

**Ion Exchange Environment Management  
Limited**

Financial Statements  
together with the  
Independent Auditor's Report  
for the year ended 31 March 2020

# Ion Exchange Environment Management Limited

## **Financial statements together with the Independent Auditor's Report** *for the year ended 31 March 2020*

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# B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,  
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## Independent Auditors' Report

To the Members of  
Ion Exchange Environment Management Ltd  
(Previously known as Ion Exchange Waterleau Ltd)

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Ion Exchange Environment Management Ltd ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Information Other than the Financial Statements and Auditors' Report thereon

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

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



B S R & Co (a partnership firm with  
Registration No. BA61223) converted into  
B S R & Co. LLP (a Limited Liability Partnership  
with LLP Registration No. AAB-8181)  
with effect from October 14, 2013

Registered Office:  
5th Floor, Lodha Excelus  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011, India

## **Independent Auditors' Report (Continued)**

# **ION Exchange Environment Management Ltd**

*(Previously known as Ion Exchange Waterleau Ltd)*

### **Information Other than the Financial Statements and Auditors' Report thereon (Continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. The Directors Report is not made available to us at the date of auditor's report. We have nothing to report in this regard.

### **Management's and Board of Directors' Responsibility for the Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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



## Independent Auditors' Report (*Continued*)

### ION Exchange Environment Management Ltd

(Previously known as Ion Exchange Waterleau Ltd)

#### Auditor's Responsibilities for the Audit of the Financial Statements (*Continued*)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.





**Independent Auditors' Report (Continued)**

**ION Exchange Environment Management Ltd**

*(Previously known as Ion Exchange Waterleau Ltd)*

**Report on Other Legal and Regulatory Requirements (Continued)**

- e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements - Refer Note 30 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

According to the information and explanations given to us and based on the examination of the records of the Company, the Company has not paid any remuneration to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

For **BSR & Co. LLP**

*Chartered Accountants*

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



*B. H. Dhupelia*

**Bhavesh Dhupelia**

*Partner*

Membership No: 042070

UDIN: 20042070AAAACK9697

## ION Exchange Environment Management Ltd

*(Previously known as Ion Exchange Waterleau Ltd)*

### **Annexure A to the Independent Auditor's Report on the financial statements of Ion Exchange Environment Management Ltd for the year ended 31 March 2020**

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified by management during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have immovable properties.
- (ii) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any 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 ('the Act'). Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loan, made any investment, given any guarantee, or provided any security under section 185 and 186 of the Act. Accordingly paragraph 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by Reserve Bank of India under the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for any of the activities carried out by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax, cess, professional tax and other material statutory dues, as applicable, with the appropriate authorities.



# ION Exchange Environment Management Ltd

(Previously known as Ion Exchange Waterleau Ltd)

## Annexure A to the Independent Auditor's Report on the financial statements of Ion Exchange Environment Management Ltd for the year ended 31 March 2020 (Continued)

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax, cess, professional tax and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and services tax which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in the below:

Nature of Statute	Nature of Dues	Amount (Rs)	Period which the amount relates	Forum where dispute is pending
Central Sales tax Act, 1956	Central sales tax and Interest/Penalty	4,646,286	2008-2009	Maharashtra Sales Tax Tribunal
Central Sales tax Act, 1956	Central sales tax and Interest/Penalty	40,505,622	2012-2013	Deputy Commissioner of Sales Tax
Central Sales tax Act, 1956	Central sales tax and Interest/Penalty	3,432,817	2013-2014	Deputy Commissioner of Sales Tax

- (viii) In our opinion and according to the information and explanations given to us, the Company does not have any loans or borrowings from a financial institution, bank, Government or dues to debenture holders.
- (ix) According to the information and explanations given to us and based on our examination of the records, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, Para 3(ix) of the 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 explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid or provided managerial remuneration.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.





## ION Exchange Environment Management Ltd

(Previously known as Ion Exchange Waterleau Ltd)

### Annexure A to the Independent Auditor's Report on the financial statements of Ion Exchange Environment Management Ltd for the year ended 31 March 2020 (Continued)

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable. The details of such related party transactions have been disclosed in the notes to the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures notified under the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and accordingly, to this extent, the paragraph 3(xiii) of the Order is not applicable to the Company.
- (xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For B S R & Co. LLP

Chartered Accountants

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



*B. H. Dhupelia*

**Bhavesh Dhupelia**

Partner

Membership No: 042070

UDIN: 20042070AAAACK9697

Mumbai  
24 June 2020

# ION Exchange Environment Management Ltd

*(Previously known as Ion Exchange Waterleau Ltd)*

## **Annexure B to the Independent Auditors' Report on the financial statements of Ion Exchange Environment Management Ltd for the year ended 31 March 2020**

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

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

### **Opinion**

We have audited the internal financial controls with reference to financial statements of Ion Exchange Environment Management Ltd ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### **Auditors' Responsibility**

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

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



## ION Exchange Environment Management Ltd

(Previously known as Ion Exchange Waterleau Ltd)

### Annexure B to the Independent Auditors' Report on the financial statements of Ion Exchange Environment Management Ltd for the year ended 31 March 2020 (Continued)

#### Auditors' Responsibility (Continued)

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

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

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

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

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

For BSR & Co. LLP

Chartered Accountants

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



*B. H. Dhupelia*

**Bhavesh Dhupelia**

Partner

Membership No: 042070

UDIN: 20042070AAAACK9697

Mumbai  
24 June 2020



**Ion Exchange Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)**  
**Balance sheet as at 31st March 2020**

	Notes	As at 31st March 2020 INR in Lakhs	As at 31st March 2019 INR in Lakhs
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment			
(b) Right of use assets	2	2.05	3.41
(c) Other intangible assets	2(a)	1.96	-
(d) Financial assets	3	-	-
(i) Loans			
(e) Deferred tax assets (Net)	4	1.04	0.86
(f) Other non current assets	37	-	-
(g) Non current tax assets (Net)	8	42.16	22.56
<b>Total non-current assets</b>	9	<b>35.63</b>	<b>31.94</b>
		<b>82.84</b>	<b>58.77</b>
<b>Current assets</b>			
(a) Inventories			
(b) Financial assets	5	0.75	0.75
(i) Trade receivables			
(ii) Cash and cash equivalents	6	6.96	16.96
(c) Other current assets	7	6.01	1.55
<b>Total current assets</b>	8	<b>0.52</b>	<b>11.00</b>
		<b>14.24</b>	<b>30.26</b>
<b>TOTAL ASSETS</b>		<b>97.08</b>	<b>89.03</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital			
(b) Other equity	10	500.00	500.00
<b>Total equity</b>	11	<b>(2,323.00)</b>	<b>(2,222.99)</b>
		<b>(1,823.00)</b>	<b>(1,722.99)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Provisions			
	12	9.47	7.18
<b>Total non-current liabilities</b>		<b>9.47</b>	<b>7.18</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings			
(ii) Lease Liabilities	13	1,649.09	1,642.71
(iii) Trade payables		2.51	-
-Total outstanding dues to micro and small enterprises	14	-	-
-Total outstanding dues to creditors other than micro and small enterprises		-	-
(iv) Other financial liabilities		225.12	133.12
(b) Other current liabilities	15	8.50	9.54
(c) Provisions	16	24.28	18.59
<b>Total current liabilities</b>	12	<b>1.11</b>	<b>0.88</b>
<b>Total liabilities</b>		<b>1,910.61</b>	<b>1,804.83</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,920.08</b>	<b>1,812.01</b>
Significant accounting policies		97.08	89.03
The accompanying notes are an integral part of the financial statements	1		

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

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

*B. H. Dhupelia*

Bhavesh Dhupelia

Partner

Membership no.: 042070



For and on behalf of the Board of Directors of

Ion Exchange Environment Management Ltd

(Previously known as Ion Exchange Waterleau Ltd)

CIN - U5204MH2005PLC157554

*Rajesh Sharma*

Rajesh Sharma

Director

DIN - 00515486

*Ajay Popat*

Ajay Popat

Director

DIN - 00274602

*Milind Puranik*

Milind Puranik

Company Secretary

Place : Mumbai

Date : 24 June 2020

Place : Mumbai

Date : 24 June 2020

**Ion Exchange Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)**  
**Statement of profit and loss for year ended 31st March 2020**

	Notes	Year ended 31st March 2020 INR in Lakhs	Year ended 31st March 2019 INR in Lakhs
<b>Income</b>			
Revenue from operations	17	200.89	155.36
Other income	18	1.48	22.65
<b>Total Income (I)</b>		<b>202.37</b>	<b>178.02</b>
<b>Expenses</b>			
Cost of materials consumed	19	-	-
Employee Benefits Expenses	20	58.98	63.98
Finance costs	21	201.69	185.28
Depreciation and Amortisation Expenses	22	15.73	3.52
Other Expenses	23	21.59	49.79
<b>Total expenses (II)</b>		<b>297.99</b>	<b>302.57</b>
<b>Profit / (Loss) before Tax (I-II)</b>		<b>(95.62)</b>	<b>(124.55)</b>
<b>Tax expense</b>	37		
Current Tax		-	-
<b>Profit / (Loss) after tax (III)</b>		<b>(95.62)</b>	<b>(124.55)</b>
<b>Other comprehensive income</b>			
Items that will be reclassified to profit or loss	25	(1.09)	0.03
<b>Total other comprehensive income (IV)</b>		<b>(1.09)</b>	<b>0.03</b>
<b>Total comprehensive income (III + IV)</b>		<b>(96.71)</b>	<b>(124.52)</b>
<b>Earnings per equity share:</b>	26		
Basic (INR)		(1.91)	(2.49)
Diluted (INR)		(1.91)	(2.49)
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

*B. H. Dhupelia*

Bhaves Dhupelia  
Partner  
Membership no.: 042070



For and on behalf of the Board of Directors of  
Ion Exchange Environment Management Ltd  
(Previously known as Ion Exchange Waterleau Ltd)  
CIN - U45204MH2005PLC157554

*Rajesh Sharma*

Rajesh Sharma  
Director  
DIN - 00515486

*Milind Puranik*  
Milind Puranik  
Company Secretary

*Ajay Popat*

Ajay Popat  
Director  
DIN - 00274602

Place : Mumbai  
Date : 24 June 2020

Place : Mumbai  
Date : 24 June 2020



**Ion Exchange Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)**  
**Statement of Changes in Equity for the year ended 31st March 2020**

**A. Equity share capital**

	2019-20		2018-19	
	Number of shares	INR In Lakhs	Number of shares	INR In Lakhs
Balance at the beginning of the year	50,00,000	500.00	50,00,000	500.00
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	50,00,000	500.00	50,00,000	500.00

**B. Other equity**

Particulars	Reserves & Surplus		Total
	Capital Reserve	Retained Earnings	
<b>Balance at April 1, 2018</b>	0.75	(2,099.22)	(2,098.47)
Loss for the year(a)	-	(124.55)	(124.55)
Other comprehensive income for the year(b)	-	0.03	0.03
<b>Total comprehensive income for the year(a+b)</b>	-	(124.52)	(124.52)
<b>Balance at March 31, 2019</b>	0.75	(2,223.74)	(2,222.99)
Loss for the year (c)	-	(95.62)	(95.62)
Other comprehensive Income for the year (d)	-	(1.09)	(1.09)
<b>Total comprehensive Income for the year (c+d)</b>	-	(96.71)	(96.71)
Ind AS 116 Lease transition impact.	-	(3.30)	(3.30)
<b>Balance at March 31, 2020</b>	0.75	(2,323.75)	(2,323.00)

As per our report of even date

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

*B. H. Dhupelia*

Bhavesh Dhupelia  
 Partner  
 Membership no.: 042070



For and on behalf of the Board of Directors of  
 Ion Exchange Environment Management Ltd  
 (Previously known as Ion Exchange Waterleau Ltd)  
 CIN - U45204MH2005PLC157554

*Rajesh Sharma*

Rajesh Sharma  
 Director  
 DIN - 00515486

*Milind Puranik*

Milind Puranik  
 Company Secretary

*Ajay Popat*

Ajay Popat  
 Director  
 DIN - 00274602

Place : Mumbai  
 Date : 24 June 2020

Place : Mumbai  
 Date : 24 June 2020

**Ion Exchange Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)**  
**Cash flow statement for the year ended 31st March 2020**

	Year ended 31st March 2020 INR in Lakhs	Year ended 31st March 2019 INR in Lakhs
<b>A. Cash flow from operating activities:</b>		
Loss before tax		
Adjustments to reconcile profit before tax to net cash used in operating activities	(95.62)	(124.55)
Depreciation and amortisation expense		
Finance cost	15.73	3.52
Interest Income	201.69	185.28
Amount Set aside for liabilities , no longer required written back	1.48	15.24
Advances and other current assets written off	-	(7.41)
<b>Operating profit before working capital changes</b>	-	7.56
Movements in working capital:	123.28	79.65
(Increase) / Decrease in trade receivables		
(Increase) / Decrease in loans and advances	10.00	17.50
(Decrease) / Increase in trade payables	(9.30)	14.23
(Decrease) / Increase in other liabilities	92.00	(97.84)
(Decrease) / Increase in provisions	4.65	1.68
<b>Cash (used in)/ generated from operations</b>	1.43	(1.35)
Taxes paid (net of refund)	222.07	13.86
<b>Net cash (used in)/ generated from operating activities (A)</b>	(3.69)	53.81
	218.38	67.67
<b>B. Cash flow from investing activities:</b>		
Interest received		
<b>Net cash (used)/generated from investing activities (B)</b>	(1.48)	(15.24)
	(1.48)	(15.24)
<b>C. Cash flow from financing activities:</b>		
Short Terms borrowings		
Payment towards lease liability	200.38	185.57
(Repayment) of short term borrowings	(18.32)	-
Finance cost	(194.00)	(60.00)
<b>Net cash generated / (used) in financing activities (C)</b>	(200.51)	(185.28)
	(212.44)	(59.72)
<b>Net Increase / (Decrease) in cash and cash equivalents (A)+(B)+(C)</b>	4.46	(7.29)
<b>Cash and cash equivalents as at the beginning of the year</b>		
<b>Cash and cash equivalents as at the end of the year</b>	1.55	8.84
	6.01	1.55
<b>Reconciliation of Cash and Cash equivalents with the Balance Sheet</b>		
Cash and cash equivalent comprises of :		
Cash in hand		
Balance with banks	0.30	0.29
<b>Total</b>	5.71	1.26
	6.01	1.55

**Notes:**

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

2 Figures in bracket Indicate cash outgo.

As per our report of even date

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

*B. H. D. Dhumelia*

Bhaves Dhumelia  
 Partner  
 Membership no.: 042070



For and on behalf of the Board of Directors of  
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**Ion Exchange Environment Management Ltd**  
**(Previously known as Ion Exchange Waterleau Ltd)**  
**Notes to Financial statement for the year ended 31st March 2020 (contd...)**

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**Company Overview**

Ion Exchange Environment Management Limited ('the Company') is a Public Limited Company registered under the Companies Act, 1956. It was a joint venture between Ion Exchange (India) Limited and Waterleau Group of Belgium. But during the year 2018-19 Ion Exchange (India) Limited acquired entire share holding of Waterleau Group of Belgium with effect from 20<sup>th</sup> August, 2018 and accordingly the Company is a wholly owned subsidiary of Ion Exchange (India) Ltd.

The Company operates in the field of Water and Waste Water Treatment Plants. The Company provides single point responsibility of total environmental solutions for industrial and municipal needs for waste water and sewage treatment, solid waste treatment and disposal, hazardous waste management, air pollution control and renewable energy generation. For optimum utilisation of the available resources, the company also executes Effluent Treatment Plants and Sewage Treatment Plants for others on project management charges (PMC) as subcontractor.

**1. Significant Accounting Policies**

**1.1 Statement of compliance**

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

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 24<sup>th</sup> June, 2020.

**1.2 Basis of preparation**

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

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

**1.3 Functional and presentation currency**

The financial statements are presented in Indian rupees, which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakhs, unless otherwise indicated.

**1.4 Basis of measurement**

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

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

**1.5 Going Concern Basis**

As at 31 March 2020, the Company's paid up capital was Rs 500 Lakhs and correspondingly, the Company's accumulated losses as at that date aggregated to Rs.2,323.00 Lakhs and the loss is Rs 96.71 Lakhs. The Company's current liabilities exceeded its current assets by Rs.1,896.37 Lakhs.

However, management believes that the Company will be able to continue operations on a going concern basis and meet all its liabilities as they fall due for payment in the foreseeable future based on the following:





**Ion Exchange Environment Management Limited**  
**(Previously known as Ion Exchange Waterleau Ltd)**

**Notes to Financial statement for the year ended 31st March 2020 (contd...)**

- business strategies and operating plans which will enable the Company to expand its operations and achieve higher income and generate positive cash flows
- continued support, as required from Holding Company Ion Exchange (India) Ltd.

Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that might result if the Company is unable to continue as a going concern.

**1.6 Use of estimates**

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

a) Evaluation of percentage completion

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

b) Useful life of property, plant and equipment

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

c) Recognition and measurement of defined benefit obligations

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

**1.7 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.



**Ion Exchange Environment Management Limited  
(Previously known as Ion Exchange Waterleau Ltd)**

**Notes to Financial statement for the year ended 31st March 2020 (contd...)**

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

**1.8 Property, plant and equipment and depreciation**

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

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

Assets	Useful lives
Computers	3 years
Furniture and fixtures	10 years
Vehicles	4 – 8 years
Office equipments	3 – 5 years

Site equipments are depreciated over 3 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 recognised in the Statement of Profit and Loss.

**1.9 Intangible assets**

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

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

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

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





**Ion Exchange Environment Management Limited**  
**(Previously known as Ion Exchange Waterleau Ltd)**  
**Notes to Financial statement for the year ended 31st March 2020 (contd...)**

**1.10 Impairment**

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

**1.11 Foreign currency transactions**

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

**1.12 Inventories**

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

Cost of raw materials, components, stores and spares are computed on a weighted average basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost of work-in-progress includes cost of raw material and components, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Contract cost that has been incurred and relates to the future activity of the contract are recognized as contract work-in-progress as it is probable that it will be recovered from the customer.

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

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

**1.13 Financial Instruments**

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

**A. Financial assets**

**(i) Initial recognition and measurement**

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

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



**Ion Exchange Environment Management Limited**  
**(Previously known as Ion Exchange Waterleau Ltd)**  
**Notes to Financial statement for the year ended 31st March 2020 (contd...)**

(ii) Classification and subsequent measurement

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

a) At amortised cost,

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

b) At fair value through other comprehensive income (FVTOCI)

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

c) At fair value through profit or loss (FVTPL).

A financial asset which is not classified in any of the above categories are measured at FVTPL.

(iii) Equity investments

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

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

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

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

(iv) Impairment of financial assets

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

(v) De-recognition of financial assets

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

B. Financial liabilities

(i) Initial recognition and measurement

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

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



**Ion Exchange Environment Management Limited  
(Previously known as Ion Exchange Waterleau Ltd)**

**Notes to Financial statement for the year ended 31st March 2020 (contd...)**

(ii) Classification and subsequent measurement

For the purpose of subsequent measurement, Financial liabilities are classified in two categories:

- a) Financial liabilities excluding derivative financial instruments at amortised cost, and
- b) Derivative financial instruments at fair value through profit or loss (FVTPL) .

- Financial liabilities excluding derivative financial instruments at amortised cost

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

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

- Derivative financial instruments

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

(iii) De-recognition

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

**1.14 Retirement and other employee benefits**

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences from annual leave including sickness leave. No leave encashment payable except at the time of retirement / resignation. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period.

Post employment benefits

Defined contribution plans

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

Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.





**Ion Exchange Environment Management Limited**  
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**Notes to Financial statement for the year ended 31st March 2020 (contd...)**

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

**Other long-term employee benefits**  
**Compensated absences**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value the defined benefit obligation at the balance sheet date. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the balance sheet date.

**1.15 Revenue recognition**

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

Revenue is recognised upon transfer of control of promised products or services to customers for an amount that reflects the consideration which the company expects to receive in exchange for those products or services.

- Revenue related to fixed price maintenance and support services contracts where the company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts and incentives, if any, as specified in the contract with the customer.

Revenue also excludes taxes collected from customers.

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

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

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

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

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

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



**Ion Exchange Environment Management Limited**  
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**Notes to Financial statement for the year ended 31st March 2020 (contd...)**

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

**Use of significant judgments in revenue recognition**

- The company's contracts with customers could include promises to transfer multiple products and services to a customer. The company assesses the products / services promised in a contract and identify distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The company uses judgment to determine an appropriate standalone selling price for a performance obligation. The company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contract is recognised using percentage-of-completion method. The company uses judgment to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

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

**1.16 Taxation**

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be





**Ion Exchange Environment Management Limited**  
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**Notes to Financial statement for the year ended 31st March 2020 (contd...)**

utilised. Un-recognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

**1.17 Provisions and contingent liabilities**

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

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

**1.18 Earnings per share**

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

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

**1.19 Segment reporting policies**

Identification of segments

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

Inter-segment Transfers

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

Allocation of common costs

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

Unallocated costs

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

Segment policies

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

**1.20 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.



**Ion Exchange Environment Management Limited  
(Previously known as Ion Exchange Waterleau Ltd)**

**Notes to Financial statement for the year ended 31st March 2020 (contd...)**

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**1.21 Leases**

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

Where the Company is the lessor

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

Where the Company is the lessee

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

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

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

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

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

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

**1.22 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 Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)**  
**Notes to financial statements for the year ended 31st March 2020 (contd.)**

**2 Property, plant and equipment**

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31,2020

INR in Lakhs

	Computers	Furniture and fixtures	Vehicles	Office Equipments	Total
<b>Cost as at April 1, 2019</b>					<b>Total</b>
Additions	2.71	7.21	0.40	0.71	11.02
Deletions	-	-	-	-	-
<b>Cost as at March 31, 2020 (A)</b>	<b>2.71</b>	<b>7.21</b>	<b>0.40</b>	<b>0.71</b>	<b>11.02</b>
<b>Accumulated depreciation as at April 1, 2019</b>					
Depreciation for the current period	2.26	4.49	0.16	0.71	7.62
<b>Accumulated depreciation as at March 2020 (B)</b>	<b>2.64</b>	<b>5.41</b>	<b>0.22</b>	<b>0.71</b>	<b>8.97</b>
<b>Net carrying amount as at March 31, 2020 (A) - (B)</b>	<b>0.06</b>	<b>1.80</b>	<b>0.18</b>	<b>-</b>	<b>2.05</b>

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31,2019

INR in Lakhs

	Computers	Furniture and fixtures	Vehicles	Office Equipments	Total
<b>Cost as at April 1, 2018</b>					<b>Total</b>
Additions	2.71	7.21	0.40	0.71	11.03
Deletions	-	-	-	-	-
<b>Cost as at March 31, 2019 (A)</b>	<b>2.71</b>	<b>7.21</b>	<b>0.40</b>	<b>0.71</b>	<b>11.03</b>
<b>Accumulated depreciation as at April 1, 2018</b>					
Depreciation for the current period	1.66	2.61	0.10	0.19	4.56
<b>Accumulated depreciation as at March 31, 2019 (B)</b>	<b>2.26</b>	<b>4.49</b>	<b>0.16</b>	<b>0.71</b>	<b>7.62</b>
<b>Net carrying amount as at March 31, 2019 (A) - (B)</b>	<b>0.45</b>	<b>2.72</b>	<b>0.24</b>	<b>0.00</b>	<b>3.41</b>

**2(a) Right-of-use assets**

INR in Lakhs

	Building
<b>Gross block</b>	
As at 1st April 2019	-
On account of transition provisions of Ind AS 116 (Refer note 28)	16.35
Addition during the year	-
Disposal during the year	-
<b>As at 31st March 2020 (A)</b>	<b>16.35</b>
<b>Amortisation</b>	
As at 1st April 2019	-
Amortisation during the year	14.38
Deduction during the year	-
<b>As at 31st March 2020 (B)</b>	<b>14.38</b>
<b>Net carrying value as at 31st March 2020 (A) - (B)</b>	<b>1.96</b>



**Ion Exchange Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)**  
**Notes to financial statements for the year ended 31st March 2020 (contd.)**

**3 Other Intangible Assets**

Following are the changes in the carrying value of intangible assets for the year ended March 31, 2020

	INR in Lakhs
	<b>Computer software</b>
Cost as at April 1, 2019	3.08
Additions	-
Deletions	-
<b>Cost as at March 31, 2020 (A)</b>	<b>3.08</b>
Accumulated amortisation as at April 1, 2019	3.08
Amortisation for the year	-
Impairment	-
Deletions	-
<b>Accumulated amortisation and Impairment as at March 31, 2020 (B)</b>	<b>3.08</b>
<b>Net carrying amount as at March 31, 2020 (A) - (B)</b>	<b>-</b>

Following are the changes in the carrying value of intangible assets for the year ended March 31, 2019

	INR in Lakhs
	<b>Computer software</b>
Cost as at April 1, 2018	3.08
Additions	-
Deletions	-
<b>Cost as at March 31, 2019 (A)</b>	<b>3.08</b>
Accumulated amortisation as at April 1, 2018	2.63
Amortisation for the year	0.45
Impairment	-
Deletions	-
<b>Accumulated amortisation and Impairment as at March 31, 2019 (B)</b>	<b>3.08</b>
<b>Net carrying amount as at March 31, 2019 (A) - (B)</b>	<b>-</b>





**Ion Exchange Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)**  
**Notes to financial statements for the year ended 31st March 2020 (contd.)**

**4 Financial assets - Loans**

	As at 31st March 2020 INR in Lakhs	As at 31st March 2019 INR in Lakhs
Unsecured, considered good (Security deposit)	1.04	0.86
<b>Total</b>	<b>1.04</b>	<b>0.86</b>

**5 Inventories**

	As at 31st March 2020 INR in Lakhs	As at 31st March 2019 INR in Lakhs
Raw Materials and components (Valued at lower of cost and net realisable value)	0.75	0.75
<b>Total</b>	<b>0.75</b>	<b>0.75</b>

**6 Trade and other receivables**

	As at 31st March 2020 INR in Lakhs	As at 31st March 2019 INR in Lakhs
Trade Receivables		
Unsecured		
- Considered good	-	-
-Which have significant increase in credit risk	6.96	16.96
-Credit impaired	-	-
Less: Allowance for trade receivables credit impaired	-	-
<b>Total</b>	<b>6.96</b>	<b>16.96</b>

**7 Cash and cash equivalents**

	As at 31st March 2020 INR in Lakhs	As at 31st March 2019 INR in Lakhs
a) Balances with banks:		
On current accounts	5.71	1.26
b) Cash on Hand	0.30	0.29
<b>Total</b>	<b>6.01</b>	<b>1.55</b>





Ion Exchange Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)

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

8 Other assets

	Non Current		Current	
	As at 31st March 2020 INR In Lakhs	As at 31st March 2019 INR In Lakhs	As at 31st March 2020 INR In Lakhs	As at 31st March 2019 INR In Lakhs
Balances with statutory authorities	42.16	22.56	-	10.38
Prepaid expenses	-	-	0.52	0.62
<b>Total</b>	<b>42.16</b>	<b>22.56</b>	<b>0.52</b>	<b>11.00</b>

9 Tax assets

	Non-current		Current	
	As at 31st March 2020 INR In Lakhs	As at 31st March 2019 INR In Lakhs	As at 31st March 2020 INR In Lakhs	As at 31st March 2019 INR In Lakhs
Income tax paid	35.63	31.94	-	-
<b>Total</b>	<b>35.63</b>	<b>31.94</b>	<b>-</b>	<b>-</b>

10 Equity Share Capital

	As at 31st March 2020 INR In Lakhs	As at 31st March 2019 INR In Lakhs
	<b>a Authorised :</b>	
Equity Shares of Rs.10 each 50,00,000(2018-2019 : 50,00,000) equity shares of Rs. 10 each.	500.00	500.00
<b>Total</b>	<b>500</b>	<b>500.00</b>
<b>b Issued and Subscribed and Paid up:</b>		
50,00,000(2018-2019 : 50,00,000) equity shares of Rs. 10 each.	500.00	500.00
<b>Total</b>	<b>500.00</b>	<b>500.00</b>

c **Reconciliation of number of shares outstanding at the beginning and end of the year :** There is no movement in the shares outstanding at the beginning and at the end of the reporting period.

d **Terms / Rights attached to each classes of shares**

The Company has only one class of equity shares having par value of Rs. 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, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e **Shareholders holding more than 5% shares in the company is set out below:**

Equity share

	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	No of shares %	No. of Shares	No of shares %
Ion Exchange ( India) Limited	50,00,000	100%	50,00,000	100%

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

*h*



**Ion Exchange Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)**  
**Notes to financial statements for the year ended 31st March 2020 (contd.)**

**11 Other Equity**

	As at 31st March 2020 INR in Lakhs	As at 31st March 2019 INR in Lakhs
Capital Reserves	0.75	0.75
Deficit in the statement of profit and loss	0.75	0.75
Balance as at 1st April	(2,223.74)	(2,099.22)
Loss for the year	(95.62)	(124.55)
Ind AS 116- Lease Transition Impact	(3.30)	-
Other comprehensive income / ( Loss)	(1.09)	0.03
Net deficit in the statement of profit and loss	(2,323.75)	(2,223.74)
<b>Total</b>	<b>(2,323.00)</b>	<b>(2,222.99)</b>

**Notes**

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

Capital Reserve: The capital reserve is on account of notional guarantee charges, on Corporate Guarantee Issued by the holding company, capitalised.

**12 Provisions**

	Non Current		Current	
	As at 31st March 2020 INR in Lakhs	As at 31st March 2019 INR in Lakhs	As at 31st March 2020 INR in Lakhs	As at 31st March 2019 INR in Lakhs
Provision for employee benefits				
Gratuity ( Refer note 27)	6.25	4.70	0.62	0.47
Leave encashment ( Refer note 27)	3.22	2.48	0.49	0.41
<b>Total</b>	<b>9.47</b>	<b>7.18</b>	<b>1.11</b>	<b>0.88</b>

**13 Borrowings : Current**

	As at 31st March 2020 INR in Lakhs	As at 31st March 2019 INR in Lakhs
Loan repayable on demand (Unsecured) [Refer note (a) below] from related parties (Refer note 32)	1,649.09	1,642.71
<b>Total</b>	<b>1,649.09</b>	<b>1,642.71</b>

a)The loan from Ion Exchange (India) Limited, Holding Company carries Interest rate at 12% p.a.(Previous year 12%p.a) which is repayable on demand & interest payable every six months.



**Ion Exchange Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)**  
**Notes to financial statements for the year ended 31st March 2020 (contd.)**

**14 Trade payables**

	As at 31st March 2020 INR in Lakhs	As at 31st March 2019 INR in Lakhs
<b>Trade payables</b>		
Total outstanding dues to micro and small enterprises	-	-
Total outstanding dues to creditors other than micro and small enterprises	225.12	133.12
<b>Total</b>	<b>225.12</b>	<b>133.12</b>

**15 Other financial liabilities : Current**

	As at 31st March 2020 INR in Lakhs	As at 31st March 2019 INR in Lakhs
Employee benefits payable	8.50	9.54
<b>Total</b>	<b>8.50</b>	<b>9.54</b>

**16 Other current liabilities**

	As at 31st March 2020 INR in Lakhs	As at 31st March 2019 INR in Lakhs
Statutory dues	18.74	13.13
Others liabilities	5.54	5.46
<b>Total</b>	<b>24.28</b>	<b>18.59</b>

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**Ion Exchange Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)**  
**Notes to financial statements for the year ended 31st March 2020 (contd.)**

**17 Revenue from Operations**

	Year ended 31st March 2020 INR in Lakhs	Year ended 31st March 2019 INR in Lakhs
<b>Revenue from Operations</b>		
Project Management Fees	200.89	155.36
<b>Total</b>	<b>200.89</b>	<b>155.36</b>

**18 Other Income**

	Year ended 31st March 2020 INR in Lakhs	Year ended 31st March 2019 INR in Lakhs
<b>Interest :</b>		
- From others	1.48	15.24
-Excess Liability w/back	-	7.41
<b>Total</b>	<b>1.48</b>	<b>22.65</b>

**19 Cost of materials consumed**

	Year ended 31st March 2020 INR in Lakhs	Year ended 31st March 2019 INR in Lakhs
Inventory at the beginning of the year	8.06	8.06
Add: Purchases	-	-
Less: Inventory at the end of the year	8.06	8.06
<b>Total</b>	<b>-</b>	<b>-</b>

**20 Employee benefit expense**

	Year ended 31st March 2020 INR in Lakhs	Year ended 31st March 2019 INR in Lakhs
Salaries and wages	52.69	56.70
Contributions to provident and other funds (Refer note 27 )	2.46	2.00
Gratuity (Refer note 27 )	1.01	1.21
Staff welfare expenses	2.82	4.07
<b>Total</b>	<b>58.98</b>	<b>63.98</b>

**21 Finance Costs**

	Year ended 31st March 2020 INR in Lakhs	Year ended 31st March 2019 INR in Lakhs
Interest on Loan from related party	200.51	185.28
Interest on finance lease	1.18	-
<b>Total</b>	<b>201.69</b>	<b>185.28</b>

**22 Depreciation and Amortisation Expenses**

	Year ended 31st March 2020 INR in Lakhs	Year ended 31st March 2019 INR in Lakhs
Depreciation on Tangible assets (Refer Note 2)	1.35	3.07
Amortisation on Right of use assets (Refer Note 2a)	14.38	-
Amortisation on Intangible assets (Refer Note 3)	-	0.45
<b>Total</b>	<b>15.73</b>	<b>3.52</b>





**Ion Exchange Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)**  
**Notes to financial statements for the year ended 31st March 2020 (contd.)**

**23 Other Expenses**

	Year ended 31st March 2020 INR in Lakhs	Year ended 31st March 2019 INR in Lakhs
Power and fuel	11.58	10.62
Repairs and Maintenance - Others	0.33	0.67
Rent (Net of recoveries)	-	16.88
Rates and taxes	0.03	0.12
Insurance (Net of recoveries)	0.05	0.04
Travelling and conveyance	1.12	2.22
Legal and professional charges	0.69	2.17
Telephone and telex	0.35	0.49
Auditors' remuneration (Refer Note. 24)	5.35	5.40
Printing & stationery	0.03	0.27
Bank charges	0.07	0.01
Inventory Written off	-	7.31
Establishment and other miscellaneous expenses	1.99	3.60
<b>Total</b>	<b>21.59</b>	<b>49.79</b>

**24 Auditors' Remuneration**

	Year ended 31st March 2020 INR in Lakhs	Year ended 31st March 2019 INR in Lakhs
As auditor:		
Audit fees	5.00	5.00
Reimbursement of expenses	0.35	0.40
<b>Total</b>	<b>5.35</b>	<b>5.40</b>

**25 Other Comprehensive Income**

	Year ended 31st March 2020 INR in Lakhs	Year ended 31st March 2019 INR in Lakhs
Items that will not be reclassified to profit or loss		
Re-measurements of defined benefit plans	(1.09)	0.03
Income tax relating to items that will not be reclassified to profit or loss	-	-
<b>Total</b>	<b>(1.09)</b>	<b>0.03</b>

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**Ion Exchange Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)**  
**Notes to financial statements for the year ended 31st March 2020 (contd.)**

**26 Earnings per share (EPS)**

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

Diluted EPS amounts are calculated by dividing the net profit for the year attributable to equity shareholders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

**i. Profit attributable to Equity shareholders**

	31st March 2020 INR in Lakhs	31st March 2019 INR in Lakhs
Profit attributable to equity shareholders:		
Net Loss as per statement of profit and loss available for equity shareholders (in Rupees)	(95.62)	(124.55)
Loss attributable to equity shareholders	(95.62)	(124.55)

**ii. Weighted average number of ordinary shares**

	31st March 2020 Nos in Lakhs	31st March 2019 Nos in Lakhs
Basic outstanding shares		
Less : weighted average shares held with the shareholding trust	50.00	50.00
<b>Weighted average number of shares at March 31 for basic and diluted EPS</b>	50.00	50.00

**Earnings per share in Rupees (Weighted average)**

	31st March 2020 INR	31st March 2019 INR
Basic earnings per share		
Diluted earnings per share	(1.91)	(2.49)
	(1.91)	(2.49)

**27 Employee benefits**

A The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service. The following table summarises the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Particulars	2019-20 (Gratuity)	2018-19 (Gratuity)
<b>I Change in defined benefit obligation</b>		
Defined benefit obligation, Beginning of period		
Interest cost	5.17	6.44
Service cost	0.40	0.51
Benefits paid directly by the employer	0.62	0.71
Actuarial(Gains)/ Losses on Obligation - due to change in financial Assumptions	(0.40)	(2.45)
Actuarial(Gains)/ Losses on Obligation - due to Experience	0.54	(0.01)
Present Value of Benefit Obligation at the End of the Period	0.55	(0.02)
	6.87	5.17

Particulars	2019-20 (Gratuity)	2018-19 (Gratuity)
<b>II Amount recognised in the Balancesheet</b>		
Present Value of Benefit Obligation at the End of the Period		
Funded Status (Surplus/ ( Deficit))	(6.87)	(5.17)
Net (liability) / Asset Recognised in the Balance Sheet	(6.87)	(5.17)
	(6.87)	(5.17)

Particulars	2019-20 (Gratuity)	2018-19 (Gratuity)
<b>III Net Interest Cost for Current Period</b>		
Present Value of Benefit Obligation at the Beginning of the Period		
Net Liability/(Asset) at the Beginning	5.17	6.44
Interest Cost	5.17	6.44
Net Interest Cost for Current Period	0.40	0.51
	0.40	0.51

Particulars	2019-20 (Gratuity)	2018-19 (Gratuity)
<b>IV Expenses Recognized in the Statement of Profit or Loss for Current Period</b>		
Current Service Cost		
Net Interest Cost	0.62	0.71
Expenses Recognized	0.40	0.51
	1.01	1.21



**Ion Exchange Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)**

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

**27 Employee benefits**

Particulars	2019-20 (Gratuity)	2018-19 (Gratuity)
<b>V Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period</b>		
Actuarial (Gains)/Losses on Obligation For the Period	1.09	(0.03)
Net (Income)/Expense For the Period Recognized in OCI	1.09	(0.03)

Particulars	2019-20 (Gratuity)	2018-19 (Gratuity)
<b>VI Net Interest Cost for Next Year</b>		
Present Value of Benefit Obligation at the End of the Period	6.87	5.17
Net Liability/(Asset) at the End of the Period	6.87	5.17
Interest Cost	0.45	0.40
Net Interest Cost for Next Year	0.45	0.40

Particulars	2019-20 (Gratuity)	2018-19 (Gratuity)
<b>VII Expenses Recognized in the Statement of Profit or Loss for Next Year</b>		
Current Service Cost	0.72	0.62
Net Interest Cost	0.45	0.40
Expenses Recognized	1.17	1.01

Particulars	2019-20 (Gratuity)	2018-19 (Gratuity)
<b>VIII Maturity Analysis of the Benefit Payments: From the Employer</b>		
1st Following Year	0.63	0.47
2nd Following Year	0.61	0.50
3rd Following Year	0.59	0.49
4th Following Year	0.58	0.47
5th Following Year	0.56	0.46
Sum of Years 6 To 10	2.57	2.11
Sum of Years 11 and above	7.38	6.35

Particulars	2019-20 (Gratuity)	2018-19 (Gratuity)
<b>VIII Sensitivity Analysis</b>		
Projected Benefit Obligation on Current Assumptions	6.87	5.17
Delta Effect of +0.5% Change in Rate of Discounting	(0.50)	(0.19)
Delta Effect of -0.5% Change in Rate of Discounting	0.58	0.20
Delta Effect of +0.5% Change in Rate of Salary Increase	0.56	0.20
Delta Effect of -0.5% Change in Rate of Salary Increase	(0.50)	(0.19)
Delta Effect of +0.5% Change in Rate of Employee Turnover	(0.06)	(0.01)
Delta Effect of -0.5% Change in Rate of Employee Turnover	0.06	0.01

**Note**

**a) Amounts recognized as an expense and included in note 20 :**

Gratuity Rs. 1.01 Lakhs (2018-2019: Rs. 1.21 Lakhs) are recognised as an expense and included in "Employee Benefit Expenses" in the statement of profit and loss.

b) The estimates of future salary increases considered in the actuarial valuation take account of Inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

**B Defined contribution plans**

Contribution to Provident fund Rs.2.46 Lakhs (31 March 2019: Rs.2.00 Lakhs) are recognised as an expense and included in "Employee Benefit Expenses" (Refer note 20) in the statement of profit and loss.

**C Compensated absences**

The leave wages are payable to all eligible employees at the rate of daily basic salary for each day of accumulated leave (upto 84 days) on death or on resignation or upon retirement on attaining superannuation age.

Amounts recognized as an expense and included in note 20:

Leave encashment in "Salaries, wages and bonus" INR 1.13 Lakhs (2018-19: INR 0.50 Lakhs)

The liability for compensated absences as at year end is Rs. 3.71 Lakhs (31 March 2019 : Rs.2.90 Lakhs).



**Ion Exchange Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)**

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

**28 Right-of-use assets Assets**

Effective 1st April 2019 the Company has adopted Ind AS 116 "Leases" and applied to lease contracts existing on 1st April 2019 by electing "modified retrospective approach". Accordingly, comparatives for the year ended 31st March 2019 have not been retrospectively adjusted and the Company has taken the cumulative adjustment to retained earnings on the date of initial application. On transition, the adoption of the new standard resulted in recognition of Right-of-use assets of Rs.16.35 Lakhs and a lease liability of Rs.19.64 Lakhs. The cumulative effective of applying the standard resulted in adjusting the retained earnings as at 1st April 2019 with Rs. 3.30 Lakhs. Further WDV of Building of Rs. 16.35 Lakhs has been reclassified from Property, Plant and equipment to Right-of-use-assets.

In the Statement of Profit and Loss for the current year, the nature of expenses in respect of operating leases has changed from lease rent to depreciation on right of use assets and finance cost for interest accrued on lease liability using the effective interest method

**The break-up of lease expenses during the year ended 31st March 2020 is as follows**

Particulars	Amount
Short-term lease expense	-
Low value lease expense	-
<b>Total lease expenses</b>	-

**The break-up of Cash outflow on leases during the year ended 31st March 2020 is as follows**

Particulars	Amount
Repayment of lease liabilities	18.32
Interest on lease liabilities	1.18
Short-term lease expense	-
Low value lease expense	-
<b>Total cash outflow on leases</b>	<b>19.50</b>

**The break-up of current and non-current lease liabilities as at 31st March 2020 is as follows**

Particulars	Amount
Current lease liabilities	2.51
Non-current lease liabilities	-
<b>Total</b>	<b>2.51</b>

**The movement in lease liabilities during the year ended 31st March 2020**

Particulars	Amount
Balance at the beginning	-
Additions	16.35
Finance cost accrued during the period	1.18
Transition impact	3.30
Deletions	-
Payment of lease liabilities	(18.32)
Translation difference	-
<b>Balance at the end</b>	<b>2.51</b>

**The details of the contractual maturities of lease liabilities as at 31st March 2020 on an undiscounted basis are as follows**

Particulars	Amount
Less than one year	18.32
One to five year	2.54
More than five year	-
<b>Total</b>	<b>20.86</b>





**Ion Exchange Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)**  
**Notes to financial statements for the year ended 31st March 2020 (contd.)**

**29 Financial Instruments**

**1. Financial instruments – Fair values and risk management**

**A. Accounting classification and fair values**

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

	As at 31st March 2020				As at 31st March 2019			
	Carrying amount	Fair value		Carrying amount	Fair value			
		Level of input used in			Level of input used in			
		Level 1	Level 2		Level 1	Level 2		
<b>Financial assets</b>								
Loans	1.04	-	1.04	0.86	-	0.86		
Trade receivables**	6.96	-	-	16.96	-	-		
Cash and cash equivalents**	6.01	-	-	1.55	-	-		
	<b>14.01</b>	-	<b>1.04</b>	<b>19.37</b>	-	<b>0.86</b>		
<b>Financial liabilities</b>								
Borrowings**	1,649.09	-	-	1,642.71	-	-		
Trade payables**	225.12	-	-	133.12	-	-		
Lease Liabilities	2.51	-	-	-	-	-		
Other financial liabilities**	8.50	-	-	9.54	-	-		
	<b>1,885.22</b>	-	-	<b>1,785.37</b>	-	-		

\*\* 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 assets, borrowings, trade payables and other financial liabilities because their carrying amounts are a reasonable approximation of fair value.

**B. Measurement of fair values**

Valuation techniques and significant unobservable inputs

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

**Financial instruments measured at fair value**

Type	Valuation
Forward contracts for foreign exchange contracts	Forward pricing : The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies
Non current financial assets measured at amortised cost	Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.



**Ion Exchange Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)**  
**Notes to financial statements for the year ended 31st March 2020 (contd.)**

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**29. Financial instruments (contd...)**

**Financial instruments – Fair values and risk management (continued)**

**C. Financial risk management**

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

- Credit risk ;
- Liquidity risk ; and
- Market risk

**i. Risk management framework**

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

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

**Cash and cash equivalents**

The Company held cash and cash equivalents of INR 6.01 Lakhs at March 31, 2020 (March 31, 2019: INR 1.55 Lakhs ). The cash and cash equivalents are held with bank and financial institution counter parties with good credit ratings.

**iii. Liquidity risk**

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



**Ion Exchange Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)**  
**Notes to financial statements for the year ended 31st March 2020 (contd.)**

**29. Financial instruments (contd...)**

**Financial instruments – Fair values and risk management (continued)**

**Exposure to liquidity risk**

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

As at 31st March 2020

	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
<b>Current Financial liabilities</b>						
(i) Borrowings	1,649.09	1,649.09	1,649.09	-	-	-
(ii) Lease Liabilities	2.51	2.51	2.51	-	-	-
(iii) Trade payables	225.12	225.12	225.12	-	-	-
(iv) Other financial liabilities	8.50	8.50	8.50	-	-	-
	<b>1,885.22</b>	<b>1,885.22</b>	<b>1,885.22</b>	-	-	-

As at 31st March 2019

	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
<b>Current Financial liabilities</b>						
(i) Borrowings	1,642.71	1,642.71	1,642.71	-	-	-
(ii) Trade payables	133.12	133.12	133.12	-	-	-
(iii) Other financial liabilities	9.54	9.54	9.54	-	-	-
	<b>1,785.37</b>	<b>1,785.37</b>	<b>1,785.37</b>	-	-	-

**Interest rate risk**

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



**Ion Exchange Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)**

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

**29. Financial instruments (contd...)**

**Financial instruments – Fair values and risk management (continued)**

**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.

	March 31, 2020 INR in Lakhs	March 31, 2019 INR in Lakhs
<b>Fixed rate loan</b>		
<b>Financial liabilities - measured at amortised cost</b>		
Short term borrowings	-	-
<b>Variable rate loan</b>		
<b>Financial liabilities - measured at amortised cost</b>		
Short term borrowings	1,649.09	1,642.71
	<b>1,649.09</b>	<b>1,642.71</b>

**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.

	31-Mar-20		31-Mar-19	
	Increase (-)	Decrease (+)	Increase (-)	Decrease (+)
	INR in Lakhs	INR in Lakhs	INR in Lakhs	INR in Lakhs
1% Movement	(16.49)	16.49	(16.43)	16.43

**iv. Market risk**

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

**Currency risk**

The Company is exposed to currency risk on account of its operations in other countries. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

**Exposure to currency risk**

The Company is not exposed to any currency risk as there are no financial assets and financial liabilities in foreign currencies as at 31st March, 2020.





**Ion Exchange Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)**  
**Notes to financial statements for the year ended 31st March 2020 (contd.)**

**30 Contingent liabilities**

	March 31, 2020 INR in Lakhs	March 31, 2019 INR in Lakhs
<b>Contingent liabilities</b>		
a. Demand raised by authorities against which the Company has filed an appeal		
i) Central Sales Tax	485.85	500.26

**Note:** Future cash outflows/uncertainties, if any, in respect of above are determinable only on receipt of judgments/decisions pending with various forums/authorities.

**31 Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The Company's objective is to maximise the shareholders' value by maintaining an optimum capital structure. Management monitors the return on capital as well as the debt equity ratio and make necessary adjustments in the capital structure for the development of the business.

**32 Related party disclosures (As identified by the management):**

**(a) Names of related parties**

Names of the related parties where control exists:

Holding Company -

- Ion Exchange (India) Limited

Associates -

- Ion Exchange Projects and Engineering Ltd.

**(b) Name of other related parties with whom transactions have taken place during the year**

None

**(c) Transactions with related parties during the year and closing balances**

	31st March 2020	31 March 2019
<b>Ion Exchange (India) Limited</b>		
Sale of services	200.89	155.36
Services received	-	0.50
Rental expenses	18.32	16.65
Loan received	202.21	187.24
Loan repaid	194.00	60.00
Interest paid	200.51	185.28
<b>Outstanding balance</b>		
<b>Ion Exchange (India) Limited</b>		
Outstanding payable	200.77	108.53
Outstanding loans (payable)	1,649.09	1,642.71
<b>Ion Exchange Projects and Engineering Ltd.</b>		
Outstanding payable	22.63	22.63



**Ion Exchange Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)**  
**Notes to financial statements for the year ended 31st March 2020 (contd.)**

**33 Disclosure as per Ind AS 115**

(a) The Company provides single point responsibility of total environmental solutions for industrial and municipal needs for waste water and sewage treatment, solid waste treatment and disposal, hazardous waste management, air pollution control and renewable energy generation. For optimum utilisation of the available resources, the Company also executes Effluent Treatment Plants and Sewage Treatment Plants for others on project management charges (PMC) as subcontractor. The effect of initially applying Ind AS 115 on the Company's revenue from contracts with customers is described in Note 1.15.

(b) Disaggregation of revenue from contracts with customers - Refer Note 35.

(c) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

Particulars	31 March 2020	31 March 2019
Receivables which are included in Trade and other receivables		
Contract assets		
- Amount due from customers on construction contract	31.82	134.06
- Accrued value of work done net off provision	-	-
Contract liabilities		
- Amount due to customers under construction contracts	-	-
- Advance from customers (contract liability)	-	-

As on 31 March 2020, revenue recognised in the current year from performance obligations satisfied/ partially satisfied in the previous year is INR 200.89Lakhs

(d) Performance obligation

The Company provides single point responsibility of total environmental solutions for industrial and municipal needs for waste water and sewage treatment, solid waste treatment and disposal, hazardous waste management, air pollution control and renewable energy generation. For optimum utilisation of the available resources, the company also executes Effluent Treatment Plants and Sewage Treatment Plants for others on project management charges (PMC) as subcontractor.

The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Company provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the Company enters into multiple contracts with the same customer, the Company evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

The Company recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs. Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Company recognises the entire estimated loss in the period the loss becomes known. Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured. Interest income is recognised using the effective interest method. Revenue from sale of goods is recognized at the point in time when control of the assets is transferred to the customer, generally on delivery of the goods. Revenue related to fixed price maintenance and support services contracts where the company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied (or partially satisfied) as at 31 March 2020:

Particulars	Mar-21	Mar-22	2023-2027	Total
Contract revenue				-
<b>Total</b>	-	-	-	-

The Company applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

(e) Reconciliation of revenue recognised in the Statement of Profit and Loss

The following table discloses the reconciliation of amount of revenue recognised as :

Particulars	31 March 2020 INR in Lakhs	31 March 2019 INR in Lakhs
Contract price of the revenue recognised	200.89	155.36
Add: Performance bonus	-	-
Add: Incentives	-	-
Less: Liquidated damages	-	-
<b>Revenue recognised in the Statement of Profit and Loss</b>	<b>200.89</b>	<b>155.36</b>



**Ion Exchange Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)**

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

**34 Going concern basis**

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The management believes that it is appropriate to prepare these financial statements on going concern basis, for following reasons:

(a) The Company has confirmed sales/services orders in hand as at 31st March 2020 which will result in the profit from operations during the financial year 2020-21.

(b) The Holding Company has confirmed to provide and maintain sufficient financial support and assistance as may be needed to enable the business activities of the Company to continue to be conducted as going concern. It has been decided that Ion Exchange (India) Limited will take orders for Effluent treatment plants and sewage treatment plants and the orders will be executed by the Company on project management charges (PMC) and in order to reduce overheads some of the employees have been transferred to Ion Exchange (India) Limited.

**35 Segment reporting**

In accordance with Accounting Standard (Ind AS) 108 "Segment Reporting" notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 of the Companies Act, 2013, the Company has determined its business segments as "engineering of effluent treatment plants" and it operates in single geographical location i.e India. Hence, has no other primary reportable segments for the year ended 31 March 2020.

**36 Based on the information available with the Company, there are no suppliers who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 in the current year or in the previous year. Hence, the information as required under the Micro Small and Medium Enterprises Development Act, 2006 is Nil.**

**37 Tax Disclosures**

The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

Particulars	31-Mar-20	31-Mar-19
Deferred Tax assets	-	-
Deferred Tax liabilities	-	-
<b>Net Deferred Tax (Liability) / Assets</b>	-	-

Note:

a. The Company has restricted the recognition of deferred tax asset to the extent of deferred tax liability and not recorded deferred tax asset of Rs. 481.40 lacs on carry forward losses in the absence of convincing evidence of taxable profits in the foreseeable years.

b. The Company has not shown tax reconciliations as they have no tax profits due to carried forward losses on account specified business and unabsorbed depreciation.

c. Unrecognised deductible temporary differences, unused tax losses and unused tax credits:

Particulars	31-Mar-20	31-Mar-19
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
- tax losses	485.78	477.03
- deductible temporary differences Employee benefits	2.75	2.10
- depreciation of fixed assets	2.27	2.27
	<b>490.81</b>	<b>481.40</b>





**Ion Exchange Environment Management Ltd (Previously known as Ion Exchange Waterleau Ltd)**  
**Notes to financial statements for the year ended 31st March 2020 (contd.)**

**38 Subsequent events**

No significant adjusting event occurred between the balance sheet date and date of the approval of these financial statements by the board of directors of the company requiring adjustment or disclosure

**39** The pandemic of COVID-19 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 COVID-19. In fact during lock down also the operations were partly on.

Secondly, as we are mainly executing orders for project management services to Ion Exchange (India) Limited who are in the business of water treatment plant activities and recycling of waste water. Water is an essential commodity and therefore our services are for providing of essential goods and services. In fact the pandemic has given us new opportunities for our business as there will be more demand for pure water, treated water, treatment & recycling of waste water.

The Company has assessed the potential impact of COVID-19 on its capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements. The company's liquidity position is adequate to meet its commitments

The Company has also assessed the potential impact of COVID-19 on the carrying value of property, plant and equipment, right of use assets, intangible assets, trade receivables, inventories, and other current assets appearing in the financials of the Company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these financials has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financials and the Company will continue to closely monitor any material changes to future economic conditions

**40** Information with regard to other matters, as required by Schedule III to the Act is either nil or not applicable to the Company for the year.

As per our report of even date

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

*B. H. Dhupelia*

Bhavesh Dhupelia  
Partner  
Membership no.: 042070



Place : Mumbai  
Date : 24 June 2020

For and on behalf of the Board of Directors of  
Ion Exchange Environment Management Ltd  
(Previously known as Ion Exchange Waterleau Ltd)  
CIN - U45204MH2005PLC157554

*Rajesh Sharma*

Rajesh Sharma  
Director  
DIN - 00515486

*Milind Purank*

Milind Purank  
Company Secretary

Place : Mumbai  
Date : 24 June 2020

*Ajay Popat*

Ajay Popat  
Director  
DIN - 00274602