MOHAN NAGPURKAR & ASSOCIATES

CHARTERED ACCOUNTANTS

43/2153, Shant Sadan CHSL, Gandhi Nagar, Bandra (East), Mumbai - 400 051.
M : 93240 89040 **Tel.**: 022-2645 7172 **E-mail** : casantoshchande@gmail.com

Auditor's Report

To,

The Directors of ION EXCHANGE LLC, USA

We have audited the accompanying financial statements of **ION EXCHANGE LLC, USA** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, and Notes to accounts forming part of the financial statements and other explanatory information.

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 under Section 133 of the Act. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

MOHAN NAGPURKAR & ASSOCIATES CHARTERED ACCOUNTANTS

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2018;
b) in the case of the Statement of Profit and Loss Account, of the profit for the year ended on that date; and
c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Mohan Nagpurkar & Associates
Chartered Accountants

MOHAN NAGPURKAR & ASSOCIATES CHARTERED ACCOUNTANTS

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

Place: Mumbai

Date: 15.05.2018

MOHAN NAGPURKAR & ASSOCIATES
CHARTERED ACCOUNTANTS
43/2153, Shant Sadan CHSL, Gandhi Nagar, Bandra (East), Mumbai - 400 051.
M : 93240 89040 Tel.: 022-2645 7172 E-mail : casantoshchande@gmail.com

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

and

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

We have performed the audit of the accompanying Fit For Consolidation (FFC) accounts of **ION EXCHANGE LLC, USA** ("the Company") for the year ended 31 March 2018 in accordance with the accounting principles/policies followed by the Holding Company, which are in compliance with Indian Accounting Standards (IndAS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies(Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 of the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

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

2 We are informed by the Company's management that the FFC accounts have been prepared solely to enable the Holding Company to prepare its consolidated financial statement for the year ended 31 March 2018.

3 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion for the year ended 31 March 2018.

4 In our opinion and to the best of our information and according to the explanations given to us, the said FFC accounts together with the notes thereon give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018;its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

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

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

MOHAN NAGPURKAR & ASSOCIATES CHARTERED ACCOUNTANTS

Santosh Chande
Partner
Membership Number:121365
Place: Mumbai
Date:15.05.2018

ION Exchange LLC, USA

(Incorporated in the California State, Federal)

Balance sheet

as at 31 March 2018

(Currency : US$)

	Notes	31 March 2018	31 March 2017	1 April 2016
I. ASSETS				
(1) Non-current assets				
(a) Property Plant and Equipment	2	400	517	185
(b) Capital work-in-progress				
(c) Other Intangible assets				
(d) Financial Assets				
(i) Investments in subsidiaries,joint venture and associates				
(ii) Investments				
(iii) Trade receivables		-	-	-
(iv) Loans		-	-	-
(v) Others		-	-	
(e) Deferred tax assets (net)				
(f) Other non-current assets		-	-	-
(g) Non Current tax Asset				
Total non current assets		400	517	185
(2) Current Assets				
(a) Inventories	3	18,64,412	14,03,538	12,24,809
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables	4	8,36,633	7,10,595	5,66,139
(iii) Cash and cash equivalents	5	2,00,259	3,26,767	4,27,873
(iv) Bank balances other than (iii) above		-	-	-
(v) Short term loans and advances	6	6,875	6,875	6,875
(vi) Others		-	-	-
(c) Current Tax Assets (Net)		-	-	-
(d) Other current assets	7	5,683	5,908	6,259
(e) Forex Fluctuation				
Total current assets		**29,13,862**	**24,53,683**	**22,31,955**
TOTAL ASSETS		**29,14,262**	**24,54,200**	**22,32,140**

	Notes	31 March 2018	31 March 2017	1 April 2016
II. EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity share capital	8	7,00,000	7,00,000	7,00,000
(b) Other equity	9	(10,17,619)	(11,75,755)	(12,71,541)
Total equity		(3,17,619)	(4,75,755)	(5,71,541)
(2) Non current liabilities				
(a) Financial liabilities				
(i) Borrowings		-	-	-
(ii) Other financial liabilities		-	-	-
(b) Provisions		-	-	-
Government grants				-
Deferred revenue / Contract liability				-
Net employee defined benefit liabilities				-
(c) Deferred tax liabilities (net)				
(d) Other non-current liabilities		-	-	-
(e) Liabilities for non current tax (net)				
Total non current liabilities		-	-	-
(4) Current liabilities				
(a) Financial liabilities				
(i) Short term borrowings		-	-	-
(ii) Trade payables	10	31,04,513	28,09,833	27,09,712
(iii) Other financial liabilities	11	2,968	2,673	2,532
(b) Other current liabilities	12	82,914	77,931	86,924
(c) Short-term provisions	13	5,878	4,513	4,513
(d) Liabilities for current tax (net)	14	35,604	35,000	-
Total Current liabilities		32,31,877	29,29,950	28,03,681
Total liabilities		32,31,877	29,29,950	28,03,681
TOTAL EQUITY AND LIABILITIES		**29,14,262**	**24,54,200**	**22,32,140**

As per our report of even date
For Mohan Nagpurkar& Associates
Firm registration number: 106524W
Chartered Accountants

MOHAN NAGPURKAR & ASSOCIATES CHARTERED ACCOUNTANTS

Santosh Chande
Partner
Membership no.: 121365

For Ion Exchange LLC, USA

Rajesh Sharma
Director

Aankur Patni
Director

Place: Mumbai
Date: 15th May 2018

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

Standalone statement of profit and loss
as at 31 March 2018
(Currency : US$)

Statement of profit and loss for the year ended March 31, 2018

	Notes	31 March 2018	March 31, 2017
Revenue	15	40,43,030	34,92,000
I. Revenue from Operations			-
II. Other income		**40,43,030**	34,92,000
III. Total Income (I+II)			-
IV. Expenses			-
Cost of materials consumed	16	40,62,294	32,51,400
Purchase of Traded Goods	17	(4,60,874)	(1,78,729)
Changes in inventories of finished goods, work-in-progress and stock-in-trade	18	1,02,902	92,024
Employee Benefits Expenses			-
Finance costs	19	117	250
Depreciation and Amortization Expenses	20	1,63,655	1,65,354
Other Expenses		**38,68,094**	**33,30,299**
Total Expenses (IV)		**1,74,936**	1,61,701
V. Profit/(loss) before Exceptional Items and Tax			
VI. Exceptional Items		**1,74,936**	1,61,701
VII. Profit/(loss) before Tax			
VIII. Tax expense:	21	16,800	65,915
1. Current Tax			
2. Deferred Tax			
3. Adjustment of tax for earlier years		-	-
Less: MAT credit entitlement		-	-
IX. Profit/(Loss) for the year from continuing operations		**1,58,136**	95,786
X. Profit/(Loss) for the period from discontinued operations			
X. Tax expense of discontinued operations			
XI. Profit/(Loss) from Discontinued operations after tax		-	-
X. Profit/(Loss) for the year		**1,58,136**	**95,786**
XI. Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
(ii) Income tax related to items that will not be reclassified to profit or loss			
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax related to items that will be reclassified to profit or loss			
		-	-
XII. Total comprehensive income for the year		**1,58,136**	95,786
XIII. Earnings per equity share *(for continuing operations)*			
1. Basic	22	0.23	0.14
2. Diluted		0.23	0.14

As per our report of even date
For Mohan Nagpurkar& Associates
Firm registration number: 106524W
Chartered Accountants

MOHAN NAGPURKAR & ASSOCIATES
CHARTERED ACCOUNTANTS

Santosh Chande
Partner
Membership no.: 121365

Place: Mumbai
Date: 15th May 2018

For Ion Exchange LLC, USA

Rajesh Sharma	Aankur Patni
Director	Director

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

Statement of Changes in Equity (SOCIE)

as at 31 March 2018

(Currency : US$)

(a) Equity share capital

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	7,00,000	7,00,000	7,00,000	7,00,000	7,00,000	7,00,000
Changes in equity share capital during the year				-		
Balance at the end of the year	**7,00,000.00**	**7,00,000**	**7,00,000**	**7,00,000**	**7,00,000**	**7,00,000**

(b) Other equity

Particulars	Reserves & Surplus							Treasury Shares	Other comprehensive income	Total
	Capital Reserve	Securities Premium Account	Revaluation Reserve	Employee Stock Option	Special reserve	General Reserve	Retained Earnings		Remeasurement of defined benefit plans	
Balance at April 1, 2016	-	-		-	-	-	**(12,71,541)**	-		**(12,71,541)**
Profit for the year	-	-	-	-	-	-	95,786			95,786
Other comprehensive income for the year	-	-	-	-	-	-	-		-	-
Total comprehensive income for the year	-	-	-	-	-	-	**95,786**	-	-	**95,786**
Gross compensation for options granted during the year	-	-	-	-	-	-	-			-
Transferred from employee stock option outstanding	-	-	-	-	-	-	-			-
Less: Transferred to securities premium account on excise of opt	-	-	-	-	-	-	-			-
Exercise of Share options [Note XX]	-	-	-	-	-	-	-			-
Dividend paid	-	-	-	-	-	-	-			-
Tax on dividend paid	-	-	-	-	-	-	-			-
Balance at March 31, 2017	-	-	-	-	-	-	**(11,75,755)**	-	-	**(11,75,755)**
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-			-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	**(11,75,755)**	-	-	**(11,75,755)**
Profit for the year	-	-	-	-	-	-	1,58,136			1,58,136
Other comprehensive income for the year	-	-	-	-	-	-	-			-
Total comprehensive income for the year	-	-	-	-	-	-	**1,58,136**			**1,58,136**
Transferred from employee stock option outstanding	-									-
Gross compensation for options granted during the year	-									-
Transferred to securities premium account on excise of options	-									-
Transferred to employee compensation income	-									-
Dividend	-									-
Tax on dividend	-									-
Balance at March 31, 2018	-	-	-	-	-	-	**(10,17,619)**	-	-	**(10,17,619)**

MOHAN NAGPURKAR & ASSOCIATES CHARTERED ACCOUNTANTS

ION Exchange LLC, USA
(Incorporated in the California

Statement of Cash flows

as at 31 March 2018

(Currency : US$)

Statement of cash flows for the year ended March 31, 2018

		For the year ended March 31, 2018 USD	For the year ended March 31, 2017 USD
Cash flow from operating activities			
Profit before tax from continuing operations		1,74,936	1,61,701.0
Adjustments to reconcile profit before tax to net cash used in operating activities			
Depreciation and amortization expense		117	250
Cash generated from operations before working capital changes		1,75,053	1,61,951
Movement in Working capital			
(Increase) / Decrease in trade receivables		(1,26,038)	(1,44,456)
(Increase) / Decrease in inventories		(4,60,874)	(1,78,729)
(Increase) / Decrease in Other Current Assets		226	351
(Decrease) / Increase in trade payables		2,94,680	1,00,121
(Decrease) / Increase in other financial liabilities		295	141
(Decrease) / Increase in other liabilities		5,586	26,007
(Decrease) / Increase in provisions		1,365	-
Cash generated from operations		**(1,09,708)**	**(34,614)**
Taxes paid		**(16,800)**	**(65,915)**
Net cash generated from operating activities	**(A)**	**(1,26,508)**	**(1,00,529)**
Cash flow from investing activities			
Purchase of fixed assets		-	(582)
Proceeds from sale of fixed assets			
Net cash flows from investing activities		-	**(582)**
Cash flow from financing activities			
Proceeds from issuance of share capital on exercise of options		-	-
Repayment of borrowings		-	-
Proceeds from borrowings		-	-
Dividend paid		-	-
Dividend tax paid		-	-
Finance cost		-	-
Net cash flows from financing activities		-	-
Net increase / (decrease) in cash and cash equivalents	**(A)+(B)+(C)**	(1,26,508)	(1,01,111)
Effect of exchange difference on cash and cash equivalent held in foreign		-	-
Cash and cash equivalents as at the beginning of the year		3,26,767	4,27,878
Cash and cash equivalents at the end of the year		**2,00,259**	**3,26,767**

Reconciliation of Cash and Cash equivalents with the Balance Sheet

Cash and cash equivalent comprises of :		
Cash in hand	1,619	1,619
Balance with banks	1,98,640	3,25,148
Total		
Cash and Cash eqüivalents as restated as at the year end	2,00,259	3,26,767
	-	-

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Cash Flow Statements".

As per our report of even date
For Mohan Nagpurkar& Associates
Firm registration number: 106524W
Chartered Accountants

MOHAN NAGPURKAR & ASSOCIATES CHARTERED ACCOUNTANTS

Santosh Chande
Partner
Membership no.: 121365

Place: Mumbai
Date: 15th May 2018

For Ion Exchange LLC, USA

Rajesh Sharma
Director

Aankur Patni
Director

Ion Exchange LLC, USA
Notes to Financial statement for the year ended 31st March 2018

1. **Significant Accounting Policies**

1.1 Overview of the Company

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

1.2 Basis of preparation

a) Statement of compliance

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

These standalone financial statements are the first standalone financial statements prepared in accordance with Ind AS. For all periods upto and including the year ended March 31, 2017, the Company reported its Financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'IGAAP'). The Financial statements for the year ended March 31, 2017 and the opening Balance Sheet as at April 1, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from IGAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 26.

The operating cycle in case of projects business 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 businesses the company has ascertained its operating cycle as twelve months.

b) Functional and presentation currency

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

c) Basis of measurement

The standalone financial statements have been prepared on a historical cost basis.

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. Revision 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 31 March 2018 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.

MOHAN NAGPURKAR & ASSOCIATES
CHARTERED ACCOUNTANTS

b) 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.

1.3 Measurement of fair values

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

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

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

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

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

1.4 Summary of Significant accounting policies

a) Property, Plant and Equipment and depreciation

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

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

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

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

MOHAN NAGPURKAR & ASSOCIATES
CHARTERED ACCOUNTANTS

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.

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101

b) Impairment

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

c) 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.

d) Inventories

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

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

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

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

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

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

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

MOHAN NAGPURKAR & ASSOCIATES
CHARTERED ACCOUNTANTS

e) 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.

Financial assets

(i) Initial recognition and measurement

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

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

(ii) Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:
a) At amortised cost,
b) At fair value through other comprehensive income (FVTOCI), and
c) At fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

A debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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.

(iii) De-recognition

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

Financial liabilities

(i) Initial recognition and measurement

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

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

(ii) Subsequent measurement

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

MOHAN NAGPURKAR & ASSOCIATES CHARTERED ACCOUNTANTS

Financial liabilities at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised 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.

(iii) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Derivative financial instruments

Initial recognition and subsequent measurement

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

Offsetting of financial instruments

Financial assets and financial liabilities including derivative instruments are offset and the net amount is reported in the Balance sheet, if there is currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired.

Financial carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognized in profit or loss.

When the asset becomes uncollectible, the carrying amount of the impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

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To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the profitability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognized in profit or loss.

f) Retirement and other employee benefits

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

g) Revenue recognition

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

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

Contract revenue and contract costs in respect of construction contracts, execution of which is spread over different accounting periods, is recognized as revenue and expense respectively by reference to the basis of percentage of completion method of the project at the balance sheet date.

Determination of revenues under the percentage of completion method by the company is based on estimates (some of which are technical in nature) concerning the percentage of completion, costs to completion, contracted revenue from the contract and the foreseeable losses of completion. Foreseeable losses, if any, which are based on technical estimates, are provided in the accounts irrespective of the work done. The company does not have outflow on account of warranty given to customers as all the outsourced work has a back to back guarantee.

h) Taxation

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

i) 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.

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j) Earnings per share

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

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

k) Segment reporting policies

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

l) 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.

m) Leases:

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

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

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

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

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2 **Note-2**

Property, plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2018:

DESCRIPTION	Furniture Canada	Computer Canada	Computer USA	TOTAL	Capital Work In Progress
Cost as at April 1, 2017	225	542	-	767	-
Additions					
Deletions					-
Cost as at March 31, 2018 (A)	**225**	**542**	-	**767**	-
Accumulated depreciation as at April 1, 2017	11	239	-	250	
Depreciation for the current period	45	72		117	-
Deletions					
Accumulated depreciation as at March 31, 2018 (B)	**56**	**311**	-	**367**	-
Net carrying amount as at March 31, 2018 (A) - (B)	**169**	**231**	-	400	-

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2017:

DESCRIPTION	Furniture Canada	Computer Canada	Computer USA	TOTAL	Capital Work In Progress
Cost as at April 1, 2016	-	185	-	185	
Additions	225	357		582	
Deletions	-			-	
Cost as at March 31, 2017 (A)	**225**	**542**	-	**767**	-
Accumulated depreciation as at April 1, 2016	-	-	-	-	-
Depreciation for the period	11	239		250	-
Deletions	-			-	-
Accumulated depreciation as at March 31, 2017 (B)	11	239	-	250	-
Net carrying amount as at March 31, 2017 (A)-(B)	**214**	**303**	-	517	-

The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 1, 2016 under the previous GAAP

DESCRIPTION	Furniture Canada	Computer Canada	Computer USA	TOTAL
Gross Block	1,878	5,850	5,185	12,913
Accumulated Depreciation	1,878	5,665	5,185	12,728
Net Block	-	**185**	-	**185**

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	Particulars	As at March 31, 2018	As at March 31, 2017	As at 1 April 2016
3	**Note 3**			
	Inventories			
	Raw Materials and components	-	-	-
	Work-in-progress	-	-	-
	Finished goods	-	-	-
	Traded goods	18,64,412	14,03,538	12,24,809
	Stores and spares	-	-	-
	Contract work-in-progress	-	-	-
		18,64,412	**14,03,538**	**12,24,809**
4	**Note 4**			
	Trade and other receivables			
(a)	**Trade Receivables**			
	Unsecured			
	- Considered good	8,36,633	7,10,595	5,66,139
	- Considered Doubtful		-	-
	Less: Provision for doubtful receivable		-	-
		8,36,633	**7,10,595**	**5,66,139**
5	**Note 5**			
	Cash and cash equivalents			
a)	*Balances with banks:*			
i)	On current accounts	1,98,640	3,25,148	4,26,254
b)	Cash on Hand	1,619	1,619	1,619
		2,00,259	**3,26,767**	**4,27,873**
6	**Note 6**			
	Loans			
	Tender, security and other deposits			
	Unsecured, considered good	6,875	6,875	6,875
	Doubtful	-	-	-
	Less: Provision for doubtful deposits	-	-	-
		6,875	**6,875**	**6,875**

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7	**Note 7**			
	Other current assets			
	Prepaid expenses	5,683	5,908	6,259
		5,683	**5,908**	**6,259**
8	**Note 8**			
	Share capital			
	Equity share capital	7,00,000	7,00,000	7,00,000
		7,00,000	**7,00,000**	**7,00,000**
9	**Note 9**			
	Other Reserves			
	Surplus in the statement of profit and loss			
	Balance as at April 1	(11,75,755)	(12,71,541)	(13,19,566)
	Add : Profit for the year	1,58,136	95,786	48,025
	Net surplus in the statement of profit and loss	(10,17,619)	(11,75,755)	(12,71,541)
		(10,17,619)	**(11,75,755)**	**(12,71,541)**
10	**Note 10**			
	Trade and other payables			
	Trade payables			
	Due to micro and small enterprises			
	Due to others (Refer Related Party Transaction note 25)	31,04,513	28,09,833	27,09,712
		31,04,513	**28,09,833**	**27,09,712**
11	**Note 11**			
	Current - Other financial liabilities			
	Employee benefits payable	2,968	2,673	2,532
		2,968	**2,673**	**2,532**
12	**Note 12**			
	Other current liabilities			
	Advance from customers	51,671	51,671	53,967
	Statutory dues	20,107	14,201	20,143
	Others liabilities	11,136	12,059	12,814
		82,914	**77,931**	**86,924**
13	**Note 13**			
	Short term provisions			
	Provision for Expenses	5,878	4,513	4,513
		5,878	**4,513**	**4,513**
14	**Note 14**			
	Current Tax Assets and Liabilities			
	Currrent Tax Assets			
	Tax Refund receivables	-	-	-
		-	-	-
	Currrent Tax Liabilities			
	Income Tax Payables	35,604	35,000	-
	others		-	-
		35,604	**35,000**	-

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	Profit & Loss Account		
	Particulars	**For the year ended 31 March 2018**	**For the year ended March 31, 2017**
15	**Note 15**		
	Revenue from Operations		
	A. Sales of products and Services		
	Sale of products (Traded goods -Resin)	40,40,750	34,92,000
	Sale of products (Traded goods -Membrane)	2,280	-
		40,43,030	**34,92,000**
	B. Other operating revenue		
	Sale of services	-	-
	Sale of scrap	-	-
	Management fees	-	-
	Other operating income	-	-
		-	-
	Total	**40,43,030**	**34,92,000**
16	**Note 16**		
	Purchase of Traded Goods		
	Resin	40,60,294	32,32,200
	Membranes	2,000	19,200
	Total	**40,62,294**	**32,51,400**
17	**Note 17**		
	Changes in inventories of Traded goods		
	Closing Stock :		
	Finished Goods		
	Work-in-Process		
	Traded goods	18,64,412	14,03,538
	Contract work-in-progress		
		18,64,412	14,03,538
	Opening Stock :		
	Finished goods		
	Work-in-progress		
	Traded goods	14,03,538	12,24,809
	Contract work-in-progress		
		14,03,538	**12,24,809**
	Total	**(4,60,874)**	**(1,78,729)**

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18	**Note 18**			
	Employee benefit expense			
	Salaries and wages		92,044	80,997
	Contributions to CPP & EI funds		2,988	3,034
	Staff welfare expenses		7,870	7,993
	Total		**1,02,902**	**92,024**
19	**Note 19**			
	Depreciation and Amortization Expenses			
	Tangible assets (Refer note 3)		117	250
	Amortization of intangible assets			
	Total		**117**	**250**
20	**Note 20**			
	Other Expenses			
	Rent (Net of recoveries)		4,683	4,565
	Rates and taxes		1,984	-
	Insurance (Net of recoveries)		10,810	10,411
	Travelling and conveyance		15,956	19,711
	Printing and stationery		668	479
	Labour charges Canada		25,294	25,937
	Selling and Distribution Expenses		94,457	88,335
	Legal and professional charges		2,342	1,926
	Telephone and telex		3,987	3,264
	Bank charges		4,389	4,486
	Exchange (Loss)/Gain		(4,605)	640
	Office Expenses		3,690	5,600
	Total		**1,63,655**	**1,65,354**

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Note 21

Tax expense

(a) Amounts recognised in profit and loss

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current income tax	16,800	65,915
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences		
Reduction in tax rate		
Recognition of previously unrecognised tax losses		
Change in recognised deductible temporary differences		
Deffered income tax	-	-
Tax expense for the year	16,800	65,915

(b) Amounts recognised in other comprehensive income

	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Before tax US$	Tax (expense) benefit US$	Net of tax US$	Before tax US$	Tax (expense) benefit US$	Net of tax US$
ems that will not be reclassified to profit or loss						
emeasurements of the defined benefit plans			-	-	-	-
	-	-	-	-	-	-

(c) Reconciliation of effective tax rate

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax	1,74,936	1,61,701
Provision for current year	16,800	35,000
Current Tax in respect of previous year	-	30,915
Reduction in tax rate		-
Tax effect of:		
Others		
	16,800	65,915

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Note 22

Earnings per share (EPS)

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

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

i. Profit attributable to Equity holders of parent

	March 31, 2018	March 31, 2017
	US$	US$
Profit attributable to equity holders of the parent:		
Net Profit as per statement of profit and loss available for equity shareholders	1,58,136	95,786
Profit attributable to equity holders	**1,58,136**	**95,786**

ii. Weighted average number of ordinary shares

	March 31, 2018	March 31, 2017
Basic outstanding shares	7,00,000	7,00,000
Less : weighted average shares held with the shareholding trust		
Weighted average number of shares at March 31 for basic and diluted EPS	**7,00,000**	**7,00,000**

Earnings per share in Rupees (Weighted average)

	March 31, 2018	March 31, 2017
Basic earnings per share	0.23	0.14
Diluted earnings per share	0.23	0.14

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Note 23
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

March 31, 2018 USD	Note No.	Carrying amount FVTPL	FVTOCI	Amortised Cost	Total	Fair value Quoted prices in active markets	Significant observable inputs (Level 2)	Significant unobservable inputs	Total
Financial assets									
Trade receivables	4			8,36,633	8,36,633				-
Cash and cash equivalents	5			2,00,259	2,00,259				-
Short-term loans	6			6,875	6,875				-
				10,43,767	10,43,767				-
Financial liabilities									-
Trade payables	10			31,04,513	31,04,513			31,04,513	31,04,513
Other Current financial liabilities									-
-Current				2,968	2,968			2,968	2,968
				31,07,481	31,07,481		-	31,07,481	31,07,481

March 31, 2017 USD	Note No.	Carrying amount FVTPL	FVTOCI	Amortised Cost	Total	Fair value Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Trade receivables	4	-	-	7,10,595	7,10,595	-	-	-	-
Cash and cash equivalents	5	-	-	3,26,767	3,26,767	-	-	-	-
Short-term loans	6	-	-	6,875	6,875	-	-	-	-
Other financial assets								-	
		-	-	10,44,237	10,44,237	-	-	-	-
Financial liabilities									
Derivative instruments		-	-		-	-	-	-	-
Trade payables	10	-	-	28,09,833	28,09,833	-		28,09,833	28,09,833
Other financial liabilities									
-Current		-	-	2,673	2,673	-	-	2,673	2,673
		-	-	28,12,506	28,12,506	-	-	28,12,506	28,12,506

March 31, 2016 USD	Note No.	Carrying amount FVTPL	FVTOCI	Amortised Cost	Total	Fair value Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Trade receivables	4	-	-	5,66,139	5,66,139	-	-	-	-
Cash and cash equivalents	5	-	-	4,27,873	4,27,873	-	-	-	-
Short-term loans	6	-	-	6,875	6,875	-	-	-	-
Other financial assets									
		-	-	10,00,887	10,00,887	-	-	-	-
Financial liabilities									
Derivative instruments									
Trade payables	10	-	-	27,09,712	27,09,712	-	-	27,09,712	27,09,712.00
Other financial liabilities									
-Current	11	-	-	2,532	2,532	-	-	2,532	2,532.00
		-	-	27,12,244	27,12,244	-	-	27,12,244	27,12,244

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B. Measurement of fair values

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

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

C. Financial risk management

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

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

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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Financial instruments – Fair values and risk management (continued)

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. 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. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. 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.

At March 31, 2018, the Company's most significant customer accounted for US$ 1,17,802 of the trade and other receivables carrying amount (March 31, 2017 : US$ 1,17,802).

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

	Carrying amount (in US$)		
	March 31, 2018	**March 31, 2017**	**April 1, 2016**
Neither past due not impaired			
Past due not impaired			
Not Due	3,67,948	3,13,678	1,86,968
Past due 0–30 days	1,68,563	80,728	80,019
Past due 31–60 days	15,015	26,290	17,522
Past due 61–90 days	44,150	38,514	-
Past due 91–180 days	611	-	-
Past due 181–365 days	18,148	29,187	1,271
More than 365 days	2,22,198	2,22,198	2,80,359
	8,36,633	7,10,595	5,66,139

Expected credit loss assessment for customers as at 1 April 2015, 31 March 2016 and 31 March 2017

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	US$
	March 31, 2018
Balance as at April 1, 2016	
Impairment loss recognised	
Amounts written off	-
Balance as at March 31, 2017	-
Impairment loss recognised	
Amounts written off	
Balance as at March 31, 2018	-

The impairment loss at March 31, 2018 related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents

The Company held cash and cash equivalents of US$ 2,00,259 at March 31, 2018 (March 31, 2017: US$ 3,26,767 , April 1, 2016 : 4,27,873 US$). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

MOHAN NAGPURKAR & ASSOCIATES CHARTERED ACCOUNTANTS

ION Exchange LLC, USA

(Incorporated in the California State, Federal)

Notes to the standalone financial statements ***(Continued)***

for the year ended 31 March 2018

(Currency : US$)

Financial instruments – Fair values and risk management (continued)

ii. Liquidity risk

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

Exposure to liquidity risk

March 31, 2018		Contractual cash flows				
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
USD						
Non-derivative financial liabilities						
(i) Trade payables	31,04,513	31,03,572	31,03,572			
(ii) Other financial liabilities	2,968	2,968	2,968			
	31,07,481	31,06,540	31,06,540			

March 31, 2017		Contractual cash flows				
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Current Financial liabilities						
(i) Trade payables	28,09,833	28,09,833	28,09,833			
(ii) Other financial liabilities	2,673	2,673	2,673			
	28,12,506	28,12,506	28,12,506			

April 1, 2016		Contractual cash flows				
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Current Financial liabilities						
(i) Trade payables	27,09,712	27,09,712	27,09,712			
(ii) Other financial liabilities	2,532	2,532	2,532			
	27,12,244	27,12,244	27,12,244	-	-	-

MOHAN NAGPURKAR & ASSOCIATES
CHARTERED ACCOUNTANTS

Financial instruments – Fair values and risk management (continued)

iii. 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, our 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 Not exposed to currency risk as most of the transaction are mainly dominated in United State dollar.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2018, March 31, 2017 and April 1, 2016 are as below:

	March 31, 2018 USD
Financial assets	
Cash and cash equivalents	
Trade and other receivables	
	-
Financial liabilities	
Trade and other payables	
	-
Net statement of financial position exposure	-
Next 18 months forecast sales	-
Forward exchange contracts	-
Net exposure	-

	March 31, 2017 USD
Financial assets	
Advance to subsidiaries	
Cash and cash equivalents	
Trade and other receivables	
	-
Financial liabilities	
Trade and other payables	
	-
Net statement of financial position exposure	-
Next 18 months forecast sales	-
Forward exchange contracts	
Net exposure	-

	April 1, 2016 USD
Financial assets	
Advance to subsidiary	
Cash and cash equivalents	
Trade and other receivables	-
	-
Financial liabilities	
Trade and other payables	
	-
Net statement of financial position exposure	-
Next 18 months forecast sales	-
Forward exchange contracts	
Net exposure	-

MOHAN NAGPURKAR & ASSOCIATES CHARTERED ACCOUNTANTS

ION Exchange LLC, USA

Notes to the standalone financial statements *(Continued)*
for the year ended 31 March 2018

(Currency : US$)

Financial instruments – Fair values and risk management (continued)

Interest rate risk

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

Exposure to interest rate risk

The Company's is not exposure to interest rate risk as there is no borrowings.

	Note Reference	March 31, 2018	March 31, 2017	April 1, 2016
Fixed rate loan				
Financial liabilities - measured at				
Long term Borrowing			-	-
Short term borrowings			-	-
		-	-	-
Variable rate loan				
Financial liabilities - measured at				
Long term Borrowing			-	-
		-	-	-

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

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the rpeorting 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-18		31-Mar-17	
	Increase	**Decrease**	**Increase**	**Decrease**
	(-)	+	(-)	+
1% Movement	-	-	-	-

MOHAN NAGPURKAR & ASSOCIATES
CHARTERED ACCOUNTANTS

Notes to the standalone financial statements (Continued)
for the year ended 31 March 2018
Note 24
(Currency : US$)
Segment reporting

Information about primary business segments

	Engineering		Chemicals		Unallocated		Total	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Revenue								
External Sales (Gross)	2,280		40,40,750	34,92,000		-	40,43,030	34,92,000
Less: Excise duty recovered						-		
External Sales (Net)	**2,280**	-	**40,40,750**	**34,92,000**		-	**40,43,030**	**34,92,000**
Inter-segmental Sales						-	-	-
Other Income							-	-
Total Revenue	**2,280**	-	**40,40,750**	**34,92,000**		-	**40,43,030**	**34,92,000**
Less: Eliminations								
Add : Interest Income							-	-
Total Enterprise Revenue							40,43,030	34,92,000
Result								
Segment Results	(167)		1,75,103	1,61,701			1,74,936	1,61,701
Unallocated Expenditure net of unallocated Income	-						-	-
Finance Cost	-						-	-
Interest Income	-	-					-	-
Profit before Taxation	**(167)**	-	**1,75,103**	**1,61,701**		-	**1,74,936**	**1,61,701**
Other Information								
Segment Assets			29,14,262	24,54,200			29,14,262	24,54,200
Segment Liabilities			32,46,877	29,29,950		8,37,814	32,46,877	37,67,764
Capital Expenditure							-	-
Depreciation			117	250			117	250
Non Cash Expenditure other than Depreciation							-	-

Major Customer
Revenue from one customer represented US$ 9,64,139 (previous year US$ 14,27,607) out of the Company's total revenue

II. Notes:
(a) The company's operations are organized into One business segments, namely: Chemicals – comprising of resins.

MOHAN NAGPURKAR & ASSOCIATES CHARTERED ACCOUNTANTS

25 Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

Holding company	Ion Exchange (India) Ltd
Ultimate holding company	

Related parties with whom transactions have taken place during the year

Associates

Jointly controlled entity

Key management personnel

Relatives of key management personnel

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

Related party transactions

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

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

	Year ended	Sale of goods	Purchase of traded goods (Net)	Amount owed by related parties*	Amount owed to related parties*
Holding, ultimate holding companies & Associates					
Ion Exchange (India) Ltd	31-Mar-18		33,80,586		29,43,735
	31-Mar-17	-	29,39,305	-	27,45,545

MOHAN NAGPURKAR & ASSOCIATES CHARTERED ACCOUNTANTS

ION Exchange LLC, USA

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

Note: 26

Transition to Ind AS:

For the purposes of reporting as set out in Note 1.2a, we have transitioned our basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in note 1.2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the "transition date").

In preparing our opening Ind AS balance sheet, we have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, we did not revise estimates previously made under IGAAP except where required by Ind AS.

I. Explanation of transition to Ind AS

In preparing the financial statement, the Corporation has applied the below mentioned optional exemptions and mandatory exceptions.

Property, Plant and Equipment; Investment Property and Intangible Assets exemption:

The Corporation has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment, investment properties and intangible assets as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2015).

Derecognition of financial assets and financial liabilities

The Corporation has elected to use the exemption for derecognition of financial assets and liabilities prospectively i.e. after 1st April 2015.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of

Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease.In accordance with Ind AS 17,

Reconciliation of equity as at April 01, 2016

	Footnote ref.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	8	7,00,000	-	7,00,000
(b) Other equity	9	(12,71,541)	-	(12,71,541)
Equity attributable to equity holders of the parent		(5,71,541)	-	(5,71,541)
Total equity		(5,71,541)	-	(5,71,541)
Current liabilities				
Financial liabilities				
Trade and other payables	10	27,09,712	-	27,09,712
Other financial liabilities		2,532	-	2,532
Other current liabilities	11	86,924	-	86,924
Short term provisions	12	4,513	-	4,513
Liabilities for current tax(net)		-		-
Total current liabilities		28,03,681	-	28,03,681
Total liabilities		22,32,140	-	22,32,140

	Footnote ref.	Amount as per IGAAP US$	Effects of transition to Ind AS US$	Amount as per Ind AS US$
ASSETS				
Non-current assets				
Property, Plant and Equipment	2	185	-	185
Total non current assets		185	-	185
Current Assets				
Inventories	3	12,24,809	-	12,24,809
Financial Assets				
Trade and other receivables	4	5,66,139	-	5,66,139
Cash and cash equivalents	5	4,27,873	-	4,27,873
Short-term loans and advances	6	6,875	-	6,875
Other current assets	7	6,259	-	6,259
Total current assets		22,31,955	-	22,31,955
TOTAL ASSETS		22,32,140	-	22,32,140

MOHAN NAGPURKAR & ASSOCIATES CHARTERED ACCOUNTANTS

ION Exchange LLC, USA

Notes to the standalone financial statements (Continued)
for the year ended 31 March 2018

Transition to Ind AS:
For the purposes of reporting as set out in Note 1.2, we have transitioned our basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in note 1.2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the "transition date").
In preparing our opening Ind AS balance sheet, we have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, we did not revise estimates previously made under IGAAP except where required by Ind AS.

Particulars	Footnote ref.	As on 1 April 2016 USD (Net of deferred tax)	As on 31 March 2017 USD (Net of deferred tax)
Net worth under IGAAP		(5,71,541)	(4,75,755)
Summary of Ind AS adjustments			
Timing of revenue recognition		-	-
For Arrangement fees amortised on EIR basis		-	-
Current Investments measured at fair value		-	-
Derecognition of proposed dividend and tax theron		-	-
Discounting of retention money		-	-
Guarantee commission for investments in Subsidiaries/associates and JV		-	-
Others		-	-
Deferred tax asset on indexation benefit of land		-	-
Total Ind AS adjustments		-	-
Net worth under Ind AS		(5,71,541)	(4,75,755)

Reconciliation of Comprehensive income for the year ended on 31 March 2017

Particulars	Footnote ref.	As on 31 March INR (Net of deferred tax)
Comprehensive income under IGAAP		95,786
Summary of Ind AS adjustments		
Timing of revenue recognition		-
Arrangement fees amortised on EIR basis		-
Current Investments measured at fair value		-
Guarantee commission		-
Retention money		-
Re-measurement cost of net defined benefit liability		-
Others		-
Deferred tax asset on indexation benefit of land		-
Total Ind AS adjustments		-
Comprehensive income under Ind AS		95,786

As per our report of even date
For Mohan Nagpurkar& Associates
Firm registration number: 106524W
Chartered Accountants

Santosh Chande
Partner
Membership no.: 121365

Place: Mumbai
Date: 15th May 2018

MOHAN NAGPURKAR & ASSOCIATES CHARTERED ACCOUNTANTS

For Ion Exchange LLC, USA

Rajesh Sharma
Director

Aankur Patni
Director

Reconciliation of equity as at March 31, 2017

	Footnote ref.	Amount as per IGAAP US$	Effects of transition to Ind AS US$	Amount as per Ind AS US$
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	8	7,00,000	-	7,00,000
(b) Other equity	9	(11,75,755)	-	(11,75,755)
Total equity		(4,75,755)	-	(4,75,755)
Current liabilities				
Financial liabilities				
Trade and other payables	10	28,09,833	-	28,09,833
Other financial liabilities	11	2,673	-	2,673
Other current liabilities	12	77,931	-	77,931
Short term provisions	13	4,513	-	4,513
Liabilities for current tax(net)	14	35,000	-	35,000
Total current liabilities		29,29,950	-	29,29,950
Total liabilities		29,29,950	-	29,29,950
Total Equity and Liabilities		24,54,195	-	24,54,195

Reconciliation of equity as at March 31, 2017

	Footnote ref.	Amount as per US$	Effects of transition US$	Amount as per US$
ASSETS				
Non-current assets				
Property, Plant and Equipment	2	517	-	517
Total non current assets		517	-	517
Current Assets				
Inventories	3	14,03,538	-	14,03,538
Financial Assets			-	
Trade and other receivables	4	7,10,595	-	7,10,595
Cash and cash equivalents	5	3,26,767	-	3,26,767
Short-term loans and advances	6	6,875	-	6,875
Other current assets	7	5,908	-	5,908
Total current assets		24,53,683	-	24,53,683
TOTAL ASSETS		24,54,195	-	24,54,195

Reconciliation of profit or loss for the year ended 31 March 2017

	Footnote ref.	Amount as per US$	Effects of transition US$	Amount as per US$
Revenue				
I. Revenue from Operations (Gross)	14	34,92,000	-	34,92,000
II. Other income			-	-
III. Total Income (I+II)		34,92,000	-	34,92,000
IV. Expenses				
Cost of materials consumed		-	-	-
Purchase of Traded Goods	15	32,51,400	-	32,51,400
Changes in inventories of finished goods,	16	(1,78,729)	-	(1,78,729)
Employee Benefits Expenses	17	92,024	-	92,024
Finance costs		-	-	-
Depreciation and Amortization Expenses	18	250	-	250
Other Expenses	19	1,65,354	-	1,65,354
Total Expenses (IV)		33,30,299	-	33,30,299
VII. Profit/(loss) before Tax		1,61,701	-	1,61,701
VIII. Tax expense:				
1. Current Tax		65,915	-	65,915
2. Deferred Tax			-	
3. Adjustment of tax for earlier years		-		
Less: MAT credit entitlement				
XIII. Profit/(Loss) for the period		95,786	-	95,786
XV. Total comprehensive income for the period		95,786	-	95,786

MOHAN NAGPURKAR & ASSOCIATES
CHARTERED ACCOUNTANTS