Ion Exchange Projects and Engineering Limited

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

Ion Exchange Projects and Engineering Limited

Financial statements together with the Independent Auditor's Report

for the year ended 31 March 2020

Contents

B S R & Co. LLP
Chartered Accountants

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Independent Auditors' Report

To the Members of Ion Exchange Projects and Engineering Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ion Exchange Projects and Engineering Limited ("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. LLP Chartered Accountants

Independent Auditors' Report *(Continued)*

Ion Exchange Projects and Engineering Limited

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.

B S R & Co. LLP * Chartered Accountants *

Independent Auditors' Report *(Continued)*

Ion Exchange Projects and Engineering Limited

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.

B S R & Co. LLP * Chartered Accountants *

Independent Auditors' Report *(Continued)*

Ion Exchange Projects and Engineering Limited

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 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 36 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:

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

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

B. H. Dhupelia

Bhavesh Dhupelia
Partner
Membership No: 042070
UDIN: 20042070AAAACJ2736

Mumbai
24 June 2020

Ion Exchange Projects and Engineering Limited

Annexure A to the Independent Auditor's Report on the financial statements of Ion Exchange Projects and Engineering Limited 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 (Property, plant and equipment).

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets (Property plant and equipment) 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.

(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.

B S R & Co. LLP * Chartered Accountants *

Ion Exchange Projects and Engineering Limited

Annexure A to the Independent Auditor's Report on the financial statements of Ion Exchange Projects and Engineering Limited 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 West Bengal	Central sales tax and Interest/Penalty	621,019	2013-14	Joint Commissioner of Commercial Taxes
Central Sales tax Act, 1956 West Bengal	Central sales tax and Interest/Penalty	9,877	2014-15	Deputy Commissioner of Commercial Taxes
Central Sales Tax, 1956 Jharkhand	Central sales tax and Interest/Penalty	4,569,794	2011-12	Deputy Commissioner of Commercial Taxes
Central Sales Tax, 1956 Jharkhand	Central sales tax and Interest/Penalty	2,682,208	2012-13	Deputy Commissioner of Commercial Taxes
Central Sales tax Act, 1956 West Bengal	Central sales tax and Interest/Penalty	953,759	2015-16	Deputy Commissioner of Commercial Taxes

(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) According to the information and explanations given to us and based on our examination of the records, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

B S R & Co. LLP * Chartered Accountants *

Ion Exchange Projects and Engineering Limited

Annexure A to the Independent Auditor's Report on the financial statements of Ion Exchange Projects and Engineering Limited 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: 20042070AAAACJ2736

Mumbai
24 June 2020

Ion Exchange Projects and Engineering Limited

Annexure B to the Independent Auditors' report of Ion Exchange Projects and Engineering Limited 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 Projects and Engineering Limited ("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 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.

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.

B S R & Co. Chartered Accountants

Ion Exchange Projects and Engineering Limited

Annexure B to the Independent Auditors' report on the financial statements of Ion Exchange Projects and Engineering Limited for the year ended 31 March 2020 *(Continued)*

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

B. H. Dhupelia

Bhavesh Dhupelia
Partner
Membership No: 042070
UDIN: 20042070AAAACJ2736

Mumbai
24 June 2020

Ion Exchange Projects and Engineering Limited
Balance sheet as at 31st Mar 2020

	Notes	As at 31st Mar 2020 INR in Lakhs	As at 31st Mar 2019 INR in Lakhs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	**46.30**	46.97
(b) Right of use assets	2A	**86.13**	-
(c) Financial assets			
(i) Investments	7	**9.85**	9.85
(ii) Trade receivables	3	**330.46**	1,062.06
(iii) Loans	4	**0.95**	1.20
(d) Other non-current assets	5	28.29	28.29
(e) Non-current tax assets	6	1.64	4.37
Total non-current assets		503.62	1,152.74
Current assets			
(a) Inventories	8	**11.40**	11.51
(b) Financial assets			
(i) Trade receivables	3	**1,527.97**	2,599.94
(ii) Cash and cash equivalents	9	**135.23**	36.73
(iii) Bank balances other than (ii) above	10	111.39	165.35
(iv) Loans	4	30.73	31.72
(v) Others	11	0.11	1.59
(c) Other current assets	5	130.71	175.53
(d) Current tax assets	6	106.90	115.44
Total current assets		2,054.44	3,137.81
Total assets		**2,558.06**	4,290.55
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	1,521.52	1,521.52
(b) Other equity	13	(2,939.38)	(2,793.67)
Total equity		**(1,417.86)**	(1,272.15)
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	**1,141.92**	1,146.64
(ii) Lease liabilities	15	**24.81**	-
(b) Provisions	16	**93.87**	91.96
Total non-current liabilities		1,260.60	1,238.60
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	-	1,406.88
(ii) Lease liabilities	15	**69.00**	-
(iii) Trade payables	17		
- Dues to micro enterprises and small enterprises		**6.05**	18.46
- Total outstanding dues to creditors other than small enterprises and micro enterprises		**2,077.43**	2,349.52
(iv) Other financial liabilities	18	**233.80**	199.80
(b) Other current liabilities	19	**275.18**	318.34
(c) Provisions	16	**53.86**	31.10
Total current liabilities		**2,715.32**	4,324.10
Total liabilities		**3,975.92**	5,562.70
Total equity and liabilities		**2,558.06**	4,290.55
Significant accounting policies	1		
See accompanying notes to 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

For and on behalf of the board of directors of
Ion Exchange Projects and Engineering Limited
CIN No. : U74200MH2011PLC216024

Ion Exchange Projects and Engineering Ltd. Navi Mumbai 400 701.

Bhavesh Dhupelia
Partner
Membership No: 042070

Hemant Jog
Chief financial officer

Nikisha Solanki
Company Secretary

Rajesh Sharma
Director
DIN : 00515486

M. P. Patni
Whole Time Director
DIN : 00515553

Mumbai
24 June 2020

Mumbai
24 June 2020

Mumbai
24 June 2020

Mumbai
24 June 2020

Mumbai
24 June 2020

Ion Exchange Projects and Engineering Limited
Statement of profit and loss for the year ended 31st Mar 2020

	Notes	Year ended 31st Mar 2020 INR in Lakhs	Year ended 31st Mar 2019 INR in Lakhs
(a) Income			
Revenue from operations	20	2,860.01	3,281.87
Other income	21	17.96	66.76
Total Income (I)		2,877.97	3,348.63
(b) Expenses			
Cost of materials consumed	22	88.77	258.19
Employee benefits expense	23	1,955.98	1,595.58
Finance costs	24	388.32	473.70
Depreciation and amortization	25	80.39	22.21
Other expenses	26	523.91	965.11
Total expenses (II)		3,037.37	3,314.79
(Loss) / profit before tax (III) (a - b)		(159.40)	33.84
(c) Tax expense	39		
Total tax expenses		-	-
(Loss) / profit after tax		(159.40)	33.84
(d) Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(i) Remeasurement benefit of defined benefit plans	27	(10.33)	(1.78)
Total Other Comprehensive Income (IV)		(10.33)	(1.78)
Total Comprehensive Income (III + IV)		(169.73)	32.06
Earnings per equity share: [Nominal value of shares INR. 10 (previous year : INR. 10)] (basic and diluted)			
Computed on the basis of (loss)/profit for the year	28	(1.05)	0.22
Significant accounting policies	1		
See accompanying notes to 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

For and on behalf of the board of directors of
Ion Exchange Projects and Engineering Limited
CIN No. : U74200MH2011PLC216024

Ion Exchange Projects and Engineering Ltd. Navi Mumbai 400 701.

B. H. Dhupelia

Solanki

MPatni

Bhavesh Dhupelia	Hemant Jog	**Nikisha Solanki**	**Rajesh Sharma**	**M. P. Patni**
Partner	*Chief financial officer*	*Company Secretary*	*Director*	*Whole Time Director*
Membership No: 042070			DIN : 00515486	DIN : 00515553
Mumbai	Mumbai	Mumbai	Mumbai	Mumbai
24 June 2020	24 June 2020	24 June 2020	24 June 2020	24 June 2020

Ion Exchange Projects and Engineering Limited
Statement of changes in Equity as on 31st Mar 2020

A. Equity share capital

	31st Mar 2020		31st Mar 2019	
	Number of shares	INR in Lakhs	Number of shares	INR in Lakhs
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	**1,52,15,200**	**1,521.52**	1,52,15,200	1,521.52
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	**1,52,15,200**	**1,521.52**	1,52,15,200	1,521.52

B. Other equity

	Reserve and Surplus			Total other equity
	Capital reserve	General reserve	Retained earnings	
	INR in Lakhs	INR in Lakhs	INR in Lakhs	INR in Lakhs
Balance as at 1st April 2018	76.64	88.48	(3,019.43)	(2,854.31)
Profit for the year (a)			33.84	33.84
Corporate guarantee commission	28.58			28.58
Other Comprehensive Income (b)			(1.78)	(1.78)
Total comprehensive income for the year (a+b)	28.58	-	32.06	60.64
Balance as at 31st March 2019	105.22	88.48	(2,987.37)	(2,793.67)
Loss for the year (c)			**(159.40)**	**(159.40)**
Corporate guarantee commission	**27.84**			**27.84**
IND AS 116 Lease transition impact			**(3.82)**	**(3.82)**
Other Comprehensive Income (d)			**(10.33)**	**(10.33)**
Total comprehensive income for the year (c+d)	**27.84**	-	**(173.55)**	**(145.71)**
Balance as at 31st March 2020	**133.06**	**88.48**	**(3,160.92)**	**(2,939.38)**

As per our report of even date

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

For and on behalf of the board of directors of
Ion Exchange Projects and Engineering Limited
CIN No. : U74200MH2011PLC216024

Ion Exchange Projects and Engineering Ltd. Navi Mumbai 400 701.

Solanki

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
24 June 2020

Hemant Jog
Chief financial officer

Mumbai
24 June 2020

Nikisha Solanki
Company Secretary

Mumbai
24 June 2020

Rajesh Sharma
Director
DIN : 00515486

Mumbai
24 June 2020

MPatni

M. P. Patni
Whole Time Director
DIN : 00515553

Mumbai
24 June 2020

Ion Exchange Projects and Engineering Limited
Cash flow statement for the year ended 31st Mar 2020

		Year ended 31st Mar 2020 INR in Lakhs	Year ended 31st Mar 2019 INR in Lakhs
A. Cash flow from operating activities:			
Net (loss) / profit before tax as per statement of profit and loss		(159.40)	33.84
Adjustment for :			
Depreciation and amortization expense		80.39	22.21
(Profit) / loss on assets sold / discarded		(0.20)	10.69
Corporate Guarantee Charges		27.84	28.58
Finance cost		388.32	473.70
Provision for doubtful debts / Bad debts written off		-	398.91
Interest Income		(17.50)	(62.43)
Operating profit before working capital changes		319.45	905.50
Adjustment for :			
Decrease in trade receivables		1,812.17	1,155.15
Decrease in inventories		0.11	9.50
Decrease in loans and advances		46.07	2.04
(Decrease) in trade payables		(284.51)	(380.49)
(Decrease) in other liabilities		(9.16)	(62.97)
Increase in provisions		14.35	21.42
Cash generated from operations		1,898.48	1,650.16
Taxes refund / (paid)		11.27	(43.71)
Net cash generated from operating activities	(A)	1,909.75	1,606.45
B. Cash flow from investing activities:			
Purchase of fixed assets		(14.98)	(20.95)
Proceeds from sale of fixed assets		0.20	7.29
Investments made in fellow subsidiaries		-	0.01
Bank deposit during the year		(1.68)	(6.34)
Bank deposit matured during the year		55.65	23.17
Interest received		10.36	8.67
Net cash generated from investing activities	(B)	49.55	11.85
C. Cash flow from financing activities:			
(Repayment) of loan from Holding company		(1,341.54)	(1,086.16)
(Repayment) of borrowings		(70.07)	(64.13)
Payment toawards lease liabilities		(73.97)	-
Finance cost		(375.22)	(473.70)
Net cash (used) in financing activities	(C)	(1,860.80)	(1,623.99)
Net Increase / (Decrease) in cash and cash equivalents	(A)+(B)+(C)	98.50	(5.69)
Cash and cash equivalents as at the beginning of the year		36.73	42.42
Cash and cash equivalents as at the end of the year		135.23	36.73

ION EXCHANGE PROJECTS AND ENGINEERING LTD. Navi Mumbai 400 701.

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Ion Exchange Projects and Engineering Limited
Cash flow statement for the year ended 31st Mar 2020 (Contd....)

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

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

(a) On margin money account INR 111.39 (previous year : INR 165.35 Lakhs)

	Year ended 31st Mar 2020 INR in Lakhs	Year ended 31st Mar 2019 INR in Lakhs
Bank balances disclosed under current assets [Note 9]	133.31	33.87
Cash and cash equivalents disclosed under current assets [Note 9]	1.92	2.86
Total cash and cash equivalents as per Balance Sheet	135.23	36.73

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

Mumbai
24 June 2020

Hemant Jog
Chief Financial Officer

Mumbai
24 June 2020

Solanki

Nikisha Solanki
Company Secretary

Mumbai
24 June 2020

For and on behalf of the board of directors of
Ion Exchange Projects and Engineering Limited
CIN No. : U74200MH2011PLC216024

Rajesh Sharma
Director
DIN : 00515486

Mumbai
24 June 2020

MPatni

M. P. Patni
Whole Time Director
DIN : 00515553

Mumbai
24 June 2020

ION EXCHANGE PROJECTS AND ENGINEERING LTD
Navi Mumbai
400 701.

Overview of the Company

Ion Exchange Projects and Engineering Limited is a closely held public company, registered under the Companies Act, 1956.

The Company is into business of execution of large EPC projects related to water treatments and provide design, supply, erection and commissioning of projects in industries related to power, steel, petrochemical and other sectors.

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 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").

1.2 Basis of preparation

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

These financial statements have been approved for issue by the Board of Directors at their meeting held on 24th June 2020.

The operating cycle is determined for each project separately based on the expected execution period of the contract.

1.3 Functional and presentation currency

These 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 Use of estimates

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

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1. Significant Accounting Policies (contd...)

1.5 Use of estimates (contd...)

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

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

1.6 Going Concern Basis

As at 31st March 2020, the Company's paid up capital was INR 1,521.52 Lakhs and correspondingly, the Company's accumulated losses as at that date aggregated to INR 3,160.92 Lakhs and the loss during the year is of INR 159.40 Lakhs. The company's current liabilities exceeded its current assets by INR 660.88 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:

- 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) Limited.

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.

1.7 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.

1. Significant Accounting Policies (contd...)

1.7 Measurement of fair values (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 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.

1.8 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
Plant and machinery	10 – 15 years
Furniture and fixtures	10 years
Vehicles	4 – 8 years
Office equipments	3 – 5 years

Site equipments are depreciated over 3 years.

Leasehold assets are depreciated over the period of lease.

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.

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1. Significant Accounting Policies (contd...)

1.8 Summary of Significant accounting policies (contd...)

b) Intangible assets

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

Intangible assets are amortised 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 amortised 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.

c) 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.

d) 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.

e) Inventories

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

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.

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.

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1. Significant Accounting Policies (contd...)

1.8 Summary of Significant accounting policies (contd...)

f) 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

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) 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), and

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

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

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

(iii) Impairment of financial assets

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

(iv) De-recognition

The Company de-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 asset.

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1. Significant Accounting Policies (contd...)

1.8 Summary of Significant accounting policies (contd...)

f) Financial instruments (contd...)

B. 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).

- Financial liabilities excluding financial instruments at amortised cost

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

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

- Derivative financial instruments

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

(iii) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

g) Retirement and other employee benefits

i) Retirement benefit in the form of provident fund managed by Government Authorities and Superannuation Fund are defined contribution scheme and the contribution is charged to the statement of profit and loss of the year when the contribution to the respective fund is due. There is no other obligation other than the contribution payable.

ii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit method made at the end of each financial year. Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI).

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

1.8 Summary of Significant accounting policies (contd...)

g) Retirement and other employee benefits (contd...)

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

iv) Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per Projected Unit Credit method made at the end of each financial year. The company presents the leave liability as non-current in the balance sheet, to the extent it has an unconditional right to defer its settlement for a period beyond 12 months, and balance amount is presented as current.

v) The Company's approved provident fund scheme is a defined contribution plan. The contribution paid/ payable under the schemes is recognized as an 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.

h) 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.

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1. Significant Accounting Policies (contd...)

1.8 Summary of Significant accounting policies (contd...)

h) Revenue recognition (contd...)

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

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

Use of significant judgments in revenue recognition

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

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1. Significant Accounting Policies (contd...)

i) 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 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 is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items 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. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies.

j) 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.

1.9 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.

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1. Significant Accounting Policies (contd...)

1.10 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 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.

1.11 Cash and cash equivalents:

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

1.12 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.

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

1.12 Leases (contd...)

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.

1.13 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.

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2. Property, plant and equipment

INR in Lakhs

	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Total
Gross block					
As at 1st April 2019	30.07	22.28	1.92	48.67	102.94
Addition during the year	-	0.63	-	14.36	14.99
Disposal during the year	-	-	-	1.20	1.20
As at 31st March 2020	30.07	22.91	1.92	61.83	116.73
Depreciation and amortisation					
As at 1st April 2019	10.15	16.87	1.79	27.16	55.97
Depreciation during the year	2.46	2.50	0.06	10.64	15.66
Deduction during the year	-	-	-	1.20	1.20
As at 31st March 2020	12.61	19.37	1.85	36.60	70.43
Net carrying value as at 31st March 2020	17.46	3.54	0.07	25.23	46.30
Gross block					
As at 1st April 2018	53.75	21.77	1.92	30.72	108.16
Addition during the year	-	0.51	-	20.44	20.95
Disposal during the year	23.68	-	-	2.49	26.17
As at 31st March 2019	30.07	22.28	1.92	48.67	102.94
Depreciation and amortisation					
As at 1st April 2018	11.71	12.09	1.66	16.49	41.95
Depreciation during the year	4.93	4.78	0.13	12.37	22.21
Deduction during the year	6.49	-	-	1.70	8.19
As at 31st March 2019	10.15	16.87	1.79	27.16	55.97
Net carrying value as at 31st March 2019	19.92	5.41	0.13	21.51	46.97

2.A Right-of-use assets

INR in Lakhs

	Building
Gross block	
As at 1st April 2019	-
On account of transition provisions of Ind AS 116 (Refer note 34)	150.86
Addition during the year	-
Disposal during the year	-
As at 31st March 2020	150.86
Depreciation and amortisation	
As at 1st April 2019	-
Depreciation and amortisation during the year	64.73
Deduction during the year	-
As at 31st March 2020	64.73
Net carrying value as at 31st March 2020	86.13

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3. Trade receivables

	Non-current		Current	
	As at 31st Mar 2020 INR In Lakhs	As at 31st Mar 2019 INR In Lakhs	As at 31st Mar 2020 INR In Lakhs	As at 31st Mar 2019 INR In Lakhs
Trade receivables				
Unsecured				
Considered good	330.46	1,062.06	1,527.97	2,599.94
Which have significant increase in credit risk	-	-	-	-
Credit impaired	-	-	-	-
	330.46	1,062.06	1,527.97	2,599.94
Less : Allowance for trade receivables credit impaired	-	-	-	-
	330.46	1,062.06	1,527.97	2,599.94

4. Loans

	Non-current		Current	
	As at 31st Mar 2020 INR In Lakhs	As at 31st Mar 2019 INR In Lakhs	As at 31st Mar 2020 INR In Lakhs	As at 31st Mar 2019 INR In Lakhs
Tender, security and other deposits	0.95	1.20	2.14	1.23
Claims receivables	-	-	0.10	6.12
Loans and advance to employees	-	-	28.49	24.37
	0.95	1.20	30.73	31.72

5. Other non current assets

	Non-current		Current	
	As at 31st Mar 2020 INR In Lakhs	As at 31st Mar 2019 INR In Lakhs	As at 31st Mar 2020 INR In Lakhs	As at 31st Mar 2019 INR In Lakhs
Balance with statutory authorities	28.29	28.29	111.33	122.35
Advance to suppliers	-	-	1.52	31.93
Prepaid expenses	-	-	17.86	21.25
	28.29	28.29	130.71	175.53

6. Tax assets

	Non-current		Current	
	As at 31st Mar 2020 INR In Lakhs	As at 31st Mar 2019 INR In Lakhs	As at 31st Mar 2020 INR In Lakhs	As at 31st Mar 2019 INR In Lakhs
Income tax paid	1.64	4.37	106.90	115.44
	1.64	4.37	106.90	115.44

7. Non-current investments

	As at 31st Mar 2020		As at 31st Mar 2019	
	Units	INR In Lakhs	Units	INR In Lakhs
Measured at cost in equity shares				
Unquoted, fully paid-up				
Astha Technical Services Private Limited**				
Measured at fair value through profit and loss in equity shares of others				
Unquoted, fully paid-up				
Total Water Management Services (India) Limited of INR 10 each**	11779	9.84	11779	9.84
Ion Exchange Environment Management Ltd. of INR 10 each (Formerly Known as Ion Exchange Waterleau Limited)	50	0.01	50	0.01
(A)		9.85		9.85
Total non current investments (A)		9.85		9.85
Aggregate amount of unquoted investments		9.85		9.85

** Astha Technical Services Limited, an associate of Ion Exchange (India) Limited was amalgamated with Total Water Management Services (India) Limited, a subsidiary of Ion Exchange (India) Limited w.e.f. 1st April 2017 as per order dated 24th August 2017 received from The National Company Law Tribunal, Mumbai Bench. As per the scheme, 11,779 shares were issued by Total Water Management Services (India) Limited on 24th January 2018 in lieu of shares held in Astha Technical Services Limited.

8. Inventories

(Valued at lower of cost and net realisable value)

	As at 31st Mar 2020 INR in Lakhs	As at 31st Mar 2019 INR in Lakhs
Raw materials	11.40	11.51
	11.40	11.51

9. Cash and cash equivalents

	As at 31st Mar 2020 INR in Lakhs	As at 31st Mar 2019 INR in Lakhs
Balances with banks		
On current accounts	133.31	33.87
Cash on hand	1.92	2.86
	135.23	36.73

10. Bank balances other than cash and cash equivalents

	As at 31st Mar 2020 INR in Lakhs	As at 31st Mar 2019 INR in Lakhs
On margin money account *	111.39	165.35
	111.39	165.35

*Margin money deposits with a carrying amount of INR 111.39 Lakhs (previous year : INR 165.35 Lakhs) are subject to first charge to secure bank guarantees issued by a bank on behalf of the Company.

11. Others financial assets

	As at 31st Mar 2020 INR in Lakhs	As at 31st Mar 2019 INR in Lakhs
Interest accrued on margin money	0.11	1.59
	0.11	1.59

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12. Equity share capital

	As at 31st Mar 2020		As at 31st Mar 2019	
	No of shares	INR in Lakhs	No of shares	INR in Lakhs
Authorised capital				
Equity shares of INR 10 each.	**2,00,00,000**	**2,000.00**	2,00,00,000	2,000.00
Issued, subscribed and fully paid-up capital				
Equity shares of INR 10 each.	**1,52,15,200**	**1,521.52**	1,52,15,200	1,521.52
		1,521.52		1,521.52

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

	As at 31st Mar 2020		As at 31st Mar 2019	
	No of shares	INR in Lakhs	No of shares	INR in Lakhs
At the end of the year	**1,52,15,200**	**1,521.52**	1,52,15,200	1,521.52

(b) Terms/rights attached to equity shares

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

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

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

	As at 31st Mar 2020		As at 31st Mar 2019	
	No of shares	% holding	No of shares	% holding
-Ion Exchange (India) Limited, the holding Company and its nominees	**1,39,68,640**	**91.81%**	1,39,68,640	91.81%
-Rockmen Merchants Limited	**8,28,199**	**5.44%**	8,28,199	5.44%

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

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

The aggregate number of equity shares issued pursuant to scheme of amalgamation, without payment being received in cash in immediately preceding last five years ended on 31st March 2020 : 5,215,200 share (Previous period of five years ended 31st March 2019 : 5,215,200 shares)

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13. Other equity

	As at 31st Mar 2020 INR in Lakhs	As at 31st Mar 2019 INR in Lakhs
General reserve		
Balance as at Beginning and at the end of the year	88.48	88.48
	88.48	88.48
Capital Reserve		
Balance as at Beginning of the year	105.22	76.64
Addition during the year	27.84	28.58
Balance as at the end of the year	133.06	105.22
Retained earnings		
Balance as at April 1	(2,987.37)	(3,019.43)
(Loss) / Profit for the year	(159.40)	33.84
IND AS 116 Lease transition impact	(3.82)	
Other Comprehensive Income	(10.33)	(1.78)
	(3,160.92)	(2,987.37)
	(2,939.38)	(2,793.67)

Notes

Description of nature and purpose of each reserve

General reserve: The balance represents General reserve of amalgamated company transferred on amalgamation.

Capital Reserve: Guarantee Commission payable to holding Company.

14. Borrowings

	Non-current		Current	
	As at 31st Mar 2020 INR in Lakhs	As at 31st Mar 2019 INR in Lakhs	As at 31st Mar 2020 INR in Lakhs	As at 31st Mar 2019 INR in Lakhs
Working capital loan from banks (secured) - [Refer note (a) below]	-	-	-	70.07
Loan from holding company (unsecured) [Refer note (b) below] & Refer Notes to Account note No. 33	1,141.92	1,146.64	-	1,336.81
	1,141.92	1,146.64	-	1,406.88
The above amount includes				
Secured borrowings	-	-	-	70.07
Unsecured borrowings	1,141.92	1,146.64	-	1,336.81
	1,141.92	1,146.64	-	1,406.88

(a) Working capital loan from bank is secured by hypothecation of book debts and stocks by way of first charge and corporate guarantee of Holding Company - Ion Exchange (India) Limited. The working capital loan is repayable on demand and currently carries an interest @ 14.30% p.a., computed on monthly basis on the actual amount utilised.

(b) Working capital loan @ 14 % p.a. INR 1.05 Lakhs is secured by hypothecation of book debts and stocks by way of first charge and corporate guarantee of Holding Company - Ion Exchange (India) Limited.

(b) Loan taken from Holding Company - Ion Exchange (India) Limited carries interest @ 12% p.a. is payable half yearly. INR 1,141.92 Lakhs is Payable on demand.

15 Lease liabilities

	Non-current		Current	
	As at 31st Mar 2020 INR in Lakhs	As at 31st Mar 2019 INR in Lakhs	As at 31st Mar 2020 INR in Lakhs	As at 31st Mar 2019 INR in Lakhs
Lease liabilities	24.81	-	69.00	-
	24.81	-	69.00	-

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16. Provisions

	Non-current		Current	
	As at 31st Mar 2020 INR in Lakhs	As at 31st Mar 2019 INR in Lakhs	As at 31st Mar 2020 INR in Lakhs	As at 31st Mar 2019 INR in Lakhs
Provision for employee benefits (Refer note 29)	93.87	91.96	53.86	31.10
	93.87	91.96	53.86	31.10

17. Trade payables

	As at 31st Mar 2020 INR in Lakhs	As at 31st Mar 2019 INR in Lakhs
Trade payables (including acceptances)		
- Dues to micro enterprises and small enterprises (Refer note 37)	6.05	18.46
- Total outstanding dues to creditors other than small enterprises and micro enterprises	2,077.43	2,349.52
	2,083.48	2,367.98

18. Other financial liabilities

	As at 31st Mar 2020 INR in Lakhs	As at 31st Mar 2019 INR in Lakhs
Employee benefits payable	233.80	199.80
	233.80	199.80

19. Other current liabilities

	As at 31st Mar 2020 INR in Lakhs	As at 31st Mar 2019 INR in Lakhs
Advance from customers (contract liability)	27.59	57.28
Statutory dues (including GST, TDS etc.)	247.59	261.06
	275.18	318.34

20. Revenue from operations

	Year ended 31st Mar 2020 INR in Lakhs	Year ended 31st Mar 2019 INR in Lakhs
Revenue from operations		
Sale of products		
Water Treatment Plants & Accessories	18.28	190.84
Sale of services		
Erection & Commissioning	47.51	154.24
Design and Engineering	-	1,100.00
Others operating revenue		
Project Management fees	2,794.22	1,836.79
Revenue from operations	2,860.01	3,281.87

21. Other Income

	Year ended 31st Mar 2020 INR in Lakhs	Year ended 31st Mar 2019 INR in Lakhs
Interest income on financial instruments measured at amortised cost		
- From banks	6.97	7.86
- From others	10.53	54.57
Profit on fixed assets sold/discarded (Net)	0.20	-
Other non operating Income	0.26	4.33
	17.96	66.76

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22. Cost of materials consumed

	Year ended 31st Mar 2020 INR in Lakhs	Year ended 31st Mar 2019 INR in Lakhs
Inventory at the beginning of the year	**11.51**	21.01
Add: Purchases*	**88.66**	248.69
Less: Inventory at the end of the year	**11.40**	11.51
Cost of materials consumed *	**88.77**	258.19

* Includes direct expenses incurred on contracts INR 19.28 Lakhs (2018-2019 : INR 39.50 Lakhs)

23. Employee benefits expense

	Year ended 31st Mar 2020 INR in Lakhs	Year ended 31st Mar 2019 INR in Lakhs
Salaries, wages and bonus	**1,798.20**	1,467.54
Contribution to provident and other funds (refer note 29)	**86.03**	64.40
Staff welfare expense	**71.75**	63.64
	1,955.98	1,595.58

24. Finance costs

	Year ended 31st Mar 2020 INR in Lakhs	Year ended 31st Mar 2019 INR in Lakhs
Interest on working capital loan	**0.82**	10.09
Interest on loan from holding company (refer note 33)	**374.40**	463.61
Interst on finance lease	**13.10**	-
	388.32	473.70

25. Depreciation and amortisation expense

	Year ended 31st Mar 2020 INR in Lakhs	Year ended 31st Mar 2019 INR in Lakhs
Depreciation and amortisation of property, plant and equipment	**15.66**	22.21
Depreciation and amortisation on right of use assets	**64.73**	-
	80.39	22.21

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26. Other expenses

	Year ended 31st Mar 2020 INR In Lakhs	Year ended 31st Mar 2019 INR In Lakhs
Power and fuel	1.78	3.76
Repairs and Maintenance - Others	6.21	5.59
Rent (Refer note 34)	5.88	77.91
Rates and taxes	1.84	1.42
Travelling and conveyance	308.47	295.20
Freight	1.11	8.41
Packing (Net of recoveries)	-	0.03
Advertisement and publicity	0.65	0.08
Legal and professional charges	98.37	69.76
Telephone and communication	7.54	6.97
Bad debts written off	-	398.91
Auditors' remuneration (Refer below note no. 26.1)	3.29	3.34
Directors' fees (Refer note 33)	8.95	9.25
Bank charges	7.70	6.50
Corporate Guarantee Charges	27.84	28.58
Exchange loss (Net)	0.02	0.68
Loss on fixed assets sold/discarded (Net)	-	10.69
Establishment and other miscellaneous expenses	44.26	38.04
	523.91	965.11

26.1 Auditors' remuneration (excluding taxes)

	Year ended 31st Mar 2020 INR In Lakhs	Year ended 31st Mar 2019 INR In Lakhs
As auditor:		
- Audit fees	3.29	3.00
Reimbursement of expenses	-	0.34
	3.29	3.34

27. Other comprehensive Income

	Year ended 31st Mar 2020 INR In Lakhs	Year ended 31st Mar 2019 INR In Lakhs
Items that will not be reclassified to statement of profit or loss		
Re-measurements of defined benefit plans	10.33	1.78
	10.33	1.78

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28. Earnings per share (EPS)

	Particulars	31st March 2020	31st March 2019
I	(Loss) / profit computation for both basic and diluted earnings per share of INR 10 each Net (loss) / profit as per the statement of profit and loss available for equity shareholders (INR in Lakhs)	**(159.40)**	33.84
II	Weighted average number of equity shares for earnings per share computation A) For basic earnings per share B) For diluted earnings per share		
	No. of shares for basic EPS as per IIA	**15,215,200**	15,215,200
	Add: Weighted average outstanding employee stock options deemed to be issued for no consideration		-
	No. of shares for diluted earnings per share	**15,215,200**	15,215,200
III	Earnings per share in Rupees (Weighted average) Basic (INR) and Diluted (INR)	**(1.05)**	0.22

29. Employee benefits

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

The following table summarizes 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 and provident fund plan.

(INR in Lakhs)

	Particulars	2019-2020 (Gratuity)	2018-2019 (Gratuity)
I	**Changes in the present value of the defined benefit obligation are as follows:**		
	1. Defined Benefit Obligation, Beginning of Period	**128.56**	111.37
	2. Interest cost	**9.11**	8.45
	3. Service cost	**13.35**	9.64
	4. Liability Transferred In/ Acquisitions	-	8.23
	5. Actual Plan Participants' Contributions	-	-
	6. Total Actuarial (Gains)/Losses	-	-
	a) Effect of change in Financial Assumptions	**4.16**	2.31
	b) Effect of Change in Demographic Assumptions	-	0.67
	c) Experience (Gains)/Losses	**6.51**	(0.06)
	7. Changes in Foreign Currency Exchange Rates	-	-
	8. Acquisition/Business Combination /Divestiture	-	-
	9. Benefits paid	**(17.82)**	(12.04)
	10. Past Service Cost	-	-
	11. Losses / (Gains) on Curtailments / Settlements	-	-
	12. Defined benefit Obligation, End of Period	**143.89**	128.56

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29. Employee benefits (contd...)

(INR in Lakhs)

	Particulars	2019-2020 (Gratuity)	2018-2019 (Gratuity)
II	**Changes in the fair value of plan assets are as follows:**		
	1. Fair value of plan assets at the beginning of the period	**132.98**	126.10
	2. Interest Income	**9.43**	9.57
	3. Contributions by the employer	-	-
	4. Expected contribution by the employees	-	-
	5. Assets Transferred In/Acquisitions	-	8.23
	6.(Assets Transferred Out/Divestments)	-	-
	7.(Benefits paid from the Fund)	**(17.82)**	(12.04)
	8. (Assets Distributed on Settlements)	-	-
	9. Effects of Asset Ceiling	-	-
	10. The effect of Changes In foreign Exchange Rates	-	-
	11. Return on Plan Assets, Excluding Interest Income	**0.34**	1.13
	12. Fair value of plan assets at the end of the Period	**144.94**	132.98
III	**Expenses Recognized in the Statement of Profit or Loss for Current Period**		
	1. Current Service Cost	**13.35**	9.64
	2. Net Interest Cost	**(0.31)**	(1.12)
	3. Past Service Cost	-	-
	4. (Expected Contributions by the Employees)	-	-
	5. (Gains)/Losses on Curtailments And Settlements	-	-
	6. Net Effect of Changes in Foreign Exchange Rates	-	-
	7. Expenses Recognized	**13.04**	8.53
IV	**Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period**		
	1. Actuarial (Gains)/Losses on Obligation For the Period	**10.67**	2.92
	2. Return on Plan Assets, Excluding Interest Income	**(0.34)**	(1.13)
	3. Change in Asset Ceiling	-	-
	4. Net (Income)/Expense For the Period Recognized in OCI	**10.33**	1.78
V	**Maturity Analysis of the Benefit Payments: From the Fund**		
	1. Projected Benefits Payable in Future Years From the Date of Reporting		
	1st Following Year	**24.62**	31.07
	2nd Following Year	**18.73**	14.40
	3rd Following Year	**34.87**	18.54
	4th Following Year	**14.41**	27.60
	5th Following Year	**10.27**	10.74
	Sum of Years 6 To 10	**48.18**	38.07
	Sum of Years 11 and above	**48.20**	38.23
VI	**Sensitivity Analysis**		
	Projected Benefit Obligation on Current Assumptions	**143.89**	128.56
	Delta Effect of +0.5% Change in Rate of Discounting	**(2.92)**	(2.31)
	Delta Effect of -0.5% Change in Rate of Discounting	**3.07**	2.42
	Delta Effect of +0.5% Change in Rate of Salary Increase	**3.01**	2.39
	Delta Effect of -0.5% Change in Rate of Salary Increase	**(2.89)**	(2.30)
	Delta Effect of +0.5% Change in Rate of Employee Turnover	**(0.43)**	(0.24)
	Delta Effect of -0.5% Change in Rate of Employee Turnover	**0.44**	0.25

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29. Employee benefits (contd...)

(INR in Lakhs)

	Particulars	2019-2020 (Gratuity)	2018-2019 (Gratuity)
VII	**Actuarial assumptions:**		
	1. Discount rate	**6.37%**	7.09%
	2. Expected rate of salary increase [Refer note (b) below]	**8.00%**	8.00%
	3. Mortality	**IALM (2006-08)**	IALM (2006-08)
	4. Attrition rate	**14.00%**	14.00%
	5. Rate of return on plan assets	**6.37%**	7.09%

The Company expects to contribute INR NIL (2018-2019: INR NIL) to gratuity in 2019-2020.

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

Sr. No.	Categories of Assets	% of holding	
		31st March 2020	31st March 2019
1	HDFC Standard Life Insurance Company Limited	**100%**	100%

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

Details of Defined Benefit Obligation Planned Assets and Experience Adjustments:

(INR in Lakhs)

Gratuity	19-20	18-19	17-18	16-17	15-16
Defined benefit obligation	**143.89**	128.56	111.37	107.78	101.41
Plan assets	**144.94**	132.98	126.10	115.51	112.64
Surplus / (deficit)	**1.05**	4.42	14.73	7.72	11.23
Experience adjustments on plan liabilities	**6.51**	(0.06)	9.25	(6.03)	(0.24)
Experience adjustments on plan assets	**0.34**	1.13	2.61	0.06	1.15

Notes:

a) Amounts recognized as an expense and included in note 23:

Gratuity in "Contribution to provident and other funds" INR 13.04 Lakhs (2018-2019: INR 8.53 Lakhs).

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 plan:

Amount recognized as an expense and included in the note 23 – "Contribution to provident and other funds" of the statement of profit and loss INR 59.84 Lakhs (2018-19 : INR 44.00 Lakhs).

C. Other employee benefits:

Amounts recognized as an expense and included in note 23:
Leave encashment in "Salaries, wages and bonus" INR 38.95 Lakhs (2018-19: INR 29.29 Lakhs)

D. The net provision for leave encashment liability up to 31st March 2020 is INR 147.73 Lakhs (31st March 2019 : INR 129.05 Lakhs)

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30. Financial instruments

Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels 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 (INR in Lakhs)

	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Non-current investments	7	9.85	-	-	9.85	-	9.85	-	9.85
Loans – Non Current	4	-	-	0.95	0.95	-	0.95	-	0.95
Trade receivables: Non-current ***	3	-	-	330.46	330.46	-	330.46	-	330.46
Trade receivables : Current ***	3	-	-	-	-	-	1,527.97	-	1,527.97
Cash and cash equivalents***	9	-	-	135.23	135.23	-	-	-	-
Other bank balances***	10	-	-	111.39	111.39	-	-	-	-
Loans – Current***	4	-	-	30.73	30.73	-	-	-	-
Other financial assets – Current***	11	-	-	0.11	0.11	-	-	-	-
Total		**9.85**	**-**	**608.87**	**618.72**	-	**1,869.23**	**-**	**1,869.23**
Financial liabilities									
Borrowings : Non-Current ***	14	-	-	1,141.92	1,141.92	-	1,141.92	-	1,141.92
Borrowings : Current***	14	-	-	-	-	-	-	-	-
Trade payables***	17	-	-	2,083.48	2,083.48	-	-	-	-
Other Current financial liabilities – Current***	18	-	-	233.80	233.80	-	-	-	-
Lease liabilities : Non-Current ***	15	-	-	24.81	24.81	-	-	-	-
Lease liabilities : Current– ***	15	-	-	69.00	69.00	-	-	-	-
Total		-	-	**3,553.01**	**3,553.01**	**-**	**1,141.92**	**-**	**1,141.92**

As at 31st March 2019 (INR in Lakhs)

	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets									
Non-current investments	7	9.85	-	-	9.85	-	9.85	-	9.85
Loans – Non Current	4	-	-	1.20	1.20	-	1.20	-	1.20
Trade receivables: Non-current ***	3	-	-	1,062.06	1,062.06	-	1,062.06	-	1,062.06
Trade receivables : Current ***	3	-	-	-	-	-	2,599.94	-	2,599.94
Cash and cash equivalents***	9	-	-	36.73	36.73	-	-	-	-
Other bank balances***	10	-	-	165.35	165.35	-	-	-	-
Loans – Current***	4	-	-	31.72	31.72	-	-	-	-
Other financial assets – Current***	11	-	-	1.59	1.59	-	-	-	-
Total		**9.85**	**-**	**1,298.65**	**1,308.50**	-	**3,673.05**	**-**	**3,673.05**
Financial liabilities									
Borrowings : Non-Current ***	14	-	-	1,146.64	1,146.64	-	1,146.64	-	1,146.64
Borrowings : Current***	14	-	-	-	-	-	1,406.88	-	1,406.88
Trade payables***	17	-	-	2,367.98	2,367.98	-	-	-	-
Other Current financial liabilities – Current***	18	-	-	199.80	199.80	-	-	-	-
Total		-	-	**3,714.42**	**3,714.42**	**-**	**2,553.52**	**-**	**2,553.52**

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

30. Financial instruments (contd...)

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
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 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. The Board of Directors are 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.

(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 and investment securities.

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.

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30. Financial instruments (contd...)

Cash and cash equivalents

The Company held cash and cash equivalents of INR 135.23 Lakhs as at 31st March 2020 (as at 31st March 2019: 36.73 Lakhs). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Other bank balances

The Company held other bank balances equivalents of INR 111.39 Lakhs as at 31st March 2020 (as at 31st March 2019: INR 165.35 Lakhs). The other bank balances are mainly surplus fund invested in bank fixed deposits and margin money against bank guarantees issued by bank on our behalf.

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Other financial assets

Other financial assets mainly comprises of tender deposits and security deposits which are given to customers or other governmental agencies in relation to contracts executed and are assessed by the Company for credit risk on a continuous basis.

(iii) Liquidity risk

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

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

Exposure to liquidity risk

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

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30. Financial instruments (contd...)

As at 31st March 2020

(INR in Lakhs)

	Contractual cash flows					
	Carrying amount	Total	Up to 1 year	1-3 years	3-5 years	More than 5 years
Non- derivative financial liabilities						
(i) Borrowing : Non-Current*	1,141.92	1,141.92	-	-	-	1,141.92*
(ii) Lease liabilities : Non-Current	24.81	24.81	24.81	-	-	-
Total (a)	**1,166.73**	**1,166.73**	**24.81**	-	-	**1,141.92**
Current Financial liabilities						
(i) Borrowings : Current	-	-	-			
(ii) Trade payables	2,083.48	2,083.48	2,083.48			
(iii) Other financial liabilities	233.80	233.80	233.80			
(iv) Lease liabilities : Current	69.00	69.00	69.00			
Total (b)	**2,386.28**	**2,386.28**	**2,386.28**			
Total (a)+(b)	**3,553.01**	**3,553.01**	**2,411.09**			**1,141.92**

As at 31st March 2019

(INR in Lakhs)

	Contractual cash flows					
	Carrying amount	Total	Up to 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
(i) Borrowing : Non-Current*	1,146.64	1,146.64	-	-	-	1,146.64*
Total (a)	**1,146.64**	**1,146.64**	-	-	-	**1,146.64**
Current Financial liabilities						
(i) Borrowings : Current	1,406.88	1,406.88	1,406.88	-	-	-
(ii) Trade paya bles	2,367.98	2,367.98	2,367.98	-	-	-
(iii) Other financial liabilities	199.80	199.80	199.80	-	-	-
Total (b)	**3,974.66**	**3,974.66**	**3,974.66**	-	-	-
Total (a)+(b)	**5,121.30**	**5,121.30**	**3,974.66**	-	-	**1,146.64**

*It's exclusive of interest. Refer Note. 14

Interest rate risk

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

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30. Financial instruments (contd...)

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.

(INR in Lakhs)

	As at 31st March 20 INR in Lakhs	As at 31st March 19 INR in Lakhs
Fixed rate loan		
Financial liabilities - measured at amortised cost		
Long term Borrowing	**1,141.92**	1,146.64
Short term borrowings	-	1,336.81
Total (a)	**1,141.92**	2,483.45
Variable rate loan		
Financial liabilities - measured at amortised cost		
Short term borrowings	-	70.07
Total (b)	-	70.07
Total (a + b)	**1,141.92**	2,553.52

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

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

(INR in Lakhs)

	31st March 2020		31st March 2019	
	Increase	Decrease	Increase	Decrease
	(-)	+	(-)	+
	INR in Lakhs	INR in Lakhs	INR in Lakhs	INR in Lakhs
1% Movement	-	-	(0.700)	0.700

(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. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

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31. Disclosure as per IND AS 115

a) The Company undertakes Engineering, Procurement and Construction business. The type of work in the contracts with the customers involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc. The effect of initially applying Ind AS 115 on the Company's revenue from contracts with customers is described in Note 1.8H.

b) Disaggregation of revenue from contracts with customers - Refer Note 20.

c) Contract balances

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

(INR in Lakhs)

Particulars	31st March 2020	31st March 2019
Receivables which are included in Trade and other receivables		
Contract assets		
- Amount due from customers on construction contract		
- Accrued value of work done net off provision	-	-
Contract liabilities		
- Amount due to customers under construction contracts	-	-
- Advance from customers (contract liability)	**27.59**	57.28

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

d) Performance obligation

The Company undertakes Engineering, Procurement and Construction business. The type of work in the contracts with the customers involve selling of construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc.

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.

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31. Disclosure as per IND AS 115 (contd...)

d) Performance obligation (contd...)

If estimated incremental costs on any contract, are greater than the net contract revenues, the Company recognises the entire estimated loss in the period the loss becomes known. Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

Interest income is recognised using the effective interest method.

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

Revenue 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 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 at 31st March 2019:

(INR in Lakhs)

Particulars	31st March 2020	31st March 2019
Contract price of the revenue recognised	**2,860.01**	3,281.87
Add: Performance bonus	-	-
Add: Incentives	-	-
Less: Liquidated damages	-	-
Revenue recognised in the Statement of Profit and Loss	**2,860.01**	3,281.87

32. Segment Information:

The Company's only business being engineering of water treatment plants, disclosure of segment-wise information is not applicable under Ind AS-108 - 'Operating Segments'. There is no geographical segment to be reported since all the operations are undertaken in India.

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33. Related party disclosures (As identified by the management):

Where Control Exists	
a) Holding Company	Ion Exchange (India) Limited
Others:	
b) Associates	Astha Technical Services Limited**
c) Fellow subsidiaries	Global Composites And Structurals Limited Ion Exchange Enviro Farms Limited Ion Exchange Environment Management Ltd. (Formerly Known as Ion Exchange Waterleau Limited)
d) Key management personnel	Mr. Rajesh Sharma – Director Mr. Mahabir Patni– Chairman
e) Relatives of key management Personnel	Mr. Ankur Patni – Son of Mr. Mahabir Patni Mr. Dinesh Sharma - Brother of Mr. Rajesh Sharma

**Astha Technical Services Limited merged with Total Water Management Services (India) Limited, w.e.f. 1st April 2017. (Refer Note 7)

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33. Related party disclosures (As identified by the management *(contd...)*:

Transactions during the year with related parties except entity having significant influence with outstanding balances as at year-end:

(INR in Lakhs)

Nature of transactions	Party referred to in (a)		Party referred to in (b) & (c)		Party referred to in (d) & (e)		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Sale of goods								
Ion Exchange (India) Limited	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-
Project management services rendered								
Ion Exchange (India) Limited	**2,794.22**	2,936.79	-	-	-	-	**2,794.22**	2,936.79
TOTAL	**2,794.22**	2,936.79	-	-	-	-	**2,794.22**	2,936.79
Purchase of goods and services								
Ion Exchange (India) Limited	**0.14**	6.55	-	-	-	-	**0.14**	6.55
Global Composites and Structurals Limited	-	-	-	6.54	-	-	-	6.54
Ion Exchange Enviro Farms Limited	-	-	-	-	-	-	-	-
Astha Technical Services Ltd. **	-	-	-	-	-	-	-	-
TOTAL	**0.14**	6.55	-	6.54	-	-	**0.14**	13.09
Service charges								
Ion Exchange (India) Limited	**61.47**	60.98	-	-	-	-	**61.47**	60.98
TOTAL	**61.47**	60.98	-	-	-	-	**61.47**	60.98
Interest on loan								
Ion Exchange (India) Limited	**374.40**	463.60		-		-	**374.40**	463.60
TOTAL	**374.40**	463.60		-		-	**374.40**	463.60
Other expenses								
Rental expenses								
Ion Exchange (India) Limited	**73.97**	67.34		-		-	**73.97**	67.34
TOTAL	**73.97**	67.34		-		-	**73.97**	67.34
Guarantee Commission								
Ion Exchange (India) Limited	**27.84**	28.58		-		-	**27.84**	28.58
TOTAL	**27.84**	28.58		-		-	**27.84**	28.58
Remuneration								
Mr. Mahabir Prasad Patni		-		-	**95.58**	90.72	**95.58**	90.72
TOTAL		-		-	**95.58**	90.72	**95.58**	90.72

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33. Related party disclosures (As identified by the management *(contd...)*:

(INR in Lakhs)

Nature of transactions	Party referred to in (a)		Party referred to in (b) & (c)		Party referred to in (d) & (e)		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Director sitting fees								
Mr. Rajesh Sharma	-	-	-	-	**1.25**	1.25	**1.25**	1.25
Mr. Ankur Patni	-	-	-	-	**1.00**	1.25	**1.00**	1.25
Mr. Dinesh Sharma	-	-	-	-	**1.00**	1.00	**1.00**	1.00
Mr. T. M. M. Nambiar	-	-	-	-	**1.35**	1.45	**1.35**	1.45
Dr. V N Gupchup	-	-	-	-	**1.45**	1.55	**1.45**	1.55
Mr. Abhiram Seth	-	-	-	-	**1.45**	1.20	**1.45**	1.20
Mr. Ramendra Gupta	-	-	-	-	**1.45**	1.55	**1.45**	1.55
TOTAL	-	-	-	-	**8.95**	9.25	**8.95**	9.25
Loans received								
Ion Exchange (India) Limited	**4,164.75**	2,799.39	-	-	-	-	**4,164.75**	2,799.39
TOTAL	**4,164.75**	2,799.39	-	-	-	-	**4,164.75**	2,799.39
Loans repaid								
Ion Exchange (India) Limited	**4,699.98**	3,885.55	-	-	-	-	**4,699.98**	3,885.55
TOTAL	**4,699.98**	3,885.55	-	-	-	-	**4,699.98**	3,885.55
Advances given								
Global Composites and Structurals Limited	-	-	-	-	-	-	-	-
ION EXCHANGE INDIA LIMITED	-		-	-	-	-	-	
TOTAL	-		-	-	-	-	-	
Advances settled								
Global Composites and Structurals Limited	-		-	-	-	-	-	
ION EXCHANGE INDIA LIMITED	-		-	-	-	-	-	
TOTAL	-		-	-	-	-	-	
Outstanding Receivable (net of Payable)								
ION EXCHANGE ENVIRONMENT MANAGEMENT LTD.	**25.95**	25.95	-	-	-	-	**25.95**	25.95
TOTAL	**25.95**	25.95	-	-	-	-	**25.95**	25.95
Outstanding payables (net of receivables)								
Ion Exchange (India) Limited	**1,175.08**	1,127.16		-	-	-	**1,175.08**	1,127.16
Global Composites and Structurals Limited	-		**60.14**	60.14	-	-	**60.14**	60.14
ION EXCHANGE ENVIRONMENT MANAGEMENT LTD.	-	-	**3.34**	3.34	-	-	**3.34**	3.34
TOTAL	**1,175.08**	1,127.16	**63.48**	63.48	-	-	**1,238.56**	1,190.65

33. Related party disclosures (As identified by the management *(Contd...)*:

(INR in Lakhs)

Nature of transactions	Party referred to in (a)		Party referred to in (b) & (c)		Party referred to in (d) & (e)		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Outstanding loans and advances payable								
Ion Exchange (India) Limited	**1,141.92**	2,483.46	-	-	-	-	**1,141.92**	2,483.46
TOTAL	**1,141.92**	2,483.46	-	-	-	-	**1,141.92**	2,483.46
Corporate Guarantee Taken								
Ion Exchange (India) Limited	**2,784.00**	2,784.00	-	-	-	-	**2,784.00**	2,784.00
TOTAL	**2,784.00**	2,784.00	-	-	-	-	**2,784.00**	2,784.00

34. Right-of-use assets

Effective 1st April 2019 the Company has adopted Ind AS 116 "Leases" and applied to lease contracts existing on 1st April 2019 by electing "modified retrospective approach". 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 INR 150.86 Lakhs and a lease liability of INR. 154.68 Lakhs. The cumulative effective of applying the standard resulted in adjusting the retained earnings as at 1st April 2019 with INR 3.82 Lakhs. Further WDV of Building of INR 150.86 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

INR in Lakhs

Particulars	Amount
Short-term lease expense	5.88
Low value lease expense	-
Total lease expenses	**5.88**

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

INR in Lakhs

Particulars	Amount
Repayment of lease liabilities	73.97
Interest on lease liabilities	13.10
Short-term lease expense	5.88
Low value lease expense	-
Total cash outflow on leases	**92.95**

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

INR in Lakhs

Particulars	Amount
Current lease liabilities	69.00
Non-current lease liabilities	24.81
Total	**93.81**

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34. Right-of-use assets (contd..)

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

INR in Lakhs

Particulars	Amount
Balance at the beginning	-
Additions	150.86
Finance cost accrued during the period	13.10
Transition impact	3.82
Deletions	-
Payment of lease liabilities	-73.97
Balance at the end	93.81

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

INR in Lakhs

Particulars	Amount
Less than one year	73.97
One to five year	101.57
More than five year	-
Total	**175.54**

35. Capital and other commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account not provided for is INR 0.45 Lakhs (2018-2019 : INR 4.36 Lakhs).

36. Contingent liabilities

(INR in Lakhs)

	31st March 2020	31st March 2019
Demand raised by West Bengal sales tax authorities in respect of sales tax 2012-13 against which company has filed an appeal	-	-
Demand Raised by West Bengal sales tax authorities in respect of 2013-2014 against which the company has filed an appeal	**6.21**	6.21
Demand Raised by West Bengal sales tax authorities in respect of 2014-2015 against which the company has filed an appeal	**0.10**	6.42
Demand Raised by West Bengal sales tax authorities in respect of 2015-2016 against which the company has filed an appeal	**9.54**	9.57
Demand Raised by Jharkhand sales tax authorities in respect of 2011-2012 against which the company has filed an appeal	**45.70**	50.70
Demand Raised by Jharkhand sales tax authorities in respect of 2012-2013 against which the company has filed an appeal	**26.82**	30.82

Note :

1) The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges.

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37. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 (on the basis of the information and records available with Management)

(INR in Lakhs)

	31st March 2020	31st March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	**6.05**	18.47
Interest due on above	**0.12**	0.28
	6.17	18.75
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**1.69**	1.57
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

38. 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 in the subsequent financial years.

(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 plant and sewage treatment plant and the orders will be executed by the Company on project management charges (PMC).

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39. Tax Disclosures:

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

(INR in Lakhs)

Particulars	31st March 2020	31st March 2019
Deferred tax assets	-	-
Deferred tax liability	-	-
Net deferred tax liability	-	-

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 INR Nil 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 of specified business and unabsorbed depreciation

c. Unrecognized deductible temporary differences, unused tax losses and unused tax credit

(INR in Lakhs)

Particular	31st March 2020	31st March 2019
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the followings		
- Tax losses		
Unabsorbed depreciation and Business loss under Income-tax Act, 1961	**1,017.46**	959.85
- Deductible temporary differences		
Employee benefits	**8.76**	8.87
Difference between books depreciation and depreciation as Income -tax Act, 1961	**9.90**	9.26
Expenses allowed under section 35DD of Income-tax Act, 1961	**0.33**	1.81
Deferred tax Assets	**1,036.45**	979.79

40. 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.

41. Consequent to the government of India declaring a national lockdown on 24th March 2020, the business operations of the company were affected by way of interruption in supply chain disruption, unavailability of personnel etc.

However, pursuant to the permissions/directions received from the respective local government administration, the supply chain operations partially resumed during the lockdown period. Currently with the phase wise lifting of the lockdown our offices at most of the locations are functional and are following enhanced internal safety guidelines.

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, investments, 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.

Navi Mumbai 400 701.

42. ***Other matters***

Information with regard to other matters specified in Schedule III to Companies Act, 2013, 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

For and on behalf of the board of directors of
Ion Exchange Projects and Engineering Limited
CIN No. : U74200MH2011PLC216024

Navi Mumbai
400 701.

B. H. Dhupelia

Solanki

Sharma

MPatni

Bhavesh Dhupelia	**Hemant Jog**	**Nikisha Solanki**	**Rajesh Sharma**	**M. P. Patni**
Partner	*Chief financial officer*	Company Secretary	*Director*	*Whole Time Director*
Membership No: 042070			DIN: 00515486	DIN: 00515553
Mumbai	Mumbai	Mumbai	Mumbai	Mumbai
24 June 2020	24 June 2020	24 June 2020	24 June 2020	24 June 2020