



MOHAN NAGPURKAR & ASSOCIATES

CHARTERED ACCOUNTANTS

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Independent Auditor's Report

To the Members Total Water Management Services (India) Limited Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Total Water Management Services (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.



We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

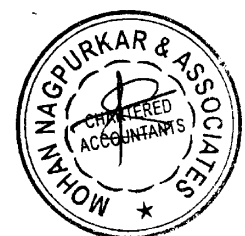
a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

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



f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

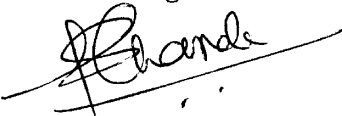
i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Mohan Nagpurkar & Associates
Chartered Accountants
Firm's registration number: 106524w



Santosh Chande
Partner
Membership number: 121365



Place: Mumbai

Date: 24.06.2020
UDIN:20121365AAAAAS2276

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Total Water Management Services (India) Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Total Water Management Services (India) Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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.

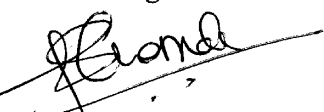
Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For Mohan Nagpurkar & Associates
Chartered Accountants
Firm's registration number: 106524w


Santosh Chande
Partner
Membership number: 121365
Place: Mumbai



Date: 24.06.2020
UDIN:20121365AAAAAS2276

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Total Water Management Services (India) Limited of even date)

i. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.

ii. The Company is in the business of providing consultancy services in the area of water management, treatment, recycling, pollution control, recovery of waste water, corrosion prevention, environment pollution abatement etc. and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us, the Company has granted loans to holding company or other parties, covered in the register maintained under section 189 of the Companies Act, 2013.

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.



vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

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

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

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

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its



directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Mohan Nagpurkar & Associates
Chartered Accountants
Firm's registration number: 106524w



Santosh Chande
Partner
Membership number: 121365



Place: Mumbai

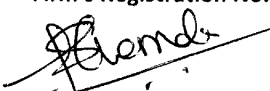
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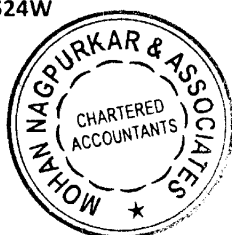
Total Water Management Services (India) Limited
Balance sheet as at 31st March 2020

	Notes	As at 31st March 2020 INR	As at 31st March 2019 INR
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	1,25,764	2,34,337
(b) Financial assets			
(i) Investments	3	20	20
(c) Deferred tax assets (Net)	4	33,86,387	40,61,709
(d) Non current tax assets	5	12,93,366	10,61,184
Total non-current assets		48,05,537	53,57,250
Current assets			
(a) Financial assets			
(i) Trade receivables	6	15,25,201	13,76,661
(ii) Cash and cash equivalents	7	3,07,398	3,73,665
(iii) Loans	8	45,000	35,000
(b) Current tax assets (Net)	5	3,99,837	1,93,832
(c) Other current assets	9	85,794	1,47,195
Total current assets		23,63,229	21,26,353
Total assets		71,68,766	74,83,603
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	10,88,940	10,88,940
(b) Other equity	11	54,95,978	37,01,603
Total equity		65,84,918	47,90,543
Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	3,95,975	25,15,532
(b) Other current liabilities	13	1,87,874	1,77,527
Total current liabilities		5,83,849	26,93,059
Total liabilities		5,83,849	26,93,059
Total equity and liabilities		71,68,766	74,83,603
Significant accounting policies	1		
See accompanying notes to the financial statements			

As per our report of even date

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


Santosh Chande
Partner
Membership no.: 121365



Place : Mumbai
Date : 24th June 2020

For and on behalf of the board of directors of
Total Water Management Services (India) Limited


Dinesh Sharma
Director


Dinesh Sadasivan
Director

Place : Mumbai
Date : 24th June 2020

Place : Mumbai
Date : 24th June 2020



Total Water Management Services (India) Limited
Statement of profit and loss for the year ended 31st March 2020

	Notes	Year ended 31st March 2020 INR	Year ended 31st March 2019 INR
Income			
Revenue from operations	14	45,91,832	19,85,916
Total Income		45,91,832	19,85,916
Expenses			
Finance costs	15	1,61,988	2,57,503
Depreciation and amortization	16	1,08,573	4,48,076
Other expenses	17	18,51,574	15,64,209
Total expenses		21,22,135	22,69,788
Profit before tax		24,69,697	(2,83,872)
Tax expense			
Current tax		-	-
Earlier Year		-	-
Deferred tax (Refer note 4)		6,75,323	7,99,187
Total tax expense		6,75,323	7,99,187
Profit after tax		17,94,375	(10,83,059)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(a) On account of Business Combination		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income		17,94,375	(10,83,059)
Earnings per equity share: [Nominal value of shares INR 10 (2019-20: INR 10)]			
Basic		16.48	(9.95)
Diluted		16.48	(9.95)

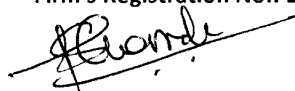
Significant accounting policies

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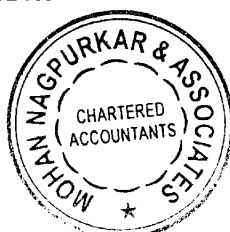
See accompanying notes to the financial statements

As per our report of even date

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



Santosh Chande
Partner
Membership no.: 121365

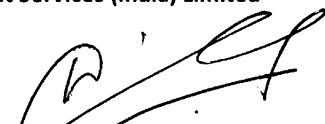


Place : Mumbai
Date : 24th June 2020

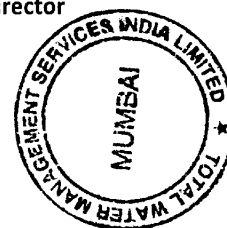
For and on behalf of the board of directors of
Total Water Management Services (India) Limited



Dinesh Sharma
Director



Dinesh Sadasivan
Director



Place : Mumbai
Date : 24th June 2020

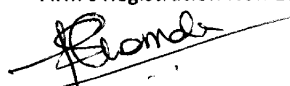
Total Water Management Services (India) Limited
Cash flow statement for the year ended 31st March 2020

	Year ended 31st March 2020 INR	Year ended 31st March 2019 INR
A. Cash flow from operating activities:		
Net profit before tax as per statement of profit and loss	24,69,697	(2,83,872)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	1,08,573	4,48,076
Finance cost	1,61,988	2,57,503
Interest received	-	-
Bad debts written off	-	-
Service Tax unclaimed ITC W/off	-	-
Amount set aside for liabilities, no longer required, written back	-	-
Cash generated from operations before working capital changes	27,40,258	4,21,707
Movements in working capital:		
(Increase) / Decrease in trade receivables	(1,48,540)	3,58,200
(Increase) / Decrease in non current tax assets	(2,32,182)	-
(Increase) / Decrease in other current tax asset	(2,06,005)	-
(Increase) / Decrease in loans and advances	(10,000)	15,000
(Increase) / Decrease in other current assets	61,401	82,906
(Decrease) / Increase in other liabilities	10,347	(14,40,514)
Cash generated from operations	22,15,280	(5,62,701)
Taxes (paid) / Refund received	-	(1,93,832)
Net cash generated from operating activities (A)	22,15,280	(7,56,533)
B. Cash flow from investing activities:		
Purchase of fixed assets	-	(2,02,650)
Interest received	-	-
Net cash used in investing activities (B)	-	(2,02,650)
C. Cash flow from financing activities:		
Proceeds from borrowings	(21,19,558)	3,77,727
Finance cost	(1,61,988)	(2,57,503)
Net cash generated / (used) in financing activities (C)	(22,81,546)	1,20,224
Net Increase in cash and cash equivalents (A)+(B)+(C)	(66,266)	(8,38,959)
Cash and cash equivalents acquired on merger of Astha Technical Services Ltd.	-	-
Cash and cash equivalents as at the beginning of the year	3,73,665	12,12,624
Cash and cash equivalents as at the end of the year	3,07,398	3,73,665

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow
- Purchase of fixed assets represents additions to property, plant and equipment, and other intangible assets adjusted for movement of capital-work-in-progress for property, plant and equipment
- Previous year's figures have been regrouped/reclassified wherever applicable

As per our report of even date
For Mohan Nagpurkar & Associates
Chartered Accountants
Firm's Registration No.: 106524W



Santosh Chande
Partner
Membership no.: 121365



Place : Mumbai
Date : 24th June 2020

For and on behalf of the board of directors of
Total Water Management Services (India) Lim

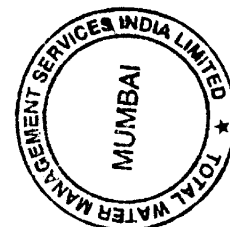


Dinesh Sharma
Director



Dinesh Sadasivan
Director

Place : Mumbai
Date : 24th June 2020



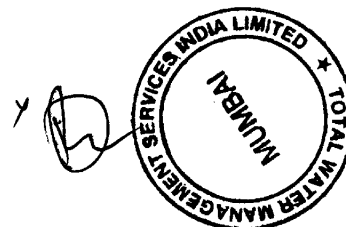
Total Water Management Services (India) Limited
Statement of changes in Equity for the year ended 31st March 2020

A. Equity share capital

	As at 31st March 2020		As at 31st March 2019	
	Number of shares	INR	Number of shares	INR
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Add : Shares issued as per scheme of Amalgamation	58,894	5,88,940	58,894	5,88,940
Issued, subscribed and fully paid up equity shares outstanding at the end of the period	1,08,894	10,88,940	1,08,894	10,88,940

B. Other equity

	Reserve and Surplus			Total other equity
	Capital reserve	General reserve	Retained earnings	
	INR	INR	INR	INR
Balance as at 1st April 2018	43,11,060	12,21,000	(7,47,397)	47,84,663
On account of amalgamation of Astha Technical Services	-	-	-	-
Profit for the year (a)	-	-	(10,83,059)	(10,83,059)
Other Comprehensive Income (b)	-	-	-	-
Total comprehensive income for the period (a+b)	43,11,060	12,21,000	(18,30,457)	37,01,603
Dividend paid for the previous year	-	-	-	-
Tax on Dividend paid for the previous year	-	-	-	-
Balance as at 31st March 2019	43,11,060	12,21,000	(18,30,457)	37,01,603
Profit for the year (c)	-	-	-	-
Other Comprehensive Income (d)	-	-	-	-
Total comprehensive income for the period (c+d)	43,11,060	12,21,000	(18,30,457)	37,01,603
Dividend paid for the previous year	-	-	-	-
Tax on Dividend paid for the previous year	-	-	-	-
Balance as at 31st March 2020	43,11,060	12,21,000	(18,30,457)	37,01,603



Total Water Management Services (India) Limited
Notes to Financial Statements for the year ended 31st March 2020

1. Significant accounting policies

1.1. Corporate Information

Total Water Management Services (India) Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are neither listed in any stock exchanges in India nor outside India. The Company is engaged in the field of providing consultancy in the area of water management, treatment, recycling, pollution control, recovery of waste water, corrosion prevention, environment pollution abatement and control. Further, it is also providing engineering and other services including design and drawings related with provision, use, circulation, reuse of water and environment pollution abatement and control. The company caters to both domestic and international market.

1.2. Basis of Preparation

a) Statement of compliance

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

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

b) Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the Company's functional currency.

c) Basis of measurement

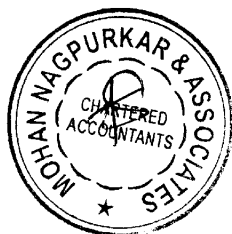
These financial statements have been prepared on a historical cost convention.

1.3. Use of estimates

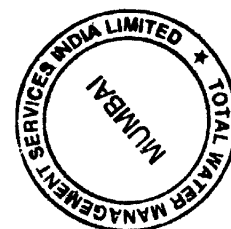
The preparation of the standalone financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2018 is as follows:

a) Property, plant and equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be 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.



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Total Water Management Services (India) Limited
Notes to Financial Statements for the year ended 31st March 2020

1. Significant accounting policies (contd...)

1.4. Measurement of fair values

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

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

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

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

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

1.5. 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	15 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipments	3 – 5 years

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

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

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

b) Impairment

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



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Total Water Management Services (India) Limited
Notes to Financial Statements for the year ended 31st March 2020

1. Significant accounting policies (contd...)

c) **Foreign currency transactions**

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

d) **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 debt instruments, equity investments, trade and other receivables, loans, cash and bank balances and derivative financial instruments.

(ii) Subsequent measurement

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

a) At 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) Equity investments

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

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

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

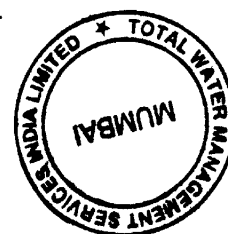
However, the Company may transfer the cumulative gain or loss within equity.

(iv) Impairment of financial assets

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.



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Total Water Management Services (India) Limited
Notes to Financial Statements for the year ended 31st March 2020

1. Significant accounting policies (contd..)

(v) 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.

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 etc.

(ii) Subsequent measurement

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.

(iii) De-recognition

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

e) Revenue recognition

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

Income from Services:

Revenue from Consultancy services are recognized pro-rata over the period of the contract as and when services are rendered.

Interest:

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

f) 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 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. If the Company has unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.



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Total Water Management Services (India) Limited
Notes to Financial Statements for the year ended 31st March 2020

1. Significant accounting policies (contd..)

g) Contingent Liabilities

Contingent Liabilities are disclosed when the company has possible or present obligation and it is probable that cash outflow will not be required to settle that obligation.

h) 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.

i) Segment reporting policies

The company operates in single segment of providing consultancy in the area of water management, treatment, recycling, pollution control, recovery of waste water, corrosion prevention, environment pollution abatement and control. Further, it is also providing engineering and other services including design and drawings related with provision, use, circulation, reuse of water and environment pollution abatement and control. Hence Ind AS 108 on segment reporting is not applicable.

j) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand.

k) 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.

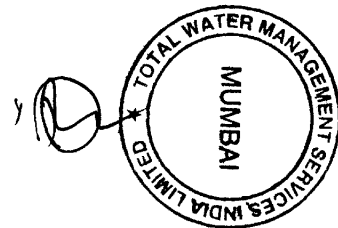


Total Water Management Services (India) Limited
Statement of changes in Equity for the year ended 31st March 2020

2. Property, plant and equipment

INR

	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Total
Gross block					
As at 1st April 2019	3,89,988	1,24,090	35,450	2,13,080	7,62,608
Addition during the year	-	-	-	-	-
Disposal during the year					
As at 31st March 2020	3,89,988	1,24,090	35,450	2,13,080	7,62,608
Depreciation / Amortisation					
As at 1st April 2019	3,89,988	1,24,090	-	14,193	5,28,271
Depreciation during the year	-	-	-	1,08,573	1,08,573
Disposal during the year					
As at 31st March 2020	3,89,988	1,24,090	-	1,22,766	6,36,844
Net carrying value as at 31st March 2020	-	-	35,450	90,314	1,25,764
Gross block					
As at 1st April 2018	3,89,988	1,24,090	35,450	10,430	5,59,958
Addition during the year	-	-	-	2,02,650	2,02,650
Disposal during the year					
As at 31st March 2019	3,89,988	1,24,090	35,450	2,13,080	7,62,608
Depreciation / Amortisation					
As at 1st April 2018	28,681	41,084	-	10,430	80,195
Depreciation during the year	3,61,307	83,006	-	3,763	4,48,076
Deduction during the year					
As at 31st March 2019	3,89,988	1,24,090	-	14,193	5,28,271
Net carrying value as at 31st March 2019	-	-	35,450	1,98,887	2,34,337



Total Water Management Services (India) Limited
Notes to financial statements for the year ended 31st March 2020 (contd.)

3. Non-current investments

	As at 31st March 2020		As at 31st March 2019	
	Units	INR	Units	INR
At cost in equity shares of subsidiaries				
Unquoted, fully paid-up				
Aqua Investments (India) Limited of INR 10 each	1	10	1	10
Watercare Investments (India) Limited of INR 10 each	1	10	1	10
		20		20

4. Deferred tax assets (Net)

As at 31st March 2020

INR

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance	Deferred tax asset	Deferred tax liabilities
Deferred tax assets/(liabilities)						
Property, plant and equipment	2,01,308	-	-	2,01,308	2,01,308	-
Trade Receivables	2,38,496	-	-	2,38,496	2,38,496	-
Loans and borrowings	-	-	-	-	-	-
Retention money	-	-	-	-	-	-
Other items	36,21,905	(6,75,323)	-	29,46,582	29,46,582	-
Tax assets/(liabilities)	40,61,709	(6,75,323)	-	33,86,387	33,86,387	-
Set off tax	-	-	-	-	-	-
Net tax assets/(liabilities)	40,61,709	(6,75,323)	-	33,86,387	33,86,387	-

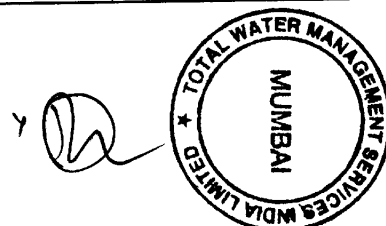
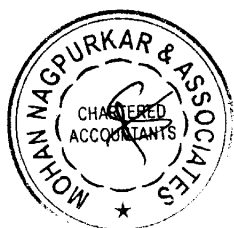
As at 31st March 2019

INR

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance	Deferred tax asset	Deferred tax liabilities
Deferred tax assets/(liabilities)						
Property, plant and equipment	2,01,308	-	-	2,01,308	2,01,308	-
Trade Receivables	2,38,496	-	-	2,38,496	2,38,496	-
Loans and borrowings	-	-	-	-	-	-
Retention money	-	-	-	-	-	-
Other items	44,21,092	(7,99,187)	-	36,21,905	36,21,905	-
Tax assets/(liabilities)	48,60,897	(7,99,187)	-	40,61,709	40,61,709	-
Set off tax	-	-	-	-	-	-
Net tax assets/(liabilities)	48,60,897	(7,99,187)	-	40,61,709	40,61,709	-

5. Tax assets

	Non-current		Current	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
	INR	INR	INR	INR
Income tax paid	12,93,366	10,61,184	3,99,837	1,93,832
	12,93,366	10,61,184	3,99,837	1,93,832



Total Water Management Services (India) Limited
Notes to financial statements for the year ended 31st March 2020 (contd.)

6. Trade receivables

	Non-current		Current	
	As at 31st March 2020 INR	As at 31st March 2019 INR	As at 31st March 2020 INR	As at 31st March 2019 INR
Trade receivables				
(a) Unsecured, considered good	-	-	15,25,201	13,76,661
(b) Unsecured, considered doubtful	9,26,199	9,26,199	-	-
	9,26,199	9,26,199	15,25,201	13,76,661
Less: Provision for unsecured doubtful debts	9,26,199	9,26,199	-	-
	-	-	15,25,201	13,76,661

7. Cash and cash equivalents

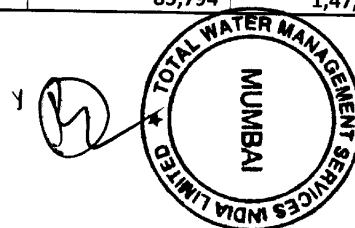
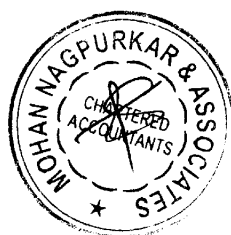
	As at 31st March 2020 INR	As at 31st March 2019 INR
Balances with banks		
On current accounts	3,07,398	3,73,665
Cash on hand	-	-
	3,07,398	3,73,665

8. Loans

	Non-current		Current	
	As at 31st March 2020 INR	As at 31st March 2019 INR	As at 31st March 2020 INR	As at 31st March 2019 INR
Tender, security and other deposits				
(a) Unsecured, considered good	-	-	45,000	35,000
(b) Unsecured, considered doubtful	-	-	-	-
	-	-	45,000	35,000
Less: Provision for doubtful deposits	-	-	-	-
(A)	-	-	45,000	35,000
Loans and advances to related parties				
(a) Unsecured, considered good	-	-	-	-
(b) Unsecured, considered doubtful	-	-	-	-
	-	-	-	-
Less: Provision for doubtful advances	-	-	-	-
(B)	-	-	-	-
(A+B)	-	-	45,000	35,000

9. Other non current assets

	Non-current		Current	
	As at 31st March 2020 INR	As at 31st March 2019 INR	As at 31st March 2020 INR	As at 31st March 2019 INR
Balance with statutory authorities	-	-	85,794	1,47,195
	-	-	85,794	1,47,195



Total Water Management Services (India) Limited

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

10. Equity share capital

	As at 31st March 2020		As at 31st March 2019	
	No of shares	INR	No of shares	INR
Authorised capital				
Equity shares of INR 10 each.	5,50,000	55,00,000	5,50,000	55,00,000
Issued, subscribed and fully paid-up capital				
Equity shares of INR 10 each.	1,08,894	10,88,940	1,08,894	10,88,940
		10,88,940		10,88,940

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

	As at 31st March 2020		As at 31st March 2019	
	No of shares	INR	No of shares	INR
At the beginning of the year	50,000	5,00,000	50,000	5,00,000
Add : Shares issued as per scheme of Amalgamation	58,894	5,88,940	58,894	5,88,940
At the end of the period	1,08,894	10,88,940	1,08,894	10,88,940

(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.

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 shareholder

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

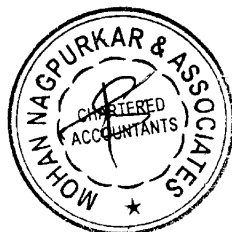
	As at 31st March 2020		As at 31st March 2019	
	No of shares	% holding	No of shares	% holding
Ion Exchange (India) Ltd.	65,618	60.26%	65,618	60.26%
Rockmen Marchent Ltd.	26,202	24.06%	26,202	24.06%
Ion Exchange Project and Engineering Ltd.	11,779	10.82%	11,779	10.82%

* 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.

	31st March 2020	31st March 2019
	<u>INR</u>	<u>INR</u>
Shares issued as per scheme of Amalgamation	5,88,940	5,88,940

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 2019 : 58894 share (Previous period of five years ended 31st March 2018 : 58894 share)



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Total Water Management Services (India) Limited

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

11. Other equity

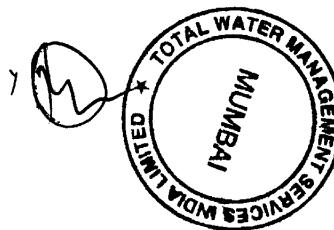
	As at 31st March 2020 INR	As at 31st March 2019 INR
General reserve		
Balance as at 1 April 2019	12,21,000	12,21,000
	12,21,000	12,21,000
Capital reserve		
Balance as at 1 April 2019	43,11,060	43,11,060
	43,11,060	43,11,060
Retained earnings		
Balance as at 1 April 2019	(18,30,457)	(7,47,397)
Profit for the year	17,94,375	(10,83,059)
	(36,082)	(18,30,457)
	54,95,978	37,01,603

12. Borrowings - current

	As at 31st March 2020 INR	As at 31st March 2019 INR
Loans and Advances (payable on demand) (unsecured)		
- from related parties	3,95,975	25,15,532
- from others	-	-
	3,95,975	25,15,532
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	3,95,975	25,15,532
	3,95,975	25,15,532

13. Other current liabilities

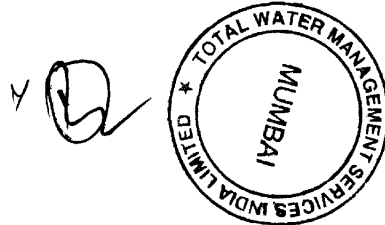
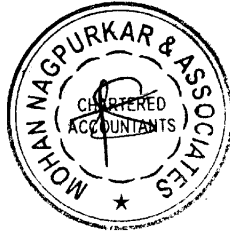
	As at 31st March 2020 INR	As at 31st March 2019 INR
Advance from customers	-	-
Statutory dues	1,03,915	94,569
Others liabilities	83,959	82,958
	1,87,874	1,77,527



Total Water Management Services (India) Limited
Notes to financial statements for the year ended 31st March 2020 (contd.)

14. Revenue from operations

	Year ended 31st March 2020 INR	Year ended 31st March 2019 INR
Revenue from operations		
Sale of services	45,91,832	19,85,916
Revenue from operations	45,91,832	19,85,916



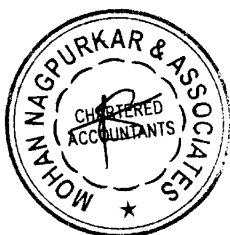
Total Water Management Services (India) Limited
Notes to financial statements for the year ended 31st March 2020 (contd.)

15. Finance costs

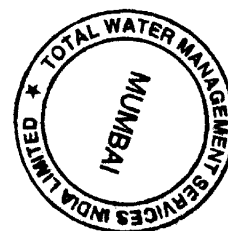
	Year ended 31st March 2020 INR	Year ended 31st March 2019 INR
Interest expense financial liabilities measured at amortised cost	1,61,988	2,57,503
	1,61,988	2,57,503

16. Depreciation and amortisation expense

	Year ended 31st March 2020 INR	Year ended 31st March 2019 INR
Depreciation of plant and equipment (Refer note 1.5)	1,08,573	4,48,076
	1,08,573	4,48,076



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Total Water Management Services (India) Limited
Notes to financial statements for the year ended 31st March 2020 (contd.)

17. Other expenses

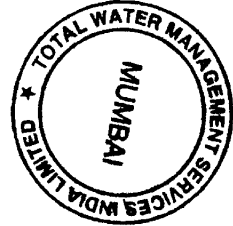
	Year ended 31st March 2020 INR	Year ended 31st March 2019 INR
Analytical Testing Charges	1,02,000	29,250
Car Hire Charges	-	2,300
Travelling and conveyance	6,85,493	1,33,600
Bank Charges	2,656	6,616
Printing & Stationery	-	31,959
Lease Rental	-	4,86,186
Payment to auditor (Refer details below)	20,000	20,000
Rates & Taxes	37,605	35,536
Professional Fees	9,77,832	7,89,528
Data Processing Charges	25,988	23,625
Car Insurance	-	5,533
Miscellaneous expenses	-	76
	18,51,574	15,64,209

17.1 Auditors' remuneration (excluding taxes)

	Year ended 31st March 2020 INR	Year ended 31st March 2018 INR
As auditor:		
- Audit fees	20,000	10,000
- Tax audit fees	-	10,000
	20,000	20,000



(Handwritten signature)



Total Water Management Services (India) Limited
Notes to Financial Statements for the year ended 31st March 2020

18. 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

(INR)

	As at 31st March 2020			As at 31st March 2019		
	Carrying amount	Fair value		Carrying amount	Fair value	
		Level of input used in			Level of input used in	
		Level 1	Level 2		Level 1	Level 2
Financial assets – Non-Current	-	-	-	-	-	-
Financial assets - Current *						
At amortised cost						
Trade receivables	15,25,201			13,76,661		
Cash and cash equivalents	3,07,398			3,73,665		
Loans	45,000			35,000		
Financial liabilities - Current *						
Borrowings	3,95,975			25,15,532		

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

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 and liabilities measured at amortised cost	Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate.

C. Financial risk management

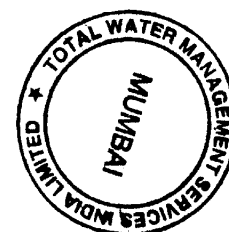
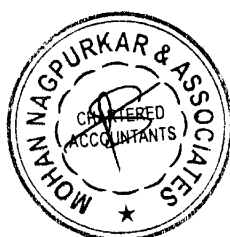
The Company has exposure to the following risks arising from financial instruments:

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

(i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

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



Total Water Management Services (India) Limited
Notes to Financial Statements for the year ended 31st March 2020

18. Financial instruments (contd..)

(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. Based on historical information about customer default rates management consider the credit quality of trade receivable that are not past due or impaired to be good.

Cash and cash equivalents

The Company held cash and cash equivalents of INR 3,07,398 as at 31st March 2020 (as at 31st March 2019: INR 3,73,665). The cash and cash equivalents are held with various bank.

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 counterparties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

(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.

Exposure to liquidity risk

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

As at 31st March 2020

(INR)

	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
(i) Borrowings	3,95,975	3,95,975	3,95,975	-	-	-
	3,95,975	3,95,975	3,95,975	-	-	-

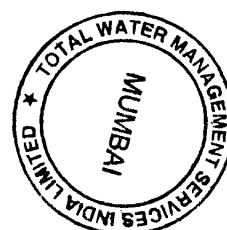
As at 31st March 2019

(INR)

	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
(i) Borrowings	25,15,532	28,17,396	28,17,396	-	-	-
	25,15,532	28,17,396	28,17,396	-	-	-

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.



Total Water Management Services (India) Limited
Notes to Financial Statements for the year ended 31st March 2020

18. 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.

	As at 31st March 2020 (INR)	As at 31st March 2019 (INR)
Fixed rate instruments		
Financial liabilities - measured at amortised cost		
Short term borrowings	3,95,975	25,15,532
	3,95,975	25,15,532

Fair value sensitivity analysis for fixed-rate instruments

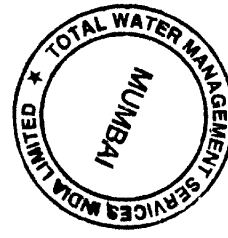
The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates (if any) at the reporting date would not affect profit or loss.

(iv) Market risk

The Company is not exposed to any currency risk since no business operations in other countries. The functional currency of the Company is Indian Rupee.

19. Earning per Share (EPS)

Particulars		31 st March 2020 (INR)	31 st March 2019 (INR)
I	Profit Computation for both Basic and Diluted Earnings per Share of INR 10 each Net Profit/(Loss) as per Profit and Loss Account available for Equity Shareholders	17,94,375	(10,83,059)
II	Weighted average number of equity shares for Earnings per Share computation		
	A) For Basic Earnings per Share	1,08,894	1,08,894
	B) For Diluted Earnings per Share		
	No. of shares for Basic EPS as per IIA	1,08,894	1,08,894
	Add: Weighted Average outstanding employee stock options deemed to be issued for no consideration	Nil	Nil
	No. of Shares for Diluted Earnings per Share	1,08,894	1,08,894
III	Earnings per Share in Rupees (Weighted Average)		
	Basic	16.48	(9.95)
	Diluted	16.48	(9.95)



Total Water Management Services (India) Limited
Notes to Financial Statements for the year ended 31st March 2020

20. Related Party Transactions

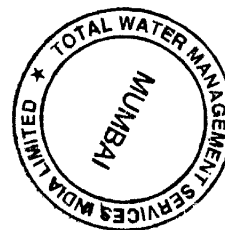
<u>Where control exists</u>		
a)	Holding Company	Ion Exchange (India) Limited
<u>Others</u>		
b)	Associates Company	Ion Exchange Project and Engineering Limited
c)	Key Management Personnel	Mr. Aankur Patni - Director
		Mr. Dinesh Sharma - Director
		Mr. Dinesh Sadasivan - Director

i. Transactions during the year with Related Parties

(INR)

Nature of transaction	Parties referred to in (a) above		Parties referred to in (b) and (c) above		Total	
	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019
Consultancy Services Rendered						
Ion Exchange (India) Limited	18,74,252	7,14,500	Nil	Nil	18,74,252	7,14,500
Ion Exchange Project and Engineering Limited	Nil	Nil	Nil	Nil	Nil	Nil
Total	18,74,252	7,14,500	NIL	NIL	18,74,252	7,14,500
Services Received *						
Ion Exchange (India) Limited	12,89,580	9,33,004	Nil	Nil	12,89,580	9,33,004
Total	12,89,580	9,33,004	Nil	Nil	12,89,580	9,33,004
Interest Expenses						
Ion Exchange (India) Limited	1,61,988	2,50,627	Nil	Nil	1,61,988	2,50,627
Total	1,61,988	2,50,627	Nil	Nil	1,61,988	2,50,627
Interest Income						
Ion Exchange (India) Limited	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil	Nil
ICD Repaid						
Ion Exchange (India) Limited	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil	Nil
Loans and Advances Taken						
Ion Exchange (India) Limited	23,80,382	2,03,392	Nil	Nil	23,80,382	2,03,392
Total	23,80,382	2,03,392	Nil	Nil	23,80,382	2,03,392
Loans and Advances Repaid						
Ion Exchange (India) Limited	44,99,940	8,13,538	Nil	Nil	44,99,940	8,13,538
Total	44,99,940	8,13,538	Nil	Nil	44,99,940	8,13,538
Outstanding (Payables)/Receivables						
Ion Exchange (India) Limited	3,95,975	25,15,532	Nil	Nil	3,95,975	25,15,532
Total	3,95,975	25,15,532	Nil	Nil	3,95,975	25,15,532
Outstanding Receivables (Net of payables) excluding loans and advances						
Ion Exchange (India) Limited	5,86,074	10,71,525	Nil	Nil	5,86,074	10,71,525
Total	5,86,074	10,71,525	Nil	Nil	5,86,074	10,71,525

*excludes taxes thereon as applicable



Total Water Management Services (India) Limited
Notes to Financial Statements for the year ended 31st March 2020

21. Other Amendments on the existing standard but not effective

A number of other accounting standards have been modified on miscellaneous issues with effect from April 1, 2019. Such changes include clarification/guidance on:

- a) Income tax consequences in case of dividends (Ind AS 12 – Income Taxes (amendments relating to income tax consequences of dividend));
- b) Accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities (Ind AS 12 – Income Taxes (amendments relating to uncertainty over income tax treatments));
- c) Accounting treatment for specific borrowings post capitalization of corresponding qualifying asset (Ind AS 23 – Borrowing Costs);
- d) Accounting for prepayment features with negative compensation in case of debt instruments (Ind AS 109 – Prepayment Features with Negative Compensation);
- e) Accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans (Ind AS 19 – Plan Amendment, Curtailment or Settlement);
- f) Ind AS 116 Leases - On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019.

It eliminates the classification of leases as either finance leases or operating leases for a lessee as required by Ind AS 17. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

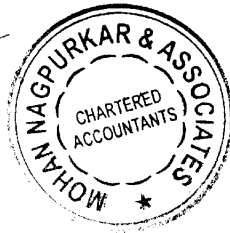
The Company's operating leases mainly relate to real estate assets such as house property which are on short term lease. The Company has completed its preliminary evaluation of the possible impact of Ind AS 116 and has concluded that the standard.

The above amendments will come into force from April 1, 2019. The company does not expect the effect of this on the financial statements to be material, based on preliminary evaluation. The Company does not have any leases during the financial year ended 31st March 2020.

22. Previous year figures have been regrouped / reclassified wherever necessary, to confirm to current year's classification.

As per our report of even date
For Mohan Nagpurkar & Associates
Firm registration No.106524W
Chartered Accountants

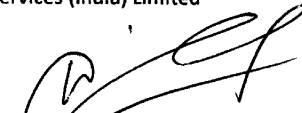

CA Santosh Chande
Partner
Membership No. 121365



Place : Mumbai
Date : 24th June 2020

For and on behalf of the board of directors of
Total Water Management Services (India) Limited


Dinesh Sharma
Director


Dinesh Sadasivan
Director

Place : Mumbai
Date : 24th June 2020

