.48 Lacs (31st March 2020: INR 263.48 Lacs) as future returns from crop sales and sale of land will be available to recover the same.

**49. Security deposit for land INR 237.63 Lacs (31st March 2020: INR 238.88 Lacs) represents amount paid by Ion Exchange Enviro Farms Limited (IEEFL) for acquiring agricultural land, inclusive of stamp duty and registration charges, which are unsold as at 31st March 2021. IEEFL has conducted valuation of land and found the market value are higher than the original cost and hence IEEFL has not made provision for the same.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

50. Advances for repurchase INR 323.91 Lacs (31st March 2020: INR 323.91 Lacs) represents amounts paid by Ion Exchange Enviro Farms Limited (IEEFL) to investors for purchase of sites sold to them in earlier years, at prices announced by the IEEFL from time to time. These amounts are paid to investors on their execution of an irrevocable Power of Attorney in favour of the IEEFL's nominees for sale thereof at future date.
51. Capital expenditure incurred on research and development during the year is INR 108.32 Lacs (2019-20: INR 1,516.74 Lacs). Revenue expenditure of INR 932.32 Lacs (2019-20: INR 830.39 Lacs) incurred on research and development has been expensed to the statement of profit and loss under various expense heads.

**52. Lease**

**Operating Lease**

**Group as lessor:**

The group has entered into commercial property lease of its surplus office. The lease agreement is for 5 years. The lease includes a clause to enable upward revision by 15% after completion of 3 years from the date of commencement of the lease agreement.

Further minimum rentals receivable under non-cancellable operating lease are as follows:

	31st March 2021 INR in Lacs	31st March 2020 INR in Lacs
Within one year	122.41	117.98
After one year but not more than five years	101.76	224.17
More than five years	Nil	Nil

**53. Right-of-use assets**

Effective 1st April 2019 the group has adopted Ind AS 116 "Leases" and applied to lease contracts existing on 1st April 2019 by electing "modified retrospective approach". The group has taken the cumulative adjustment to retained earnings on the date of initial application. On transition, the adoption of the new standard resulted in recognition of Right-of-use assets of INR 430.14 Lacs and a lease liability of INR 400.62 Lacs. The cumulative effective of applying the standard resulted in adjusting the retained earnings as at 1st April 2019 with INR 29.51 Lacs. Further WDV of Leasehold Lands, Plant and Machinery and Office Equipment of INR 335.99 Lacs, INR 1,608.86 Lacs, INR 251.14 Lacs respectively was reclassified from Property, plant and equipment to Right-to-use assets.

In the Statement of Profit and Loss for the current year, the nature of expenses in respect of operating leases has changed from lease rent to depreciation on right-of-use assets and finance cost for interest accrued on lease liability using the effective interest method.

**The break-up of lease expenses are as follows**

Particulars	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Short-term lease expense	434.95	522.63
Low value lease expense	-	-
<b>Total lease expenses</b>	<b>434.95</b>	<b>522.63</b>

**The break-up of cash outflow on leases are as follows**

Particulars	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Repayment of lease liabilities	1,013.34	1,089.39
Interest on lease liabilities	180.27	170.75
Short-term lease expense	434.95	522.63
Low value lease expense	-	-
<b>Total cash outflow on leases</b>	<b>1,628.56</b>	<b>1,782.77</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****53. Right-of-use assets (contd...)**

The break-up of current and non-current lease liabilities are as follows

Particulars	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Current lease liabilities	610.34	974.98
Non-current lease liabilities	483.88	1,057.35
<b>Total</b>	<b>1,094.22</b>	<b>2,032.33</b>

The movement in lease liabilities

Particulars	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Balance at the beginning	2,032.33	-
Additions	70.37	3,151.23
Finance cost accrued during the period	180.27	170.75
Deletions	-	-
Payment of lease liabilities	(1,193.61)	(1,260.14)
Translation difference	4.86	(29.51)
Balance at the end	<b>1,094.22</b>	<b>2,032.33</b>

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows

Particulars	As at 31st March 2021 INR in Lacs	As at 31st March 2020 INR in Lacs
Less than one year	267.41	150.80
One to five year	1,113.71	2,329.96
More than five year	143.17	147.50
<b>Total</b>	<b>1,524.29</b>	<b>2,628.26</b>

**54. Capital and other commitments**

Estimated amount of contracts (net of advances) remaining to be executed on capital account not provided for is INR 634.24 Lacs (31st March 2020: INR 257.90 Lacs).



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**

**55. Contingent liabilities**

Contingent liabilities not provided for:

- (a) Guarantee given by the group on behalf of:
- i) Associates – INR 1,100.00 Lacs (31st March 2020: INR 1,215.58 Lacs)
  - ii) Others – INR 38.88 Lacs (31st March 2020: INR 38.88 Lacs)
- (b) Demand raised by authorities against which the group has filed an appeal.
- i) Income tax – INR 601.78 Lacs (31st March 2020: INR 412.87 Lacs)
  - ii) Excise duty – INR 28.58 Lacs (31st March 2020: INR 22.80 Lacs)
  - iii) Service tax – INR 259.07 Lacs (31st March 2020: INR 5.61 Lacs)
  - iv) Sales tax / VAT – INR 1,780.61 Lacs (31st March 2020: INR 1,840.98 Lacs)
- (c) Claims against the group arising in the course of business not acknowledged as debts (to the extent ascertainable) INR 2,710.41 Lacs (31st March 2020: 1,747.41 Lacs).

Note: Future cash outflows/uncertainties, if any, in respect of above are determinable only on receipt of judgments/decisions pending with various forums/authorities.

**56. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 (on the basis of the information and records available with Management)**

	31st March 2021 INR in Lacs	31st March 2020 INR in Lacs
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	<b>1,424.47</b>	<b>842.03</b>
Interest due on above	9.00	10.17
	<b>1,433.47</b>	<b>852.20</b>
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	<b>80.29</b>	<b>72.98</b>
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

57. Capital advance includes amount of INR 25.33 Lacs (31st March 2020: INR 25.33 Lacs) paid for acquiring furnished office premises at Hyderabad, the ownership of which is under legal dispute for which transfer formalities are in progress.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****58. Equity accounted Investees**

Information of interest of the group in its equity accounted investees:

	Note reference	31st March 2021 INR in Lacs	31st March 2020 INR in Lacs
Interest in Associates	See Note (A) below	356.04	344.37

**[A] Interest in associates**

(I) List of material associates of the group

Sr No	Name	Country of Incorporation	31st March 2021	31st March 2020
1	Aquanomics Systems Limited	India	48.42%	48.42%

The principal place of business of the entity listed above is the same as their respective country of incorporation.

Fair Value of material listed associates

There is no material listed associate of the Group

The following table comprises the financial information of the group's material associates and their respective carrying amount.

	Aquanomics Systems Limited	
	31st March 2021 INR in Lacs	31st March 2020 INR in Lacs
Percentage ownership interest	48.42%	48.42%
<b>Summarised financial information</b> (Net of consolidated adjustments)		
Non-current assets	233.63	284.47
Current assets (Excluding cash and cash equivalent)	3,229.27	3,106.53
Cash and cash equivalent	748.38	163.36
Non Current liabilities	(170.71)	(75.10)
Current liabilities (Current liabilities other than trade payables and other current liabilities)	(170.86)	(267.76)
Trade payables and other current liabilities	(3,134.42)	(2,402.30)
<b>Net assets</b>	<b>735.29</b>	<b>809.20</b>
<b>Groups share of net assets</b>	<b>356.04</b>	<b>374.52</b>
<b>Carrying amount of interest in associates</b>	<b>356.04</b>	<b>374.52</b>

	Aquanomics Systems Limited	
	Year ended 31st March 2021 INR in Lacs	Year ended 31st March 2020 INR in Lacs
Revenue	8,739.29	8,871.64
Depreciation and amortization	61.86	54.47
Interest expense	39.94	40.85
Income tax expense	73.33	62.21
Other Comprehensive Income	0.68	(4.62)
<b>Total comprehensive income</b>	<b>(106.60)</b>	<b>79.76</b>
<b>Groups share of profit / (loss)</b>	<b>(51.61)</b>	<b>38.62</b>
<b>Consolidated adjustments / Prior period adjustments</b>	<b>44.62</b>	<b>5.33</b>
<b>Groups share of OCI</b>	<b>-</b>	<b>-</b>
<b>Groups share of total comprehensive Income</b>	<b>(6.99)</b>	<b>43.95</b>
<b>Dividend received from the associate</b>	<b>11.50</b>	<b>13.80</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**
**59. Non-controlling interests**

Below is the list of partly owned subsidiaries of the group and the respective share of the non-controlling interests.

Sr No	Name	Country of Incorporation	Non-controlling interest	
			31st March 2021	31st March 2020
1	Ion Exchange And Co. LLC	Oman	49.00%	49.00%
2	Ion Exchange Safic Pty Ltd.	South Africa	40.00%	40.00%
3	Global Composites And Structural Ltd.	India	26.08%	26.08%
4	Ion Exchange Enviro Farms Ltd.	India	20.40%	20.40%
5	Ion Exchange Projects and Engineering Ltd.	India	8.19%	8.19%
6	Aqua Investments (India) Ltd.	India	0.58%	0.58%
7	Watercare Investments (India) Ltd.	India	0.57%	0.57%
8	Total Water Management Services (India) Ltd.	India	29.81%	29.81%
9	PT Ion Exchange Asia Pacific	Indonesia	5.00%	5.00%
10	Ion Exchange Arabia For Water	Saudi Arabia	40.00%	40.00%

The following table comprises the information relating to each of the groups subsidiaries that has material NCI, before any intra group eliminations.

**31st March 2021**
**INR in Lacs**

Particulars	Ion Exchange And Co LLC - Oman *	Ion Exchange Safic Pty Ltd. *	Global Composites And Structural Ltd.	Ion Exchange Enviro Farms Ltd.
NCI percentage	49.00%	40.00%	26.08%	20.40%
Non current assets	65.29	61.41	405.21	1,170.35
Current assets	1,448.53	466.54	203.26	14.37
Non current liabilities	(59.64)	(14.50)	-	(3,759.42)
Current liabilities	(401.04)	(1,011.50)	(2,716.85)	(1,338.14)
Net assets	1,053.14	(498.05)	(2,108.38)	(3,912.84)
<b>Net assets attributable to NCI</b>	<b>516.04</b>	<b>(199.22)</b>	<b>(549.87)</b>	<b>(798.22)</b>
Revenue	2,296.09	922.21	459.11	57.71
Profit/(Loss)	301.86	1.30	(384.44)	(503.15)
Other comprehensive income	(20.71)	(77.82)	-	0.34
<b>Total comprehensive income</b>	<b>281.15</b>	<b>(76.52)</b>	<b>(384.44)</b>	<b>(502.81)</b>
<b>Profit / (Loss) allocated to NCI</b>	<b>147.91</b>	<b>0.52</b>	<b>(100.26)</b>	<b>(102.57)</b>
<b>OCI allocated to NCI</b>	<b>(10.15)</b>	<b>(31.28)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income allocated to NCI</b>	<b>137.76</b>	<b>(30.76)</b>	<b>(100.26)</b>	<b>(102.57)</b>
Cash flow from operating activities	144.10	214.42	220.43	18.56
Cash flow from investing activities	1.31	(16.78)	-	-
Cash flow from financing activities	(228.79)	(250.18)	(221.66)	(11.70)
<b>Net increase /(decrease) in cash and cash equivalents</b>	<b>83.38</b>	<b>52.54</b>	<b>1.23</b>	<b>6.86</b>
<b>Dividends paid to Non-controlling interest</b>	<b>112.77</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Adapted as per Ind AS for consolidation

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****59. Non-controlling interests (contd...)**

31st March 2020

INR in Lacs

Particulars	Ion Exchange And Co LLC - Oman *	Ion Exchange Safic Pty Ltd. *	Global Composites And Structural Ltd.	Ion Exchange Enviro Farms Ltd.
NCI percentage	49.00%	40.00%	26.08%	20.40%
Non current assets	105.56	90.39	469.68	1,247.43
Current assets	1,507.09	386.03	350.24	13.16
Non current liabilities	(52.38)	-	-	(3,760.80)
Current liabilities	(558.14)	(907.11)	(2,572.00)	(909.82)
Net assets	1,002.13	(430.69)	(1,752.08)	(3,410.03)
<b>Net assets attributable to NCI</b>	<b>491.04</b>	<b>(172.28)</b>	<b>(456.94)</b>	<b>(695.65)</b>
Revenue	2,266.59	805.76	1,046.65	135.26
Profit/(Loss)	289.68	(110.54)	27.62	(418.82)
Other comprehensive income	-	-	-	(1.13)
<b>Total comprehensive income</b>	<b>289.68</b>	<b>(110.54)</b>	<b>27.62</b>	<b>(419.95)</b>
<b>Profit / (Loss) allocated to NCI</b>	<b>141.94</b>	<b>(44.22)</b>	<b>7.20</b>	<b>(85.44)</b>
<b>OCI allocated to NCI</b>	-	-	-	-
<b>Total comprehensive income allocated to NCI</b>	<b>141.94</b>	<b>(44.22)</b>	<b>7.20</b>	<b>(85.44)</b>
Cash flow from operating activities	348.15	(157.34)	230.33	9.07
Cash flow from investing activities	(15.61)	(5.00)	(1.47)	-
Cash flow from financing activities	(233.43)	155.28	(228.83)	(13.65)
<b>Net increase /(decrease) in cash and cash equivalents</b>	<b>99.11</b>	<b>7.06</b>	<b>0.03</b>	<b>4.58</b>
<b>Dividends paid to Non-controlling interest</b>	<b>107.80</b>	-	-	-

\* Adapted as per Ind AS for consolidation

**60. Service concession arrangement**

Ion Exchange Purified Drinking Water Private Limited (IEPDWPL), has entered into a service concession arrangement with Indian Railways Catering and Tourism Corporation Limited (IRCTC) the regulator, to construct, operate and maintain a packaged drinking water plant ('The plant').

Under the terms of agreement, the IEPDWPL is to construct, operate and maintain the plant and supply packaged drinking water (PDW) in PET bottles exclusively to regulator for the period starting on the commencement date i.e 20th December 2013 and ending on 30th September 2029.

The plant will be transferred to IRCTC at the end of the service concession period.

The IEPDWPL in turn has a right to charge the regulator at the agreed rate as stated in the service concession arrangement. Further, IRCTC has assured minimum sales volume during the concession period.

**61.** In the financial year 2018-19, Ion Exchange Environment Management Ltd. a joint venture of the company became a wholly owned subsidiary of the company w.e.f. 20th August 2018. On acquisition a goodwill of INR 863.10 Lacs had been created.

**62. Capital Management**

The group's objective is to maximise the shareholders' value by maintaining an optimum capital structure. Management monitors the return on capital as well as the debt equity ratio and makes necessary adjustments in the capital structure for the development of the business.

The group's debt to equity ratio as at 31st March 2021 was 0.10 (31st March 2020: 0.28)

Note: For the purpose of computing debt to equity ratio, Equity includes Equity share capital and Other equity and Debt includes Long term borrowings, Short term borrowings and Current maturities of long term borrowings.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)**
**63. Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interest for the year ending 31st March 2021**

Name of the entity	Country of incorporation	Net assets, i.e. total assets, minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount INR in Lacs	As % of consolidated profit and loss	Amount INR in Lacs	As % of consolidated other comprehensive income	Amount INR in Lacs	As % of consolidated total comprehensive income	Amount INR in Lacs
Ion Exchange (India) Limited	India	104.52	62,697.39	101.49	14,597.56	3.28	95.20	84.99	14,692.76
<b>Subsidiaries</b>									
1 Ion Exchange Enviro Farms Ltd.	India	(6.52)	(3,912.84)	(3.50)	(503.15)	0.01	0.35	(2.91)	(502.80)
2 Watercare Investments (India) Ltd.	India	4.06	2,435.73	0.09	12.90	40.55	1,178.06	6.89	1,190.96
3 Aqua Investments (India) Ltd.	India	5.56	3,338.03	0.11	16.06	55.92	1,624.35	9.49	1,640.41
4 Ion Exchange Asia Pacific Pte. Ltd.	Singapore	0.03	20.79	0.16	23.00	-	-	0.13	23.00
5 Ion Exchange Asia Pacific (Thailand) Ltd.	Thailand	(1.03)	(616.67)	0.60	85.63	-	-	0.50	85.63
6 PT Ion Exchange Asia Pacific	Indonesia	-	1.48	0.02	2.52	-	-	0.01	2.52
7 IEI Environmental Management (M) Sdn. Bhd.	Malaysia	(0.42)	(249.82)	(0.01)	(1.18)	-	-	(0.01)	(1.18)
8 Ion Exchange Environment Management (BD) Ltd.	Bangladesh	0.50	296.59	(0.07)	(10.26)	-	-	(0.06)	(10.26)
9 Ion Exchange WTS (Bangladesh) Ltd.	Bangladesh	(0.01)	(5.11)	-	(0.39)	-	-	-	(0.39)
10 Ion Exchange LLC	USA	0.69	412.85	1.47	211.87	-	-	1.23	211.87
11 Ion Exchange And Company LLC *	Oman	1.76	1,053.14	2.10	301.86	-	-	1.75	301.86
12 Ion Exchange Projects And Engineering Ltd.	India	(1.81)	(1,084.58)	2.17	311.54	0.23	6.58	1.84	318.12
13 Global Composites And Structurals Ltd.	India	(3.51)	(2,108.38)	(2.67)	(384.44)	-	-	(2.22)	(384.44)
14 Total Water Management Services (India) Ltd.	India	0.11	67.92	0.01	2.07	-	-	0.01	2.07
15 Ion Exchange Safic Pty. Ltd.	South Africa	(0.83)	(498.05)	0.07	10.46	-	-	0.06	10.46
16 Ion Exchange Purified Drinking Water Pvt. Ltd.	India	0.25	147.45	(0.31)	(45.20)	-	-	(0.26)	(45.20)
17 Ion Exchange Environment Management Ltd.	India	(3.30)	(1,979.92)	(1.09)	(157.32)	0.01	0.40	(0.91)	(156.92)
18 Ion Exchange Arabia For Water	Saudi Arabia	(0.05)	(30.70)	(0.64)	(90.60)	-	-	(0.53)	(90.60)
		<b>100.00</b>	<b>59,985.30</b>	<b>100.00</b>	<b>14,382.93</b>	<b>100.00</b>	<b>2,904.94</b>	<b>100.00</b>	<b>17,287.87</b>
a) Adjustment arising out of consolidation			(9,413.81)		(43.54)		(2,802.41)		(2,845.95)
b) Movement in foreign currency translation reserve							(129.62)		(129.62)
c) Share in profit / (loss) of associates					(6.99)		-		(6.99)
Total			<b>50,571.49</b>		<b>14,332.40</b>		<b>(27.09)</b>		<b>14,305.31</b>

\*Adapted as per Ind AS for Consolidation

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2021 (contd...)****64. Subsequent events**

No significant adjusting event occurred between the balance sheet date and date of the approval of these financial statements by the board of directors of the company requiring adjustment or disclosure.

- 65.** The group has assessed the potential impact of Covid-19 on its capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements. The group's liquidity position is adequate to meet its commitments and it expects to recover the carrying value of its assets.

The group will continue to closely monitor any material changes to future economic conditions arising from ongoing second wave and update its assessment as necessary.

- 66.** The figures for the corresponding previous year have been regrouped/ reclassified, wherever necessary, to make them comparable.

- 67.** Information with regard to other matters, as required by Schedule III to the Act is either nil or not applicable to the group for the year.

As per our report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

Rajiv Shah  
Partner  
Membership no.: 112878

Place : Mumbai  
Date : 8th June 2021

For and on behalf of the board of directors of  
ION EXCHANGE (INDIA) LIMITED  
CIN - L74999MH1964PLC014258

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

N. M. RANADIVE  
Chief Financial Officer

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 8th June 2021

**FORM AOC - 1**

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Associate Companies) Rule, 2014]  
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

**Part A : Subsidiaries**

INR in Lacs

Sr. no.	Name of the subsidiary	The date since when subsidiary	Financial year ending on	Country of incorporation	Reporting currency	Exchange rate as at 31.03.2021	Equity Share capital	Other Equity	Total assets	Total liabilities	Investments (including investments in holding company, subsidiaries and associates)	Total income (including other income)	Profit/(Loss) before taxation	Provision for taxation	Profit/(Loss) after taxation	Other comprehensive income	Total comprehensive income	Proposed dividend (including dividend already paid, if any)	% of shareholding
1	Ion Exchange Enviro Farms Ltd.	21.08.1997	31.03.2021	India	INR	1.00	69.47	(3,982.31)	1,194.72	5,097.56	-	57.71	(503.15)	-	(503.15)	0.35	(502.80)	-	79.60
2	Watercare Investments (India) Ltd.	01.04.1999	31.03.2021	India	INR	1.00	178.02	2,257.71	2,574.19	138.46	2,404.39	18.22	17.36	4.46	12.90	1,178.06	1,190.96	-	99.43
3	Aqua Investments (India) Ltd.	01.04.1999	31.03.2021	India	INR	1.00	177.02	3,161.01	3,528.55	190.52	3,315.09	22.66	21.61	5.55	16.06	1,624.35	1,640.41	-	99.42
4	Ion Exchange Asia Pacific Pte. Ltd.	12.08.2004	31.03.2021	Singapore	USD	73.50470	1,453.21	(1,432.42)	1,896.65	1,875.86	126.80	1,664.24	23.00	-	23.00	-	23.00	-	100.00
5	Ion Exchange Asia Pacific (Thailand) Ltd. *	12.04.2007	31.03.2021	Thailand	THB	2.33763	93.50	(710.17)	668.72	1,285.39	-	402.08	85.63	-	85.63	-	85.63	-	100.00
6	PT Ion Exchange Asia Pacific *	01.08.2017	31.03.2021	Indonesia	IDR	0.00902	103.67	(102.19)	284.75	283.27	-	518.08	2.52	-	2.52	-	2.52	-	95.00
7	IEI Environmental Management (M) Sdn. Bhd.	11.03.2004	31.03.2021	Malaysia	MYR	17.64030	44.10	(293.92)	128.01	377.83	-	29.39	(3.28)	(2.10)	(1.18)	-	(1.18)	-	100.00
8	Ion Exchange Environment Management (BD) Ltd.	01.04.2006	31.03.2021	Bangladesh	BDT	0.84636	47.39	249.20	705.84	409.25	-	921.75	11.52	21.78	(10.26)	-	(10.26)	-	100.00
9	Ion Exchange WTS (Bangladesh) Ltd.	31.01.2010	31.03.2021	Bangladesh	BDT	0.84636	23.30	(28.41)	-	5.11	-	-	(0.39)	-	(0.39)	-	(0.39)	-	100.00
10	Ion Exchange LLC	01.03.2007	31.03.2021	USA	USD	73.50470	514.53	(101.68)	3,046.20	2,633.35	-	5,092.10	312.76	100.89	211.87	-	211.87	-	100.00
11	Ion Exchange And Company LLC	01.08.2006	31.03.2021	Oman	OMR	189.69930	569.10	568.72	1,600.00	462.18	-	4,213.90	282.99	69.15	213.84	-	213.84	227.64	51.00
12	Ion Exchange Projects And Engineering Ltd.	11.04.2011	31.03.2021	India	INR	1.00	1,521.52	(2,606.10)	1,930.31	3,014.89	9.84	3,629.69	348.58	37.04	311.54	6.58	318.12	-	91.81
13	Global Composites And Structural Ltd.	29.03.2012	31.03.2021	India	INR	1.00	293.55	(2,401.83)	608.47	2,716.85	5.00	459.11	(377.15)	7.29	(384.44)	-	(384.44)	-	73.92
14	Total Water Management Services (India) Ltd.	01.04.2012	31.03.2021	India	INR	1.00	10.89	57.03	71.55	3.63	-	14.28	2.74	0.67	2.07	-	2.07	-	70.19
15	Ion Exchange Safic Pty. Ltd.	01.07.2012	31.03.2021	South Africa	ZAR	4.93633	0.05	(488.10)	527.95	1,026.00	-	911.40	3.11	(7.35)	10.46	-	10.46	-	60.00
16	Ion Exchange Purified Drinking Water Pvt. Ltd.	25.09.2013	31.03.2021	India	INR	1.00	1.00	146.45	1,258.61	1,111.16	-	464.80	(101.39)	(56.19)	(45.20)	-	(45.20)	-	100.00
17	Ion Exchange Environment Management Ltd.	20.08.2018	31.03.2021	India	INR	1.00	500.00	(2,479.92)	94.42	2,074.34	-	139.45	(157.32)	-	(157.32)	0.40	(156.92)	-	100.00
18	Ion Exchange Arabia for Water	20.11.2019	31.03.2021	Saudi Arabia	SAR	19.51635	97.58	(128.28)	167.92	198.62	-	260.91	(90.60)	-	(90.60)	-	(90.60)	-	60.00

\* Holding through subsidiary company - Ion Exchange Asia Pacific Pte. Ltd., Singapore.

Note :

Subsidiaries yet to commence operation : None

Subsidiaries liquidated or sold during the year : None



## Part B : Associates and Joint Ventures

Sr. no.	Particulars	Associates			
		IEI Water-Tech (M) Sdn. Bhd. **	Aquanomics Systems Ltd	Ion Exchange Financial Products Pvt. Ltd.*	Ion Exchange PSS Co. Ltd.**
1	Latest audited Balance Sheet Date	31.12.2020	31.03.2021	31.03.2021	31.03.2021
2	Date on which the Associate or Joint Venture was associated or acquired	06.07.2005	31.03.2006	01.04.1999	30.09.2011
3	Share of Associate / Joint Ventures held by company on year end				
	- Number of shares	300,000	460,000	2,450	14,700
	- Amount of Investment (net of impairment, if any) (INR in Lacs)	-	79.00	0.25	26.65
	- Extent of holding %	30.00%	48.42%	24.02%	49.00%
4	Description of how there is significant influence	Significant influence due to percentage of share capital			
5	Reason why the Associate / Joint Ventures is not considered	N.A.	N.A.	N.A.	N.A.
6	Net worth attributable to shareholding as per latest audited balance sheet (INR in Lacs)	-	356.04	163.83	(163.09)
7	Total Comprehensive income				
	i. Considered in consolidation # (INR in Lacs)	-	(106.60)	0.41	207.19
	ii. Not considered in consolidation (INR in Lacs)	-	-	386.89	-

Note :

\* Holding through subsidiary companies – Aqua Investments (India) Limited and Watercare Investments (India) Limited.

\*\* Holding through subsidiary Ion Exchange Asia Pacific Pte. Ltd., Singapore

# Considered in consolidation as per applicable Ind AS

Note :

Associates / Joint Ventures yet to commence operation : None

Associates / Joint Ventures liquidated or sold during the year : None

For and on behalf of the board of directors of  
ION EXCHANGE (INDIA) LIMITED

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

M. P. PATNI  
Director  
DIN – 00515553

MILIND PURANIK  
Company Secretary

N. M. RANADIVE  
Chief Financial Officer

Place : Mumbai  
Date : 8th June 2021

## Shareholder's Privilege Offer 20% Off\* on ZeroB Range of Products

Customer Name .....

Address .....

Contact Details .....

Product .....

Folio No. ....

DP ID No. ....

Client ID No .....

.....  
 Purchaser's Signature

\*Valid up to 31.03.2022

**Ion Exchange (India) Ltd.**

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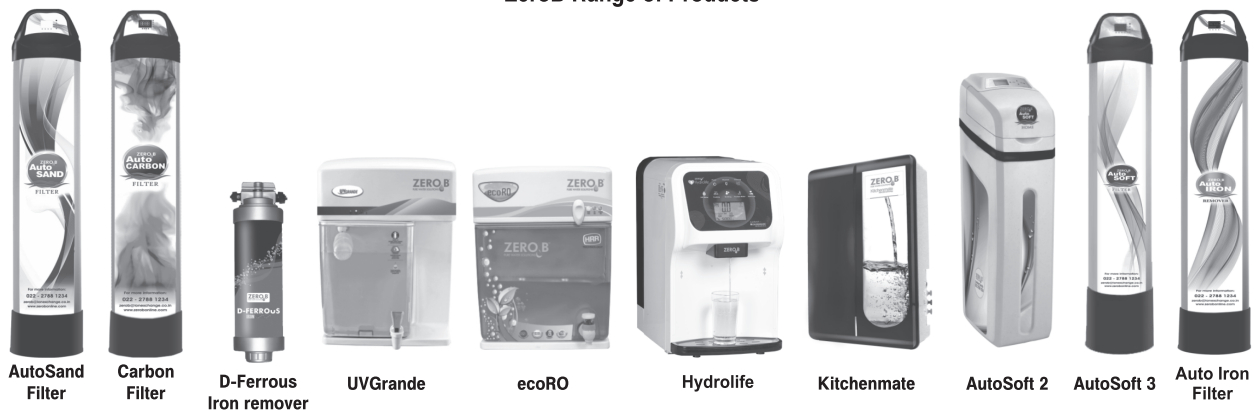
**Note:**

- This offer is valid only for ZeroB Products
- Present this coupon at the time of purchase to avail the discount
- No other offer or discount can be clubbed with this offer
- This coupon can only be redeemed at your nearest ZeroB branch or call our customer care



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- Bengaluru - Mahadevpura: 080-2204 2888 • Bengaluru - R.T.Nagar: 080-4128 3534 / 41 • Mysore: 0821-424 6767 • Hyderabad: 040-3066 3101

**Ion Exchange (India) Ltd.**

Corporate Office : Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai-400 011, India. Call: 022-2788 1234 | Email : zerob@ionexchange.co.in | Web : www.zerobonline.com

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Covid relief grocery kit distribution, Light of light Trust, Maharashtra



Distribution of school books to students, Kids Centre, West Bengal



Distribution of Stationery at a Govt primary school, Goa



Installation of RO plant, Arockia Home for the aged, Tamil Nadu



Sheltered workshop for differently abled adults, The Anchorage, Maharashtra



Demo plant for vocational training, Shishu Mandir, Karnataka



Blood Donation Camp organised by Indian Red Cross Society, Maharashtra



RCC for dormitory girls hostel, Jay Mataji Ashramshala, Gujarat



Science on Wheels Project, Vasundhara Science Center, Maharashtra



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