GMJ & Co
Chartered Accountants
3rd & 4th Floor, Vaastu Darshan,
'B'wing, Above Central Bank of India,
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ION EXCHANGE ENVIRO FARMS LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Ion Exchange Enviro Farms Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, the statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in equity and statement of cash flows for the year then ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

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

a) We draw attention to Note 34.1 regarding the appropriateness of the "Going Concern" basis used for the preparation of this accounts even though the net worth of the company has been completely eroded as at 31st March 2020 and the validity of the "going concern" basis would depend upon the continuance of the existing financial support by the holding company. The accounts do not include adjustment, if any, that may result from discontinuances of the funding by the holding company.

b) We draw attention to Note 34.2:-

(A) The Hon'ble Supreme Court of India has dismissed the company's appeal against the order of securities appellate tribunal for refunding monies to investors with return and for winding up of scheme. Further the company has submitted relevant details to SEBI and have initiated actions in line with the details submitted to SEBI which in December, 2015 had asked the company to pre deposit amount due to farm owners and close the scheme. The company has submitted that it shall get discharge certificates from balance farm owners within a period of two years from March 2016. As SEBI refused to accede to Company's request, company has preferred a fresh appeal at Securities Appellate Tribunal (SAT) on 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 agreement. Appeal has been already admitted by SAT and certain hearings had taken place from time to time. The appeal was heard and vide order dated 18th October, SAT has dismissed the appeal. The company has filed a Review Petition before the SAT, Mumbai on 3rd December, 2019 for correction of factual errors in the said order. Further, based on the Legal Advice, pending final order from SAT on the Review Petition, an Appeal is filed in the Supreme Court Against order of SAT on 18th February 2020.

(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 the Company and Recovering the Dues however vide Letter dated 30th April 2019 .The Company has Requested the Recovery Office of SEBI to keep the proceedings in abeyance .Further, in view of the above developments the proceedings are in Abeyance or on hold as on date.

c) We draw attention to Note 34.3 of the financial Statements which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's Financial Performance as assessed by the management. Our opinion is not modified in this matter.

d) We draw attention to Note 34.4 regarding maintenance expenses recoverable aggregating Rs. 2,63,47,650/- (net of provision) considered as fully recoverable by the management from future crop sales/ land sales. In view of this no provision is considered necessary by the management.
Our opinion is not modified in respect of these matters.

Our opinion is not modified in respect of these matters.

Other Matters

Without qualifying our opinion, we draw attention to following matters,

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

Our opinion is not modified in respect of these matters.

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

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

i. Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
v. Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

GMJ & CO
MUMBAI
F.R. NO.
103429W

Report on Other Legal and Regulatory Requirements

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

As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 (c) and Note 34.2 to the Ind AS financial statements;

ii. The Company did not have any long - term contracts including derivative contracts for which there were any material foreseeable losses.

iii. The company has no amount to be transferred to the Investor Education and Protection Fund by the Company.

For GMJ & Company
Chartered Accountants
FRN: 103429W

GMJ & CO MUMBAI FRN NO. 103429W

CA Atul Jain
Partner
Membership No. 37097
Place: Mumbai
Date:24th June, 2020

ANNEXURE A TO THE AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH "REPORT ON OTHER LEGAL AND REGUALTORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF "THE COMPANY" FOR THE YEAR ENDED 31ST MARCH, 2020

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

(i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Some of the fixed assets were physically verified during the year by the management and no material discrepancies between the book records and physical inventory have been noticed;

(c) The title deeds of Agricultural Land are held in the name of the company/ its Nominee's.

(ii) According to the information and explanations given to us, This Clause is not applicable as the company has no inventories.

(iii) According to information and explanations given to us, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company;

(iv) According to information and explanations given to us, the Company has not granted any loans or made any investments, or provided any guarantee or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company;

(v) According to information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified;

(vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act'2013;

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

(a) The company is generally regular in depositing undisputed statutory dues including provident fund, income tax, goods and service tax, Custom duty, Cess and other material statutory dues with the appropriate authorities. There have been no dues which are outstanding for more than six months from the date they become payable;

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, goods and service tax, value added tax which have not been deposited with the appropriate authorities on account of any dispute;

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in respect of dues to debenture holder during the year;

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Therefore, the provisions of clause 3 (ix) of the said order is not applicable to the company;

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management;

(xi) During the year, the company has not paid managerial remuneration. Accordingly, the provisions of clause 3(xi) of the said order is not applicable to the company;

(xii) The Company is not a Nidhi Company and hence reporting under Clause 3(xii) of the Order is not applicable to the Company;

(xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards;

(xiv) During the year, the company has not made preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3(xiv) is not applicable to the company;

(xv) In our opinion and according to the information and explanations given to us, during the year the company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable;

(xvi) The company is not required to be registered under Section 45-IA for the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For GMJ & Company
Chartered Accountants
FRN: 103429W

Atul Jain

GMJ & CO MUMBAI FRN. NO. 103429W

CA Atul Jain
Partner
M.No. 37097
Place: Mumbai
Date: 24th June, 2020

ANNEXURE B

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

We have audited the internal financial controls over financial reporting of Ion Exchange Enviro Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For GMJ & Company
Chartered Accountants
FRN : 103429W

Atul Jain

GMJ & CO MUMBAI FRN. NO.

CA Atul Jain
Partner
Membership No. 37097
Place: Mumbai
Date: 24th June, 2020

ION EXCHANGE ENVIRO FARMS LIMITED
BALANCE SHEET AS AT 31ST March 2020

(Amount in INR)

Particulars	Notes	March 31, 2020	March 31, 2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4	1,10,72,083	1,16,40,452
(b) Financial Assets			
(i) Other Financial Assets	5	3,05,29,548	3,05,19,548
(c) Other Non-Current Assets	9	8,31,41,423	8,26,63,545
		12,47,43,054	**12,48,23,545**
Current assets			
(a) Inventories	6	-	-
(b) Financial Assets			
(i) Trade Receivables	7	-	-
(ii) Cash and Cash Equivalents	8	5,04,934	9,63,708
(c) Other Current Assets	9	8,10,655	7,10,170
		13,15,588	**16,73,878**
TOTAL		**12,60,58,642**	**12,64,97,423**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	10	69,47,000	69,47,000
(b) Other Equity	11	(34,79,50,087)	(30,60,68,219)
		(34,10,03,087)	**(29,91,21,219)**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	37,00,00,000	37,00,00,000
(b) Provisions	16	10,04,366	9,73,926
(c) Other Non-Current Liabilities	15	50,75,309	50,75,310
		37,60,79,675	**37,60,49,236**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	7,46,60,745	3,31,92,441
(ii) Trade Payables			
Micro, Small and Medium Enterprises		-	-
Others	14	35,14,220	37,57,062
(iii) Other Financial Liabilities	13	88,66,941	83,80,191
(b) Other Current Liabilities	15	38,45,408	41,57,795
(c) Provisions	16	94,739	81,918
		9,09,82,053	**4,95,69,407**
TOTAL		**12,60,58,642**	**12,64,97,424**

Significant accounting policies and notes forming part of the financial statements 1 to 35

As per our report of even date
For GMJ & Co
Chartered Accountants
Firm No. 103429W

GMJ & CO. MUMBAI FRN.NO. 103429W CHARTERED ACCOUNTANTS

CA Atul Jain
Partner
M. No. 37097
UDIN:20037097AAAAAS1736
Place : Mumbai
Date : 24th June,2020

For and on behalf of the Board of Directors

Rajesh Sharma
Director
DIN 00515486

P.M.Nawathe
Director
DIN 06582114

ION EXCHANGE ENVIRO FARMS LIMITED
STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31st MARCH 2020

(Amount in INR)

Particulars	Notes	March 31, 2020	March 31, 2019
CONTINUING OPERATIONS			
REVENUE			
Revenue from operations (net)	17	68,04,602	68,07,125
Other income	18	67,21,636	1,18,20,278
Total Revenue (I)		**1,35,26,238**	1,86,27,403
EXPENSES			
Purchases of stock-in-trade	20	44,40,995	49,57,306
Changes in inventories of finished goods, work-in-process and Stock-in Trade	21	-	19,879
Employee benefits expense	22	13,39,095	11,80,155
Finance costs	23	4,28,33,644	3,85,17,502
Depreciation and amortization expense	24	5,68,369	6,03,833
Other expenses	25	62,26,007	33,73,878
Total Expenses (II)		**5,54,08,110**	**4,86,52,553**
Loss before tax		**(4,18,81,872)**	**(3,00,25,150)**
Tax expense:			
Current tax		-	-
Loss for the period		**(4,18,81,872)**	**(3,00,25,150)**
OTHER COMPREHENSIVE INCOME			
A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Remeasurement of gains (losses) on defined benefit plans		(1,13,368)	17,922
Other Comprehensive income for the year, net of tax		**(1,13,368)**	**17,922**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**(4,19,95,240)**	**(3,00,07,228)**
Earnings per share attributable to equity shareholders	26		
Basic & Diluted EPS		(60.29)	(38.82)
Significant accounting policies and notes forming part of the financial statements	**1 to 34**		

As per our report of even date
For GMJ & Co
Chartered Accountants
Firm No. 103429W

G.M.J. & CO. MUMBAI FRN.NO. 103429W CHARTERED ACCOUNTANTS

CA Atul Jain
Partner
M. No. 37097
UDIN:20037097AAAAAS1736
Place : Mumbai
Date : 24th June,2020

For and on behalf of the Board of Directors

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

ION EXCHANGE ENVIRO FARMS LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2020

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) before income tax from:		
Continuing operations	(4,18,81,872)	(3,00,25,150)
Discontinued operations		
Profit before income tax including discontinued operations	(4,18,81,872)	(3,00,25,150)
Adjustments for:		
Depreciation and amortisation expense	5,68,369	6,03,833
Finance costs	4,28,33,644	3,85,17,502
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	-	-
(Increase)/Decrease in inventories	-	7,48,719
Increase/(decrease) in trade payables	(2,42,836)	(24,53,178)
(Increase) in other financial assets	(10,000)	-
(Increase)/decrease in other non-current assets	(4,77,878)	(49,31,620)
(Increase)/decrease in other current assets	(1,00,485)	(224)
Increase/(decrease) in Current provisions	12,821	-
Increase/(decrease) in Non current provisions	30,440	-
Increase/(decrease) in Other Financial Liabilities	4,86,750	17,19,000
Increase in other current liabilities	(3,12,387)	(4,71,993)
Cash generated from operations	9,06,566	37,06,889
Less: Income taxes paid	-	
Net cash inflow from operating activities	9,06,566	37,06,889
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	-	-
Net cash outflow from investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	4,14,68,304	3,53,07,353
Interest paid	(4,28,33,644)	(3,85,17,502)
Net cash inflow (outflow) from financing activities	(13,65,340)	(32,10,149)
Net increase (decrease) in cash and cash equivalents	(4,58,774)	4,96,740
Cash and Cash Equivalents at the beginning of the financial year	9,63,708	9,57,014
Effects of exchange rate changes on Cash and Cash Equivalents		
Cash and Cash Equivalents at end of the year	5,04,934	14,53,754
Reconciliation of cash and cash equivalents as per the cash flow statement:		
Cash and cash equivalents as per above comprise of the following:		
Cash and cash equivalents	8,778	9,345
Bank overdrafts	4,96,156	9,54,364
Balances as per statement of cash flows	5,04,934	9,63,708

Significant accounting policies and notes forming part of the financial statements

As per our report of even date
For GMJ & Co
Chartered Accountants
Firm No. 103429W

CA Atul Jain
Partner
M. No. 37097
UDIN:20037097AAAAAS1736
Place : Mumbai
Date : 24th June,2020

GMJ & CO. MUMBAI FRN.NO. 103429W CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Rajesh Sharma
Director
DIN 00515486

P.M.Nawathe
Director
DIN 06582114

ION EXCHANGE ENVIRO FARMS LIMITED
STATEMENT OF CHANGES IN EQUITY AS AT March 31 2020

A Equity Share Capital

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

B Other Equity

	Reserves and Surplus	
Particulars	**Retained Earnings**	**Total**
As at April 1, 2019	(30,60,68,214)	**(30,60,68,214)**
Profit / (Loss) for the period	(4,18,81,872)	**(4,18,81,872)**
Other comprehensive income/Expenses		-
Total comprehensive income for the year	(34,79,50,087)	**(34,79,50,087)**
As at March 31, 2020	(34,79,50,087)	**(34,79,50,087)**

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ION EXCHANGE ENVIRO FARMS LIMITED

Notes to financial statements for the year ended 31/03/2020

1. Significant Accounting Policies

Overview of the Company

ION EXCHANGE ENVIRO FARMS LIMITED (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the business of (1) Developing, cultivating & maintaining large farms at various places in India mainly Maharashtra, Tamilnadu & Goa. (2) Contract farming for supply of Organic Certified produce for local as well as International market (3) Agri Inputs manufacturing& marketing.

2. Basis of preparation

Statement of compliance

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

The standalone financial statements have been prepared and presented under the historical cost convention, 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.

a) 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 the nearest INR, unless otherwise indicated.

b) Basis of measurement

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

- Certain financial assets and liabilities 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.

Use of estimates

The preparation of the standalone financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2020 are as follows:

a) 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 capitalized. 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.

b) 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.

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 categorized 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 categorized 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 recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. Summary of significant accounting policies

a) Property, plant and equipment and depreciation

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

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

Assets	Useful lives
Building - Office buildings	60 years
- Other than Office buildings	30 years
Plant and machinery	15 years
Furniture and fixtures	10 years
Office equipment/ Computers	3 – 5 years

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 recognized in the Statement of Profit and Loss.

b) 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.

c) Inventories

"Work-in-progress - Project Development" cost includes direct and other administrative expenses incurred in developing these projects.

Inventories are valued at lower of Cost and Net Realizable Value.

Cost of Raw Material and Packing Material is determined at Weighted Average Cost.

Finished Goods – Contract Farming inventory comprises of trading inventory of the Company. Cost of Inputs comprises of material cost and cost of conversion

d) Project Development Expenses

All expenses, which are directly related to a project, are treated as "Development Expenses". Expenses incurred on incomplete stages of ongoing projects are carried forward in the Balance Sheet as "Work-in-progress - Project Development" under the head Inventories.

e) Financial instruments

Financial assets and financial liabilities are recognized 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

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

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

(ii) Subsequent measurement

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

a) At amortized cost
A financial asset is measured at amortized 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), and
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) Impairment of financial assets

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

(iv) De-recognition

The company de-recognizes 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 asset

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B. Financial liabilities

(i) Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of financial liabilities classified at amortized cost, net of directly attributable transaction costs.

The financial liabilities include trade and other payables, loans and borrowings etc.

(ii) Subsequent measurement

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

Amortized 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 amortization is included as finance costs in the Statement of Profit and Loss.

g) 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 of the year when the contribution to the respective fund is due. There is no other obligation other than the contribution payable.

(ii) 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 recognized in OCI

(v) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered. 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.

h) **Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sales are accounted for excluding GST. Sale of goods is recognized when the property and all significant risks and reward of ownership is transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods.

Income from Projects is recognized on completion of identifiable stages thereof. Income from sale of inputs, intercrops, contract farming and produce marketing activities are recognized excluding GST, where applicable, when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods.

Interest:
Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included in finance income in the statement of profit and loss.

i) Taxation

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(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 recognized, 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 Asset is not recognized unless there are timing difference, the reversal of which, will result in sufficient income or there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

k) Provisions and contingent liabilities

A provision is recognized 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 recognized 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.

l) Earnings per share

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

For the purpose of calculating diluted earnings per 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.

n) 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 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.

The sales of Organic Agriculture goods and Inputs are in India and also, the assets of the Company are situated in India

a) The Company is engaged into two main business segments namely:
   Organic Agriculture goods and Organic Inputs
b) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each segment and amounts allocated on a reasonable basis.

o) 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.

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p) Leases:

<u>Where the company is the lessor</u>

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

q) 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.

ION EXCHANGE ENVIRO FARMS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31st March 2020

4. PROPERTY, PLANT AND EQUIPMENT

(Amount in INR)

Particulars	Buildings	Plant and Equipments	Furniture and Fixtures	Office Equipments	Computer Hardwares	Total
GROSS CARRYING VALUE						
As at April 1, 2019	96,53,409	33,41,467	3,66,871	28,066	61,344	1,34,51,157
Additions						-
Disposals						-
As at March 31 2020	**96,53,409**	**33,41,467**	**3,66,871**	**28,066**	**61,344**	**1,34,51,157**
ACCUMULATED DEPRECIATION/IMPAIRMENT						
As at April 1, 2019	7,91,826	8,51,569	1,17,262	-	50,048	18,10,705
Depreciation for the period	2,63,942	2,83,950	13,112		7,364	5,68,368
As at March 31, 2020	10,55,768	11,35,519	1,30,374	-	57,412	23,79,073
As at March 31, 2020	**10,55,768**	**11,35,519**	**1,30,374**	**-**	**57,412**	**23,79,073**
Net Carrying value as at Mar.31 2020	**85,97,641**	**22,05,948**	**2,36,497**	**28,066**	**3,932**	**1,10,72,083**
Net Carrying value as at Mar.31 2019	**88,61,583**	**24,89,898**	**2,49,609**	**28,066**	**11,296**	**1,16,40,452**

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ION EXCHANGE ENVIRO FARMS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31st March 2020

5. FINANCIAL ASSETS

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019
(A) INVESTMENTS		
OTHER FINANCIAL ASSETS		
Non Current		
(I) Financial assets carried at amortised cost		
Security Deposits	3,05,29,548	3,05,19,548
Total	3,05,29,548	3,05,19,548

6. INVENTORIES

Particulars	March 31, 2020	March 31, 2019
(Valued at lower of Cost and Net Realisable value)		
Raw materials		
Work-in-process	-	-
Total	-	-

7. TRADE RECEIVABLES

Particulars	March 31, 2020	March 31, 2019
Non Current		
Receivables - Credit impaired	-	46,02,939
	-	46,02,939
Impairment Allowance	-	46,02,939
	-	46,02,939
Total	-	-

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ION EXCHANGE ENVIRO FARMS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31st March 2020

8. CASH AND CASH EQUIVALENTS

Particulars	March 31, 2020	March 31, 2019
Balances with banks:		
- On current accounts	4,96,156	9,54,364
Cash on hand	8,778	9,345
	5,04,934	**9,63,708**

9. OTHER ASSETS

Particulars	March 31, 2020	March 31, 2019
Non Current		
Advances other than Capital advances		
Security Deposits for Land	2,38,87,894	2,38,87,894
Less: Provision for Security Deposit for land (Refer Note No. 34.5)	-	-
	2,38,87,894	**2,38,87,894**
Advances for Re-purchase (Refer Note No. 34.6)	3,23,91,392	3,19,31,392
Maintenance Expense Recoverable (Refer Note No. 34.4)	3,77,72,650	3,77,72,650
Less: Provision for Maintenance Expense Recoverable	(1,14,25,000)	(1,14,25,000)
	2,63,47,650	**2,63,47,650**
Advances recoverable in cash or kind	20,35,038	21,67,161
Less: Provision for Advances recoverable in cash or kind	(15,20,552)	(16,70,552)
	5,14,486	**4,96,609**
Total	**8,31,41,422**	**8,26,63,545**
Current		
Others		
- Balances with Statutory, Government Authorities	8,10,655	6,97,930
- Other current assets	-	12,240
Total	**8,10,655**	**7,10,170**

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ION EXCHANGE ENVIRO FARMS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31st March 2020

10. SHARE CAPITAL

i. Authorised Share Capital (Amount in INR)

	Equity Share	
	Number	**Amount**
At April 1, 2019	20,00,000	2,00,00,000
Increase/(decrease) during the year	-	-
At March 31, 2020	20,00,000	2,00,00,000

Terms/rights attached to equity shares

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

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

ii. Issued Capital

	Number	**Amount**
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 1, 2019	6,94,700	69,47,000
Issued during the period		
At March 31, 2020	**6,94,700**	**69,47,000**

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

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

	March 31 ,2020	**March 31 ,2019**
Ion Exchange (India) Limited Holding Company Equity shares	5,47,000	5,47,000

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

Name of the shareholder	**As at March,31, 2020**		**As at March,31, 2019**	
	Number	% holding	Number	% holding
Equity shares of INR 10 each fully paid				
Ion Exchange (India) Limited Holding Company	5,47,000	78.74%	5,47,000	78.74%

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ION EXCHANGE ENVIRO FARMS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31st March 2020

11. OTHER EQUITY

Reserves and Surplus

Particulars	March 31, 2020	March 31, 2019
Retained Earnings	(34,79,50,087)	(30,60,68,219)
	(34,79,50,087)	(30,60,68,219)

12. BORROWINGS

Particulars	March 31, 2020	March 31, 2019
Non Current Borrowings		
Secured		
7%, 1500000 Secured RedeemableNon-convertible Debentures of Rs.100 each	15,00,00,000	15,00,00,000
Loans from Related Parties	22,00,00,000	22,00,00,000
Total	37,00,00,000	37,00,00,000
Current Borrowings		
Unsecured		
Loans repayable on demand from Related Parties	7,46,60,745	3,31,92,441
Total	**7,46,60,745**	**3,31,92,441**

Particulars	March 31, 2020	March 31, 2019
Non Current Borrowings		
Secured		
Debentures	15,00,00,000	15,00,00,000
Gross Non Current Borrowings	**15,00,00,000**	**15,00,00,000**
Less: Current maturity		
Net Non Current Borrowings (as per Balance sheet)	**15,00,00,000**	**15,00,00,000**

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

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

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

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NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31st March 2020

13. OTHER FINANCIAL LIABILITIES

Particulars	March 31, 2020	March 31, 2019
Current		
Financial Liabilities at amortised cost		
Interest Free Deposits	88,66,941	83,80,191
	88,66,941	**83,80,191**
Total	**88,66,941**	**83,80,191**

14. TRADE PAYABLES

Particulars	March 31, 2020	March 31, 2019
Current		
Trade Payables to Others	35,14,220	37,57,062
Total	**35,14,220**	**37,57,062**

15. OTHER LIABILITIES

Particulars	March 31, 2020	March 31, 2019
Non Current		
Advance from Customer (Projects)	50,75,309	50,75,310
Total	**50,75,309**	**50,75,310**
Current		
Advance received from Customers	7,93,020	13,23,034
Statutory Liabilities	21,65,170	19,82,364
Others	8,87,219	8,52,398
Total	**38,45,408**	**41,57,795**

16. PROVISIONS

Particulars	March 31, 2020	March 31, 2019
Non Current		
Provision for employee benefits		
Gratuity (*Refer Note 27*)	5,57,677	5,32,637
Leave encashment	4,46,689	4,41,289
Total	**10,04,366**	**9,73,926**
Current		
Provision for employee benefits		
Gratuity	62,465	53,511
Leave encashment	32,274	28,407
Total	**94,739**	**81,918**

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NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31st March 2020

17. REVENUE FROM OPERATIONS

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019
Sale of products		
Traded goods- Sale of Organo world	68,04,602	68,07,125
	68,04,602	**68,07,125**

18. OTHER INCOME

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019
Interest income on Others	2,920	-
Other Non Operating Income		
Rent received	66,63,442	56,77,272
Miscellaneous Income	55,274	61,43,006
	67,21,636	**1,18,20,278**

20. PURCHASES OF STOCK-IN-TRADE

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019
Enviro Reach, Dry fruits & Packing Material	44,40,995	49,57,306
	44,40,995	**49,57,306**

21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019
Inventories as at the beginning of the year		
Work - in - process	-	
Finished goods	-	19,880
Total	**-**	**19,880**
Less : Inventories as at the end of the year		
Work - in - process	-	
Finished goods	-	-
Total	**-**	**-**
Net decrease / (increase) in inventories	**-**	**19,880**

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NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31st March 2020

22. EMPLOYEE BENEFITS EXPENSE

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019
Salaries, wages and bonus	11,00,411	9,71,074
Contribution to provident and other funds	76,076	31,984
Staff welfare expenses	56,690	37,698
Gratuity Expense	1,05,918	1,39,399
	13,39,095	**11,80,155**

23. FINANCE COST

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019
Interest expense on debts and borrowings	4,28,33,644	3,85,17,502
	4,28,33,644	**3,85,17,502**

24. DEPRECIATION AND AMORTISATION EXPENSE

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019
Depreciation on tangible assets	5,68,369	6,03,833
	5,68,369	**6,03,833**

25. OTHER EXPENSES

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019
Clearing,Forwarding,Labour and Packing Charges	1,87,158	1,27,375
Payments to auditors (Refer note below)	1,80,000	1,00,000
Legal and professional fees	34,00,825	7,62,570
Printing and Stationery	9,839	5,915
Rates and taxes	6,60,508	6,12,013
Project Maintenance Expenses	17,34,805	17,07,947
Telephone and internet expenses	11,890	4,981
Travelling & conveyance expenses	40,074	50,194
Bank charges	908	2,883
Total	**62,26,007**	**33,73,878**

(a) Details of Payments to auditors

(Amount in INR)

	March 31, 2020	March 31, 2019
As auditor		
Audit Fee	1,80,000	1,00,000
Quarterly Review fees	-	-
	1,80,000	**1,00,000**

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26. EARNINGS PER SHARE

(Amount in INR)

Particulars	March 31, 2020	March 31 2019
(a) Basic earnings per share		
From continuing operations attributable to the equity holders of the company	(60.29)	(38.82)
Total basic earnings per share attributable to the equity holders of the company	**(60.29)**	**(38.82)**
(b) Reconciliations of earnings used in calculating earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	(4,18,81,872)	(3,00,25,150)
	(4,18,81,872)	**(3,00,25,150)**
Weighted average number of equity shares used as the denominator in calculating dilluted earnings per share	**6,94,700**	**6,94,700**

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

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27. EMPLOYEE BENEFIT OBLIGATIONS

(Amount in 1)

	March 30 2020			March 30 2019		
	Current	Non Current	Total	Current	Non Current	Total
Leave obligations	32,274	4,46,689	4,78,963	28,407	4,41,289	4,69,696
Gratuity	62,465	5,57,677	6,20,142	53,511	5,32,637	5,86,148
Total Employee Benefit Obligation	94,739	10,04,366	10,99,105	81,918	9,73,926	10,55,844

(i) Leave Obligations
The leave obligations cover the company's liability for sick and earned leave.

The amount of the provision of INR 32,274 (March 31, 2019: INR 28,407 is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations).

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

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

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

	Present value of obligation	Fair value of plan assets	Impact of asset ceiling	Net amount
As at April 1, 2019	5,86,148			5,86,148
Current service cost	26,422			26,422
Interest expense/(income)	38,052			38,052
Total amount recognised in profit or loss	6,50,622	-	-	6,50,622
Remeasurements				
(Gain)/Loss from change in financial assumptions	(71,924)			(71,924)
Experience (gains)/losses	1,13,368			1,13,368
Total amount recognised in other comprehensive income	41,444	-	-	41,444
Employer contributions				-
Benefit payments	(71,924)			(71,924)
As at March 31, 2020	6,20,142	-	-	6,20,142

The significant actuarial assumptions were as follows:

	March 31, 2020	March 31, 2019
Discount rate	7.60%	7.29%
Expected return on plan assets	NA	NA
Salary growth rate	8%	8%
Life expectation for		
Male	58	58
Female	58	58

Sensitivity Analysis

	March 31, 2020
Projected Benefit Obligation on Current Assumptions	6,20,142
Delta Effect of +1% Change in Rate of Discounting	(40,023)
Delta Effect of -1% Change in Rate of Discounting	43,073
Delta Effect of +1% Change in Rate of Salary Increase	38,108
Delta Effect of -1% Change in Rate of Salary Increase	(36,127)

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

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

(Amount in 1)

	March 31, 2020
1st Following Year	64,478
2nd Following Year	62,626
3rd Following Year	60,810
4th Following Year	1,80,899
5th Following Year	1,60,337
Sum of Years 6 To 10	1,46,355

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

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(Amount in INR)

28. RELATED PARTY TRANSACTIONS

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

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

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

(ii) Transactions with related parties

The following transactions occurred with related parties

Name	Nature of Relationship	Nature of Transaction	March 31 ,2020	March 31 ,2019
Ion Exchange (India) Limited	Holding Company	Sale of Finished Goods*	73,64,412	73,81,584
		Interest (Gross)	4,28,33,644	3,85,17,502
		Loan Taken	5,04,07,117	4,81,22,397
		Loan Repaid	15,74,400	54,33,460
		Rental Income	34,38,000	34,38,000

* Amounts are inclusive of GST

(iii) Loans to/from related parties

Loans from related parties	Nature of Relationship	Particulars		March 31 ,2020	March 31 ,2019
Ion Exchange (India) Limited	Holding Company	Beginning of the year	Beginning of the year	25,31,92,440	21,78,85,088
		Loans received	Loans received	75,73,473	96,04,895
		Loan repayments made	Loan repayments made	89,38,812	1,28,15,044
		Interest charged	Interest charged	4,28,33,644	3,85,17,502
		Interest paid	Interest paid	4,28,33,644	3,85,17,502
		End of the year	**End of the year**	**29,46,60,745**	**25,31,92,441**

(iii) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables and payables. For the year ended March 31, 2020, the group has not recorded any impairment of receivables relating to amount owed by related parties . This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates.

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29 (a). SEGMENT REPORTING

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

Agriculture Goods
Inputs
Unallocated

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

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

Year ended March 31, 2020

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

Year ended March 31, 2019

Particulars	Agriculture Goods	Inputs	Unallocated	Total segments
Revenue				
External customers	68,07,125	-	-	68,07,125
Other Income	57,58,312	1,24,291	59,37,675	1,18,20,278
Total revenue	**1,25,65,437**	**1,24,291**	**59,37,675**	**1,86,27,403**
Segmet Result	45,99,902	**1,04,411**	**38,05,960**	**85,10,274**
Interest Expense	-	-	(3,85,17,502)	(3,85,17,502)
Loss before Taxation	**45,99,902**	**1,04,411**	**(3,47,11,542)**	**(3,00,07,228)**
Total assets	11,85,51,076	1,44,039	85,15,225	12,72,10,339
Total liabilities	1,80,80,408	3,26,918	41,48,71,233	43,32,78,558
Other disclosures				
Depreciation	4,72,764		1,42,250	6,15,014

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

Adjustments and eliminations

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

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

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

33 (c). Lease Disclosure

Details of non-cancelable Lease Arrangement as Lessor

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

Note: Figures shown in the brackets pertain to previous year

In respect of a lessee namely M/s Bakelite Hylam Limited,company's claim of increased rent has been challenged by the lessee and on 24/08/2016 the order has been granted to lessee to handover the premises. The company is entitled to recover the mesne profit from the Lessee.The Recovery is matter of sub judice. Considering the fact, it is not possible to disclose minimum future lease rental.

Further, The Company has filed Civil Revision Application bearing Stamp No.12668 of 2019 before the High Court against the Order of Small Causes Appeal Court.Subsequently to this Bakelite has filed LD Suit No. 76 of 2019 in Small Causes Court for specific performance to Execute leave and license agreement which is already expired long time back and to accept licene fees through court order .The Company has filed the Written Statement in matter. Matter is now listed for hearing on 24th June 2020 at 2.45 PM for Framing Issues.

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30. FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category

Particulars	Carrying Amount		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
FINANCIAL ASSETS				
Amortised cost				
Trade Receivables	-	-	-	-
Cash and Cash Equivalents	5,04,934	9,63,708	5,04,934	9,63,708
Other Financial Assets	3,05,29,548	3,05,19,548	3,05,29,548	3,05,19,548
Total	**3,10,34,482**	**3,14,83,256**	**3,10,34,482**	**3,14,83,256**
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	44,46,60,745	40,31,92,441	44,46,60,745	40,31,92,441
Trade Payables	35,14,220	62,10,240	35,14,220	62,10,240
Other financial liabilities	88,66,941	66,61,191	88,66,941	66,61,191
Total	**45,70,41,906**	**41,60,63,872**	**45,70,41,906**	**41,60,63,872**

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

ii. Fair Value Hierarchy

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

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

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

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

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

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31. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:
- Credit risk;
- Liquidity risk

(i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.
The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.
The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

(i) Credit risk

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

Trade receivables

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

Cash and cash equivalents

The Company held cash and cash equivalents of INR 5.05 Lacs as at 31st March 2020 (as at 31st March 2019: INR 9.63 Lacs). The cash and cash equivalents are held with banks.

Other financial assets

Security Deposit for Land represents amounts paid by the Company for acquiring agricultural land, inclusive of stamp duty and registration charges, which are unsold as at 31st March 2019. The Company has conducted valuation of land and found the market value are higher than the original cost and hence the company has not made provision for the same.

(ii) Liquidity risk

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

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

Exposure to liquidity risk

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

Particulars	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
As at 31st March 2020						
Financial liabilities						
Long Term Borrowings	37,00,00,000	37,00,00,000	1,05,00,000	2,10,00,000	16,05,00,000	-
Short Term Borrowings	7,46,60,745	7,46,60,745	7,46,60,745	-	-	-
Trade Payables	35,14,220	35,14,220	35,14,220	-	-	-
Other financial liabilities	88,66,941	88,66,941	88,66,941	-	-	-
	45,70,41,906	**45,70,41,906**	**9,75,41,906**	**2,10,00,000**	**16,05,00,000**	-
As at 31st March 2019						
Financial liabilities						
Long Term Borrowings	15,00,00,000	15,00,00,000	1,05,00,000	2,10,00,000	16,05,00,000	-
Short Term Borrowings	3,31,92,441	3,31,92,441	7,46,60,745	-	-	-
Trade Payables	37,57,062	37,57,062	35,14,220	-	-	-
Other financial liabilities	83,80,191	83,80,191	88,66,941	-	-	-
	19,53,29,694	**19,53,29,694**	**9,75,41,906**	**2,10,00,000**	**16,05,00,000**	-

Interest rate risk

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

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Exposure to interest rate risk

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

Particulars	March 31, 2020	March 31, 2019
Financial liabilities - measured at amortised cost		
Long term borrowings	37,00,00,000	37,00,00,000
Short term borrowings	7,46,60,745	3,31,92,441
	(44,46,60,745)	(40,31,92,441)

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

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

Particulars	2019-20		2018-19	
	1% Increase	1% Decrease	1% Increase	1% Decrease
1% Movement	-	-	-	-

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

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32. CAPITAL MANAGEMENT

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

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

	March 31, 2020	March 31, 2019
Borrowings other than convertible preference shares	44,46,60,745	40,31,92,441
Trade payables	35,14,220	37,57,062
Other payables	1,77,87,659	1,76,13,296
Less: cash and cash equivalents	(5,04,934)	(9,63,708)
Net Debt	**46,54,57,690**	**42,35,99,091**
Equity		
Other Equity	69,47,000	69,47,000
	(34,79,50,087)	(30,60,68,219)
Total Capital	**(34,10,03,087)**	**(29,91,21,219)**
Capital and net debt	12,44,54,603	12,44,77,872
Gearing ratio	**374**	**340**

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34 Notes to Accounts

34.1 <u>Net Worth</u>

The net worth of the Company has been eroded completely as at 31st March 2020. The Management has undertaken various cost reduction programs during the year and it expects better returns in the coming years from its organic farming activities, bio-pesticides and bio-fertilizers marketing. The Holding Company has assured financial support to the Company. It has provided funds aggregating Rs 44,46,60,745/- up to March 31, 2020 In view of these, the accounts of the Company have been prepared on a 'going concern' basis.

34.2 **(A) <u>Provisional registration by SEBI</u>**

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, the Company had applied for registration to SEBI on 14th December 1999. In response, SEBI had granted provisional registration to the Company on 13th February 2001, subject to certain conditions. The provisional registration was subsequently extended and expired on 13th February 2003.

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

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

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

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

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

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

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

The Appeal was heard and vide order dated 18th October, 2019 SAT has dismissed the appeal.The Company has Filed a Review Petition before the SAT,Mumbai on 3rd December 2019 for correction of factual errors in the said order.Further , based on the Legal Advice, pending final order from SAT on the Review Petition, an Appeal is filed in the Supreme Court Against order of SAT on 18th February 2020.

(B) <u>Administrator's Appointment</u> :

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 the Company and Recovering the Dues however vide Letter dated 30th April 2019 .The Company has Requested the Recovery Office of SEBI to keep the proceedings in abeyance .Further, in view of the above developments the proceedings are in Abeyance or on hold as on date.

34.3 <u>Covid Impact</u>

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

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

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34.4 **Maintenance Expenses Recoverable:**

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

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

34.5 **Security Deposit for Land**

Security Deposit for Land represents amounts paid by the Company for acquiring agricultural land, inclusive of stamp duty and registration charges, which are unsold as at 31st March 2020. The Company has conducted valuation of land and found the market value are higher than the original cost and hence the company has not made provision for the same.

34.6 **Advances for Repurchases**

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

34.7 **Contingent Liabilities :**

Particulars	AS 31st March 2020
TDS Default (Prior Years)	Rs. 34,711

34.7 Debenture

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

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

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

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

For GMJ & Co
Chartered Accountants
Firm No. 103429W

CA Atul Jain
Partner
M. No. 37097
UDIN:20037097AAAAAS1736
Place : Mumbai
Date : 24th June,2020

GMJ & CO. MUMBAI FRN.NO. 103429W CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Rajesh Sharma
Director
DIN 00515486

P.M.Nawathe
Director
DIN 06582114