

August 11, 2022

**To**

**BSE Limited**

The Corporate Relationship Dept.

P.J. Towers, Dalal Street

Mumbai-400 001

Scrip Code: 500214

**National Stock Exchange of India Limited**

Exchange Plaza, C-1, Block- G,

Bandra Kurla Complex, Bandra (East),

Mumbai-400 051

Symbol: IONEXCHANG

**Subject: 58<sup>th</sup> Annual Report for the Financial year 2021-22**

Dear Sir/Madam,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report for the year ended 31<sup>st</sup> March, 2022 containing Notice of the 58<sup>th</sup> Annual General Meeting (AGM) scheduled to be held on Thursday, 8<sup>th</sup> September, 2022 at 11.00 a.m. through Video Conference/ Other Audio-Visual Means (OAVM), in accordance, with various circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

The Annual Report along with the Notice of AGM is uploaded on the website of Company at [www.ionexchangeindia.com](http://www.ionexchangeindia.com).

Please take the same on record.

**Yours faithfully,**

**For Ion Exchange (India) Limited**



**Milind Puranik**

**Company Secretary**

Encl: a/a

# Sustainable Growth and Development



# Integrated Water Supply Project, Sri Lanka

The Sri Lankan Governmental Authority – National Water Supply & Drainage Board (NWSDB), awarded Ion Exchange a prestigious Integrated Water Supply Project which included designing, engineering, execution and O&M to help improve water supply in the remote areas of Aluthgama, Matugama and Agalawatta in the Kalutara district of Sri Lanka.

The objective of the project was to mitigate the major challenge of salinity in their drinking water supply system due to sea water ingress in the river during summer and also to expand the distribution network to cover larger population.

The scope of work included setting-up of new water intake, water treatment plant & rehabilitation of old plant, refurbishment of old intake, construction of reservoirs, transmission pipelines from reservoir to towers and distribution pipelines from the towers to the identified villages. The scheme is completely automated with remote controlling and SCADA. Ion Exchange also provided training, O&M and set up offices, workshops and staff quarters for the Water Board.

The intake system and water treatment plant were successfully completed and inaugurated by the Hon'ble President of Sri Lanka on 22<sup>nd</sup> March 2022. We hope to complete the balance residual work by end September 2022.



Ultra High Rate Solids Contact Clarifier (UHRSCC)  
Flow rate: 1500 m<sup>3</sup>/h



Cascade Aerator for UHRSCC  
Flow rate: 800 m<sup>3</sup>/h



Clarifier  
Capacity: 660 m<sup>3</sup>/h



Water Treatment Plant (WTP) pump house main MCC panel (APFC, VFD, AHF)





# Ion Exchange.....

## Driving Growth Sustainably

FY 2021-22 was a year where businesses were impacted by the second wave of the pandemic, supply chain disruptions and geopolitical upheavals. The successful rollout of the world's largest immunization program provided a much needed boost to business sentiments. As the world recovers and a clearer picture of the future emerges, it is now more than ever that 'Sustainability – social, economic and environmental' be embraced while conducting business.

At Ion Exchange, our sustainability strategy is embedded in the very core of our business i.e. to conserve the planet's most precious resources through total water and environment management solutions. We thereby contribute to the Sustainable Development Goals (SDGs) of our customers in India and across geographies we have served for over 58 years.

Thus, FY 2021-22 saw us adding significant value to seven of the SDGs we practice in our company through multiple projects we received in the Water Infrastructure sector. Offering turnkey engineering, procurement and construction solutions in addition to undertaking contracts on BOO/T basis, has enabled us to execute large infrastructure development projects. The former includes successful completion of raw water intake and water treatment plant of the USD 194 million Integrated Water Supply Project to National Water Supply & Drainage Board (NWSDB), Sri Lanka, consistent with our commitment towards SDG 6.

Consistent with SDG 9, our innovative, cutting-edge technologies will soon benefit a major Municipal Corporation to augment its existing water treatment plant for increased capacity and quality requirements. Our investment in privately managing and improving water infrastructure, its quality and services for a major industrial township in India which also includes revenue collection for supply of water services, has also received positive recognition from its beneficiaries and is testimony to our commitment to SDG 11. Further aligning our business activities with SDG 1, 5 and 6, our ongoing projects with State Water Supply and Sanitation Mission will enable us to cater to the water supply requirements of millions in the Varanasi and Aligarh districts of Uttar Pradesh.

Our growth during the year was achieved at a time when global economy continues to be affected by frequent disruptions in supply chain, logistic issues and increased prices of key inputs and raw materials. Against these headwinds and inflationary trends, we have begun FY 2022-23 with strong order book and good sales bookings. The increased demand for our products and services in international markets also augurs well for our growth. With committed efforts of our employees, channel partners and business associates we are confident to grow sustainably.

**BOARD OF DIRECTORS**

Mr. Rajesh Sharma	Chairman & Managing Director
Mr. Dinesh Sharma	Executive Director
Mr. Aankur Patni	Executive Director
Dr. V. N. Gupchup	Director
Mr. M. P. Patni	Director
Mr. T. M. M. Nambiar	Director
Mr. P. Sampath Kumar	Director
Mr. Abhiram Seth	Director
Mr. Shishir Tamotia	Director
Ms. Kishori J. Udeshi	Director
Mr. David Rasquinha	Additional Director

**SENIOR MANAGEMENT**

Mr. Rajesh Sharma	Chairman & Managing Director
Mr. Aankur Patni	Executive Director
Mr. Dinesh Sharma	Executive Director
Mr. Ajay A. Papat	President - Corporate Diversification, Technology & Marketing
Mr. N. M. Ranadive	Group Chief Financial Officer
Mr. Dinesh Sadasivan	President - Standard Systems, CSD & Services
Mr. S. V. Mehendale	Executive Vice President - Resin & Membrane Division
Mr. S. N. Iyengar	Executive Vice President - Medium Industry Segment
Mr. Vasant Naik	Executive Vice President - Finance

**COMPANY SECRETARY**

Mr. Milind Puranik

**REGISTRAR & SHARE TRANSFER AGENT & REGISTRAR FOR FIXED DEPOSITS**

M/s. TSR Consultants Private Limited

C-101, 1st Floor, 247 Park

Lal Bahadur Shastri Marg

Vikhroli (West) Mumbai – 400 083

Tel No.: 6656 8484

Fax No.: 6656 8494

Email: [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in)Website: [www.tcplindia.co.in](http://www.tcplindia.co.in)**REGISTERED OFFICE**

Ion House,  
Dr. E. Moses Road,  
Mahalaxmi  
Mumbai - 400 011

**BANKERS**

Bank of India  
Canara Bank  
State Bank of India  
Axis Bank  
Punjab National Bank  
Export-Import Bank of India  
IDFC First Bank  
Standard Chartered Bank

**AUDITORS**

M/s. BSR &amp; Co. LLP

**ADVOCATE & SOLICITORS**

Crawford Bayley &amp; Co.

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## NOTICE

NOTICE is hereby given that the Fifty-Eighth Annual General Meeting of the members of Ion Exchange (India) Limited will be held on Thursday, 8<sup>th</sup> September, 2022 at 11 a.m. through Video Conferencing (“VC”)/Other Audio Video Means (“OAVM”) to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company at Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai- 400 011.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statement and Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2022, and the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend on equity shares.
3. To appoint a Director in place of Mr. M.P.Patni (DIN:00515553), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to consider, and if thought fit, pass the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Companies Act, 2013 read with rules thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. M.P.Patni (DIN:00515553), a Non-Executive Non-Independent Director of the Company, who is liable to retire by rotation at this Annual General Meeting of the Company, and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation, notwithstanding that he has crossed the age of 75 years.”

### SPECIAL BUSINESS

#### 4. Appointment of Branch Auditors

To consider and if, thought fit, to pass with or without modification(s), if any, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of section 143(8) and Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Angadi & Co., Chartered Accountants (M No. – 237235), be and is hereby appointed as Branch Auditors of the Company for auditing the books of accounts maintained by Ion Exchange Services (Division of Ion Exchange (India) Limited) to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and the Board of Directors be and is hereby authorized to fix their remuneration.”

#### 5. Approval of Cost Auditors Remuneration

To consider and if, thought fit, to pass with or without modification(s), if any, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2023, at a remuneration amounting to INR 4,00,000/- (Rupees Four Lakhs only) plus applicable taxes and out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.”

#### 6. To increase the borrowing limit under section 180(1)(c) of the Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession of the earlier resolution passed by the members at the Annual General Meeting of the Company held on 26<sup>th</sup> September, 2014, and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company, the consent of the members be and is hereby accorded to the Board of Directors of the Company (“Board”) for borrowing, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed by the Board shall not at any time exceed INR 900 crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things and to execute such documents and writings as they may consider necessary or proper for the purpose of giving effect to this Resolution.”

7. **To approve the power to create charge on the assets of the company to secure borrowings up to INR 900 Crores pursuant to section 180(1)(a) of the Companies Act, 2013.**

To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession of the earlier resolution passed by shareholders of the Company through postal ballot on 30<sup>th</sup> December 2014, and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (“Board”) to create such appropriate charge including second and subsequent charge / mortgage/ hypothecation (in addition to and / or in subordination to the existing charges / mortgages/ hypothecations created and / or to be created by the Company) on all or any part of the undertakings, wherever situate, including the present and / or future properties whether movable or immovable comprised in any undertaking or undertakings of the Company, as the case may be, in such form and in such manner as the Board may think fit, together with power to take over the management of the business and concern of the Company in certain events to or in favour of any financial institutions / banks / insurance companies (hereinafter referred to as “Lender/s”) to secure any loans and / or advances already obtained or that may be obtained, shall not, at any time exceed INR 900 crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher from such Lender/s together with interest thereon, additional interest, liquidated damages, commitment charge, premium on prepayment, costs, charges, expenses and all other monies payable by the Company to the concerned Lender/s and / or to their Trustees in terms of the Loan Agreement / Heads of Agreement / Hypothecation Agreement / Letters of Sanction / Memorandum of Terms and Conditions, entered into / to be entered into by the Company in respect of such Loans/ Advances and such security to rank pari passu with and / or subordinate to the mortgages and / or charges already created or to be created in future by the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things and to execute such documents and writings as they may consider necessary or proper for the purpose of giving effect to this Resolution.”

8. **Appointment of Mr. David Rasquinha (DIN: 01172654) as an Independent Director of the Company**

To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), Mr. David Rasquinha (DIN: 01172654) who has been appointed as an Additional Director in the capacity of Independent Director by Board of Directors in terms of Section 161 of the Companies Act, 2013 and whose appointment is recommended by Nomination and Remuneration Committee and Board of Directors of the Company and in respect of whom Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a period of five years with effect from September 8, 2022 upto the conclusion of 63<sup>rd</sup> Annual General Meeting to be held in the year 2027.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**Registered Office:**  
Ion House  
Dr. E. Moses Road  
Mahalaxmi  
Mumbai 400 011  
**CIN: L74999MH1964PLC014258**

By Order of the Board

**Milind Puranik**  
Company Secretary

Mumbai, 2<sup>nd</sup> August, 2022

**NOTES :**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021, May 5, 2022 (collectively referred to as “MCA Circulars”) and read with relevant circulars issued by the Securities and Exchange Board of India (“SEBI”), from time to time (referred to as “SEBI Circular”) permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 31<sup>st</sup> August, 2022 to Thursday, 8<sup>th</sup> September, 2022 (both days inclusive).
4. Details of Directors seeking appointment/re-appointment as required under Regulation 36(3) of Listing Regulations and Secretarial Standards on General Meetings:

Name	Mr. M. P. Patni	Mr. David Rasquinha
Designation	Non-Executive Director	Non-Executive Independent Director
Date of Birth	25.09.1945	01.06.1961
Date of Appointment	28.09.2001	02.08.2022
Qualification	B.E. (Mechanical)	Graduate degree in Economics, Postgraduate in Business Management from the XLRI, Jamshedpur
Expertise	Mr. M.P. Patni has wide range of experience in the marketing of heavy and medium engineering equipments, water treatment plants and allied items since last 54 years. He has considerable exposure in handling large projects of national importance.	Mr. David Rasquinha was Managing Director of Export-Import Bank of India and was associated with EXIM bank since the year 1985. While being associated with the Bank, he has had wide-ranging exposure in the fields of export credit, structured finance, project finance, risk management, capital markets and treasury. He also spearheaded the formation of an export factoring joint venture with the International Finance Corporation.  He was the member of the National Jury for the CII-Exim Award for Business Excellence, a Total Quality Management Award based on the TQM Model of the European Foundation for Quality Management.
Terms and Conditions of Appointment	Not Applicable	Not Applicable
Details of Remuneration sought to be paid	Not Applicable	Not Applicable
Remuneration last drawn	Not Applicable	Not Applicable
Number of shares held in the Company	7,55,497	NIL
Relationship with other Directors, Manager and other key managerial personnel of the Company	Mr. M.P. Patni is related to Mr. Aankur Patni who is an Executive Director.	Not Applicable

Chairman/Director of Other Companies	<ol style="list-style-type: none"> <li>1. Aartus &amp; Associates Pvt. Ltd.</li> <li>2. Labhda Properties Pvt. Ltd.</li> <li>3. IEI Water Tech (M) Sdn. BHD.</li> <li>4. IEI Environmental Management (M) SDN. BHD.</li> <li>5. Ion Exchange Environmental Management (BD) Ltd.</li> <li>6. Ion Exchange Asia Pacific Pte. Ltd. (Singapore)</li> <li>7. Ion Exchange Asia Pacific (Thailand) Ltd.</li> <li>8. Ion Exchange Projects &amp; Engineering Ltd.</li> <li>9. Ion Exchange PSS Ltd. (Thailand)</li> <li>10. Ion Exchange Safic (Pty.) Ltd. (South Africa)</li> </ol>	1. Afcons Infrastructure Limited
Chairman/Member of the committees of the Company and other Company(s)	<p>Member of the following committees of Ion Exchange (India) Ltd.</p> <ol style="list-style-type: none"> <li>1. Employee Stock Option Compensation Committee</li> <li>2. Nomination and Remuneration Committee</li> <li>3. Corporate Social Responsibility Committee</li> </ol> <p>Member of the following committees of Ion Exchange Projects and Engineering Limited.</p> <ol style="list-style-type: none"> <li>1. Audit Committee</li> </ol>	<p>Member of the following committee of Afcons Infrastructure Limited.</p> <ol style="list-style-type: none"> <li>1. Audit Committee</li> </ol>
No. of Board Meetings attended	Six out of Six	Not Applicable

5. Dividend, if declared at the meeting will be paid subject to deduction of tax at source on or before 13<sup>th</sup> September, 2022 to those members (holding shares in physical form) whose names appear on the Register of members as on 8<sup>th</sup> September, 2022 and to those beneficial owners (holding shares in electronic form) whose names appear in the Beneficiary report furnished by the depositories.
6. SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January, 2022 has mandated the listed companies to issue securities in dematerialised form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, the members are requested to make service request by submitting a duly filled and signed Form No. ISR-4, the format of which is available on the Company's website at [www.ionexchangeglobal.com](http://www.ionexchangeglobal.com) and on the website of TSR at [www.tcplindia.co.in](http://www.tcplindia.co.in). Members are requested to note that any service request would only be processed after the folio is KYC Compliant.
7. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, TSR Consultants Private Limited (TCPL) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to TCPL.
8. Unclaimed Dividend for the period 2013-14 has been transferred to Investors Education and Protection Fund, pursuant to Sections 125 of the Companies act, 2013. Shareholders who have not claimed Dividend for the period 2014-15 and subsequent years are advised to write to our R&T Agent.
9. Pursuant to the Provision of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") which came into effect from 7<sup>th</sup> September, 2016 and further amended "the Rules" vide notification dated 28<sup>th</sup> February, 2017, the Company is mandated to transfer all shares in the name of the Investor Education and Protection Fund (IEPF) DEMAT Account of the Authority in respect of which dividend has not been paid or claimed for seven consecutive years or more. The Company has transferred 10,625 shares to the Investor Education and Protection Fund Authority during the year 2021-22.
10. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can

be downloaded from the Company's website [www.ionexchange.global.com](http://www.ionexchange.global.com) Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to TCPL in case the shares are held in physical form.

11. Members seeking any information with regard to the Accounts are requested to e-mail to the Company at [investorhelp@ionexchange.co.in](mailto:investorhelp@ionexchange.co.in) on or before 1<sup>st</sup> September, 2022. The same shall be replied by Company suitably.
12. The Company has been maintaining, inter alia, the following statutory registers at its registered office:
  - i) Register of contracts or arrangements in which Directors are interested under section 189 of the Act.
  - ii) Register of Directors and Key Managerial Personnel and their shareholding under section 170 of the Act.

The said registers will be made accessible for inspection through electronic mode and shall remain open and be accessible to any member during the continuance of the meeting.

13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website and on the websites of the Stock Exchanges i.e. BSE Limited & National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).
14. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with TCPL/Depositories.
16. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ TCPL (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [csg-exemptforms2223@tcplindia.co.in](mailto:csg-exemptforms2223@tcplindia.co.in).

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [investorhelp@ionexchange.co.in](mailto:investorhelp@ionexchange.co.in).

17. The Board of Directors of the Company, at its meeting held on May 27, 2022 has appointed Mr. V. V. Chakradeo, Practicing Company Secretary as the Scrutinizer for conducting the postal ballot through e-voting process in a fair and transparent manner.
18. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

**19. Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI LODR the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The members who have cast their vote by remote e-voting/Ballot Form (prior to the AGM) may also attend the AGM but shall not be entitled to cast their vote again.
- III. The remote e-voting period commences on Sunday, 4<sup>th</sup> September, 2022 (9.00 a.m) and ends on Wednesday, 7<sup>th</sup> September, 2022 (5.00 p.m). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 1<sup>st</sup> September, 2022 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

IV. The details of the process and manner for remote e-voting are explained herein below:

#### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

##### Step 1: Access to NSDL e-Voting system

#### A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>   </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password: Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).

"Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).

If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically on NSDL e-Voting system.

### How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is active.

2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [vvchakra@gmail.com](mailto:vvchakra@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investorhelp@ionexchange.co.in](mailto:investorhelp@ionexchange.co.in).
  2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investorhelp@ionexchange.co.in](mailto:investorhelp@ionexchange.co.in). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode**.
  3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
  4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
- V. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VI. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 1<sup>st</sup> September, 2022.
- VIII. Any person, who acquires shares of the Company and become member of the Company after sending of the notice and holding shares as of the cut-off date i.e. 1<sup>st</sup> September, 2022 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Registrars M/s. TSR Consultants Private Limited at [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in).

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) or contact NSDL at the following toll free no.: 1800-222-990.

- IX. Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- X. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting.
- XI. Mr. V.V. Chakradeo, Company Secretaries (COP No. 1705) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XII. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.ionexchange.com](http://www.ionexchange.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

20. **Instructions For Members For Attending The AGM Through VC/OAVM Are As Under:**

- a. Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsd.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
- b. Facility of joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
- c. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on toll free no. 1800 1020 990 and 1800 22 44 30 or contact Mr. Amit Vishal or Ms. Pallavi Mhatre at the designated email id - [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in).
- d. Members are encouraged to join the Meeting through Laptops for better experience.
- e. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- f. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- g. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [investorhelp@ionexchange.co.in](mailto:investorhelp@ionexchange.co.in) from 1<sup>st</sup> September, 2022 to 4<sup>th</sup> September, 2022. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**Registered Office:**  
Ion House  
Dr. E. Moses Road  
Mahalaxmi  
Mumbai 400 011  
**CIN: L74999MH1964PLC014258**

By Order of the Board

**Milind Puranik**  
Company Secretary

Mumbai, 2<sup>nd</sup> August, 2022

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 8 of the accompanying Notice:

### **Item No. 3**

Mr. M.P.Patni is a Non-Executive Non-Independent Director on the Board of the Company and is liable to retire by rotation at the ensuing Fifty-Eighth Annual General Meeting of the Company. Being eligible, he has offered himself for re-appointment. As per Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of 75 years unless a Special Resolution is passed to that effect. Therefore, continuance of Mr. M.P.Patni as Non-Executive Non-Independent Director requires consent of the members by way of a Special Resolution.

The Company admires the caliber and expertise of Mr. M. P. Patni in the fields of marketing of heavy and medium engineering equipments, water treatment plants and allied items. The quality of his inputs/ views to the Board/ Committee on governance principles has given the company a broader picture having a positive effect on the overall outcome, thus adding value to the organisation. His vast experience in the various fields gives the Company a better insight in planning and executing the projects. Keeping in view the experience of and contributions made by Mr. M. P. Patni, the Board recommends the Special Resolutions set out in Item No. 3 for the approval of the shareholders of the Company.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors or KMP is concerned or interested in the said Resolution, except Mr. Aankur Patni who is related to Mr. M.P. Patni is concerned or interested in the Resolution.

### **Item No. 4**

It is proposed to appoint M/s. Angadi & Co., Chartered Accountants as the Branch Auditors for conducting Audit of Ion Exchange Services (Division of Ion Exchange (India) Limited).

M/s. Angadi & Co., Chartered Accountants have given their consent to act as the Branch auditors, if appointed. The Board recommends the Resolution at Item No. 4 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors or KMP is concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

### **Item No. 5**

M/s. Kishore Bhatia & Associates, Cost Accountants, are appointed as Cost Auditors of the Company to audit the accounts relating to cost records for the financial year ending March 31, 2023.

Remuneration payable to M/s. Kishore Bhatia & Associates, Cost Auditors of the Company for the financial year ended March 31, 2023 was recommended by the Audit Committee to the Board and subsequently, was considered and approved by the Board of Directors at its meeting held on May 27, 2022.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

The Board recommends the Resolution at item No. 5 for the approval by the Members.

None of the Directors or key managerial personnel (KMP) or relatives of Directors or KMP is in any way interested or concerned in the Resolution at item No. 5 of the accompanying Notice.

### **Item No. 6**

The Shareholders at Annual General Meeting held on 26<sup>th</sup> September, 2014 had accorded by way of Special resolution, their approval to the Board of Directors of the Company for borrowing monies from time to time upto an aggregate amount not exceeding at any time INR 200 crores (apart from the temporary loans obtained from the Company's bankers in the ordinary

course of business) even if it exceeded the aggregate of paid up capital and free reserves of the Company. Considering the business plans, expansion programme and the growing fund requirements of the Company it is necessary to increase the borrowing limits to INR 900 crores (apart from the temporary loans obtained from Company's bankers in the ordinary course of business).

The Board recommends the Resolution at item No. 6 for the approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors or KMP is concerned or interested in the Resolution at Item No. 6 of the accompanying Notice.

**Item No. 7**

The shareholders of the Company, through postal ballot resolution dated 30<sup>th</sup> December 2014 had accorded their consent to the Board of Directors for creation of charges/mortgages/hypothecations for an amount not exceeding INR 200 crores.

The borrowings of the Company are in general required to be secured by suitable mortgage or charge on all or any of the movable or immovable properties of the Company in such form and manner and ranking as the Board may determine in consultation with the lender(s). Since the creation of charge / mortgage tantamount to otherwise disposing of the undertakings of the Company, it shall be necessary to pass a Special resolution under Section 180(1)(a) of the Companies Act 2013. This is enabling provision by which the Board of Directors can create charge/mortgage/hypothecation on the Company's assets both present and future, in favour of Lenders viz. Banks/Financial Institutions, Trustees etc. to secure repayment of moneys borrowed by the Company.

It is therefore, necessary to obtain members' approval by way of a Special Resolution under Section 180(1)(a) of the Act for creation of charges/mortgages/hypothecations for an amount not exceeding INR 900 crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

The Board recommend Resolution at item No. 7 for the approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors or KMP is concerned or interested in the Resolution at Item No. 7 of the accompanying Notice.

**Item No. 8**

The Board of Directors upon recommendation of the Nomination & Remuneration Committee at its meeting held on August 2, 2022, appointed Mr. David Rasquinha as an Additional Director in the capacity of Independent Director subject to approval of the Members of the Company.

In accordance with the provisions of Section 161 of Companies Act, 2013, Mr. David Rasquinha shall hold office up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director. The Company has also received a notice in writing from a Member proposing the candidature of Mr. David Rasquinha to be appointed as an Independent Director of the Company.

Mr. Rasquinha holds first-class graduate degree in Economics from Bombay University, followed by a postgraduate qualification in Business Management from the XLRI, Jamshedpur where he was awarded the Gold Medal in Economics. He was Managing Director of Export-Import Bank of India and was associated with EXIM bank since the year 1985. While being associated with the Bank, he has had wide-ranging exposure in the fields of export credit, structured finance, project finance, risk management, capital markets and treasury. He also spearheaded the formation of an export factoring joint venture with the International Finance Corporation. He was the member of the National Jury for the CII-Exim Award for Business Excellence, a Total Quality Management Award based on the TQM Model of the European Foundation for Quality Management

In the opinion of the Board, Mr. David Rasquinha fulfils the conditions specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for appointment as Independent Director of the Company. The Company has received a declaration of independence from Mr. David Rasquinha. Further, the Company has also received Mr. David Rasquinha's consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In line with the Company's remuneration policy for Independent Directors, Mr. David Rasquinha will be entitled to receive remuneration by way of sitting fees as approved by the Board of Directors and commission of such sum as may be approved by the Board of Directors within the overall limits under Companies Act, 2013 of up to 1% of the net profits of the Company during any financial year, in aggregate payable to all Non-Executive Directors put together. Details of remuneration paid to Independent Directors shall be disclosed as part of the Annual Report.

Draft letter of appointment of Mr. David Rasquinha setting out the terms and conditions of appointment is being made available for inspection by the Members through electronic mode.

Additional information in respect of Mr. David Rasquinha, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), forms part of this notice.

The Board recommends Resolution at item No. 8 for the approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors or KMP is concerned or interested in the Resolution at Item No. 8 of the accompanying Notice.

**Registered Office:**

Ion House  
Dr. E. Moses Road  
Mahalaxmi  
Mumbai 400 011  
**CIN: L74999MH1964PLC014258**

By Order of the Board

**Milind Puranik**  
Company Secretary

Mumbai, 2<sup>nd</sup> August, 2022

## DIRECTORS' REPORT

To

The Members,

Directors have pleasure in presenting the 58<sup>th</sup> Annual Report and Accounts for the year ended 31<sup>st</sup> March, 2022.

### FINANCIAL RESULTS

The highlights of the financial results are as follows:

(INR in Lacs)

Particulars	Standalone		Consolidated	
	Year ended March 2022	Year ended March 2021	Year ended March 2022	Year ended March 2021
Revenue from operations	1,50,936.23	1,40,176.56	1,57,686.77	1,44,951.95
Other Income	4,612.70	3,677.82	4,169.58	3,308.80
Earnings before interest, taxes, depreciation	24,309.06	23,191.13	25,490.31	23,538.87
Finance Cost	757.26	989.60	994.66	1,260.82
Depreciation and amortization expenses	2,678.23	2,613.97	2,804.27	2,767.47
<b>Profit before taxation</b>	<b>20,873.57</b>	<b>19,587.56</b>	<b>21,691.38</b>	<b>19,510.58</b>
Add: Share of profit/(loss) of equity accounted investee (net of income tax)	-	-	41.67	(6.99)
Less: Provision for taxation:				
Current tax	5,807.03	5,385.00	5,887.47	5,631.16
Deferred tax	(354.31)	(395.00)	(323.19)	(459.97)
<b>Profit after tax</b>	<b>15,420.85</b>	<b>14,597.56</b>	<b>16,168.77</b>	<b>14,332.40</b>
Other comprehensive income (Net of Taxes)	(147.33)	95.20	(100.33)	(27.09)
<b>Total Comprehensive income</b>	<b>15,273.52</b>	<b>14,692.76</b>	<b>16,068.44</b>	<b>14,305.31</b>

### OPERATIONS

During the financial year ended 31<sup>st</sup> March, 2022, the net profit after tax of the company on standalone basis has increased to INR 15,420.85 Lacs as compared to previous year's net profit after tax of INR 14,597.56 Lacs showing an improvement of 5.64 percent over the previous year on standalone basis. The Company has achieved a turnover of INR 1,509.36 crores as compared to INR 1,401.76 crores of the previous year.

### DIVIDEND

The Directors are pleased to recommend a dividend of INR 10/- [100%] per equity share for the financial year ended 31<sup>st</sup> March, 2022.

### FUTURE OUTLOOK

India's economy witnessed a V-shaped recovery with 8.7 percent growth in real GDP for FY 2021-22. All the leading macro-economic indicators, the Business Expectations Survey of RBI and a good monsoon forecast indicates continuous recovery of the economy in FY 2022-23.

The corporate results and RBI data on 3000 companies for FY 2021-22 shows increase in corporate sales, profitability despite volatility in input costs and improved capacity utilization. Manufacturing appears to have responded to the PLI scheme recovering 109 percent of its pre-pandemic GVA level with

exports leading economic recovery achieving 113 percent of its pre-pandemic level. Foreign investment (FIIs) in the economy was lower as compared to the previous year because of higher base effect of the previous year. These demand side drivers are expected to continue growing based on policy initiative of the government (PLI) and India's own initiative to bolster exports to meet surge in global spending and China plus strategy of importing nations.

A spike in global commodity prices, especially of oil and coal in the wake of geopolitical tension; on top of rising domestic consumption of these commodities has the possibility of the country's Current Account Deficit (CAD) to more than double to 3 percent in FY 2022-23. Also, despite FDI outflows, a phenomenon experienced by all G20 countries, the pruned capital account surplus this year is expected to be USD 60-65 billion. The rupee has fallen by 8 percent to breach the 80 to the dollar mark amid an unprecedented surge in the world's reserve currencies. It has fared relatively better than the currencies of most emerging market economies despite the global rush for dollar backed assets, global monetary policy tightening, geopolitical situation and elevated commodity prices. Thus, the country's external sector vulnerability will not be a concern for alarm unless the global situation takes a sharp turn for the worse. This is also because of strong fundamentals (manufacturing/service PMIs, IIP index, corporate profitability), recovery from the

pandemic and consequent reduction in government spending on social causes and in turn increased spending on infrastructure. The government has said that despite elevated inflationary pressures in the economy, it will not trim its capital expenditure plans. The multiplier effect of government spending along with capacity additions in Greenfield and Brownfield projects is expected to result in increase in Gross Fixed Capital Formation (GFCF), in comparison to the previous year. Already, the GFCF in Q4 of FY 2021-22 is 33.6 percent, the highest in last nine quarters. Also, investment data from CMIE shows that new investment proposal in Q4 FY 2021-22 witnessed a significant uptick to INR 5.0 trillion from an average of INR 3.1 trillion in the preceding three quarters of FY 2021-22.

In contrast, the growth of world economy (output) appears to be stalling with the composite PMI of the US, UK, Euro zone declining appreciably in first two months of the financial year 2022-23. As forecasts of real GDP growth across economies drop at regular intervals during the course of the year due to elevated inflation, tightening of monetary and fiscal policies to rein-in inflation from demand side, in so far as they are able to smother pent up demand and roll back of Covid-19 relief packages. From the supply side, trade disruptions, export bans and resulting surge in commodity prices will fuel inflation as long as geopolitical crisis persists.

The global future outlook can be widespread stagflation. India, however, is at low risk owing to its prudent stabilization policies led by RBI and Government's timely intervention as already experienced by raising repo rates to withdraw excess liquidity from the economy to tone inflation, hike in import duty of gold and reduction in excise duties on petrol, diesel, etc. Further, upsides to stability of oil prices to double digit number/barrel, softening of edible oil prices due to Indonesia withdrawing the ban and timely arrival of south-west monsoon in the country augur well for the country's GDP growth aided by decline in retail inflation during the year.

In summary, as the global outlook for real GDP growth faces headwinds for its growth due to rising commodity prices, supply-chain bottlenecks and faster than expected withdrawal of monetary benefits; India, with its revised GDP growth projection of 7.5 percent in FY 2022-23 remains considerably higher than most advanced and emerging economies.

#### **Strategy to ensure Business Continuity & Growth**

Your Company has evolved a rational business strategy based on current and future outlook. Key learnings from the pandemic, namely digitalization of processes, cost optimization, cash flow management etc. for managing businesses more efficiently are integrated in its strategic planning process for growth.

Your Company remains focused by offering segment-specific solutions to meet the customers total water and environment management requirements through a single window concept, thereby increasing its market penetration and business volumes by catering to all requirements of the customer. Further, your Company aims to increase its market share and profitability through new market development and new product development initiatives.

## **FINANCIAL RESOURCES**

### **Fixed Deposits**

The Company has not accepted any deposits during the year, within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

### **Particulars of Loans, Guarantees or Investments**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## **SUBSIDIARY COMPANIES**

### **Aqua Investments (India) Ltd. and Watercare Investments (India) Ltd.**

During the year ended 31<sup>st</sup> March, 2022, the Subsidiary companies M/s. Aqua Investments (India) Limited posted profit after tax of INR 31.90 Lacs compared to INR 16.06 Lacs of the previous year and M/s. Water Care Investments (India) Ltd. posted profit after tax of INR 23.99 Lacs compared to INR 12.90 Lacs of the previous year.

### **Ion Exchange Enviro Farms Limited (IEEFL)**

During the year under review, the Company's revenue was INR 87.94 Lacs as against INR 57.71 Lacs in the previous year. The sale of organic goods was affected due to the impact of Covid -19 pandemic in the country resulting in lower turnover for the company.

Pursuant to the appeal filed in Supreme Court against the Securities Appellate Tribunal (SAT) order of 19<sup>th</sup> March 2021 and based on legal advice, the Company appointed SEBI empaneled auditors to conduct Special Audit. This Special Audit Report along with additional affidavit was submitted to Supreme Court and after considering the Audit report and the Company's submissions, Supreme court granted liberty to Company to the approach Securities and Exchange Board Of India (SEBI) with additional material. The Company has accordingly made a detailed representation to SEBI, with a request for reconsideration of SEBI's earlier directions. The matter is now under consideration of SEBI.

### **Ion Exchange Asia Pacific Pte Ltd., Singapore and Ion Exchange Asia Pacific (Thailand) Ltd., Thailand and Pt Ion Exchange Asia Pacific, Indonesia**

The Company achieved consolidated operating income of INR 4782.97 Lacs during the year under review as compared to INR 1981.84 Lacs in previous year registering a growth of 141%. The Company made consolidated net profit after tax of INR 206.40 Lacs.

There was healthy order inflow during the year and the Company has good order backlog. Order execution improved during the year resulting in better performance. The Company also has a good offer bank for the coming year. With warehousing facility operational, The Company is able to cater to local demand for assembled equipment in South East Asia. Local warehouse gives an edge over competitors in stock & sale of Resins & Chemicals.

**IEI Environmental Management [M] SDN.BHD, Malaysia**

The Company achieved a turnover of INR 71.70 Lacs during the year under review.

The Company's main activity is trading in water treatment equipments, water chemicals, resins and taking up projects of installing water treatment plants of any nature.

The process of restructuring the operations initiated by the Company was affected due to Covid pandemic.

**Ion Exchange Environment Management (BD) Limited, Bangladesh**

The Company achieved turnover of INR 1041.17 Lacs during the year as compared to INR 921.75 Lacs in the previous year. The Company made net profit after tax of INR 28.11 Lacs as compared to loss of INR 10.26 Lacs.

Bangladesh economy has been growing in last couple of years. They have planned many Infrastructure Projects in WTP & WWTP. We will be commissioning the WTP & WWTP supplied to three Power Projects in Bangladesh in the coming year which augurs well for the Company in the highly growing power segment of the country. The Company will also continue its focus on Textile segment in Bangladesh.

**Ion Exchange WTS (Bangladesh) Limited, Bangladesh**

The Company is currently not in operation.

**Ion Exchange & Co. LLC, Oman**

The Company achieved a turnover of INR 1629.49 Lacs during the year under review compared to INR 1800.87 Lacs in the previous year. The Company made net profit after tax of INR 49.58 Lacs.

During the year, the performance of the Company was affected due to lingering post covid pandemic effects. With Oman economy recovery being broad based we are hopeful that the Company will return to a growth trajectory.

**Ion Exchange LLC, USA**

The Company achieved a turnover of INR 5312.82 Lacs for the year under review as compared to INR 5092.10 Lacs in the previous year. Net profit after tax improved from INR 211.87 Lacs in previous year to INR 377.27 Lacs in the current year.

The Company's performance would have been much better but for challenges faced during the year on account of logistic issues like increase in freight costs, availability of containers etc. With normalization of logistic issues the Company is confident of higher growth in the coming year.

**Ion Exchange Projects and Engineering Limited**

The Company achieved a turnover of INR 2462.43 Lacs for the year under review as against INR 3606.12 Lacs in previous year.

The Company provides project Management services and design services to the parent company for its ongoing contracts.

**Global Composites and Structurals Limited**

The Company achieved a turnover of INR 668.36 Lacs for the year under review as compared to INR 457.72 Lacs for the previous year.

The Company is in the business of providing integrated engineering services across the life cycle of a project and has expertise in the manufacture of RO pressure tubes, FRP tanks and electrical panels for water treatment industries.

**Ion Exchange Safic (Pty) Limited, South Africa**

The Company achieved a turnover of INR 1408.28 Lacs during the year under review as compared to INR 905.58 Lacs in the previous year registering a growth of 56 percent. Also, the Company made a net profit after tax of INR 131.85 Lacs for the year as compared INR 10.46 Lacs in the previous year.

The Company is a Joint venture Company set up in South Africa with Safic (Pty) Ltd. which is a part of Accentuate Group. South African economy is slowly recovering from effects of the Covid pandemic and the Company is hopeful of continuing its good performance in coming year.

**Ion Exchange Arabia For Water**

The Company achieved a turnover of INR 644.46 Lacs during the year under review compared to INR 260.91 Lacs in previous year. With easing out of Covid -19 related restrictions in the country, the Company is hopeful of improving its performance in the coming financial year.

**Total Water Management Services (India) Ltd.**

The Company achieved a turnover of INR 67.22 Lacs for the year under review, as against INR 14.28 Lacs for the previous year.

The Company is in the business of providing total water management consultancy across the spectrum.

**Ion Exchange Purified Drinking Water Pvt. Ltd.**

With railway operations slowly returning to normalization, the turnover increased from INR 407.44 Lacs to INR 1094.37 Lacs.

The performance of the Company was affected in the previous year considering the low off take by IRCTC for bottled water due to Covid-19 related restrictions. However, the Company returned to profitability in the year under review as the situation is normalizing.

The Company is set-up as a special purpose vehicle to implement PPP (Public Private Partnership) project for bottle water supply to Indian Railway Catering and Tourism Corporation Limited (IRCTC).

**Ion Exchange Environment Management Limited**

The Company achieved a turnover of INR 363.32 Lacs for the year under review. The turnover of the Company was mainly affected due to the impact of Covid -19 pandemic in the country.

The Company is in the business of providing advanced environmental solutions and services for industrial, infrastructure and municipal applications.

**IEI TOTAL WATER MANAGEMENT, LDA**

To cater to the needs of the European Market, your Company has incorporated a Subsidiary company in Portugal namely, IEI Total Water Management, LDA.

Since it is newly incorporated company, the operations of the Company have not started yet.

## ASSOCIATE AND JOINT VENTURE COMPANIES

A statement as required under Section 129 of the Companies Act, 2013, is attached to the Annual Report in form AOC – 1.

## DIRECTORS

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors have, on August 2, 2022, approved the appointment of Mr. David Rasquinha (DIN: 01172654) as an Additional Director in the capacity of Independent Director, subject to approval of the shareholders of the Company. Necessary resolution for his appointment is being placed for the approval of shareholders as part of the notice of the 58<sup>th</sup> AGM.

Mr. M.P. Patni, Director of the company, retires by rotation and being eligible has offered himself for re-appointment.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfill the conditions specified in the Act as well as the Rules made thereunder and are independent of the management.

## BOARD PERFORMANCE EVALUATION

Pursuant to the provisions of the Section 149 Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually, as well as the evaluation of the working of its Committees. The evaluation was done after taking into consideration the criteria laid down by Nomination and Remuneration committee. The criteria for evaluation included participation in deliberations, specific contributions made, compliance with company's code of conduct, carrying out assigned tasks in timely and efficient manner and planning and formulating the company's strategies. The performance evaluation of Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman, non-independent Directors and the Board was carried out by Independent Directors. The Board of Directors expressed satisfaction with the evaluation process.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2022, the applicable accounting standards have been followed along with proper explanation given relating to material departures, if any;

- Appropriate accounting policies have been selected and applied consistently and judgments and estimates were made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities have been taken to the best of their knowledge;
- The annual accounts have been prepared for the financial year ended 31<sup>st</sup> March, 2022 on a going concern basis.
- Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## KEY MANAGERIAL PERSONNEL

The Company has following persons as Key Managerial Personnel.

Sr. No.	Name of the Person	Designation
1	Mr. Rajesh Sharma	Chairman & Managing Director
2	Mr. N.M. Ranadive	Chief Financial Officer
3	Mr. Milind Puranik	Company Secretary

## NUMBER OF MEETINGS OF THE BOARD

The details of number of meetings of the Board held during the financial year 2021-22 forms part of the Corporate Governance Report.

## WHISTLE BLOWER POLICY

The Company has a whistle blower policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company ([www.ionexchangeglobal.com](http://www.ionexchangeglobal.com))

## RELATED PARTY TRANSACTIONS

All transactions entered with related parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of section 188 of the Companies Act, 2013 are not attracted. Further, there are no material related party transactions under review with the promoters, directors or key managerial personnel. The Company has developed a related party transactions framework through standard operating procedures for the purpose of identification and monitoring of such transactions.

As per the policy on Related Party Transactions, the Audit Committee granted omnibus approval for the transactions

which are repetitive in nature. The related party transactions were placed before the Audit Committee and the Board on quarterly basis for review, pursuant to omnibus approval.

The policy on related party transactions as approved by the board of directors has been uploaded on the website of the company. The web link of the same has been provided in the corporate governance report. None of the directors has any pecuniary relationship vis-à-vis the Company

#### **PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

#### **QUALITY INITIATIVES**

In your Company, all manufacturing establishments and support functions like technology, services, corporate communications are certified for the ISO 9001:2015 Quality Management System. Your Company strives to benchmark and continuously improve its operations, processes and documented procedures by undertaking quality improvement programs like 'Lean Six Sigma' etc.

Your Company's facilities for manufacturing Resins at Ankleshwar – Gujarat, Chemicals at Patancheru and Membranes at Goa are certified for ISO14001:2015 Environmental Management System. During the year, the Resins manufacturing facility obtained renewed certificates for WQA-Gold seal; Kosher, Halal, EU, Canadian Health, WHOGMP, GMP (Good Manufacturing Practice) and GLP (Good Laboratory Practice). Your Company's Chemical manufacturing facility at Patancheru is certified for Occupational Health and Safety Management System namely ISO 45001:2018. The facility also obtained renewed certificates for Kosher, Halal and NSF/ANSI 60.

Your Company's R&D Laboratories at Patancheru and Vashi are certified by DSIR and the Laboratory at Bengaluru by NABL. Further, during the year, one of your Company's service site's at Bhatinda was also certified for Occupational Health and Safety Management System namely ISO 45001:2018.

#### **AUDITORS**

##### **Statutory Auditors**

Pursuant to the provisions of Section 139 of the Act and the

rules framed thereunder, M/s. B S R & Co. LLP, Chartered Accountants (Reg No. 101248W/W-100022), were appointed as statutory auditors of the Company for a period of four years from the conclusion of the Fifty-Sixth Annual General Meeting (AGM) of the Company held on September 22, 2020 till the conclusion of the Sixtieth AGM to be held in the year 2024. Consequent to amendment to Companies Act, 2013, ratification of Statutory Auditor's appointment is not required at every Annual General Meeting.

##### **Branch Auditors**

The Branch Auditors, M/s. Angadi & Co., appointed to conduct Audit of Ion Exchange Services [A division of Ion Exchange (India) Limited], Bengaluru, hold office until the conclusion of this meeting and are eligible for appointment. Pursuant to the provisions of section 139 and 143(8) of the Companies Act 2013 and rules framed there under, it is proposed to appoint M/s. Angadi & Co., as branch auditors of the Company from the conclusion of forthcoming AGM till the conclusion of next AGM.

##### **Cost Auditors**

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its Chemicals, Membranes and Standard water treatment plants manufacturing activity are required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed M/s. Kishore Bhatia & Associates to audit the cost accounts of the Company for the financial year ending 31<sup>st</sup> March, 2022. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s. Kishore Bhatia & Associates, Cost Auditors is included in the Notice convening the Annual General Meeting.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Companies Act, 2013 (The Act), read with the Companies (Accounts) Rules, 2014, SEBI (Listing Regulations) and Ind AS 110 – Consolidated Financial Statements and Ind AS 28 – Investment in Associates and Joint Venture – the audited consolidated financial statements are provided in this report.

The consolidated financial statements have been prepared on the basis of the audited financial statements of the company, its Subsidiaries, Joint Venture and Associate companies, as approved by their Board of Directors.

The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies are placed on Company's website and the same are open for inspection at the Registered Office of the Company.

#### **CORPORATE GOVERNANCE**

A report on Corporate Governance as required under Regulation 34 of Listing Regulations read with Schedule V (Part C) forms part of this annual report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Report on Management discussion and analysis as required under Regulation 34 of Listing Regulations forms part of this Annual Report.

#### **BUSINESS RESPONSIBILITY REPORT**

Business Responsibility Report as Required Under Regulation 34 of Listing Regulations read with Schedule V (Part B) forms part of this Annual Report.

#### **ANNUAL RETURN**

The annual return of the Company as required under the Companies Act, 2013 will be available on the website of the Company ([www.ionexchange.global.com](http://www.ionexchange.global.com)).

#### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. GMJ & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as “Annexure I”.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

As a part of its initiative under the “Corporate Social Responsibility” (CSR) drive, the Company has undertaken

projects in the areas of environment, education and safe drinking water. These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company’s CSR Policy. The Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as “Annexure II” forming part of this report.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**

Information in accordance with Section 134(3)(m) of the Companies Act 2013 read with the Companies (Accounts) Rules, 2014 and forming part of this Report for the year ended 31<sup>st</sup> March, 2022 is given in “Annexure III”.

#### **ACKNOWLEDGEMENTS**

Your Board conveys its deep appreciation of the co-operation extended by customers, suppliers, banks, financial institutions, contribution made by employees for the company’s growth, shareholders and fixed deposit holders.

On behalf of the Board of Directors

**Rajesh Sharma**  
Chairman & Managing Director

Mumbai

Date: 2<sup>nd</sup> August, 2022

**Annexure I**  
**FORM MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2022**

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014)

To,  
**The Members,**  
**Ion Exchange (India) Limited**  
Ion House, Dr. E. Moses Road,  
Mahalaxmi, Mumbai - 400 011

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ion Exchange (India) Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 complied with the statutory provisions of the applicable Acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **[Not applicable during the period of audit].**
  - f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share based Employee Benefits) Regulations, 2014; **[Not applicable during the period of audit].**
  - g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable during the period of audit].**
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable during the period of audit].**
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations 2018; **[Not applicable during the period of audit].**

- vi. We have relied on the representation made by the Company and its Officers for systems and mechanisms formed by the Company for compliances under other applicable Acts, Laws and Regulations which are mentioned as under:
- a) The Trade Marks Act, 1999 and The Copy Right Act, 1957;
  - b) The Legal Metrology Act, 2009;
- vii. We report that the Company operates in manufacturing of water treatment chemicals, water treatment products and water treatment plants and apart from Labour Laws and Environment, Pollution and safety related compliances no specific Acts were applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India;
- b) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, Board Committee Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that based on the information provided and the representation made by the Chief Financial Officer/Company Secretary, taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the period under review, the Company has received approval from National Stock Exchange of India Limited (NSE) for listing of its 1,46,66,659 Equity shares on the Main Board of NSE vide its letter no. NSE/LIST/49 dated February 18, 2022 and the trading in shares commenced from the trading hours of 22<sup>nd</sup> February, 2022.

We further report that during the year under report, the company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above.

For **GMJ & ASSOCIATES**  
**Company Secretaries**

**[CS PRABHAT MAHESHWARI]**  
**PARTNER**  
**M. No. : FCS 2405**  
**COP No. : 1432**  
**UDIN : F002405D000410857**

**PLACE : MUMBAI**

**DATE : 27<sup>th</sup> MAY, 2022**

**Note:** This report is to be read with our letter of even date which is annexed as **Annexure I** and forms an integral part of this report.

## ANNEXURE I

To,  
**The Members,**  
**Ion Exchange (India) Limited**  
Ion House, Dr. E. Moses Road,  
Mahalaxmi,  
Mumbai - 400 011

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **GMJ & ASSOCIATES**  
*Company Secretaries*

**[CS PRABHAT MAHESHWARI]**  
**PARTNER**  
**M. No. : FCS 2405**  
**COP No.: 1432**  
**UDIN : F002405D000410857**

**PLACE : MUMBAI**  
**DATE : 27<sup>th</sup> MAY, 2022**

## Annexure II

### Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

**1. A brief outline of the Company's CSR policy:**

The CSR policy was approved by the Board of Directors at its Meeting held on 17<sup>th</sup> March, 2015 and has been uploaded on the Company's website.

All projects under the Ion Exchange umbrella are implemented by Ion Foundation, a Company incorporated under Section 8 of the Companies Act, 2013.

The focus areas are Education, Health & Hygiene and Environment for initiatives near our Company's manufacturing sites, besides other locations.

The CSR Policy has been uploaded on the website of the Company at: <https://ionexchangeglobal.com/pdf/ionindia/CSR%20Policy.pdf>

**2. The Composition of the CSR Committee:**

Sr. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. V. N. Gupchup	Chairman	2	2
2	Mrs. K. J. Udeshi	Member	2	2
3	Mr. M. P. Patni	Member	2	2
4	Mr. Rajesh Sharma	Member	2	2

**3. The Composition of CSR committee, CSR Policy and CSR projects approved by the board are available at: <https://ionexchangeglobal.com/pdf/ionindia/CSR%20Policy.pdf>**

**4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014 - Not Applicable**

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year – Not Applicable**

**6. Average net profit of the company as per section 135(5) – INR 1,423,876,392**

7. (a) Two percent of average net profit of the company as per section 135(5) – INR 28,477,528  
 (b) Work in progress arising out of the CSR projects or programmes or activities of the previous financial year – INR 1,750,937  
 (c) Amount required to be set off for the financial year – Not Applicable  
 (d) Total CSR obligation for the financial year (7a+7b-7c) - INR 30,228,465

**8. (a) CSR amount spent or unspent for the financial year: As per below given table**

Total Amount Spent for the Financial Year. (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
30,243,598	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Project duration	Amount spent in the current financial Year (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District				Name	CSR Registration number
1	Teaching expenses of 2, Tree plantation & treeguards : Chitkul Primary School (390 students)	Education, Environment	Yes	Telangana	Sangareddy	One year	222,000	No	Ion Foundation	CSR00002747
2	Teaching expenses of 1, Electrical Work for all classrooms with fans, Construction of one classroom for students at 400 sqft. : Zilla Parishad School (320 students)	Education	Yes	Telangana	Sangareddy	One year	120,000	No	Ion Foundation	CSR00002747
3	Gardener salary for 3 schools; Rain Water Harvesting pits to raise ground water near bore well (bigger size 20kl), Wrestling Shed for Girls daily practice in the school ground 40 feet X 60 feet @ 230 per sft : New Gurukul Girls High School cum Jr College, Isnapur (660 students)	Education, Environment	Yes	Telangana	Sangareddy	One year	85,500	No	Ion Foundation	CSR00002747
4	Minor Work for washrooms at Rs.15,000 & 1 RO Water plant - 4L Salary for 1 at Rs.7k (Jan - March 2022) Mucharla Primary School, Sangareddy	Education, Sanitation	Yes	Telangana	Sangareddy	One year	28,000	No	Ion Foundation	CSR00002747
5	Educational Asst./ Health & Sports: Shishu Mandir Orphanage & School (270 students)	Education	Yes	Karnataka	Bengaluru	One year	300,000	No	Ion Foundation	CSR00002747
6	Therapy progs./Health & sports : Tamahar Trust (60 students)	Education	Yes	Karnataka	Bengaluru	One year	230,000	No	Ion Foundation	CSR00002747
7	Water filter & Tuition fees : Parents Association of Deaf Children (90 students)	Education	Yes	Karnataka	Bengaluru	One year	230,000	No	Ion Foundation	CSR00002747
8	Education assistance Girl child : Prasanna Trust (2 children)	Education	Yes	Karnataka	Bengaluru	One year	200,000	No	Ion Foundation	CSR00002747
9	Support for driving course for underprivileged women - Association for nontraditional employment for women	Education	Yes	Tamil Nadu	Chennai	One year	160,000	No	Ion Foundation	CSR00002747
10	Residential care expenses of disabled : Innerwheel club of Chennai Residency : Soul free project (10 residents)	Health	Yes	Tamil Nadu	Chennai	One year	500,000	No	Ion Foundation	CSR00002747

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Project duration	Amount spent in the current financial Year (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District				Name	CSR Registration number
11	Provision of Tables & Benches for Dining : St.Collete hostel (250 children)	Education	Yes	Tamil Nadu	Hosur	One year	246,970	No	Ion Foundation	CSR00002747
12	Provision of Drinking Water : St.Collete hostel (250 children)	Water	Yes	Tamil Nadu	Hosur	One year	234,635	Yes	--	--
13	Provision of Drinking Water : Abala Rehabilitation home for Mentally Ill (250 children)	Water	Yes	Tamil Nadu	Hosur	One year	234,636	Yes	--	--
14	Educational assistance, Teaching expenses of 5 : Kids Centre (70 students) (Jan - Dec 2021)	Education	Yes	West Bengal	Kolkata	One year	305,000	No	Ion Foundation	CSR00002747
15	Educational assistance, Teaching expenses of 5 : Kids Centre (70 students) (Jan - March 2022)	Education	Yes	West Bengal	Kolkata	One year	161,440	No	Ion Foundation	CSR00002747
16	Teaching expenses of 4 : Prayatna Foundation (60 students)	Education	Yes	West Bengal	Kolkata	One year	384,000	No	Ion Foundation	CSR00002747
17	Educational assistance, Teaching expenses of 5 : Universal Smile (36 students) (Jan - Dec 2021)	Education	Yes	West Bengal	Kolkata	One year	121,500	No	Ion Foundation	CSR00002747
18	Educational assistance, Teaching expenses of 5 : Universal Smile (36 students) (Jan - March 2022)	Education	Yes	West Bengal	Kolkata	One year	195,000	No	Ion Foundation	CSR00002747
19	Educational assistance - Voice of World (302 beneficiaries)	Education	Yes	West Bengal	Kolkata	One year	511,000	No	Ion Foundation	CSR00002747
20	Educational Assistance - Bethesda Life Centre, Panjim (96 students)	Education	Yes	Goa	North	One year	74,964	No	Ion Foundation	CSR00002747
21	Educational Assistance - Stationery & Water Purifier : Govt. Primary School, Quepem (20 students)	Education & Water	Yes	Goa	South	One year	39,936	No	Ion Foundation	CSR00002747
22	Educational Assistance : Lokvishwas Pratishan, Ponda, 40 students	Education	Yes	Goa	South	One year	29,982	No	Ion Foundation	CSR00002747
23	Educational Assistance : St. Josephs Convent, Verna (150 students)	Education	Yes	Goa	South	One year	524,744	No	Ion Foundation	CSR00002747
24	Educational Assistance : St. Perpetual School- Navelim (1171 students)	Education	Yes	Goa	South	One year	59,953	No	Ion Foundation	CSR00002747

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Project duration	Amount spent in the current financial Year (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District				Name	CSR Registration number
25	Educational Assistance : Infrastructure at Govt. Primary School, Bogmalo (25 students)	Education	Yes	Goa	South	One year	135,000	No	Ion Foundation	CSR00002747
26	Hearing Impaired Expenditure Rs. 4500/- per child, per month :Shree Sharada Grantha Prasarak Sanstha (2 students)	Education	Yes	Goa	South	One year	108,000	No	Ion Foundation	CSR00002747
27	Educational Assistance : Teaching expenses, stationery & infrastructure at Infant Jesus, Hind Society, Cuncolim (500+ students)	Education	Yes	Goa	South	One year	1,080,700	No	Ion Foundation	CSR00002747
28	Stationery for children : Nitya Seva Niketan (25 children)	Education	Yes	Goa	South	One year	44,449	No	Ion Foundation	CSR00002747
29	Educational assistance for additional requirement of computers - Perpetual Succor & Lokvishwas pratishtan (1211 students)	Education	Yes	Goa	South	One year	263,376	No	Ion Foundation	CSR00002747
30	Sanitation work : Ramkrishna Vivekanand Trust (200 students)	Sanitation	Yes	Gujarat	Ankleshwar	One year	540,546	No	Ion Foundation	CSR00002747
31	Drinking Water - AMNS Hazira plant, 300 bedded facility to treat covid patients	Water, Health	Yes	Gujarat	Surat	One year	147,272	No	Ion Foundation	CSR00002747
32	Safety grills, ceiling fans 10 nos & Digital bell : Sarangpur Prathimk Shala, Gujarat 600 students	Education	Yes	Gujarat	Bharuch	One year	100,015	No	Ion Foundation	CSR00002747
33	Salaries of a Clinical, Psychologist, Nurse, 2 teachers and 2.5 Lacs towards bunk beds for children : 'Aapulki': Sahyadri Shikshan Sanstha, Panchwad, Satara (60 students)	Education	Yes	Maharashtra	Satara	One year	668,540	No	Ion Foundation	CSR00002747
34	Salaries of Project in-charge, Science & Maths Facilitator, 2 lab attendants : Vasundhara Public Charitable Trust, Sindhudurg (12,421)	Education	Yes	Maharashtra	Sindhudurg	One year	1,114,569	No	Ion Foundation	CSR00002747
35	Installation & Commissioning of WTP & STP plant for Om Abode, residential facility for differently abled	Water	Yes	Maharashtra	Karjat	One year	376,126	No	Ion Foundation	CSR00002747

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Project duration	Amount spent in the current financial Year (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District				Name	CSR Registration number
36	Salaries of an Occupational therapist & 3 Special education teachers : ICMH, Navi Mumbai (78 students)	Education	Yes	Maharashtra	Navi Mumbai	One year	906,000	No	Ion Foundation	CSR00002747
37	Educational Assistance & infrastructure & stationery : Shiksha Amrit Found. Navi Mumbai (120 students)	Education	Yes	Maharashtra	Navi Mumbai	One year	416,199	No	Ion Foundation	CSR00002747
38	Educational Assistance & school fees directly to school	Education	Yes	Maharashtra	Navi Mumbai	One year	296,725	No	Ion Foundation	CSR00002747
39	Salaries of 3 Matron & 2 caregivers : MBA Foundation (30 students)	Education	Yes	Maharashtra	Navi Mumbai	One year	485,261	No	Ion Foundation	CSR00002747
40	Salaries of 2 Special educators and a resident nurse : Shehalaya Education Society (60 students)	Education	Yes	Maharashtra	Pune	One year	495,048	No	Ion Foundation	CSR00002747
41	Vocational Training relating to Welder Trade Course : Bhanudas Maniram Seva Shikshan Sanstha (80 beneficiaries)	Education	Yes	Maharashtra	Dahanu	One year	345,126	No	Ion Foundation	CSR00002747
42	Anandacare Charitable Trust : Teachers salaries and educational expenses (720 children)	Education	Yes	Maharashtra	Dahanu	One year	500,000	No	Ion Foundation	CSR00002747
43	Initiatives towards Sanitation, health, environment & education - Utkarsh Mandal (202 beneficiaries)	Education	Yes	Maharashtra	Mumbai & Palghar	One year	773,679	No	Ion Foundation	CSR00002747
44	Solar farming project at Doharepada, Palghar district, Maharashtra : Keshav Srusti	Environment	Yes	Maharashtra	Palghar	One year	3,673,949	No	Ion Foundation	CSR00002747
45	Educational assistance (higher education) : Indian Association for Promotion & Adoption (20 students)	Education	Yes	Maharashtra	Mumbai	One year	805,713	No	Ion Foundation	CSR00002747
46	Salaries of 3 staff members : Red Cross Society of India (12,000 students)	Health & Hygiene	Yes	Maharashtra	Mumbai	One year	1,639,692	No	Ion Foundation	CSR00002747
47	Salaries of 3 counselors & 2 teachers : The Anchorage (28 adults)	Education	Yes	Maharashtra	Mumbai	One year	888,936	No	Ion Foundation	CSR00002747

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Project duration	Amount spent in the current financial Year (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District				Name	CSR Registration number
48	School fees : 1 Lac, Teacher salaries:5 Lacs, Infrastructure : 10k, Books & Stationery -20k (101 students) : Chetna Learning centre (101 students)	Education	Yes	Maharashtra	Mumbai	One year	588,650	No	Ion Foundation	CSR00002747
49	Salaries of 3 + 2 ;a counselor & 2 teachers Yash Charitable Trust (ASK & Skill Development Centre), 44 students	Education	Yes	Maharashtra	Mumbai	One year	1,128,800	No	Ion Foundation	CSR00002747
50	Educational assistance : salaries of teachers at Apni Shala Foundation, (5000 students)	Education	Yes	Maharashtra	Mumbai	One year	369,420	No	Ion Foundation	CSR00002747
51	Medical Support for treatment of a baby girl suffering from Heart disease - Nanhi Pari foundation (1 beneficiary)	Health	Yes	Maharashtra	Mumbai	One year	330,000	No	Ion Foundation	CSR00002747
52	Procurement of Medical equipments for Muncipal Eye hospital through Rotary club of Bombay Bayview (45,000 patients)	Health	Yes	Maharashtra	Mumbai	One year	2,270,000	No	Ion Foundation	CSR00002747
53	Educational assistance : Salaries & electricity bill payment : Chhatrapati Shivaji Vidyalaya, Dharavi (3650 beneficiaries)	Education	Yes	Maharashtra	Mumbai	One year	1,844,980	No	Ion Foundation	CSR00002747
54	Procurement of equipments for physical fitness at Priyadarshini park for identified underprivileged athletes	Education, Health	Yes	Maharashtra	Mumbai	One year	601,210	No	Ion Foundation	CSR00002747
55	Fee sponsorship for needy children : Higher Education	Education	Yes	Maharashtra	Mumbai	One year	667,055	No	Ion Foundation	CSR00002747
56	Fee sponsorship : Higher Education	Education	Yes	Maharashtra	Mumbai	One year	50,000	Yes	--	--
57	Remedial education : Build a Foundation Program - INR 8,32,800; Second innings home : electrical appliances - Sarthak Prayas (70 beneficiaries for both)	Education & Health	Yes	Delhi	West	One year	994,824	No	Ion Foundation	CSR00002747
58	Educational assistance - Project Palna of Delhi council for Child welfare (80 children)	Education	Yes	Delhi	Central	One year	310,746	No	Ion Foundation	CSR00002747
	Administrative overheads						83,732			
	<b>Total</b>						<b>30,243,598</b>			

- (d) Amount spent in Administrative Overheads – INR 83,732
  - (e) Amount spent on Impact Assessment - Nil
  - (f) Total amount spent for the Financial Year – INR 30,243,598
  - (g) Excess amount for set off- INR 15,133
9. (a) **Details of Unspent CSR amount for the preceding three financial years:** Not Applicable
- (b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** Not Applicable
10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:** Not Applicable
11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** Not Applicable

Sd/-

**Rajesh Sharma**  
Chairman & Managing Director

Sd/-

**Dr. V. N. Gupchup**  
Chairman of CSR Committee

Mumbai

Date: 27<sup>th</sup> May, 2022

## ANNEXURE III

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

The information under Section 134 (3) (m) of Companies Act, 2013 read with Rule 8 (3) of Companies (Accounts) Rules, 2014 is given herein below:

**(A) Conservation of Energy and Water****(i) The steps taken to reduce energy and water footprint at our various manufacturing facilities is summarized here:****1. Patancheru:**

State-of-the-art Effluent Treatment Plant (ETP) and RO led to further reduction of fresh water intake compared to the previous year. 200 KL/month of ETP RO permeate water utilized for Demineralization (DM) plant feed and cooling tower make up water.

Judicious use of power from state electricity board and in house DG sets resulted in reduction of cost of utilities:

- Fuel – Use of the Electric Forklift since August 21 lead to an average savings in HSD of 200L/month and INR 240,000 per annum.
- Power - 125 KVA DG was utilized during factory weekly off days instead of operating 320 KVA genset. This resulted in savings of INR 50,000 per month.

**2. Ankleshwar:**

- Reduction in fresh water consumption by 1.54 KL/m<sup>3</sup> of resin production by recycling ETP water.
- Reduction in total water consumption by 6%/m<sup>3</sup> of resin production through various corrective steps taken both in process and for the ETP.
- Reduction in electricity consumption by 33 KW/m<sup>3</sup> of resin production by introducing novel approaches in the production process.

**(ii) The steps taken by the company for utilizing alternate sources of energy:****1. Patancheru:**

R&D centre roof top solar project executed with a generation capacity of 196KW.

**2. Ankleshwar:**

- Projects are been undertaken to reduce water and energy foot print.
- Discussions are in progress to utilize solar power through a purchase agreement to reduce the electricity cost in the future.

**3. Goa:**

- Change in some of the processes which helped to reduce water consumption per meter of RO Sheet, as well as reduced the power consumption by approximately 6%.

**(iii) The capital investment on energy conservation equipments:**

As described above, your Company has invested in improving energy and water footprints during FY 2021-22. It has earmarked a bigger outlook to carry forward these sustainable practices during FY 2022-23.

**(B) Technology absorption:****(i) During the period under review, your Company has absorbed and commercialized following new products/processes**

**Ion exchange resins:** New products, processes and application development:

- **Speciality ion exchange applications:** Broadly speciality ion exchange processes were developed in three application areas during the year:
  - API purifications & isolations
  - Removal of contaminants from process & ETP streams
  - Brine softening application using indigenous resins.

- **New cation resin:** A new cation exchange resin was developed with improved fouling resistance and salt saving in the regeneration process. Filed for a patent application in India.
- **Anion Resin:** Developed sulphate and bisulphate form anion resins for pharmaceutical process applications.
- Others:
  - Re-use of Spent resin as filter media – SMF (Spent Media Filter)
  - INDION USR - Uranium Selective Resin was developed to achieve Uranium limits in drinking water

**Benefits derived as a result of the above include:**

- Commercial orders executed in the segment of purification and isolation of key APIs using our indigenous resins.
- Commercial orders executed in the application area of removal of trace contaminants and organics from critical ETP water.
- Commercial order executed in the area of brine softening application in chlor alkali industries. It led to an increase in speciality resins market share besides import substitution of the product.
- Newer business opportunities for new products and applications identified in India and globally

**Water treatment and process chemicals:**

Innovative products and process improvements

- **Defoamers:**
  - Developed and commercialised a range of cost effective defoamers for sugar, paper and other applications.
- **Others**
  - Introduced safe and easy to handle chlorine dioxide release chemicals for industrial use.
  - A speciality water treatment chemical introduced as an effective halogen stabilizer in industrial water treatment applications.
  - Developed surface sizing chemicals for Paper industry.
  - Process Development for reduction of Heavy Metals by co-precipitation method

**Benefits derived because of the above include:**

New product lines will help increase market share, revenue and profitability.

**Membrane materials:**

New product and process improvements:

- New chemistries introduced for Nano Filtration and Reverse Osmosis range of membranes.
- Non-water membrane application technologies commercialised for use in Sugar, Textiles, Food & Beverage and Pharmaceutical industries.

**Benefits derived because of the above include:**

- New chemistries resulted in RMC savings.
- Increased market growth in specialty segments by expanding Hydramem Membranes for non-water applications.

**Water and environment management technologies:**

- INDION LAB Q Spectra: Ultrapure water maker for high-end research applications.
- High saline water treatment, to increase the water recovery, reduce the evaporator capacity and Zero Liquid Discharge (ZLD).
- Waste to Energy – Treatment of Municipal solid waste/ chicken litter/ rice straw waste and organic solid waste to generate biogas, electricity and high quality manure.

**Benefits derived as a result of the above include:**

- Optimisation of Life Cycle cost for ZLD application.
  - Widening of waste to energy product range for the benefit of industries and communities.
- (ii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
- (a) the details of technology imported : None
  - (b) the year of import : NA
  - (c) whether the technology been fully absorbed : NA
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reason thereof : NA
- (iii) the expenditure incurred on Research and Development

Sr. No.		Location	
		Patancheru (INR in Lacs)	Vashi, New Mumbai (INR in Lacs)
a.	Capital Expenditure	47.54	97.72
b.	Revenue Expenditure	426.28	475.04
<b>c.</b>	<b>Total</b>	<b>473.82</b>	<b>572.76</b>
d.	Total R & D Expenditure as percentage of Turnover: 0.69%		

**(C) Foreign exchange earnings and Outgo**

During the year under review foreign exchange earnings were INR 42,592.13 Lacs and foreign exchange outgo was INR 26,808.55 Lacs.

On behalf of the Board of Directors

**Rajesh Sharma**  
Chairman & Managing Director

Mumbai

Date: 27<sup>th</sup> May, 2022

## BUSINESS RESPONSIBILITY REPORT

### SECTION A: General Information about the Company

1.	CIN	L74999MH1964PLC014258								
2.	Name of the Company	Ion Exchange (India) Limited								
3.	Registered address	Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai-400011								
4.	Website	<a href="https://www.ionexchangeglobal.com">https://www.ionexchangeglobal.com</a>								
5.	E-mail ID	<a href="mailto:investorhelp@ionexchange.co.in">investorhelp@ionexchange.co.in</a>								
6.	Financial Year reported	F.Y. 2021-22								
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	<table border="1"> <thead> <tr> <th>NIC Code</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>20131,20119</td> <td>Ion Exchange Resins</td> </tr> <tr> <td>37003,36000</td> <td>Water Treatment Plant</td> </tr> <tr> <td>20119</td> <td>Chemical Additives</td> </tr> </tbody> </table>	NIC Code	Description	20131,20119	Ion Exchange Resins	37003,36000	Water Treatment Plant	20119	Chemical Additives
NIC Code	Description									
20131,20119	Ion Exchange Resins									
37003,36000	Water Treatment Plant									
20119	Chemical Additives									
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	<p>Water treatment and Environment management products in:</p> <ul style="list-style-type: none"> <li>i. Engineering segment</li> <li>ii. Chemicals segment</li> <li>iii. Consumer Products segment</li> </ul>								
9.	Total number of locations where the Company undertakes business activity -									
	(a) Number of International Locations (Provide details of major 5)	Company has substantial operations across SAARC countries, South East Asia, Middle East, Africa and North America.								
	(b) Number of National Locations	<p>Company serves Pan India Market at local and state level.</p> <p>The Company has manufacturing facilities at Hosur (Tamil Nadu), Patancheru (Telangana), Ankleshwar (Gujarat), Navi Mumbai (Maharashtra), Goa.</p> <p>Refer Annual Report for details of manufacturing facilities.</p>								
10.	Markets served by the Company – Local/ State/National/International	<p>Company serves whole of the Indian Market.</p> <p>The International Market covered includes above plus Europe</p>								

### SECTION B: Financial Details of the Company

1.	Paid up Capital	INR 1,467 Lacs
2.	Total Turnover	INR 150,936 Lacs
3.	Total profit after taxes	INR 15,421 Lacs
4.	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit before tax pursuant to Section 198(%)	2%
5.	List of activities in which expenditure in 4 above Has been incurred	Refer Annual Report on CSR activities annexed to Directors' Report

**SECTION C: Other Details**

1.	Does the Company have any Subsidiary Company/ Companies?	1. Yes, Ion Exchange (India) Limited has 18 subsidiary companies in India and abroad as on March 31, 2022. 2. For details of subsidiaries refer to the Annual Report.
2.	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	The Company positively influences and encourages its subsidiaries to adopt Business Responsibility (BR) initiatives. All the Company's subsidiaries are guided by the Code of Conduct (CoC) to conduct their business in an ethical, transparent and accountable manner. It covers suppliers, customers and other stakeholders. It also addresses key BR issues like Quality and Customer Value, Corruption and Bribery, Health and Safety, Environment, Human Rights and Employee well-being.
3.	Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Company encourages all its relevant stakeholders to adopt Business Responsibility policies. At present the number of entities participating in the above initiative is less than 30%.

**SECTION D: BR Information**

## 1. Details of Director/Directors responsible for BR

## (a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1.	DIN	00515486
2.	Name	Mr. Rajesh Sharma
3.	Designation	Chairman and Managing Director

## (b) Details of the BR head

1.	DIN (if applicable)	NA
2.	Name	Mr. Ajay Popat
3.	Designation	President
4.	Telephone Number	022-62312031
5.	E-mail ID	<a href="mailto:ajay.popat@ionexchange.co.in">ajay.popat@ionexchange.co.in</a>

## 2. Principle-wise (as per NVGs) BR Policy/policies

## (a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for....	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Has the policy being formulated in Consultation with the relevant stakeholders?	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Indicate the link for the policy to be viewed online?	<a href="https://www.ionexchangeglobal.com">https://www.ionexchangeglobal.com</a>								

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to Company's key internal stakeholders. The BR policies are communicated through this report. Besides, the Company will also explore other formal channels to communicate with more relevant stakeholders.								
8	Does the Company have in-house structure To implement the policy/policies?	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Yes. All our policies and procedures are continuously evaluated by Internal auditors.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	NA								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1year	Annually by the Board
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes  The Business Responsibility Report is a part of Annual Report and is available on the website of the Company, <a href="https://www.ionexchangeglobal.com">https://www.ionexchangeglobal.com</a>

**SECTION E: Principle-wise Performance**

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

At Ion Exchange, maintaining high standards of Corporate Governance is fundamental to the business and is the core of our existence. It is steered by your Company’s policies on ethics, including the Code of Conduct (CoC), Whistle Blower Policy, Insider Trading Prohibition Code. These policies are available on your Company’s website <https://www.ionexchange.global.com>. These policies are applicable to board members, senior management and employees. These are also applicable to all our subsidiaries and associate companies.

Your Company has laid down its CoC with the objective to remain committed and vigilant towards ethical conduct of business processes.

At the apex level in the governance structure, the CoC committee comprising of Senior Executives, meet at least twice a year to review the CoC and ensure implementation across the organization. Under the Whistle Blower Policy, a multitier mechanism has been instated for receiving and investigating complaints from any employee/business associate.

Your Company also has a shareholder complaint redressal mechanism to protect the interest of shareholders especially the minority shareholders.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

Access to safe drinking water, contamination of water bodies as a result of human and industrial activities, water crisis, environmental disasters are some of the major issues which requires attention of all concerned – Government, industries, communities.

Your Company has been at the forefront of providing safe and sustainable state-of-the-art products, solutions and technologies for handling liquid, solid and gaseous waste generated by industries, institutions, homes and communities. Examples of such products and solutions are:

- 1) Drinking Water Clarification for a Jal Sansthan (Water Corporation) of a large city in India.

Your Company was engaged by the Water Corporation to replace the conventional method of water clarification in the existing water treatment plants which were supplying drinking water to the city. The conventional method was inefficient as the quality of water supplied was poor and varied as per the season. Your Company successfully developed a sustainable clarification process using food grade (NSF & ITRC approved) biodegradable organic polymers. This helped in providing consistently safe tap drinking water throughout the year (pH 7.0 -7.2, Turbidity<1, Colour <3 Pt Co) as per the prescribed standards, reduced the amount of chemicals used, besides substantial reduction in

material handling as alum was completely eliminated from the plant and a 30-40% reduction in sludge. This also led to a significant reduction in the treatment costs.

Based on the successful performance of this treatment process your Company has been awarded similar projects for other cities including an industrial township.



- 2) Mitigation of Uranium Contamination in Ground water

Uranium a radioactive element has been increasingly found to contaminate ground water bodies. It is a severe threat to the health of the population specially when present at high levels in drinking water.

DWSS (Department of Water Supply & Sanitation) from one of the states in India most affected due to uranium contamination of ground water approached your Company to provide a treatment system for removal of high level of uranium (1600ppb to 2100ppb) from ground water. Your Company successfully developed an adsorption process for the purpose of uranium removal. This process selectively adsorbs uranium from ground water without affecting the other water characteristics. Based on this, under a joint initiative with DWSS your Company successfully installed a 1000LPH plant to cater to the drinking water requirements of a village facing this problem. The plant requires minimum maintenance and operation and is user friendly. The plant is providing water < 30ppb uranium as per the drinking water standards to the villagers and is proving to impart tremendous benefits to the local community.



- 3) Removal of Per and Polyfluoroalkyl Substances (PFAS) from drinking water.

PFAS also termed as 'Forever Chemicals' as they are very difficult to break or treat are manmade chemicals used in a variety of industries. They are highly soluble in water and can easily enter the human body through water or food. They can cause serious health issues and hence their maximum contaminant level has been

capped at <70ppt in drinking water as per the US EPA health advisory. Your Company has been proactive in developing a special ion exchange resin process to effectively remove the PFAS contaminants from water and thus make it safe for drinking.

- 4) Complete Zero Liquid Discharge Solution.

A leading tyre manufacturer who was setting up a new plant based on the multipronged '4R' (reduce, recycle, reuse and renewables) strategy with a vision to ensure and improve their environmental sustainability and ecological balance engaged your Company to design, manufacture, supply and install a total water and waste water management plant. The entire system was expected to meet global standards and the process performance of all the units was to meet the core objectives of lowest water, power and chemical consumption. Your Company executed the complete package on a turnkey basis complying with the requirements of all relevant codes, standards, local regulatory requirements and client specifications. The designs and equipments selected by Ion Exchange were based on 'tried and tested' technologies taking into account Life Cycle Costs. It helped the project to achieve its main objective of Zero Liquid Discharge, conserve the use of fresh water and comply with the stringent pollution control norms. This project was undertaken during the pandemic



Effluent Treatment Plant

### **Principle 3: Businesses should promote the well-being of all employees**

The well-being, safety and all-round development of all its employees is very important for your Company. Your Company acknowledges that its employees are important contributors towards its success and it is your Company's continuous endeavour to attract qualified people and invest in their long-term growth and development through a well-organized program. Your Company regularly engages its employees, conducts learning and development programs and provides them with an opportunity to move across verticals and divisions to gain wider professional exposure. Your Company also focuses on continual education of its employees and provides opportunities for their academic and professional development.

The Human Resources and employee well-being policies of your Company are largely aligned; while taking into consideration the distinct nature of business of the respective segments and the need to benchmark with industry peers.

Your Company organized a series of programs regularly for promoting general health and all-round career development of its employees during the year. Mental, physical and financial well-being of the employees and their families during the pandemic was important; specially since most employees were working from home. Your Company conducted various virtual sessions with experts on these topics.

Your Company has adequately insured all its employees under the group medical insurance and accidental policy. The requisite measures which were taken by your Company to prevent the spread of Covid-19 during the last financial year continued for the year under review. Measures such as:

1. Adapting work from home policy
2. Traveling to work and business only in most essential and exceptional cases
3. Extensive precautionary measures were taken in facilities that were allowed to function with minimum staff, maintaining social distancing and complete SOPs not restricted to sanitization of offices, availability of hand sanitizers, body temperature equipments, oximeters, downloading of the Aarogya Setu app, advisory regards home-cooked food and masks were implemented.

Your Company has taken steps for the care of the families of employees who lost their lives due to the Covid-19 pandemic.

These include:

1. Job consideration for the spouse or one of the children at Ion Exchange
2. Support education for two children up to graduation
3. Medical Insurance of the deceased employee's family will be taken care of for the next 10 years
4. Priority release of the full and final settlement of the employee

5. Providing the increment which would have been due to the employee if he/she was still under your Company's employment

Your Company prohibits discrimination based on race, caste, religion, colour, gender or disability. Further, your Company has a zero-tolerance policy towards harassment, whether sexual or physical against any employee.

To prevent any kind of discrimination, your Company has various policies and procedures in place. The 'Policy on Prevention of Sexual Harassment at Workplace' ensures the safety and security of female employees. Each complaint of sexual harassment is investigated by an independent committee consisting of internal and external female members, providing full anonymity to the complainant and in cases where evidence of harassment is found, strict disciplinary action is initiated.

Your Company does not employ child labour in its premises and did not receive any complaints relating to child labour, forced labour or involuntary labour in FY 2021- 22. Your Company has not received any complaints of sexual harassment during the year. The subsidiaries have robust processes for investigating all complaints in line with recommended best practices.

### **Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

Your Company has systematically identified its internal and external stakeholders who are impacted by its operations. Your Company is committed to engaging with both its stakeholders to identify their areas of concern, and take necessary measures to arrive at suitable solutions while achieving its business goals. This also helps your company in building a better workplace, and focus on compliance, performance, and growth strategy.

Your company emphasizes supporting and engaging with the marginalized and neglected sections of communities surrounding your Company's operations and project locations. Disabled children and youth emerged as a separate group and hence are catered to through education, vocational & skill development programs. By facilitating education, healthcare, skilling programs and awareness sessions for women in rural areas, your Company aims at improving women's social status by identifying income generation opportunities for them.

### **Principle 5: Businesses should respect and promote human rights**

Your Company recognizes the worth of every individual by acknowledging and respecting their human rights such as fairness, dignity and equality. Your Company stands against violation of human rights, child labour or violation of individual rights and sexual harassment. It follows the principle of equal opportunity, irrespective of religion, caste, creed and gender. Your Company monitors compliance of all relevant laws and policies pertaining to all the above issues.

### **Principle 6: Business should respect, protect, and make efforts to restore the environment**

Your Company specializes in the field of environment and believes that a clean environment is critical for human existence

and its ecosystem. It continues to invest in advanced innovative technologies to reduce water and energy footprint at all manufacturing facilities. Energy efficient technologies (electrical / thermal) are adopted in all establishments to reduce energy intensity and carbon footprint. Renewable energy in the form of rooftop Solar photovoltaic (196 KWp) system has been commissioned at R & D facility. Plans are being undertaken to adopt renewable energy sources at multiple locations.

Your Company has a robust and innovative waste management strategy targeted to reduce, reuse and recycle waste during the entire lifecycle of the product. Your Company has identified newer initiatives for adaption of cleaner and efficient technologies for its waste management.

Your company is certified for ISO 9001 (Quality Management Systems) and ISO 14001 (Environmental Management Systems). The management systems ensure systemic adherence to environmental protection guidelines and periodic reporting of compliance to the senior management. These systems also ensure relevant risk and statutory compliances by manufacturing facilities. The emissions/ waste generated by your Company are within the permissible limits given by CPCB/SPCB and the same are monitored on a continuous basis. There is no show cause/legal notice received from CPCB/SPCB during FY 2021-22. Further, your Company keeps itself abreast with all applicable regulations and its efforts are always to be ahead on the compliance curve on a proactive basis.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

Ion Exchange continues to advocate its opinions on adoption of sustainable processes and technologies for cleaner environment, safe drinking water, promotion of 'Make in India' initiative, rationalization of taxes, duties etc.

Your Company is a member of many trade associations including:

1. Confederation of Indian Industry (CII)
2. Indian Chamber of Commerce (ICC)
3. Water Quality India Association (WQIA)
4. The Associated Chambers of Commerce & Industry of India (ASSOCHAM)
5. Process Plant and Machinery Association of India (PPMAI)
6. Industry Associations at its manufacturing locations

Your Company actively supported and partnered with these institutes during the pandemic in creating awareness on sustainable environment management and best available practices through a series of virtual workshops / webinars during the year under review. Your Company's contributions were well received and appreciated by a large number of participants in these events.

Your Company's scientists actively participate in meetings with

statutory agencies like Bureau of Indian Standards (BIS) in evolving new standards for finished products and components used in the water purification process

**Principle 8: Businesses should support inclusive growth and equitable development**

Since its inception your Company has been a socially responsible corporate making investments in the community which goes beyond mandatory legal & statutory requirements.

The CSR vision of the Company is to empower the economically disadvantaged towards social equality and to refresh our environment through programs designed in the domains of education, health & hygiene and environment. Till date we have touched the lives of around five lac people.

Your Company under CSR initiatives has prioritised the following : Priority 1: Improving water availability for local communities and developing resilience at the community level to mitigate water scarcity, aligned with SDG 6. Priority 2 – Promoting education by supporting educational & vocational projects such as tuitions to first generation learners, sponsorships (helping schools run efficiently by providing teaching aids, books, tuition fees), increasing access to education (encouraging children to go to school by spreading awareness in communities, helping or training teachers or volunteers, providing infrastructure for the school) in line with SDG 4. Priority 3 - Creating Sustainable Livelihoods through the promotion of Skill & Entrepreneurship Development for farming communities in rural areas. Your Company has initiated projects for women that promote self-independence by empowering them and providing skill development programs to earn a better livelihood, aligned with SDG 8.

Your Company has taken various steps to ensure that the CSR initiatives undertaken are successfully adopted by the community. The relevant stakeholders in the local community are involved during needs assessment, project planning, and implementation. Feedback is collected from the beneficiaries of the projects and course corrections are taken based on the same, wherever necessary.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

Customers & communities that we serve are very important for us and your Company takes its responsibility towards them very seriously. Your Company is in regular contact with the customers and is on the look out to create value by improving efficiency of their systems or quality of finished products or recovery of valuable products from waste. Your Company is always looking at developing innovative products, process, solutions, technologies and services to enhance people's lives and the environment. Your Company has a well-defined protocol / mechanism to test/ pilot new offerings with regards to its impact on our customers, communities and the environment. Our Health & Safety policy ensures not only the well-being of our employees but also those of our customers and their employees.

Your Company's dedicated in-house Customer Care Centres

for inbound and outbound calls are operated by competent customer service agents. Besides this, Ion Exchange has Customer Relationship Officers at its regional offices for face-to-face, telephonic and digital interactions. An important Customer Relationship Management program is the Key Account Management (KAM) program where there is a single point contact (KAM Manager) from Ion Exchange to meet and address all the requirements of the customer for all our products, solutions, technologies and services.

Customers are also kept abreast of various activities undertaken by your Company through regular communication from your Company's digital and social media platforms.

Your Company has set up a robust infrastructure to receive customer feedback, suggestions, complaints etc. through both conventional as well as non-conventional/ digital media channels. It conducts annual customer experience surveys for all its products and services and measures their level of satisfaction.

All product information and marketing collaterals are updated and available on your company's websites as well as it is available with its channel partners and employees who interact with customers. Your Company displays all information which is mandated by law.

There are no pending cases filed by any stakeholder against your Company for unfair trade practices. Also, there are no consumer cases pending against your Company.

On behalf of the Board of Directors

**Rajesh Sharma**  
Chairman & Managing Director

Mumbai

Date: 27<sup>th</sup> May, 2022

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### A. INDUSTRY STRUCTURE AND DEVELOPMENT

#### Overview:

Ion Exchange (India) Ltd. (IEL) is a premier Indian Company that offers total water and environment management solutions. Supported by a robust infrastructure of ISO 9001 certified manufacturing facilities and the largest after-sales network in the country, the Company has a strong domestic and growing international presence.

The Covid-19 pandemic has highlighted the gap between demand and access to safe and reliable water. Now, post pandemic, to meet the rising demand for water, it is important to effectively manage water not just at the source but throughout its life cycle. Corporate leadership efforts are now focused on water and waste management, contributing towards meeting the Sustainable Development Goals. Ion Exchange supports these corporate efforts by providing water, waste water management, solid waste management and waste to energy solutions to combat growing environmental issues. Comprehensive technologies, products and services, enable us to cater not just to industries and municipalities but also to institutions, homes and communities both urban & rural. With initiatives in effluent recycle, zero liquid discharge, municipal sewage treatment and product and resource recovery along with source substitution of water (alternate sources of water) such as sea water desalination, Ion Exchange provides the most suitable alternatives to meet the growing water demand.

Our Zero B range of home water purification solutions deliver products at every price point and category: household, urban and rural as well as institutional segments and continued to do so through the pandemic. Zero B's state-of-the-art Hydrogen and Alkaline Water Machine 'Zero B Hydrolife' continues to give superior and healthy water imparting vital health benefits for a disease-free body.

#### Global Economy

After expanding 5.8 percent last year, the world economy was expected to slow down to 4.2 percent in FY 2021-22 because of higher interest rates and cost of living. Due to current geopolitical tensions and elevated inflation it is likely to slump to 2.9 percent. In the immediate, global growth will be largely affected by spikes in inflation, possibility of policy tightening and rise in interest rates, persistence of supply chain strain and the pandemic as well as international political tensions. Fuel and food prices have increased rapidly, hitting vulnerable populations in low income countries hardest.

Unusually high uncertainty surrounding this forecast from International Monetary Fund (IMF), and downside risks to the global economic outlook will dominate – including from possible worsening of political tensions, sharper than anticipated deceleration in China due to a strict Zero Covid strategy to renewed flare up of the pandemic, should a new and more virulent strain emerge.

Multilateral efforts to respond to political tensions, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle water and climate change issues and end of the pandemic are essential for growth of the global economy.

#### Indian Economy

After two years of being impacted by the Covid pandemic and its fallout, the Indian economy showed strong signs of resilience. The headline macroeconomic number, quantifying the V-shaped economic recovery, namely real Gross Domestic Product (GDP) grew by 8.7 percent in FY 2021-22 against the 6.6 percent decline of the previous year caused by countrywide pandemic-induced lockdowns.

Investment demand, pushed by the Government of India (GoI), has recovered to its pre-pandemic level. Capital expenditure, both by the Central Government and in 16 major states was higher – 35 percent and 17 percent respectively than the corresponding pre-pandemic period. India's merchandise exports soared to the USD 417 billion mark. If sustained in the next Fiscal Year, this could also translate into higher capacity utilization in manufacturing and in turn signal a revival of private corporate capex since merchandise exports have been driven by engineering goods, organic and inorganic chemicals, drugs and pharmaceuticals.

For most part of the year Foreign Direct Investment (FDI) inflows into India increased. Tax collection increased by 34.16 percent against the same period in the previous year. Reserve Bank of India (RBI) ensured its monetary policy remained accommodative. To augment the revenue side divestments, asset sales and monetization of surplus assets will have to be accelerated.

Though interest rates have remained flat during the year, bond yields during current year will go up. The first increase was already announced by RBI based on excellent pandemic crisis-management at par with large economies. With consumption and private investment likely to recover more gradually, government expenditure and investment in fiscal infrastructure, which has a multiplier effect, have to remain centre stage for economic growth. Private sector investments, incentivized by GoI's production-linked incentive

schemes in sectors like Pharma, Specialty Chemicals, Food & Beverages will continue to lead gradual investment revival.

The Micro, Small & Medium Enterprise (MSME) sector along with large number of unorganized players is a bulk contributor to India's businesses, exports, employment and the economy. Two consecutive years of uncertainty is not something small businesses in an emerging economy like India can withstand. The pandemic has triggered one of the biggest consumption shifts from unorganized to organized businesses.

The MSME sector received timely support from Government schemes to overcome woes like cash flow crunch, demand downturn and dip in profitability. With Government expected to taper its financial outlays in sync with waning of pandemic, current concerns of MSMEs in India due to volatile and sluggish market conditions will need to be addressed.

However, on downside of the growth assumptions, the rising Omicron cases (third wave), despite its impact being lower than earlier occasions, rising trend in crude prices, languishing consumption because of loss of income and tapering welfare, will see the economy entering the new fiscal year that holds out the possibility of oil shock, disruption from the tail end of the pandemic and capital flight. Thus, RBI will have to continue doing the balancing act between controlling inflation and ensuring that the pace of growth is not stifled.

Overall, the Indian economy is projected to grow the quickest among the league of large nations and achieve the real GDP growth of 7.5 percent in FY 2022-23.

### Indian Water and Environment Industry

The Covid-19 outbreak has been negatively affecting the Indian as well as the global economy. However, increased awareness about hygiene and sanitation during the pandemic has reinforced the importance of access to safe and reliable water not only in India but also globally especially in the under developed countries.

Public capex can ignite recovery in an environment where weak demand has kept private sector investment tepid. Crisis studies have shown Government capex has a higher multiplier effect on economy output compared with revenue expenditure. Government of India (GoI) is implementing various funding & regulatory mechanisms to open up the water & wastewater treatment market for private investments. This will create good opportunities for the industry. Robust GoI initiatives like the Atal Mission for Rejuvenation and Urban Transformation, National Mission for Clean Ganga, Jal Jeevan Mission and Community Drinking Water Schemes will help contribute to growth of the Indian water and wastewater treatment industry.

Conducive Government support through policy measures such as the production-linked incentive (PLI) scheme will act as further enablers for crowding in private investment. Capital expenditure programmes of the Government will lead the investment drive by the corporate sector whose balance sheets have improved. Rising capacity utilization in select sectors augurs well for the water industry which is likely to see an increase in demand from industries such as Steel, Refinery, Solar PV and Semi-conductor, Food & Beverages, Textiles, Paper, etc. The revival (pent-up demand) in service sectors and hospitality business is expected to revive the investment plans of leading companies in these segments. The realty sector continues to grow at a good pace on increased urbanization and demand for quality housing.

Energy transition and acclimatization will be one of the pillars of the development and growth agenda in India. GoI has prioritized allocation of significant domestic financial resources for developing indigenous capacity for energy transition and acclimatization by providing PLI's for domestic integrated Solar manufacturing facilities, Green Hydrogen production, blended fuel and encouraging use of biomass pellets in thermal power plants. These initiatives to reduce carbon intensity in line with COP26 commitments, augur well with large scale investments and projects.

Thus, rapid industrialization, growing population coupled with urbanization and stricter enforcement of environmental regulations to decrease pollution and conserve diminishing fresh water reserves will lead to an increase in demand for wastewater treatment and recycle plants across all sectors – industries, institutions, homes and communities. The World Bank has indicated that India's Gross Domestic Product (GDP) growth can be affected every year unless it implements effective water management strategies. There is a growing awareness among Corporates about the importance and benefits to integrate water sustainability into their strategy and provide proper resources for wastewater treatment, recycle and zero liquid discharge. Globally, customers are increasingly showing preference for integrated water and environment management solutions. Export of engineering products, customized EPC projects, resins, water treatment chemicals, membranes and service are important revenue generators for this sector.

Further, the race towards carbon neutrality, net zero goals and commitment of nations to COP26 emission goals will accelerate the demand for innovative, efficient, green technologies built on the backbone of carbon neutral water energy nexus.

All this is likely to drive demand for innovative water treatment technologies, proven EPC plus O&M capabilities. Thus the Indian water & environment industry is projected to register a healthy CAGR of 8.5 percent during the period 2022-2026.

**B. Highlights of Performance:**

**Standalone**

- Total Income: INR 1555 crores registering a growth of 8.1% annually
- EBITDA: INR 243 crores
- EBITDA Margin: 15.6%
- Net Profit After Tax: INR 154 crores
- PAT Margin: 9.9%
- Diluted EPS: INR 125.44

**Consolidated**

- Total Income: INR 1619 crores registering a growth of 9.2% annually
- EBITDA: INR 255 crores registering a growth of 8.5% annually
- EBITDA Margin: 15.7%
- Net Profit After Tax: INR 162 crores registering a growth of 13.3% annually
- PAT Margin: 10.0%
- Diluted EPS: INR 137.30

**C. Segment wise Operational Performance:**

The business of your company can be segmented into:

1. Engineering
2. Chemicals
3. Consumer Products

**Engineering**

While challenges due to the Covid-19 pandemic had not abated in FY 2021-22, your Company was successful in ensuring that business was handled effectively by minimizing disruptions and ensuring steady progress.

The year started with worldwide lockdowns to combat the second pandemic wave. Your Company successfully mitigated its impact using robust internal systems that ensured close monitoring (including virtual monitoring) and kept on track progress of all its worldwide water and waste treatment projects.

On a standalone basis, the Engineering segment achieved a turnover of INR 900 crores compared to INR 903 crores for the previous year. The profit from Engineering Operations stood at INR 94 crores.

Your Company's Sri Lanka Project continued to progress satisfactorily achieving all major milestones

with 92 percent completion by the end of FY 2021-22. The Project was inaugurated by His Excellency Gotabaya Rajapaksa, President of the Democratic Socialist Republic of Sri Lanka, on 22 March, 2022, World Water Day. This will now benefit an extensive area of Kalutara District in Sri Lanka which was reeling under the issue of saline water for the last several decades.

The turnkey EPC order your Company received from Vedanta (erstwhile Cairn Energy) for its onshore oil and gas processing facility has progressed significantly with installation of all major equipments and initiating testing at site. The project will be commissioned in FY 2022-23.

Your Company was also successful in bagging large water and waste water treatment contracts in other industrial and infrastructure segments. We now have a healthy order book of INR 2674 crores.

Your Company's Standard Systems Division crossed INR 200 Crore in sales in 2021-22. With expansions of the Hosur and Goa facilities, capacity expansion of 25% has been achieved. This along with strengthening of senior resources in project and site management will help us execute more orders at the same time.

The Membrane Division continued to deliver double digit growth. The capacity expansion plan as cited in FY 2020-21 is well under execution. New machine production is likely to start by Q3 2022. Your Company's Hydramem membranes have clearly established their presence in the Desalination market segment.

Your Company continued to ensure safety of its employees and subcontractors all through the second wave of the pandemic. Overall, your Company strongly demonstrated its ability to manage large engineering contracts by maintaining robust revenue and protecting profitability.

**Chemicals Segment**

The Chemical segment performed satisfactorily despite the pandemic and contributed a major share towards your Company's profits.

Whilst retaining its market share in India, export markets were affected right through the year by general slowdown, logistic issues and increased freight cost. Despite these challenges, your Company retained its position as a reliable and quality supplier in geographies such as USA, Europe and in the South East Asian markets.

The segment benefited due to good enquiry bank, global customers looking at alternatives to sourcing from China, improved throughputs and yields, various overhead controls and cost saving initiatives. However, this segment witnessed headwinds on account of raw material cost increase from the last quarter of FY 2021-22.

On standalone basis, the segment achieved sales turnover of INR 526 crores compared to INR 430 crores of the previous year.

Your Company continued to expand its portfolio of specialty and value added products under both its sub-segments - Resins and Industrial Chemicals. Several new products were commercialized during the year for process, utility and sanitary applications.

### Consumer products

The year 2021-2022 centered around growth strategies across the consumer segment focused on product innovation, go-to market and digital strategies. The consumer products segment comprising Home Water Solutions, Institutional, Commercial Water Solutions and Rural division together achieved a turnover of INR 137 Crores during the FY 2021-2022.

The Zero B Home Water Solutions business started FY 2021-22 on a high-note, with the introduction of a wellness product Zero B Hydrolife. Further, to flank its market position, Zero B launched a series of innovative product solutions like UV Grande 2X (UF+UV) and Zero B Magna Plus (RO+UV+UF+MB) keeping aesthetics, price and demand at the forefront.

Commercial water solutions segment added Lab Q Spectra and Lab Q Ultra EDI-based state-of-the-art Water Maker under Lab Q series with dedicated focus on innovative and sustainable solutions for laboratory water applications. They also added an upgraded model Zero B Eco Smart 250 LPH to the ever-growing demand for this product across the commercial segment.

Your Company's Rural segment continues to grow by catering to the Public Health Engineering Departments (PHEDs) and participating through their *Jal Jeevan Mission (Har Ghar Nal Yojna)* initiatives across states such as Madhya Pradesh, Chhattisgarh, Maharashtra, Karnataka, Uttar Pradesh, Punjab etc. Your Company's Rural segment has also actively participated to support pan India CSR activities of various public and private sector company's and NGO's.

### Exports

You Company has posted Export turnover of INR 419 crores for the year 2021-22. Your Company consolidated its presence with engineering companies globally. The strategy to support customers, in the last few difficult years of the pandemic by providing services and delivering products timely resulted in winning customer confidence.

All engineering reviews, meetings, quality control inspections were successfully carried out remotely by your Company. This demonstrated our ability to meet our delivery commitments and helped us in consolidating our presence with the customer, ultimately resulting in repeat orders from existing customers and generating a

healthy enquiry bank for your Company in the export markets.

Your Company's global resins business is regaining its previous year performance and recovery of the economy in countries where we are focused, will enable us to consolidate our position in those markets. The ongoing geopolitical conflict is not likely to have an impact on our exports business.

### Digital Initiatives

Digital adoption in conducting various business activities continued strongly in FY 2021-22 as well. Your Company's KAM (Key Account Management) program was further strengthened with inclusion of 40 percent new customers. The KAM program, which allocates key customers a single dedicated point of contact within Ion Exchange for multiple product lines, has been vital in increasing their 'Ease of Doing Business' with your Company. The KAM program was run company-wide in your Company involving all cross-functional stakeholders thus ensuring its inclusiveness.

Customers continued to invest in your Company's technologies for remote sensing, monitoring and control of water management programs. The adaption and penetration of these value added digital initiatives to improve operational efficiency, reduce costs and enhance reliability which accelerated during enforced lockdowns, continued to maintain their momentum in FY 2021-22.

In the year 2021-22, your Company's Consumer Care (Zero B) business, added a new customer-centric tool called "Smatbot" to its [www.zerobonline.com](http://www.zerobonline.com) website. This smart tool enables live user interaction which re-directs the customer to its end-solution. The above systems ensure that customer feedback is acknowledged and responded to within the shortest time as defined in your Company's Quality Management System. Product categories on the Zero B website have separate landing pages, which enable form filling and lead generation. These are followed up regularly through an in-house app "Ion-Connect". Besides this, Digital Barcodes on user manuals avoid excessive printing of user manuals. Your Company has a registered "WhatsApp" Business Account with the number: +91 7756043064 which has more than 10,000+ active customer opt-ins and conversations with regards to product requirements. Your Company fully utilizes this space for Graphical Interface Communication with its potential audience universe and invites more potential customers to be a part of the Zero B family.

Revamp of your Company's website ([www.ionindia.com](http://www.ionindia.com)) and launch under a new domain name ([www.ionexchangeglobal.com](http://www.ionexchangeglobal.com)) was majorly executed in FY 2021-22. Development for a stronger, more dynamic and visually appealing website, was one of the key digital initiatives of your Company. In addition,

participation in virtual webinars with various industry associations was an important activity. On World Water Day 2022, your Company successfully ran a multi-channel communication campaign with focus on 'Water Conservation & Management' on television (ET Now) and across social media platforms such as LinkedIn, Facebook, Twitter and YouTube. We also used our company website to connect with the external audience.

#### **D. Risks, Threats, Concerns & Risk Mitigation**

Pre-empting risks and activating a mitigation plan has been a priority on the management's agenda. Your Company has a comprehensive risk management framework that identifies risks arising out of internal as well as external factors, assesses, reports and mitigates impact of these risks. The multi-layered risk management framework adopted by your Company is aimed at achieving the strategic objective of increasing market share, optimal utilization of assets to increase productivity, comprehensive financial reporting and compliance to regulatory and social obligations.

On the global front, the Covid-19 pandemic with its variants remained the most cited risk throughout 2021-22 impacting the lives of masses along with production and supply chain disruptions. The damage has been further compounded with the geopolitical tensions since February 2022 thus increasing the risk of stagflation and its harmful consequences on emerging markets and developing economies. The escalation in geopolitical tensions, commodity shortages, resurgence of the pandemic and the slowdown in China had significant impact on the global recovery. Relations between US and China on one side and US and Russia on the other led to creation of Blocks for protectionism and further resulted in uncertainty in the global market impacting global recovery. This led the central banks viz US Federal Reserve, European Central Bank and the Bank of England to tighten their monetary policies.

During 2021-22, your Company continued with its reassessment of short-term and long-term impacts on the economies of countries of interest. Most of the European economies were impacted due to the geopolitical tensions in their region; due to which your Company aligned its export strategy with focused deliberate efforts to minimize operations in the affected countries. Continuous efforts were made to achieve resiliency from the impacts of these global events so as to ensure minimal impact on your Company's export operations. Continued stress was felt on the logistics front specifically, on container availability which impacted the international delivery commitments as well as cash flows. To minimize the impact of logistic vulnerabilities, your company practiced a distributed sourcing strategy including shift of logistic responsibility on the customer. Global events also put pressure on the cash flows in the international market. However,

your company took due precautions to protect its commercial interest and collections.

For the Indian economy, the year 2021-22 proved to be yet another challenging year due to heightened uncertainty on account of the third wave of Covid-19 pandemic coupled with the geopolitical tensions.

Given the growth opportunities in the Indian markets and to offset the impact of uncertainties, your company continued to build a good order bank of profitable businesses. The emerging opportunities were evaluated for risk appetite they carry and in view of this certain unprofitable product line opportunities were declined. To mitigate the impact of rising cost, sustained efforts were undertaken by your company to pass on these cost to the customer and success was achieved in a few cases and business terms with many of your Company's customers and suppliers were also re-negotiated. To mitigate the risk of disruption in supply chain, your Company took steps to pro-actively expand its supply chain and manage inventories. Your Company continued its efforts on collections to ensure consistent cash flow. To churn the business wheels, austerities in spending practiced in earlier years were relaxed; whilst discretion on expenditures was still practiced. Further, your Company ensured support and service to operating enterprises to the extent permitted by local regulations. This was not only crucial for our customers but also allowed your Company to fulfil its obligations on open contracts and generate revenues where feasible. Your Company also ensured that its contractual and legal interest were protected and, in few cases, invoked the Force majeure clause.

Your Company continued to maintain a healthy mix of profitable and relatively stable stream of revenues from the chemical segment along with a good opening order bank for the engineering segment. Though challenges emerged on account of surge in chemical and steel prices, yet your Company continued and will continue to build a high-quality engineering order bank while augmenting its strengths in the chemical segment.

For large EPC jobs your Company has built in a robust and a dynamic risk identification and mitigation framework through provision of proper infrastructure, tight operational and internal controls and an extensive monitoring mechanism. For other large jobs matching the company's business profile, your Company is very selective and cautious evaluation is done with respect to various risks. Other risk mitigating measures include robust screening of customers for ensuring business with only credit worthy customers, prime focus on liquidity and positive operational cash flow and cut in discretionary spend. Your Company continues to reassess and realign its strategies in the wake of the changes in market dynamics and business uncertainties brought about by the international uncertainties.

**E. Human Resources and Training**

Your Company lays special emphasis on the growth and development of its employees as well as their welfare and safety.

During the year under review, your company continued its journey towards building the organization for both its current as well as future sustainability requirements by attracting and retaining the best talent available in the industry.

Your Company ensured growth of its employees during the year under review by recognizing outperformance and providing them with training and capacity-building workshops to enable them to achieve their professional goals. These included various behavioural & functional programs such as individual and team effectiveness as well as safety, environment and quality management related programmes.

Various initiatives undertaken by your Company for the growth and development of employees include:

- A Mentor- Mentee program with the objective to develop emerging leaders, promote diversity and assist employees in meeting their career goals by honing new capabilities
- An HRLR (HR Listen & Respond) platform for all levels of employees to express their views, give suggestions and/or discuss any issues in an informal environment through a two-way communication with the human resources team.
- An AIM (All Ideas Matter) platform where employees can provide their suggestions anonymously in order to help improve the overall efficiency and effectiveness of the organization.
- Employee engagement activities focusing on mental, physical & financial well-being of employees are conducted regularly.
- Feedback and performance reviews are conducted annually for all our employees. This helps in appreciating their efforts and identifying areas of improvement.

Covid appropriate behaviour - Your Company's commitment to improving the well-being of employees and contract associates continued during the year under review through various activities such as screening at all gates, strict adherence to wearing of face masks, maintaining social distancing, creating awareness about handwashing and precautions to be taken, providing hands-free sanitization stands at strategic locations besides encouraging all types of virtual communication.

**F. Internal controls**

Your Company maintains a robust internal control framework to ensure that there is reasonable assurance with respect to all information within the business and for that which is available for external publication is correct and adequate. The existing governance and policy framework implemented by your Company provides reasonable assurance of the efficacy of the internal control operating within the Company.

The Company has a well-qualified Internal Audit Department. The internal audits are planned from risk perspective. In preparing the Annual Audit Plan, reference is made to past audit experience, current economic and business environment, the groups risk matrix, directives from senior management and audit committee members. Major observations are periodically highlighted to the audit committee members, corrective steps are taken and are also reviewed by the statutory auditors.

**G. Social Responsibility Initiatives**

The aim of your Company's social responsibility initiative is to identify critical areas of development that require investments as well as activities which can help underprivileged sections of our society to become resilient and an integral part of India's growth and development.

Your Company has adopted a multi-pronged approach in line with its Sustainable Development Goals and works towards its holistic implementation by strengthening the educational foundation, contributing towards better healthcare and sanitation services, empowering people, and conserving the environment.

Sustainable and distributed growth is a key driver of the rural livelihood program/village development projects. Your Company's efforts in rural areas are largely themed around protecting the environment by addressing local environmental challenges and promoting sustainable practices like improving agricultural productivity and minimizing migration of people in search of employment to cities.

Some of the major projects undertaken were:

- Your Company has supported 13 government-run schools, 15 privately-run residential units, and NGOs by upgrading their infrastructure, providing tuition fees for school-going children and teaching aids in various villages. Up-gradation of the Industrial Training Institutes (ITI's) was also supported by procuring equipment for various trades useful for students to practice and make them industry-ready

- Projects for Solar Powered Water Supply with Drip Irrigation for a village in Doharepada, Maharashtra
- Promotion of good sanitation practices by constructing individual household toilets to help villages achieve open-defecation-free status
- Providing streetlights in village Nishet, Palghar, Maharashtra
- Organizing pathological tests for villagers

Your Company also seeks to empower less privileged women by creating sustainable livelihood opportunities by extending support towards an auto driving course undertaken in partnership with an NGO and licensed driving schools. The course has helped these women find jobs as chauffeurs, valets, and cab drivers.

Your Company also actively contributed to Covid mitigation measures through distribution of masks for children, supplying critical medical equipment, drinking water units and personal protective equipment to communities and healthcare centres across India.

Through these efforts, more than 7000 beneficiaries were covered across the country. In recognition of the various social initiatives undertaken, your Company won the 'Mahatma Award for Social Good & Impact'.

#### **Cautionary Statement**

The statements or explanations given in this report may contain some forward looking statements based on assumptions having regard to the government policies, economic conditions, etc. The management cannot guarantee the accuracy of the assumptions and expected performance of the Company in future. Hence, the actual results may substantially differ from those expressed or implied herein.

On behalf of the Board of Directors

**Rajesh Sharma**  
Chairman & Managing Director

Mumbai

Date: 27<sup>th</sup> May, 2022

## CORPORATE GOVERNANCE REPORT

### 1. Philosophy

The Company's philosophy on Corporate Governance is to observe highest level of ethics in all its dealings, to ensure the efficient conduct of the affairs of the Company to achieve its goal of maximizing value for all its stakeholders.

The Company is in compliance with the requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (Listing Regulations) as applicable with regards to Corporate Governance.

### 2. Board of Directors (The Board)

#### i. Composition & Category of Directors [as on 31<sup>st</sup> March, 2022]

The Board comprises of ten directors, of whom seven directors are Non-Executive and six directors are Independent. The Composition of Board is given below:

Name	Category
Mr. Rajesh Sharma	Executive - Chairman & Managing Director
Mr. Dinesh Sharma	Executive
Mr. Aankur Patni	Executive
Dr. V. N. Gupchup	Non-Executive, Independent
Mr. M. P. Patni	Non-Executive
Mr. T. M. M. Nambiar	Non-Executive, Independent
Mr. P. SampathKumar	Non-Executive, Independent
Mr. Abhiram Seth	Non-Executive, Independent
Mr. Shishir Tamotia	Non-Executive, Independent
Ms. K.J. Udeshi	Non-Executive, Independent

The Company does not have a Nominee Director on the Board.

#### ii. Board Meetings, Annual general meeting and Attendance of each Director

The Company held six Board Meetings on 08.06.2021, 10.08.2021, 24.08.2021, 28.10.2021, 25.01.2022 and 14.03.2022. At every board meeting, the matters specified under Schedule II (Part A) of Listing Regulation were placed and discussed.

The notice of each Board meeting is given in writing to each Director. The Agenda along with relevant notes and others material information are sent in advance separately to each Director and in exceptional cases tabled at the meeting. This ensures timely and informed decision by the Board. The Board reviews the performance of the Company vis a vis the budget/targets.

The previous Annual General Meeting (AGM) of the Company was held on 24<sup>th</sup> August, 2021 was attended by all ten Directors.

The attendance of directors at the Board meeting, their Directorships in other Companies and Membership/Chairmanship in the Committees constituted by other Companies are given below:

Name	No. of Board Meetings Attended	Directorships in other company(s) as on (31/03/22)#	Member/ Chairman of committees of other company(s) as on (31/03/2022)#	Name of the Listed Company (s) in which Director holds Directorship-Category of Director
Mr. Rajesh Sharma	6	16	0	-
Mr. Dinesh Sharma	6	11	1 (Chairman)	-
Mr. Aankur Patni	6	9	0	-
Dr. V. N. Gupchup	6	3	1	
Mr. M. P. Patni	6	10	1	-
Mr. T. M. M. Nambiar	6	3	1	Navin Fluorine International Limited - Non-Executive - Non Independent Director
Mr. P. Sampath Kumar	6	0	0	-
Mr. Abhiram Seth	6	6	1	LT Foods Limited - Non-Executive - Independent Director
Mr. Shishir Tamotia	6	1	0	-

Name	No. of Board Meetings Attended	Directorships in other company(s) as on (31/03/22)#	Member/ Chairman of committees of other company(s) as on (31/03/2022)#	Name of the Listed Company (s) in which Director holds Directorship- Category of Director
Ms. K.J. Udeshi	6	7	5 (including 2 chairmanship)	<ol style="list-style-type: none"> <li>1. Haldyn Glass Limited - Non-Executive - Independent Director</li> <li>2. Shriram Transport Finance Company Limited - Non-Executive - Independent Director</li> <li>3. Thomas Cook (India) Limited - Chairperson -Non-Executive -Independent Director -</li> <li>4. Shriram Automall India Limited - Non-Executive - Independent Director</li> <li>5. Cartrade Tech Limited - Non-Executive - Independent Director</li> <li>6. Elantas Beck India Limited - Non-Executive - Independent Director</li> </ol>

# It covers foreign, private, public and listed companies.

iii. Inter – se relationship among Directors

- Mr. Rajesh Sharma & Mr. Dinesh Sharma are brothers
- Mr. M. P. Patni is the father of Mr. Aankur Patni

Except for the above, there are no Inter – se relationship among the other directors.

iv. Following is the Matrix showing skills/ expertise/ competence of the board of directors which are required in the context of its business(es) and sector(s):

Name of the Director	Skills/ Expertise/ Competence
Mr. Rajesh Sharma	Vast Experience in Sales, Marketing and Management
Mr. Dinesh Sharma	Vast experience in field of Business Management, Marketing and Management position
Mr. M.P. Patni	Marketing of heavy and medium engineering equipments, water treatment plants and allied items.
Mr. Aankur Patni	Finance Management & Information Technology.
Mr. Abhiram Seth	Rich and varied professional experience in the area of sales and marketing including exports.
Mr. T.M.M. Nambiar	Vast experience & Expertise in the field of Finance and General Management.
Mr. P. SampathKumar	Exposure in the field of handling large projects of National Importance.

Name of the Director	Skills/ Expertise/ Competence
Dr. V. N. Gupchup	Vast Experience in the field of Technical Education.
Mr. Shishir Tamotia	Vast Experience in Science and Technology
Ms. Kishori Udeshi	Vast experience in the Banking, Non- Banking sector, Financial sector and Regulatory matters.

v. Code of Conduct

The Board of Directors has laid down code of conduct for all Board members and senior Management of the Company. A copy of the code has been put on the Company's website [www.ionexchangeglobal.com](http://www.ionexchangeglobal.com).

A declaration signed by the Managing Director is given below:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the code of conduct in respect of the Financial Year 2021-22.

**Rajesh Sharma**  
**Chairman & Managing Director**

### 3. Audit Committee

The Audit Committee regularly reviews and analyses the adequacy of internal control system, the financial and risk management policies of the Company and other matters as laid down under Regulation 18 (3) read with Part C of Schedule II of the Securities And Exchange Board of India (Listing Obligations And disclosure Requirements) Regulations, 2015. The Internal Auditor

submits reports periodically to the Committee and suggestions are given for effective functioning of the internal control system.

The Committee held six meetings during the year on 25.05.2021, 08.06.2021, 10.08.2021, 24.08.2021, 28.10.2021 and 25.01.2022.

Name	Number of the Audit Committee Meeting Attended
Mr. T.M.M.Nambiar (Chairman)	6
Dr. V.N.Gupchup	6
Mr. Abhiram Seth	6

#### 4. Nomination and Remuneration Committee

The remuneration policy of the company determines the remuneration package of the directors (executive and non-executive) and statutory compensation payment. The Remuneration Committee is headed by Dr. V. N. Gupchup (Non-Executive & Independent) along with the members of the Committee which are Mr. Abhiram Seth (Non-Executive & Independent) and Mr. M. P. Patni (Non-Executive & Non-Independent).

The Committee held one meeting during the year on 14.03.2022.

Name	Number of the Nomination and Remuneration meetings attended
Dr. V.N. Gupchup (Chairman)	1
Mr. M.P. Patni	1
Mr. Abhiram Seth	1

#### REMUNERATION POLICY

##### (I) Criteria for Determining Qualifications, Positive Attributes & Independence of Director:

###### 1. Qualifications of Independent Director:

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business.

###### 2. Positive attributes of Independent Directors:

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional

obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

##### 3. Independence of Independent Directors:

An Independent director should meet the requirements of the Companies Act, 2013 and perform the obligations as specified under Regulation 25 of Listing Regulation concerning independence of directors.

##### (II) Remuneration Policy for Directors, Key Managerial Personnel and other employees

###### A. NON-EXECUTIVE DIRECTORS (NEDs)

NEDs shall be paid a sitting fee of Rs. 50,000/- for every meeting of the board, Rs. 25,000/- for other committees thereof and Rs. 10,000/- for Stakeholder Relationship Committee attended by them as a member.

NEDs may be paid commission upto an aggregate amount not exceeding 1% of the net profits of the company for the year subject to availability of profits. The payment of commission shall be based on their attendance at the board and the committee meetings as member.

The company has no stock options plans and no payment by way of bonus, pension, incentives etc. shall be paid.

###### B. MANAGING DIRECTOR (MD's) & KEY MANAGERIAL PERSONNEL & OTHER EMPLOYEES

The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent.

The Remuneration to Managing Director shall take into account the Company's overall performance, MD's contribution for the same & trends in the industry in general, in a manner which will ensure and support a high performance culture.

The Remuneration to others will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Remuneration to Directors, Key Managerial Personnel and Senior Management will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals. The Managing Director and Executive Directors may be paid commission based on performance, subject to availability of profits.

The above criteria and policy are subject to review by the Nomination & Remuneration committee & the Board of Directors of the Company.

The remuneration paid to Chairman & Managing Director, Mr. Rajesh Sharma and Executive Directors Mr. Dinesh Sharma and Mr. Aankur Patni during the financial year 2021-22 is given hereunder.

Name	Tenure	Salary & Allowances (INR)	Commission (INR)	Contribution to Provident & other funds (INR)	Perquisites (INR)	Total(INR)
Mr. Rajesh Sharma	2021-22	46,341,614	15,000,000	4,365,690	679,024	66,386,328
Mr. Dinesh Sharma	2021-22	18,672,703	7,500,000	3,597,480	1,5,680	29,895,863
Mr. Aankur Patni	2021-22	18,956,034	7,500,000	3,597,480	100,000	30,153,514

During the year, the Company paid INR 29,20,000/- as sitting fees to the non-executive Directors for attending the Board and Committee Meetings and INR 1,75,00,000/- as Commission. The details are given below:

Name of Director	Commission (INR)	Sitting fees (INR)	Total Compensation (INR)	No. of shares held
Dr. V. N. Gupchup	2,500,000	535,000	3,035,000	111,126
Mr. M. P. Patni	2,500,000	375,000	2,875,000	755,497
Mr. T. M. M. Nambiar	2,500,000	450,000	2,950,000	83,200
Mr. P. Sampath Kumar	2,500,000	325,000	2,825,000	58,200
Mr. Abhiram Seth	2,500,000	475,000	2,975,000	154,800
Mr. S.L. Tamotia	2,500,000	325,000	2,825,000	2,270
Ms. K.J. Udeshi	2,500,000	435,000	2,935,000	3,630

#### 5. RISK MANAGEMENT COMMITTEE

The Company has constituted a Risk Management Committee with effect from June 8, 2021. Ms. Kishori Udeshi, Non-Executive Independent Director, is the Chairperson of the Committee. Mr. Dinesh Sharma – Executive Director and Mr. Aankur Patni - Executive Director are the other Members of the Committee.

The Committee held two meeting during the year on 20.01.2022 and 29.03.2022 respectively.

Name	Number of the Risk Management Committee meetings attended
Ms. Kishori Udeshi (Chairperson)	2
Mr. Dinesh Sharma	2
Mr. Aankur Patni	2

The roles and responsibilities of the Committee are as under:

- To assist the Board in overseeing and implementation of the Company's risk management framework.
- To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.

- To review the mitigation processes adopted by the company in respect of Information Technology and Cyber Security Risks that the Company is or may be exposed to, on a regular basis.
- To assure business growth with financial stability
- To carry out any other function as may be required by relevant laws or delegated by the Board.

#### 6. Employee Stock Option Compensation Committee (ESOC)

The Employee Stock Option Compensation Committee (ESOC) of the company administers the Employee Stock Option Schemes. The ESOC is headed by Mr. M. P. Patni (Non-Executive) along with the members of the Committee are Dr. V. N. Gupchup (Independent Director), Mr. T. M. M. Nambiar (Independent Director) and Mr. P. SampathKumar (Independent Director).

#### 7. Stakeholders' Relationship (Grievance) Committee

The members of the Committee are Dr. V. N. Gupchup (Non-executive and Independent), Mr. Rajesh Sharma and Ms. Kishori Udeshi. The Committee is headed by Dr. V. N. Gupchup and Mr. Millind Puranik, Company Secretary is the Compliance Officer.

To expedite the process of share transfer mechanism and for effective resolution of grievances/ complaints, the Committee has delegated powers to the executives of the Company Mr. Milind Puranik, Company Secretary and Mr. N. M. Ranadive, Chief Financial Officer.

The Stakeholders' Relationship (Grievance) Committee meets at regular intervals to review the status of redressal of Members'/Investors' Grievances

The Committee held one meeting during the year on 15.03.2022.

Number of Queries / Complaints / Requests received during the financial year from shareholders/investors:-

Sr. No.	QUERIES / COMPLAINTS/ REQUESTS RELATED TO	TOTAL RECEIVED	TOTAL REPLIED
1	Payments		
A	Instruments found already paid / payment sent for electronic credit to Bank	0	0
B	Outdated, Duplicate Warrants and Changes on live warrants (where new instruments being issued)	46	46
C	Issue of new Drafts against unencashed Drafts/ Recovery Drafts	43	41
D	Non Receipt of warrants (where recon in progress)	0	0
E	Non Receipt of payments (where new Instruments already issued)	9	9
F	Unclaimed and Unpaid amounts transferred to ROC / IEPF	11	8
G	Miscellaneous	13	13
2	Annual Report	0	0
3	Bonus Issue	0	0
4	Change In Name / Status	11	11
5	Communication received through SEBI and other statutory/ regulatory bodies	3	3
6	Conversion / Demerger - Scheme of Arrangement / Exchange/ Merger - Amalgamation of Cos/ Subdivision	11	10
7	Dematerialisation/ Rematerialisation of Securities	9	9
8	Dividend / Interest	0	0
9	Document Registration	22	22
10	Legal Matters	0	0
11	Loss of Securities	199	186
12	Nomination	0	0
13	Tax Exemption	0	0
14	Transfer of Securities	2	2
15	Transmission of Securities	33	33
16	Other Queries	159	133
	<b>TOTAL</b>	<b>571</b>	<b>526</b>

Sr. No.	QUERIES / COMPLAINTS/ REQUESTS RELATED TO	TOTAL RECEIVED	TOTAL REPLIED
	<b>Request For</b>		
1	Change of Address	87	84
2	Change in Bank Details	109	107
3	Issue of New Certificates on Split/Consolidation/ Renewal	0	0
4	Nomination	12	3
5	Pan Updation	49	46
	<b>TOTAL</b>	<b>257</b>	<b>240</b>
	<b>GRAND TOTAL :</b>	<b>828</b>	<b>766</b>

### Share Transfer System

Securities of the listed companies can be transferred only in dematerialized form w.e.f. April 1, 2019. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, mandated all listed companies to issue securities in dematerialized form only, while processing the service request of issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/ exchange of securities certificate, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the RTA, for assistance in this regard.

### 8. Corporate Social Responsibility (CSR) Committee

The Board of Directors, at their meeting held on 28<sup>th</sup> May, 2014, constituted "Corporate Social Responsibility Committee" pursuant to the provisions of Section 135 of the Companies Act, 2013.

During the year 2021-22, the Committee met two times on 23.07.2021 and 28.01.2022. The Composition and details of the meetings attended by the members are given below:

Name	Number of the Corporate Social Responsibility (CSR) Committee meetings attended
Dr. V. N. Gupchup (Chairman)	2
Ms. K. J. Udeshi	2
Mr. M. P. Patni	2
Mr. Rajesh Sharma	2

Mr. Milind Puranik, Company Secretary acts as the Secretary to the Committee.

The brief Terms of Reference of the CSR Committee are as under:

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013;
- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

#### 9. Independent Directors' Meeting

During the year under review, the Independent Directors met once on March 14, 2022 inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;

- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

The Company has familiarized the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc. The details of the familiarization programme is available on the website of the Company at [https://ionexchange.global.com/pdf/ionindia/FAMILIARIZATION%20PROGRAM\\_%20INDEPENDENT%20DIRECTORS.pdf](https://ionexchange.global.com/pdf/ionindia/FAMILIARIZATION%20PROGRAM_%20INDEPENDENT%20DIRECTORS.pdf)

#### 10. Annual General Meetings

Location and Time where last three Annual General Meetings were held:

Year	Date	Time	Location	Special Resolution Passed
2018-2019	30.08.2019	11.00 a.m.	Ravindra Natya Mandir, Mini Theatre, 3 <sup>rd</sup> Floor, P.L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai – 400 025	To re-appoint Dr. V. N. Gupchup, Mr. T.M.M.Nambiar, Mr. P. Sampath Kumar, Mr. Abhiram Seth, Mr. Shishir Tamotia and Ms. Kishori Udeshi as Independent Director
2019-2020	22.09.2020	11.00 a.m.	Ion House, Dr. E Moses Road, Mahalaxmi, Mumbai- 400011	
2020-2021	24.08.2021	11.00 a.m.	Ion House, Dr. E Moses Road, Mahalaxmi, Mumbai- 400011	-To approve payment of Commission to Non-Executive Directors. -To appoint a director in place of Mr. M. P. Patni (Age More than 75 years), who retires by rotation and being eligible, offers himself for reappointment

#### 11. Postal Ballot

During the year 2021-22, no Postal Ballot was conducted in accordance with Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014.

- b. The Board of Directors of the Company has adopted the policy and procedures with regard to determination of Material Subsidiaries. The details of the Policy are available on the website of the Company at <https://ionexchange.global.com/pdf/ionindia/POLICY%20FOR%20DETERMINING%20MATERIAL%20SUBSIDIARIES.pdf>

#### 12. Disclosures

- a. Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in notes to accounts annexed to the financial statements. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. As required under Regulation 23 of Listing Regulation the Company has formulated a policy on dealing with Related Party Transaction. The policy is available on the website of the Company. [https://ionexchange.global.com/pdf/ionindia/Related%20party\\_Policy\\_Updated\\_06042021.pdf](https://ionexchange.global.com/pdf/ionindia/Related%20party_Policy_Updated_06042021.pdf)

- c. The Company has not entered into any transaction of a material nature with the Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company at large.
- d. With regard to matters related to capital markets, the Company has complied with all requirements of the Listing Regulation as well as SEBI regulations and guidelines. No penalties were imposed or strictures passed against the Company

by the Stock Exchanges, SEBI or any other statutory authority during the last three years in this regard.

- e. Disclosures have also been received from the senior management personnel relating to the financial and commercial transactions in which they or their relatives may have a personal interest. However, none of these transactions have potential conflict with the interests of the Company at large.
- f. As required by Regulation 17(8) of SEBI LODR, the Compliance Certificate on the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting has been obtained from Mr. Rajesh Sharma (Chairman & Managing Director) and Mr. N.M. Ranadive (Chief Financial Officer).
- g. The Company has complied with the compliances as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI LODR.
- h. The Company has obtained a certificate from Mr. V. V.Chakradeo & Co., Practicing Company Secretaries, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by SEBI, MCA or any such Statutory Authority.
- i. During 2021-2022, the total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to BSR & Co. LLP and all entities in the network firm/network entity of BSR & Co. LLP was INR 52.69 Lacs.

### 13. Policy for Prevention, Detection and Investigation of Frauds and Protection of Whistle blowers (the Whistle blower Policy)

The Company is committed to provide an open, honest and transparent working environment and seeks to eliminate fraudulent activities in its operations. To maintain high level of legal, ethical and moral standards and to provide a gateway for employees to report unethical behavior and actual or suspected frauds, the Company has adopted the Whistleblower Policy as per Regulation 22 of Listing Regulation.

No personnel have been denied access to the Audit Committee.

The Whistleblower Policy broadly covers a detailed process for reporting, handling and investigation of fraudulent activities and providing necessary protection to the employees who report such fraudulent activities / unethical behaviour.

The details of the Policy are available on the website of the Company at <https://ionexchange.global.com/pdf/ionindia/Whistle%20Blower%20Policy.pdf>

### 14. Means of Communication

As per the requirements of Listing Agreement with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) the quarterly, half yearly and annual financial results of the Company are sent to the Stock Exchanges immediately after the same are approved by the Board. The same is published in English (Free press journal) and regional language (Navshakti) newspapers, within 48 hours of approval by the Board and uploaded on our company's website ([www.ionexchange.global.com](http://www.ionexchange.global.com)).

The Company hosts calls or meetings with institutional investors on request. Post the quarterly results, an analyst meet / call is organized which provides a platform for the Management to answer questions and provide clarifications to investors and analysts.

Annual report is circulated to all the shareholders and all others like Auditors, equity analysts, etc.

### 15. General Shareholder Information

#### i) Annual General Meeting

Date : Thursday, 8<sup>th</sup> September, 2022

Time : 11:00 a.m.

Venue : The Company is conducting meeting through Video Conferencing (VC) / Other Audio Video Means (OAVM) pursuant to the MCA circular. For details please refer to the notice of AGM.

#### ii) Financial Year 2022-23

Financial year	:	1 <sup>st</sup> April to 31 <sup>st</sup> March
Quarter ending June 30, 2022	:	First week of August, 2022
Quarter ending September 30, 2022	:	Last week of October, 2022
Quarter ending December 31, 2022	:	Last week of January, 2023
Year ending March 31, 2023	:	Last week of May, 2023

#### iii) Book closure date

The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 31<sup>st</sup> August, 2022 to Thursday, 8<sup>th</sup> September, 2022 (both days inclusive) for determining the entitlement of shareholders to receive dividend for the year ended 31<sup>st</sup> March, 2022, if declared at the Annual general meeting.

#### iv) Dividend payment date

Dividend, if declared shall be paid on or before 13<sup>th</sup> September, 2022.

**v) Listing on Stock Exchange**

The Company's equity shares are listed at BSE Limited and NSE Limited. Annual listing fees for the Financial Year 2021-22 has been paid to BSE & NSE.

**vi) Stock code and ISIN Number**

BSE Limited – 500214

NSE Limited - IONEXCHANG

ISIN Number - INE570A01014

**viii) Rating Action**

<b>Long Term Rating</b>	<b>CRISIL A-/Stable (Reaffirmed)</b>
<b>Short Term Rating</b>	<b>CRISIL A2+ (Reaffirmed)</b>

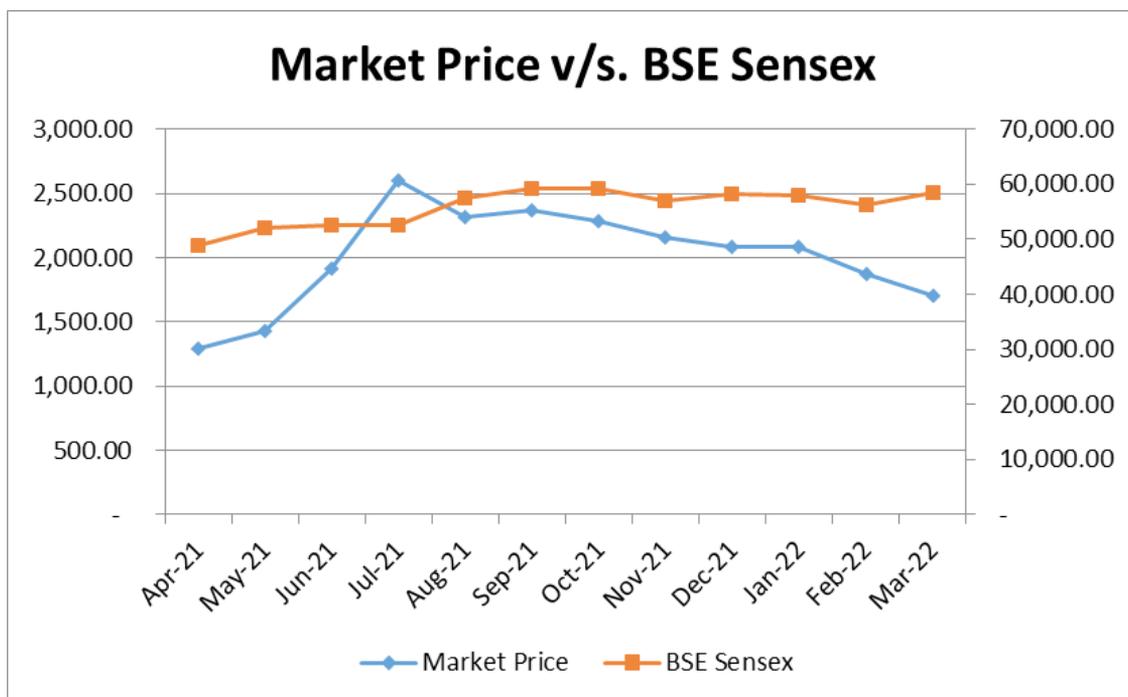
CRISIL has reaffirmed its 'CRISIL A-/Stable/CRISIL A2+' ratings on bank facilities of the Company. The ratings continue to reflect the Company's established market position in the water treatment segment, its diverse product mix, and comfortable financial risk profile.

During the year under review, there have been no revisions in Credit Rating obtained by the Company.

**The Stock Exchange, Mumbai**

Market Price Data: High/Low during each month of the Financial Year

Month	High Price (INR)	Low Price (INR)
April 2021	1424	1166
May 2021	1508	1350
June 2021	2395	1436
July 2021	2947	2263
August 2021	2620	2011
September 2021	2494	2252
October 2021	2442	2130
November 2021	2335	1982
December 2021	2190	1975
January 2022	2309	1850
February 2022	2060	1691
March 2022	1850	1562



## DISTRIBUTION OF HOLDINGS AS ON 31/03/2022

DESCRIPTION	SHARES	NO. OF SHARES	%	NO. OF HOLDERS	%	
1		500	1871543	12.76	31190	94.91
501	-	1000	618924	4.22	835	2.54
1001	-	2000	610084	4.16	425	1.29
2001	-	3000	281989	1.92	112	0.34
3001	-	4000	203337	1.39	58	0.18
4001	-	5000	202576	1.38	44	0.13
5001	-	10000	555685	3.79	80	0.24
10001	-	99999999	10322521	70.38	119	0.36
<b>TOTAL</b>		<b>14,666,659</b>	<b>100.00</b>	<b>32863</b>	<b>100</b>	

SHAREHOLDING PATTERN AS ON 31<sup>st</sup> MARCH, 2022

Category	Holdings As on 31-03-2022	%
Promoter & Promoter Group	3961113	27.01
Mutual Funds & UTI	1005234	6.85
Banks, Financial Institutions & Insurance Companies	277	0.00
FII's	390309	2.66
Domestic Companies	1750947	11.94
Public	4882199	33.29
NRIs/OCBs	302966	2.07
Non Promoter Non Public	2373614	16.18
<b>Total</b>	<b>14,666,659</b>	<b>100.00</b>

## Dematerialization of Shares and Liquidity

The Company's Equity Shares are tradable compulsorily in demat mode i.e. electronic mode and as on 31<sup>st</sup> March, 2022, 97.52% of the equity capital were held in dematerialised form.

## GDR / ADR / Warrants - Not applicable as not issued.

## Plant Locations

Resin manufacturing plant	: Unit II – 5811-12-13, GIDC Ankleshwar Industrial Estate Ankleshwar – 393 002 Bharuch, Gujarat
Assembly Centre for Local and Export of Water Treatment Plants	: R-14, TTC, MIDC, Nr. Thane Belapur Road, Rabale, Navi Mumbai - 400 701
Manufacture & Assembly of Standard Plants	: 105, SIPCOT Industrial Complex, Dharmapuri, Tamilnadu, Hosur - 635 126
Water & Sugar Treatment, Chemicals and Polymer Products	: 19/A, Phase II, Industrial Development Area Medak, Andhra Pradesh Patancheru - 502 319

## Consumer Products

: Plot Nos. L48 & L49  
Verna Electronics City  
Phase II, Verna,  
SalcetteGoa - 403 722

Membrane Manufacturing : Plot Nos. U 04/5,  
Plant Phase IV, Verna IDC,  
Verna, Goa - 403 722

## Address for correspondence :

All investor related queries should be addressed to our Registrar & Transfer Agent.

## M/s. TSR Consultants Private Limited

(Formerly Known as M/s. TSR Darashaw Consultants Private Ltd)

Unit: Ion Exchange (India) Ltd.  
C-101, 1<sup>st</sup> Floor, 247 ParkLal Bahadur Shastri Marg  
Vikhroli (West) Mumbai – 400 083  
Tel No.: 6656 8484  
Fax No.: 6656 8494  
Email: [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in)  
Website: [www.tcplindia.co.in](http://www.tcplindia.co.in)

## **CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To the Members of Ion Exchange (India) Limited

We have examined the compliance of the conditions of Corporate Governance by Ion Exchange (India) Limited for the year ended 31<sup>st</sup> March, 2022, as per the relevant provisions of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15(2) of Listing Regulations for the period 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**V.V. CHAKRADEO & CO.**  
Company Secretaries

**V. V. Chakradeo**  
Proprietor  
(C.P. No.1705)

Place: Mumbai

Date: May 27, 2022

## Independent Auditors' Report

To the Members of  
Ion Exchange (India) Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of Ion Exchange (India) Limited (the "Company"), its IEL Shareholding (Staff Welfare) Trusts – Sixty trusts ("trusts") and HMIL Shareholding Trust's (Seventeen trusts) (collectively referred to as the "trusts") which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditors at Bengaluru and (hereinafter referred to as 'Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the branch auditor and trusts auditors on financial statements of such branch and trusts as were audited by the branch auditors, and trusts auditors, the aforesaid standalone 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 2022, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the *Audit of the Standalone 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 standalone 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 obtained by us along with the consideration of reports of the branch and trusts auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Description of Key Audit Matters**

The key audit matter	How the matter was addressed in our audit
<p><b>Revenue Recognition</b> (Refer note 1.17 and note 40 to the standalone financial statements)</p> <p>The arrangement for EPC business contracts includes fixed price contracts. Revenue for such contracts usually extends beyond a reporting period. Contract revenue is measured based on the proportion of contract costs incurred for work performed to date relative to estimated total contract costs. It is computed as per the input method. The estimate is formed by the Company considering the following:</p> <ul style="list-style-type: none"> <li>● Application of the revenue recognition accounting standard is complex. One of the key estimate is total cost-to-completion of these contracts. It is used to determine the percentage of completion of the relevant performance obligation.</li> <li>● This method requires the Company to perform an initial assessment of total estimated cost and further reassess these estimates on a periodic basis, including end of each reporting period.</li> </ul> <p>Considering the significant estimate involved in measurement of revenue in EPC business, we have considered measurement of revenue as a key audit matter.</p>	<p>Our audit procedures over estimation of total contract costs and revenue recognition for EPC business included the following:</p> <ul style="list-style-type: none"> <li>● Testing the design, implementation and operating effectiveness of key internal financial controls and processes. This includes estimation of total project cost-to-completion related revenue;</li> <li>● For selected sample of contracts, we inspected key contractual terms with signed contracts and assessed revenue recognized in accordance with Ind AS by:</li> <li>● Observing the approval of percentage of completion workings.</li> <li>● Challenging the Company's forecasted cost to completion, through comparison of costs incurred with project budgets, and executed purchase orders and agreements. Identifying significant variations and testing variations resulting into re-estimating the remaining costs to complete the contract</li> <li>● Comparing, on a sample basis, revenue transactions recorded during the year with the underlying contracts, progress reports, invoices raised on customers and collections in bank accounts. Also, checked the related revenue, contract costs, evaluation for onerous contracts, contract assets and unearned revenue had been recognised in accordance with the Company's revenue recognition policies.</li> <li>● Performing analytical procedures on incurred and estimated contract costs or efforts. It includes assessment of contracts with unusual or negative margins, little or no movement in efforts from previous periods.</li> </ul>

**Key Audit Matters (Continued)**

The key audit matter	How the matter was addressed in our audit
<p><b>Recovery of carrying value of investment and receivables from group Companies.</b> (Refer Note 1.13 and 44 to the Standalone Financial Statements)</p> <p>The Company has investments in subsidiaries and associates. These investments are accounted for at cost less any provision for impairment. The Company evaluates the indicators of impairment of the said investments regularly by reference to the requirements under Ind AS 36 Impairment of Assets.</p> <p>The Company carries out impairment assessment for each investment by:</p> <ul style="list-style-type: none"> <li>● Comparing the carrying value of each investment with the net asset values of each company.</li> <li>● Comparing the performance of the investee companies with projections used for valuations and approved business plans.</li> </ul> <p>The recoverable amounts of the above investments are estimated in order to determine the extent of the impairment loss. As impairment assessment involves significant assumptions and judgment, we regard this as a key audit matter.</p> <p>Refer to note 6 - "Investments" of the standalone financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>● Assessed the indications of impairment of investments in subsidiaries and associates. We have also examined the basis of estimates of the recoverable amounts of these investments, the assumptions used in making such estimates, and the allowance for impairment.</li> <li>● Comparison of the carrying values of the Company's investment in subsidiaries and associates with their respective net asset values/ recoverable values and the consequent allowance for impairment if any.</li> <li>● Evaluated key assumptions in the Company's valuation models used to determine recoverable amount including assumptions of projected adjusted EBITDA, growth rate, rate used for discounting cash flows etc. We also evaluated the forecasts based on historical performance.</li> <li>● Assessment for indications of impairment of such investments. In cases where such indicators existed, we have assessed for the estimation made by the Company for the recoverable amounts.</li> <li>● Tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units.</li> <li>● Involved internal valuation expert to assist in evaluating the key assumptions of the valuations.</li> </ul> <p>We tested the related disclosures in Note 6 of the financial statements</p>

**Other Information**

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 annual report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is

materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's and Board of Directors' Responsibilities for the Standalone 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 standalone 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. The respective management and Board of Directors of the company/ branch/ board of trustees of the welfare trusts are responsible for 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the respective Management and Board of Directors/ Board of Trustees 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/ Board of Trustees either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors/ Board of Trustees are also responsible for overseeing the Company's financial reporting process of each company/trust.

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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.

- 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of branch and trusts of the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such branch and trusts included in the standalone financial statements of which we are the independent auditors. For the other branch and trusts included in the standalone financial statements, which have been audited by their respective independent auditors, such auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

- (a) We did not audit the financial statements of one branch and seventy seven trusts included in the standalone financial statements of the Company whose financial statements reflect total assets of Rs 8,347 Lacs as at 31 March 22, total revenue of Rs 11,538 Lacs total net profit after tax of Rs 1,059 Lacs and net cash outflows of Rs 45 Lacs for the year ended on that date, as considered in the standalone financial statements. The financial statements of these branch and trusts have been audited by their respective independent auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branch and trusts, is based solely on the report of such branch and other auditors.

Our opinion is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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 and proper returns adequate for the purpose of our audit have been received from the branch not visited by us.
  - c) The reports on the accounts of the branch office of the Company audited under Section 143(8) of the Act by branch auditor and report on accounts of trusts have been sent to us and have been properly dealt with by us in preparing this report.
  - d) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us.
  - e) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - f) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - g) 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 49 to the standalone financial statements;
  - b) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- d) (i) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) any funds, that have been to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The Company has not received any funds from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- (C) With respect to the matter to be included in the Auditor’s 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

Mumbai  
Date: 27 May 2022

**Suhas Pai**  
Partner  
Membership No. 119057  
UDIN: 22119057AJTNNM2809

## Annexure A to the Independent Auditor's Report – 31 March 2022

(Referred to in our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and right of use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment and right of use assets by which all property, plant and equipment and right of use assets are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment and right of use assets were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No 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 title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Free hold Land – Agriculture Land	18.44 Lacs	Alpaiwala, MD Dharmadhikari and N M Ranadive	Ex-Director, Ex-Employee and Employee	Since March, 1997	Agricultural Land, which can not be held in the name of company
Free hold Land – Agriculture Land	9.00 Lacs	Ajay Popat, Aspi Billimoria, J T Merchant, Kanhaiyalal Gwalani, T S Vishwanathan, Vijay Shankar Gangoli	Ex-Employee	Since July 1998 & Dec 1998	Agricultural Land, which can not be held in the name of company
Free hold Building – 2 LIG Flats and 1 MIG Flat	Nil	State Industrial Promotion Corporation of Tamilnadu (Allotment of Property)	NA	Since March 1984	Title deeds are awaited from regulatory authorities

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, provided guarantee, granted loans and advances in the nature of loans, secured or unsecured to Companies, in respect of which the requisite information is as below. The Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to firms, limited liability partnership or any other parties during the year.

Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans or provided advances in the nature of loans, stood guarantee, to any other entity as below:

(In Lacs)

Particulars	Guarantees	Loans
Aggregate amount during the year - Subsidiaries*	418.48	2,868.02
<b>Balance outstanding as at balance sheet date (Net of Provision) -</b>		
Subsidiaries *	3,738.61	8,285.72
Associates*	1,100.00	-

\*As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided during the year and the terms and conditions of the grant of loans are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayments or receipts have been regular except for the following cases where there is no stipulation of schedule of

repayment of principal and payment of interest and accordingly we are unable to comment on the regularity of repayment of principal and payment of interest:

Name of the entity	Amount (Rs. in Lacs)	Remarks
Ion Exchange Enviro Farms Ltd.	3,802.78	There is no stipulation of schedule of repayment of principal or payment of interest
Total Water Management Services (India) Ltd.	8.64	
Ion Exchange Asia Pacific Pte. Ltd., Singapore	186.53	
IEI Environmental Management (M) Sdn. Bhd., Malaysia	47.15	
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	18.45	
Ion Exchange Environment Management Ltd.	1,691.71	
Ion Exchange Projects And Engineering Ltd.	1,603.84	
Ion Exchange Purified Drinking Water Pvt. Ltd.	898.96	
Ion Exchange Arabia For Water, Saudi Arabia	27.66	

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand

or without specifying any terms or period of repayment except for the following loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

(In Lacs)

	All Parties	Related Parties
Aggregate of loans/ advances in nature of loan		
- Repayable on demand (Net of Provision) (A)	8,285.72	8,285.72
- Agreement does not specify any terms or period of Repayment (B)	-	-
Total (A+B)	8,285.72	8,285.72
Percentage of loans/ advances in nature of loan to the total loans	100%	100%

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans and guarantees given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with. The Company has not provided any security in connection with a loan as specified under section 185 and 186 of the Act, as such the compliance under those sections are not applicable.
- (v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has complied with the provisions of Sections 73 to 76 or other relevant provisions of the Act and the rules framed thereunder where applicable and the directives issued by the Reserve Bank of India as applicable, with regard to deposits accepted from the public or amounts which are deemed to be deposits. As informed to us, there have been no proceedings before the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this matter and no order has been passed by any of the aforesaid authorities in this regard. The Company has not accepted any other deposit which are deemed to be deposits from the public.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods (and/or services provided by it) and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in the Annexure I to this report.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, 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 Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For B S R & Co. LLP**

Chartered Accountants

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

**Suhas Pai**

Partner

Mumbai

Date: 27 May 2022

Membership No. 119057

UDIN: 22119057AJTNNM2809

**Annexure I to clause vii (b)**

Name of the Statute	Nature of Dues	Amount (Rs. in Lacs) (net of deposit paid under protest)	Period to which amount relates	Forum where dispute is pending
Central Sales tax Act and Local Sales tax Act	Sales tax (including interest and penalty, if applicable) - Disallowance on account of non- submission of required forms	116.20	1993-94, 1995-96, 2004-05, 2006-07, 2007-08, 2009-10	Joint Commissioner Appeals
		345.60	2006-07, 2007-08, 2009-10, 2013-14, 2015-16, 2017-18	Assistant Commissioner Appeals
		62.48	2010-11	Commercial tax appeals
		6.69	2013-14, 2014-15	Deputy Commissioner Appeals
		76.99	2010-11	Deputy Commissioner of Sales Tax
		43.95	2008-09, 2010-11, 2011-12	Deputy Commissioner of Commercial Tax
		81.82	2016-17	Assistant Commissioner of Commercial Tax
		4.20	2008-09	Additional Commissioner of Commercial Taxes
		166.19	2010-11	Objection Hearing Authority
The Central Excise Act	Excise duty (including interest and penalty, if applicable)	16.79	2004-05	Commercials of Central Excise- Appeals
		6.01	2006-07	Tribunal Appeals, Ahmedabad
		1.79	2020-21	JC Appeal Baroda
Finance Act, 1994-Service Tax	Disallowance of service tax taken on input services	3.41	2006-07, 2007-08 and 2008-09	Additional Commissioner of Central Excise
		231.30	2020-21	CESTAT, Appeals
		2.20	2011-12	Assistant commissioner of Central Excise
Income tax Act, 1961	Income tax demand	473.96	2009-10, 2010-11, 2011-12, 2013-14 to 2018-19	Commissioner of Income Tax (Appeal)

## Annexure B to the Independent Auditors' report on the standalone financial statements

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

(Referred to in paragraph 2(A)(g) 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 standalone financial statements of Ion Exchange (India) Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone 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 standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, 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 standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone 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 standalone 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

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

A company's internal financial controls with reference to standalone 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 standalone 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 Standalone financial statements.

**Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone 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 Standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Other Matter**

We did not audit the internal financial controls with reference to financial statements of a branch of the Company. The internal financial controls with reference to financial statements of a

branch have been audited by the branch auditor whose reports have been furnished to us, and our opinion in so far as it relates to the internal financial controls with reference to financial statements included in respect of these branch, is based solely on the report of such branch auditor.

Our opinion is not modified in respect of this matter.

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

Mumbai  
Date: 27 May 2022

**Suhas Pai**  
Partner  
Membership No. 119057  
UDIN: 22119057AJTNNM2809

## Balance sheet as at 31st March 2022

	Notes	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2	13,889.49	14,206.67
(b) Capital work-in-progress	3	2,003.57	1,459.82
(c) Right-of-use assets	4	3,640.72	2,981.93
(d) Other intangible assets	5	192.12	215.53
<b>(e) Financial assets</b>			
(i) Investments	6	6,396.18	6,246.89
(ii) Trade receivables	7	123.50	123.71
(iii) Loans	8	2,200.00	3,346.64
(iv) Other financial assets	9	857.84	853.09
(f) Other non current assets	10	1,638.39	356.60
(g) Deferred tax assets (Net)	11	823.80	419.93
<b>Total non-current assets</b>		<b>31,765.61</b>	<b>30,210.81</b>
<b>Current assets</b>			
(a) Inventories	12	14,616.95	10,242.64
<b>(b) Financial assets</b>			
(i) Investments	13	31.66	23.75
(ii) Trade receivables	7	50,883.70	45,282.75
(iii) Cash and cash equivalents	14	15,355.83	18,128.58
(iv) Bank balances other than (iii) above	15	35,899.76	30,568.86
(v) Loans	8	7,628.32	5,307.65
(vi) Other financial assets	9	1,152.24	985.60
(c) Other current assets	10	9,333.21	8,812.89
<b>Total current assets</b>		<b>134,901.67</b>	<b>119,352.72</b>
<b>Total assets</b>		<b>166,667.28</b>	<b>149,563.53</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	1,466.67	1,466.67
(b) Other equity	17	75,274.94	61,230.72
<b>Total equity</b>		<b>76,741.61</b>	<b>62,697.39</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	18	1,172.08	795.01
(ii) Lease liabilities		256.24	456.19
(iii) Other financial liabilities	19	890.98	847.92
(b) Provisions	20	1,664.34	1,483.03
<b>Total non-current liabilities</b>		<b>3,983.64</b>	<b>3,582.15</b>
<b>Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	21	1,963.39	2,278.30
(ii) Lease liabilities		401.02	585.09
(iii) Trade payables	22		
- Total outstanding dues of micro and small enterprises		3,031.67	1,504.76
- Total outstanding dues of creditors other than micro and small enterprises		45,557.07	48,947.51
(iv) Other financial liabilities	23	2,788.66	2,626.76
(b) Other current liabilities	24	30,141.60	24,419.74
(c) Provisions	20	636.84	465.44
(d) Current tax liabilities (Net)	25	1,421.78	2,456.39
<b>Total current liabilities</b>		<b>85,942.03</b>	<b>83,283.99</b>
<b>Total liabilities</b>		<b>89,925.67</b>	<b>86,866.14</b>
<b>Total equity and liabilities</b>		<b>166,667.28</b>	<b>149,563.53</b>
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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 (INDIA) LIMITED  
CIN - L74999MH1964PLC014258

SUHAS PAI  
Partner  
Membership no.: 119057

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 27th May 2022

N. M. RANADIVE  
Chief Financial Officer

Place : Mumbai  
Date : 27th May 2022

Statement of profit and loss for the year ended 31st March 2022

	Notes	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
<b>Income</b>			
Revenue from operations	26	150,936.23	140,176.56
Other income	27	4,612.70	3,677.82
<b>Total Income (I)</b>		<b>155,548.93</b>	<b>143,854.38</b>
<b>Expenses</b>			
Cost of materials consumed	28	91,270.24	86,167.54
Purchases of stock-in-trade	29	4,318.93	3,277.35
Change in inventories of finished goods, stock-in-trade and work-in-progress	30	(1,622.60)	301.35
Employee benefits expenses	31	16,368.89	14,104.03
Finance costs	32	757.26	989.60
Depreciation and amortization expenses	33	2,678.23	2,613.97
Other expenses	34	20,904.41	16,812.98
<b>Total expenses (II)</b>		<b>134,675.36</b>	<b>124,266.82</b>
<b>Profit before tax (I - II)</b>		<b>20,873.57</b>	<b>19,587.56</b>
<b>Tax expense</b>			
Current tax	35	5,807.03	5,385.00
Deferred tax (credit) / charged	11	(354.31)	(395.00)
<b>Total tax expense</b>		<b>5,452.72</b>	<b>4,990.00</b>
<b>Profit after tax (III)</b>		<b>15,420.85</b>	<b>14,597.56</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss	36		
(a) Remeasurement benefit of defined benefit plans		(196.89)	127.22
(b) Income tax expense on remeasurement benefit of defined benefit plans		49.56	(32.02)
<b>Total other comprehensive income (IV)</b>		<b>(147.33)</b>	<b>95.20</b>
<b>Total comprehensive income (III + IV)</b>		<b>15,273.52</b>	<b>14,692.76</b>
<b>Earnings per equity share:</b> [Nominal value of shares INR 10 (2020-2021: INR 10)] (Refer note 37)			
Basic (in INR)		125.44	118.75
Diluted (in INR)		125.44	118.75
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached

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 (INDIA) LIMITED  
CIN - L74999MH1964PLC014258

SUHAS PAI  
Partner  
Membership no.: 119057

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 27th May 2022

N. M. RANADIVE  
Chief Financial Officer

Place : Mumbai  
Date : 27th May 2022

## STATEMENT OF CHANGES IN EQUITY for the year ended 31st March 2022

## A. Equity share capital

	As at 31st March 2022		As at 31st March 2021	
	Number of shares	INR in Lacs	Number of shares	INR in Lacs
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	14,666,659	1,466.67	14,666,659	1,466.67
Add: Shares issued during the year	-	-	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	<b>14,666,659</b>	<b>1,466.67</b>	<b>14,666,659</b>	<b>1,466.67</b>

## B. Other equity

	Reserves and Surplus				Treasury Shares	Total other equity
	Security premium	Special reserve	General reserve	Retained earnings	(Refer note 17)	
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs
<b>Balance as at 1st April 2020</b>	<b>8,276.09</b>	<b>16.00</b>	<b>2,644.66</b>	<b>38,554.24</b>	<b>(2,808.28)</b>	<b>46,682.71</b>
Profit for the year (a)	-	-	-	14,597.56	-	14,597.56
Other Comprehensive Income (b)	-	-	-	95.20	-	95.20
Total comprehensive income for the year (a+b)	-	-	-	14,692.76	-	14,692.76
Impact of additional treasury shares	-	-	-	47.35	-	47.35
Addition of Cost of Treasure Shares	-	-	-	-	(4.36)	(4.36)
Dividend paid	-	-	-	(187.74)	-	(187.74)
<b>Balance as at 31st March 2021</b>	<b>8,276.09</b>	<b>16.00</b>	<b>2,644.66</b>	<b>53,106.61</b>	<b>(2,812.64)</b>	<b>61,230.72</b>
<b>Balance as at 1st April 2021</b>	<b>8,276.09</b>	<b>16.00</b>	<b>2,644.66</b>	<b>53,106.61</b>	<b>(2,812.64)</b>	<b>61,230.72</b>
Profit for the year (c)	-	-	-	15,420.85	-	15,420.85
Other Comprehensive Income (d)	-	-	-	(147.33)	-	(147.33)
Total comprehensive income for the year (c+d)	-	-	-	15,273.52	-	15,273.52
Dividend paid	-	-	-	(1,229.30)	-	(1,229.30)
<b>Balance as at 31st March 2022</b>	<b>8,276.09</b>	<b>16.00</b>	<b>2,644.66</b>	<b>67,150.83</b>	<b>(2,812.64)</b>	<b>75,274.94</b>

As per our report of even date attached

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 (INDIA) LIMITED  
CIN - L74999MH1964PLC014258

SUHAS PAI  
Partner  
Membership no.: 119057

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 27th May 2022

N. M. RANADIVE  
Chief Financial Officer

Place : Mumbai  
Date : 27th May 2022

## Cash flow statement for the year ended 31st March 2022

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
<b>A. Cash flow from operating activities:</b>		
<b>Profit before tax</b>	<b>20,873.57</b>	<b>19,587.56</b>
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	2,678.23	2,613.97
Loss on assets sold / discarded (Net)	(21.56)	(1.39)
Finance cost	757.26	989.60
Dividend Income	(31.57)	(126.66)
Interest Income	(3,062.35)	(3,243.80)
Provision for doubtful debts / Bad debts written off	1,231.69	919.28
Doubtful advances/Claim written off	-	286.00
Change in fair value of investments	(7.91)	(12.68)
Others	-	61.09
Guarantee commission	(44.77)	(60.57)
Unrealised exchange loss / (gain)	106.52	52.97
<b>Operating profit before working capital changes</b>	<b>22,479.11</b>	<b>21,065.37</b>
Movements in working capital:		
(Increase) / Decrease in inventories	(4,374.31)	1,558.33
(Increase) / Decrease in trade receivables	(7,047.70)	4,881.60
(Increase) / Decrease in loans	(513.22)	(79.73)
(Increase) / Decrease in other assets	(419.31)	(668.81)
(Decrease) / Increase in trade payables	(1,723.54)	3,537.96
(Decrease) / Increase in other financial liabilities	207.42	237.35
(Decrease) / Increase in other current liabilities	5,721.86	(6,756.97)
(Decrease) / Increase in provisions	155.82	186.44
<b>Cash generated from operations</b>	<b>14,486.13</b>	<b>23,961.54</b>
Taxes paid	(6,971.64)	(4,792.66)
<b>Net cash generated from operating activities</b>	<b>(A) 7,514.49</b>	<b>19,168.88</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant and equipment	(4,916.39)	(2,976.05)
Proceeds from sale of property, plant and equipment	23.42	1.53
Investments made in subsidiaries	(104.52)	-
(Increase) / Decrease in loans	(625.08)	(859.06)
Bank deposit made during the year (with maturity more than three months)	(8,634.47)	(7,635.90)
Bank deposit matured during the year (with maturity more than three months)	3,319.16	3,964.71
Dividend Received	31.57	126.66
Interest Received	2,856.73	4,563.47
<b>Net cash used in investing activities</b>	<b>(B) (8,049.58)</b>	<b>(2,814.64)</b>
<b>C. Cash flow from financing activities:</b>		
Repayment of borrowings	(1,584.34)	(5,364.85)
Proceeds from borrowings	2,062.26	664.30
Payment towards lease liability	(800.38)	(1,157.78)
Dividend paid	(1,229.30)	(187.74)
Finance cost	(618.93)	(906.15)
<b>Net cash generated / (used) in financing activities</b>	<b>(C) (2,170.69)</b>	<b>(6,952.22)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>(A)+(B)+(C) (2,705.78)</b>	<b>9,402.02</b>
<b>Effect of exchange difference on cash and cash equivalent held in foreign currency</b>	<b>(66.97)</b>	<b>265.69</b>
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>18,128.58</b>	<b>8,460.87</b>
<b>Cash and cash equivalents as at the end of the year</b>	<b>15,355.83</b>	<b>18,128.58</b>

**Cash Flow Statement for the year ended 31st March 2022 (Contd.)**

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 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.
- Purchase of property, plant and equipment represents additions to property, plant and equipment, and other intangible assets adjusted for movement of capital-work-in-progress for property, plant and equipment.
- Cash and cash equivalents excludes the following balances with bank:

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Cash and cash equivalents disclosed under current assets [Note 14]	15,355.83	18,128.58
Other bank balances disclosed under current assets [Note 15]	35,899.76	30,568.86
<b>Total cash and cash equivalents as per balance sheet</b>	<b>51,255.59</b>	<b>48,697.44</b>
Less: Other bank balances disclosed under current assets		
On unclaimed dividend account	67.48	54.71
On unclaimed interest on fixed deposits	0.30	0.52
On deposit account	16,883.84	13,901.25
On margin money account	18,948.14	16,612.38
	<b>35,899.76</b>	<b>30,568.86</b>
<b>Total cash and cash equivalents as per statement of cash flows</b>	<b>15,355.83</b>	<b>18,128.58</b>

- Changes in liabilities arising from financing activities

	As at 31st Mar 2021	2021-22		As at 31st Mar 2022
	INR in Lacs	Net Cash inflow / (outflow)	Others *	INR in Lacs
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs
Borrowings (Non current and current)	3,073.31	477.92	(415.76)	3,135.47
	<b>3,073.31</b>	<b>477.92</b>	<b>(415.76)</b>	<b>3,135.47</b>
	As at 31st Mar 2020	2020-21		As at 31st Mar 2021
	INR in Lacs	Net Cash inflow / (outflow)	Others *	INR in Lacs
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs
Borrowings (Non current and current)	8,006.34	(4,700.55)	(232.48)	3,073.31
	<b>8,006.34</b>	<b>(4,700.55)</b>	<b>(232.48)</b>	<b>3,073.31</b>

\* Lease finance availed during the year forming part of lease liabilities

As per our report of even date attached

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 (INDIA) LIMITED  
CIN - L74999MH1964PLC014258

SUHAS PAI  
Partner  
Membership no.: 119057

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 27th May 2022

N. M. RANADIVE  
Chief Financial Officer

Place : Mumbai  
Date : 27th May 2022

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022

### Company Overview

Ion Exchange (India) Limited (the 'company') offers a wide range of solutions across the water cycle from pre-treatment to process water treatment, waste water treatment, recycle, zero liquid discharge, sewage treatment, packaged drinking water, sea water desalination etc. The company is also engaged in manufacturing resins, speciality chemicals for water and waste water treatment as well as non-water applications. The company's water and environment management solutions extend beyond the industrial sector to homes, hotels, spas, educational institutions, hospitals, laboratories, realty sector, defense establishments and rural communities, providing safe drinking water and a clean environment.

The company is a public limited company incorporated and domiciled in India. It is listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

### 1. Significant Accounting Policies

#### 1.1 Statement of compliance

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

The financial statements are authorised for issue by the Board of Directors of the company at their meeting held on 27th May 2022.

#### 1.2 Basis of preparation

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

The standalone financial statements includes financials statements of IEI Shareholding (Staff Welfare) Trusts (60 trusts) and HMIL Shareholding (Staff Welfare) Trusts (17 trusts).

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

#### 1.3 Functional and presentation currency

The standalone 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 lacs, unless otherwise indicated.

#### 1.4 Basis of measurement

The standalone 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 standalone 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 2022 are as follows:

##### a) Evaluation of percentage completion

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

##### b) Useful life of property, plant and equipment

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

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****1. Significant Accounting Policies (contd...)****1.5 Use of estimates (contd...)**

## 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.

## d) Expected credit loss (ECL) – Refer note no. 1.13 on Impairment of financial assets

**1.6 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.

**1.7 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 based on technical evaluation, whichever is lower, as stated below.

Assets	Useful lives
Road	10 years
Building - Other than factory buildings	30 – 60 years
- Factory buildings	20 – 30 years
Plant and machinery	10 – 15 years
Site equipments	3 years
Furniture and fixtures	10 years
Vehicles	4 – 8 years
Office equipments	3 – 5 years

In case of certain class of assets, the company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from those class of assets. The company uses its technical expertise along with historical and industry trends for arriving the economic life of an asset.

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.

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

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

#### 1.8 Intangible assets

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

Intangible assets are 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.

#### 1.9 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.

The company reviews its carrying value of investments carried at cost and amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

#### 1.10 Foreign currency transactions

Transactions in foreign currencies are recognised 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 recognised 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 recognised as income or expense in the statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

#### 1.11 Inventories

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

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

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

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

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

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

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

#### 1.12 Research and development

Capital expenditure on research and development is treated in the same manner as property, plant and equipment. Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****1. Significant Accounting Policies (contd...)****1.13 Financial instruments**

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

**A. Financial assets****(i) Initial recognition and measurement**

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

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

**(ii) Classification and subsequent measurement**

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

**a) At amortised cost**

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

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

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

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

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

**(iii) Equity investments**

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

Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognised 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 recognised 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**

The Company assesses impairment based on Expected Credit Losses (ECL) model for the following:

Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

Other financial assets such as deposits, advances etc., the company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition.

As a practical expedient, the Company uses the provision matrix to determine impairment loss allowance on the trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and its adjusted forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) during the period is recognised as other expense in the statement of profit and loss.

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

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

#### 1.13 Financial instruments (contd...)

(v) De-recognition of financial assets

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

#### B. Financial liabilities

(i) Initial recognition and measurement

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

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

(ii) Classification and subsequent measurement

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

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

- Financial liabilities excluding derivative financial instruments at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in 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. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the statement of profit and loss.

#### 1.14 Financial guarantees

Where guarantees in relation to loans of group companies are provided for no compensation, the fair value are accounted for as contribution and recognised as part of cost of investment.

#### 1.15 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 for the year when the contribution to the respective fund is due. There is no other obligation other than the contribution payable.
- (ii) Provident Fund scheme managed by trust set up by the company is a defined benefit plan. Employee benefits, in form of contribution to provident fund managed by such trust, are charged to the statement of profit and loss as and when the related services are rendered. The deficit, if any, in the accumulated corpus of the trust is recognised in the statement of profit and loss based on actuarial valuation.
- (iii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit method made at the end of each financial year. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI).

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****1. Significant Accounting Policies (contd...)****1.15 Retirement and other employee benefits (contd...)**

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

**1.16 Employee stock compensation cost**

Equity-settled plans are accounted at fair value as at the grant date. The fair value of the share-based option is determined at the grant date using a market-based option valuation model (Black Scholes Option Valuation Model). The fair value of the option is recorded as compensation expense amortised over the vesting period of the options, with a corresponding increase in Reserves and Surplus under the head "Employee Stock Option Outstanding". On exercise of the option, the proceeds are recorded as share capital and security premium account.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the company's best estimate of the number of equity instruments that will ultimately vest.

**1.17 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 fixed-price construction 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 subsidiaries is recognised based on transaction price which is at arm's length.

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

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

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

#### 1.17 Revenue recognition (contd...)

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 construction contract is recognised using percentage-of-completion method. The company uses judgment to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

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

#### 1.18 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 recognised, 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 recognised 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 are recognised in correlation to the underlying transaction either in Other Comprehensive Income (OCI) or directly in equity.

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

#### 1.19 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.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****1. Significant Accounting Policies (contd...)****1.19 Provisions and contingent liabilities (contd...)**

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.

**1.20 Earnings per share**

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

For calculating the weighted average number of equity shares outstanding, 2,368,939 (2020-21: 2,368,939) equity shares and 4,675 (2020-21: 4,675) equity shares are being excluded on consolidation of equity shares held by IEI Shareholding (Staff Welfare) Trusts and HMIL Shareholding (Staff Welfare) Trusts respectively.

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

**1.21 Segment reporting policies**Identification of segments

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

Inter-segment Transfers

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

Allocation of common costs

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

Unallocated costs

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

Segment policies

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

**1.22 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.

**1.23 Leases**Where the company is the lessor

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

Where the company is the lessee

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

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

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

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

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

#### 1.23 Leases (contd...)

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.

#### 1.24 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.

#### 1.25 Dividend payable

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as a liability on the date of declaration by the company's board of directors. A corresponding amount is recognised directly in equity.

The company pays / distributes dividend after deducting applicable taxes.

#### 1.26 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework. The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use. The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract. The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021). The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021). The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The company does not expect the amendment to have any significant impact in its financial statements

None of the amendments notified by MCA, which are applicable from 1st April 2022 are expected to have any material impact on the financial statement of the Company.

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 2. Property, plant and equipment

	INR in Lacs								
	Land (Freehold) (Refer note a)	Road	Building on freehold land (Refer note b, c, d and e)	Building on leasehold land	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Total
<b>Gross block</b>									
As at 1st April 2021	204.29	95.88	3,882.86	3,598.14	10,823.47	676.11	336.91	997.30	20,614.96
Addition during the year	-	15.72	38.36	68.37	964.64	56.24	23.36	387.11	1,553.80
Disposal during the year	-	-	-	-	93.11	0.64	17.35	6.70	117.80
<b>As at 31st March 2022</b>	<b>204.29</b>	<b>111.60</b>	<b>3,921.22</b>	<b>3,666.51</b>	<b>11,695.00</b>	<b>731.71</b>	<b>342.92</b>	<b>1,377.71</b>	<b>22,050.96</b>
<b>Depreciation / Amortisation</b>									
As at 1st April 2021	-	48.87	353.66	573.09	4,343.88	254.94	214.76	619.09	6,408.29
Depreciation during the year	-	11.74	116.31	156.55	1,160.93	69.49	55.51	298.59	1,869.12
Deduction during the year	-	-	-	-	91.65	0.64	17.35	6.30	115.94
<b>As at 31st March 2022</b>	<b>-</b>	<b>60.61</b>	<b>469.97</b>	<b>729.64</b>	<b>5,413.16</b>	<b>323.79</b>	<b>252.92</b>	<b>911.38</b>	<b>8,161.47</b>
<b>Net carrying value As at 31st March 2022</b>	<b>204.29</b>	<b>50.99</b>	<b>3,451.25</b>	<b>2,936.87</b>	<b>6,281.84</b>	<b>407.92</b>	<b>90.00</b>	<b>466.33</b>	<b>13,889.49</b>
<b>Gross block</b>									
As at 1st April 2020	204.29	88.46	3,778.84	3,017.62	9,590.33	580.91	339.36	859.76	18,459.57
Addition during the year	-	7.42	104.02	580.52	1,233.14	95.20	1.37	138.10	2,159.77
Disposal during the year	-	-	-	-	-	-	3.82	0.56	4.38
<b>As at 31st March 2021</b>	<b>204.29</b>	<b>95.88</b>	<b>3,882.86</b>	<b>3,598.14</b>	<b>10,823.47</b>	<b>676.11</b>	<b>336.91</b>	<b>997.30</b>	<b>20,614.96</b>
<b>Depreciation / Amortisation</b>									
As at 1st April 2020	-	38.67	239.94	424.40	3,068.02	189.70	155.39	493.12	4,609.24
Depreciation during the year	-	10.20	113.72	148.69	1,275.86	65.24	63.19	126.39	1,803.29
Deduction during the year	-	-	-	-	-	-	3.82	0.42	4.24
<b>As at 31st March 2021</b>	<b>-</b>	<b>48.87</b>	<b>353.66</b>	<b>573.09</b>	<b>4,343.88</b>	<b>254.94</b>	<b>214.76</b>	<b>619.09</b>	<b>6,408.29</b>
<b>Net carrying value As at 31st March 2021</b>	<b>204.29</b>	<b>47.01</b>	<b>3,529.20</b>	<b>3,025.05</b>	<b>6,479.59</b>	<b>421.17</b>	<b>122.15</b>	<b>378.21</b>	<b>14,206.67</b>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

### 2. Property, plant and equipment (contd...)

#### Notes

- a) Freehold land includes land at Pune and Tamil Nadu, the title deeds of which are in the name of the nominees of the company.  
Deemed gross book value INR 27.44 Lacs (2020-21: INR 27.44 Lacs)
- b) Buildings on freehold land includes residential flats, the cost of which includes:
- INR 250 (2020-21: INR 250) being the value of 5 Shares (unquoted) of INR 50 each, fully paid up in Sunrise Co-operative Housing Society Limited.
  - INR 3,500 (2020-21: INR 3,500) being the value of 70 Shares (unquoted) of INR 50 each, fully paid up in Usha Milan Co-operative Society Limited.
- c) Buildings on freehold land includes residential flats acquired at Mumbai, the society formation of which is in progress.  
Deemed gross book value INR 41.15 Lacs (2020-21: INR 41.15 Lacs)  
Net book value INR 34.92 Lacs (2020-21: INR 35.95 Lacs)
- d) Buildings on freehold land includes residential flats comprising of 2 LIG flats (Nos. B-16 and B-17) and 1 MIG flat (No. B-14) at Hosur, the title deeds of which are awaited from authorities.  
Deemed gross book value INR Nil (2020-21: INR Nil)  
Net book value INR Nil (2020-21: INR Nil)
- e) Buildings on freehold land includes office premises given on operating lease :  
Deemed gross book value INR 144.44 Lacs (2020-21: INR 144.44 Lacs)  
Accumulated depreciation INR 38.61 Lacs (2020-21: INR 32.77 Lacs)  
Depreciation for the year INR 5.84 Lacs (2020-21: INR 5.85 Lacs)  
Net book value INR 105.83 Lacs (2020-21: INR 111.67 Lacs)
- f) Addition to Property, plant and equipment includes amount of INR 219.76 Lacs (2020-21: INR 108.32 Lacs) pertaining to research and development.
- g) Certain property, plant and equipment are given as security for borrowings, the details relating to which have been described in note 18 and note 21.

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 3. Capital work-in-progress

INR in Lacs

	Year ended 31st March 2022	Year ended 31st March 2021
As at 1st April	1,459.82	1,150.82
Addition during the year	2,461.07	2,015.89
Capitalisation / deductions during the year	1,917.32	1,706.89
As at 31st March	2,003.57	1,459.82

## Capital work in progress ageing schedule

## As at 31 March 2022

	Amount in capital work in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs
Projects in progress	1,762.87	227.55	13.15	-	2,003.57
Projects temporarily suspended	-	-	-	-	-
	1,762.87	227.55	13.15	-	2,003.57

## As at 31 March 2021

	Amount in capital work in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs
Projects in progress	1,436.92	22.90	-	-	1,459.82
Projects temporarily suspended	-	-	-	-	-
	1,436.92	22.90	-	-	1,459.82

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**4. Right-of-use assets**

	INR in Lacs					
	Land	Building	Plant and machinery (Refer note a)	Vehicles	Office equipments (Refer note a)	Total
<b>Gross block</b>						
As at 1st April 2021	335.99	479.93	3,157.76	9.18	366.35	4,349.21
Addition during the year	1,145.47	261.79	-	-	-	1,407.26
Disposal during the year	-	163.30	-	-	74.62	237.92
<b>As at 31st March 2022</b>	<b>1,481.46</b>	<b>578.42</b>	<b>3,157.76</b>	<b>9.18</b>	<b>291.73</b>	<b>5,518.55</b>
<b>Depreciation / Amortisation</b>						
As at 1st April 2021	18.96	281.24	811.27	0.48	255.33	1,367.28
Depreciation during the year	11.43	150.75	519.21	1.15	62.89	745.43
Deduction during the year	-	160.26	-	-	74.62	234.88
<b>As at 31st March 2022</b>	<b>30.39</b>	<b>271.73</b>	<b>1,330.48</b>	<b>1.63</b>	<b>243.60</b>	<b>1,877.83</b>
<b>Net carrying value As at 31st March 2022</b>	<b>1,451.07</b>	<b>306.69</b>	<b>1,827.28</b>	<b>7.55</b>	<b>48.13</b>	<b>3,640.72</b>
<b>Gross block</b>						
As at 1st April 2020	335.99	479.93	3,157.76	-	324.35	4,298.03
Addition during the year	-	-	-	9.18	42.00	51.18
Disposal during the year	-	-	-	-	-	-
<b>As at 31st March 2021</b>	<b>335.99</b>	<b>479.93</b>	<b>3,157.76</b>	<b>9.18</b>	<b>366.35</b>	<b>4,349.21</b>
<b>Depreciation / Amortisation</b>						
As at 1st April 2020	9.48	140.12	342.57	-	123.04	615.21
Depreciation during the year	9.48	141.12	468.70	0.48	132.29	752.07
Deduction during the year	-	-	-	-	-	-
<b>As at 31st March 2021</b>	<b>18.96</b>	<b>281.24</b>	<b>811.27</b>	<b>0.48</b>	<b>255.33</b>	<b>1,367.28</b>
<b>Net carrying value as at 31st March 2021</b>	<b>317.03</b>	<b>198.69</b>	<b>2,346.49</b>	<b>8.70</b>	<b>111.02</b>	<b>2,981.93</b>

**Notes**

- a) Finance lease obligations are secured by hypothecation of under lying plant and machinery and equipment's taken on lease. Lease obligations are discharged by monthly / quarterly lease rental payments. The lease terms are for 2 to 4 years.

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 5. Intangible assets

	INR in Lacs	
	Computer Software	Total
<b>Gross block</b>		
As at 1st April 2021	461.81	461.81
Addition during the year	40.27	40.27
Disposal during the year	-	-
<b>As at 31st March 2022</b>	<b>502.08</b>	<b>502.08</b>
<b>Amortisation</b>		
As at 1st April 2021	246.28	246.28
Depreciation during the year	63.68	63.68
Deduction during the year	-	-
<b>As at 31st March 2022</b>	<b>309.96</b>	<b>309.96</b>
<b>Net carrying value as at 31st March 2022</b>	<b>192.12</b>	<b>192.12</b>
<b>Gross block</b>		
As at 1st April 2020	346.66	346.66
Addition during the year	115.15	115.15
Disposal during the year	-	-
<b>As at 31st March 2021</b>	<b>461.81</b>	<b>461.81</b>
<b>Amortisation</b>		
As at 1st April 2020	187.67	187.67
Amortised during the year	58.61	58.61
Deduction during the year	-	-
<b>As at 31st March 2021</b>	<b>246.28</b>	<b>246.28</b>
<b>Net carrying value as at 31st March 2021</b>	<b>215.53</b>	<b>215.53</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**6. Non-current investments**

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
<b>Measured at cost in equity shares of subsidiaries</b>		
<b>Unquoted, fully paid-up</b>		
1,760,000 (31st March 2021: 1,760,000) equity shares of INR 10 each, fully paid-up in Aqua Investments (India) Limited	176.00	176.00
1,770,000 (31st March 2021: 1,770,000) equity shares of INR 10 each, fully paid-up in Watercare Investments (India) Limited	177.00	177.00
547,000 (31st March 2021: 547,000) equity shares of INR 10 each, fully paid-up in Ion Exchange Enviro Farms Limited	54.70	54.70
2,603,211 (31st March 2021: 2,603,211) equity shares of SGD 1 each, fully paid-up in Ion Exchange Asia Pacific Pte. Ltd.	1,127.33	1,123.66
250,000 (31st March 2021: 250,000) equity shares of MYR 1 each, fully paid-up in IEI Environmental Management (M) Sdn. Bhd.	18.10	18.10
Less: Aggregate amount of provision for impairment in the value of investments	(18.10)	(18.10)
	-	-
700,000 (31st March 2021: 700,000) equity shares of USD 1 each, fully paid-up in Ion Exchange LLC	372.01	372.01
153,000 (31st March 2021: 153,000) equity shares of OMR 1 each, fully paid-up in Ion Exchange And Company LLC	180.85	180.85
55,862 (31st March 2021: 55,862) equity shares of BDT 100 each, fully paid-up in Ion Exchange Environment Management (BD) Limited	41.49	39.21
27,469 (31st March 2021: 27,469) equity shares of BDT 100 each, fully paid-up in Ion Exchange WTS (Bangladesh) Limited	2.45	2.45
2,170,000 (31st March 2021: 2,170,000) equity shares of INR 10 each, fully paid-up in Global Composite And Structural Limited	319.25	301.25
13,968,634 (31st March 2021: 13,968,634) equity shares of INR 10 each, fully paid-up in Ion Exchange Projects And Engineering Limited	1,460.21	1,460.21
1,200 (31st March 2021: 600) equity shares of ZAR 1 each, fully paid-up in Ion Exchange Safic Pty Ltd.	190.24	75.90
300 (31st March 2021: 300) equity shares of SAR 1,000 each, fully paid-up in Ion Exchange Aribia for Water	58.18	58.18
65,618 (31st March 2021: 65,618) equity shares of INR 10 each, fully paid-up in Total Water Management Services (India) Limited	18.00	18.00
10,000 (31st March 2021: 10,000) equity shares of INR 10 each, fully paid-up in Ion Exchange Purified Drinking Water Private Limited	39.01	39.01
5,000,000 (31st March 2021: 5,000,000) equity shares of INR 10 each, fully paid-up in Ion Exchange Environment Management Limited	501.28	501.28
	<b>(A) 4,718.00</b>	<b>4,579.71</b>
<b>Measured at cost in equity shares of associates</b>		
<b>Unquoted, fully paid-up</b>		
460,000 (31st March 2021: 460,000) equity shares of INR 10 each, fully paid-up in Aquanomics Systems Limited	112.00	101.00
	<b>(B) 112.00</b>	<b>101.00</b>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 6. Non-current investments (contd...)

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
<b>Measured at fair value through profit and loss in equity shares of others</b>		
<b>Unquoted, fully paid-up</b>		
6,000 (31st March 2021: 6,000) equity shares of INR 10 each, fully paid-up in IEK Plastics Limited	-	-
113 (31st March 2021: 113) equity shares of INR 10 each, fully paid-up in Patancheru Enviro-tech Limited	0.01	0.01
10,500 (31st March 2021: 10,500) equity shares of INR 10 each, fully paid-up in Bharuch Enviro Infrastructure Limited	1.05	1.05
352,500 (31st March 2021: 352,500) equity shares of INR 10 each, fully paid-up in Bharuch Eco-Aqua Infrastructure Limited	35.25	35.25
71,518 (31st March 2021: 71,518) equity shares of INR 10 each, fully paid-up in GPCL Consulting Services Limited	27.46	27.46
1,000 (31st March 2021: 1,000) equity shares of INR 10 each, fully paid-up in Ion Foundation	0.10	0.10
7,143 (31st March 2021: 7,143) equity shares of INR 10 each, fully paid-up in Water Quality India Association	0.71	0.71
11,000 (31st March 2021: 11,000) equity shares of INR 10 each, fully paid-up in Haldia Water Services Pvt. Ltd. [Refer note (a) below]	1.10	1.10
<b>(C)</b>	<b>65.68</b>	<b>65.68</b>
<b>Measured at amortised cost in preference shares of others</b>		
<b>Unquoted, fully paid-up</b>		
75,000 (31st March 2021: 75,000) 14.25% preference shares of INR 100 each, fully paid-up in HMG Industries Limited	0.50	0.50
<b>(D)</b>	<b>0.50</b>	<b>0.50</b>
<b>Measured at amortised cost in debenture of subsidiaries</b>		
1,500,000 (31st March 2021: 1,500,000) 7% secured redeemable non-convertible debenture of INR 100 each, fully paid-up in Ion Exchange Enviro Farms Limited	1,500.00	1,500.00
<b>(E)</b>	<b>1,500.00</b>	<b>1,500.00</b>
<b>Total non current investments</b>	<b>(A+B+C+D+E) 6,396.18</b>	<b>6,246.89</b>
Aggregate amount of quoted Investments	-	-
Aggregate amount of unquoted Investments	6,396.18	6,246.89
Aggregate amount of impairment in value of investments	18.10	18.10

Note

(a) 11,000 equity shares are pledged to a non-banking financial company.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**7. Trade receivables**

	Non-current		Current	
	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Trade receivables				
(a) Unsecured, considered good	-	-	50,883.70	45,282.75
(b) Unsecured, have significant increase in credit risk	123.50	123.71	-	-
(c) Unsecured, credit impaired	59.62	59.62	2,816.28	1,707.28
	183.12	183.33	53,699.98	46,990.03
Less: Provision for credit impaired	59.62	59.62	2,816.28	1,707.28
	<b>123.50</b>	<b>123.71</b>	<b>50,883.70</b>	<b>45,282.75</b>

**Trade receivables ageing schedule**
**As at 31 March 2022**

	Outstanding for following periods from due date of payment					Total INR in Lacs
	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	
Undisputed trade receivables - considered good	46,709.18	1,448.23	1,219.11	1,287.82	219.36	50,883.70
Undisputed trade Receivables - credit impaired	79.63	684.88	463.20	129.29	1,459.28	2,816.28
Disputed trade receivables - have significant increase in credit risk	-	-	-	20.15	103.35	123.50
Disputed trade receivables - credit impaired	-	-	-	-	59.62	59.62
	46,788.81	2,133.11	1,682.31	1,437.26	1,841.61	53,883.10
Less: Provision for credit impaired	79.63	684.88	463.20	129.29	1,518.90	2,875.90
	<b>46,709.18</b>	<b>1,448.23</b>	<b>1,219.11</b>	<b>1,307.97</b>	<b>322.71</b>	<b>51,007.20</b>

**As at 31 March 2021**

	Outstanding for following periods from due date of payment					Total INR in Lacs
	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	
Undisputed trade receivables - considered good	38,862.46	2,118.51	2,414.81	356.07	1,530.90	45,282.75
Undisputed trade Receivables - credit impaired	84.00	45.71	311.29	378.33	887.95	1,707.28
Disputed trade receivables - have significant increase in credit risk	-	-	20.26	6.90	96.55	123.71
Disputed trade receivables - credit impaired	-	-	-	-	59.62	59.62
	38,946.46	2,164.22	2,746.36	741.30	2,575.02	47,173.36
Less: Provision for credit impaired	84.00	45.71	311.29	378.33	947.57	1,766.90
	<b>38,862.46</b>	<b>2,118.51</b>	<b>2,435.07</b>	<b>362.97</b>	<b>1,627.45</b>	<b>45,406.46</b>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 8. Loans

	Non-current		Current	
	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Loans and advances to related parties (Refer note 42)				
(a) Unsecured, considered good	2,200.00	3,346.64	6,085.72	4,278.27
(b) Unsecured, credit impaired	12.50	19.50	-	-
	2,212.50	3,366.14	6,085.72	4,278.27
Less: Provision for credit impaired	12.50	19.50	-	-
(A)	2,200.00	3,346.64	6,085.72	4,278.27
Claims receivables	(B) -	-	1,516.78	1,004.29
Loans and advance to employees	(C) -	-	25.82	25.09
Rent receivable (Unsecured, credit impaired)	17.05	17.05	-	-
Less: Provision for credit impaired	17.05	17.05	-	-
(D)	-	-	-	-
Others - Unsecured, credit impaired				
- Inter corporate deposits	57.07	57.07	-	-
- Other loans and advances	55.07	55.07	-	-
	112.14	112.14	-	-
Less: Provision for credit impaired	112.14	112.14	-	-
(E)	-	-	-	-
<b>(A+B+C+D+E)</b>	<b>2,200.00</b>	<b>3,346.64</b>	<b>7,628.32</b>	<b>5,307.65</b>

## 9. Other financial assets

	Non-current		Current	
	As at 31st Mar 2022 INR in Lacs	As at 31st Mar 2021 INR in Lacs	As at 31st Mar 2022 INR in Lacs	As at 31st Mar 2021 INR in Lacs
Tender, security and other deposits				
(a) Unsecured, considered good	857.84	853.09	25.20	64.18
(b) Unsecured, credit impaired	20.74	13.74	-	-
	878.58	866.83	25.20	64.18
Less: Provision for credit impaired	20.74	13.74	-	-
(A)	857.84	853.09	25.20	64.18
Interest accrued on deposits and margin money	(B) -	-	1,127.04	921.42
<b>(A+B)</b>	<b>857.84</b>	<b>853.09</b>	<b>1,152.24</b>	<b>985.60</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**10. Other assets**

		Non-current		Current	
		As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Capital advances	(A)	1,401.06	52.49	-	-
Balance with statutory authorities	(B)	237.33	304.11	4,556.24	4,964.15
Advance to suppliers					
Unsecured, considered good - Others		-	-	2,866.42	2,489.84
Unsecured, considered good - related parties [Refer note 42]		-	-	893.25	802.76
Unsecured, credit impaired		14.20	14.20	-	-
		14.20	14.20	3,759.67	3,292.60
Less: Provision for credit impaired		14.20	14.20	-	-
	(C)	-	-	3,759.67	3,292.60
Prepaid expenses	(D)	-	-	1,017.30	556.14
	<b>(A+B+C+D)</b>	<b>1,638.39</b>	<b>356.60</b>	<b>9,333.21</b>	<b>8,812.89</b>

**11. Deferred tax assets (Net)**
**As at 31st March 2022**
**INR in Lacs**

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance	Deferred tax asset	Deferred tax liabilities
<b>Deferred tax assets/ (liabilities)</b>						
Property, plant and equipment	(1,237.19)	459.80	-	(777.39)	-	(777.39)
Trade receivables	844.99	(121.13)	-	723.86	723.86	-
Loans and borrowings	116.17	6.67	-	122.84	122.84	-
Retention money	65.01	(1.73)	-	63.28	63.28	-
Other items	630.95	10.70	49.56	691.21	691.21	-
<b>Tax assets/(liabilities)</b>	<b>419.93</b>	<b>354.31</b>	<b>49.56</b>	<b>823.80</b>	<b>1,601.19</b>	<b>(777.39)</b>

**As at 31st March 2021**
**INR in Lacs**

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance	Deferred tax assets	Deferred tax liabilities
<b>Deferred tax assets/ (liabilities)</b>						
Property, plant and equipment	(1,274.39)	37.20	-	(1,237.19)	-	(1,237.19)
Trade receivables	623.28	221.71	-	844.99	844.99	-
Loans and borrowings	64.50	51.67	-	116.17	116.17	-
Retention money	93.95	(28.94)	-	65.01	65.01	-
Other items	549.61	113.36	(32.02)	630.95	630.95	-
<b>Tax assets/(liabilities)</b>	<b>56.95</b>	<b>395.00</b>	<b>(32.02)</b>	<b>419.93</b>	<b>1,657.12</b>	<b>(1,237.19)</b>

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****12. Inventories**

(valued at lower of cost and net realisable value)

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Raw materials and components [includes in transit INR 325.22 Lacs, (31st March 2021: INR 266.36 Lacs)]	6,329.89	3,819.23
Work-in-progress	1,831.76	1,179.35
Finished goods [includes in transit INR 62.38 Lacs, (31st March 2021: INR 25.59 Lacs)]	4,146.52	3,756.20
Traded goods	1,134.08	759.91
Stores and spares	864.22	623.17
Contract work-in-progress	310.48	104.78
	<b>14,616.95</b>	<b>10,242.64</b>

**13. Investments**

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
<b>Investments measured at fair value through profit and loss</b>		
<b>Quoted, fully paid-up</b>		
5,875 (31st March 2021: 5,875) equity shares of INR 2 each, fully paid-up in Sterlite Technologies Limited	13.20	11.41
70 (31st March 2021: 70) equity shares of INR 2 each, fully paid-up in Jain Irrigation Systems Limited	0.02	0.01
8,100 (31st March 2021: 8,100) equity shares of INR 10 each, fully paid-up in Canara Bank	18.44	12.33
	<b>31.66</b>	<b>23.75</b>
Aggregate amount of quoted investments	31.66	23.75
Aggregate amount of unquoted investments	-	-

**14. Cash and cash equivalents**

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Balances with banks		
On current accounts [Refer note below]	7,660.00	7,551.27
On Exchange Earner's Foreign Currency accounts	17.15	16.63
On deposit account with original maturity period of three months or less	7,614.00	10,515.91
Cash on hand	64.68	44.77
	<b>15,355.83</b>	<b>18,128.58</b>

**Note**

Includes balance of INR 4,309.03 Lacs (31st March 2021: INR 3,581.90 Lacs) in escrow accounts for utilisation in the execution of a specific EPC contract.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**15. Bank balances other than cash and cash equivalents**

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Balances with banks		
On Unclaimed dividend account	67.48	54.71
On Unclaimed interest on fixed deposits	0.30	0.52
Other bank balances:		
On deposit account	16,883.84	13,901.25
On margin money account [Refer note below]	18,948.14	16,612.38
	<b>35,899.76</b>	<b>30,568.86</b>

**Note**

Margin money deposits with a carrying amount of INR 18,948.14 Lacs (31st March 2021: INR 16,612.38 Lacs) are subject to first charge to secure bank guarantees issued by banks on our behalf.

**16. Equity share capital**

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
<b>Authorised capital</b>		
17,000,000 (31st March 2021: 17,000,000) equity shares of Rs. 10 each.	1,700.00	1,700.00
<b>Issued, subscribed and fully paid-up capital</b>		
14,666,659 (31st March 2021: 14,666,659) equity shares of Rs. 10 each.	1,466.67	1,466.67
	<b>1,466.67</b>	<b>1,466.67</b>

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

	As at 31st March 2022		As at 31st March 2021	
	No of shares	INR in Lacs	No of shares	INR in Lacs
At the beginning of the year	14,666,659	1,466.67	14,666,659	1,466.67
Add: Issued during the year	-	-	-	-
At the end of the year	<b>14,666,659</b>	<b>1,466.67</b>	<b>14,666,659</b>	<b>1,466.67</b>

**(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 March 2022		As at 31st March 2021	
	No of shares	% holding	No of shares	% holding
Mr. Rajesh Sharma	824,968	5.62%	824,968	5.62%
Mr. M. P. Patni	755,497	5.15%	755,497	5.15%

\* 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 shares 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 exercise of options granted under the Employee Stock Option Scheme (ESOS) wherein part consideration was received in form of employee services preceding last five years ended on 31st March 2022: Nil shares (Previous period of five years ended 31st March 2021: 109,500 shares)

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****16. Equity share capital (contd...)****(e) Shares reserved for issued under ESOS**

There are no pending shares reserved for issue under Employee Stock Option Schemes (ESOS).

**(f) Details of shares held by promoter and promoter group**

**As on 31st March 2022**

Promoter name	No. of equity shares	% of total equity shares	% change during the year
Rajesh Sharma	824,968	5.62%	0.00%
M. P. Patni	755,497	5.15%	0.00%
Dinesh Sharma	632,271	4.31%	0.00%
Bimal Jain	417,223	2.84%	0.00%
Uma Ranganathan	373,174	2.54%	0.00%
Aankur Patni	295,293	2.01%	0.00%
Aruna Sharma	107,895	0.74%	0.00%
Poonam Sharma	49,650	0.34%	0.00%
Nirmla Patni	8,300	0.06%	0.00%
Anita Jain	5,546	0.04%	0.00%
Pallavi Sharma	2,000	0.01%	0.00%
Nidhi Patni	1,000	0.01%	0.00%
Aqua Investments (India) Ltd.	253,803	1.73%	0.00%
Watercare Investments (India) Ltd.	184,071	1.26%	0.00%
Ion Exchange Financial Products Pvt. Ltd.	50,422	0.34%	0.00%
	<b>3,961,113</b>	<b>27.01%</b>	<b>0.00%</b>

**As on 31st March 2021**

Promoter name	No. of equity shares	% of total equity shares	% change during the year
Rajesh Sharma	824,968	5.62%	0.00%
M. P. Patni	755,497	5.15%	0.00%
Dinesh Sharma	632,271	4.31%	0.00%
Bimal Jain	417,223	2.84%	0.00%
Uma Ranganathan	373,174	2.54%	0.00%
Aankur Patni	295,293	2.01%	0.00%
Aruna Sharma	107,895	0.74%	0.00%
Poonam Sharma	49,650	0.34%	0.00%
Nirmla Patni	8,300	0.06%	0.00%
Anita Jain	5,546	0.04%	0.00%
Pallavi Sharma	2,000	0.01%	0.00%
Nidhi Patni	1,000	0.01%	0.00%
Aqua Investments (India) Ltd.	253,803	1.73%	0.00%
Watercare Investments (India) Ltd.	184,071	1.26%	0.00%
Ion Exchange Financial Products Pvt. Ltd.	50,422	0.34%	0.00%
	<b>3,961,113</b>	<b>27.01%</b>	<b>0.00%</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**17. Other equity**

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
<b>Security premium</b>		
Balance as at 1st April	8,276.09	8,276.09
(A)	8,276.09	8,276.09
<b>Special reserve</b>		
Balance as at 1st April	16.00	16.00
(As per section 45 - IC of the Reserve Bank of India Act, 1934)		
(B)	16.00	16.00
<b>General reserve</b>		
Balance as at 1st April	2,644.66	2,644.66
(C)	2,644.66	2,644.66
<b>Retained earnings</b>		
Balance as at 1st April	53,106.61	38,554.24
Impact of additional treasury shares	-	47.35
Profit for the year	15,420.85	14,597.56
Other comprehensive income	(147.33)	95.20
Appropriations		
- Dividend	(1,229.30)	(187.74)
(D)	67,150.83	53,106.61
<b>Treasury shares</b>		
Balance as at 1st April	(2,812.64)	(2,808.28)
Addition of Cost of Treasure Shares	-	(4.36)
(E)	(2,812.64)	(2,812.64)
<b>(A+B+C+D+E)</b>	<b>75,274.94</b>	<b>61,230.72</b>

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

**Security premium:** Securities premium is used to record the premium on issue of shares. Securities premium also includes the difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to employee stock options scheme. The reserve is utilised in accordance with the provisions of the Act.

**Special reserve:** Special reserve is created by the company in past as per provision of section 45 - IC of the Reserve Bank of India Act, 1934 for repayment of fixed deposit holders.

**General reserve:** The company created a General Reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirement to transfer profits to General Reserve is not mandatory. General reserve represents appropriation of retained earnings and are available for distribution to shareholders.

**Treasury shares:** Treasury shares represents equity shares of the company held by IEI Shareholding (Staff Welfare) Trusts as well as HMIL Shareholding (Staff Welfare) Trusts

**(b) Dividend on equity shares paid during the year**

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Dividend [INR 10.00 per equity share (2020-21: INR 1.50 per equity share)]	1,466.67	220.00
Less: Dividend on treasury shares	(237.37)	(32.26)
	1,229.30	187.74

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 18. Borrowings

	Non-current		Current	
	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Term loans (Secured)				
Indian rupee loan from financial institution [Refer note (a) below]	-	310.96	313.83	418.44
Indian rupee loan from a bank [Refer note (b) (c) and (d) below]	1,135.89	404.69	581.25	609.58
Indian rupee vehicle loan from banks and finance companies [Refer note (e) below]	36.19	79.36	51.29	56.15
	<b>1,172.08</b>	<b>795.01</b>	<b>946.37</b>	<b>1,084.17</b>
The above amount includes				
Secured borrowings	1,172.08	795.01	946.37	1,084.17
Unsecured borrowings	-	-	-	-
Amount included under the head "Other financial liabilities" (Refer note 21)	-	-	(946.37)	(1,084.17)
	<b>1,172.08</b>	<b>795.01</b>	-	-

## Notes

- (a) Indian rupees loan from financial institution for capital expenditure carries interest @ 9.80 to 11.30% p.a. The loan is secured by first charge on movable and immovable fixed assets pertaining to a manufacturing facility at Goa and is repayable in 54 months with moratorium of 6 months from the date of actual commercial operation date.
- (b) Indian rupees loan of INR 1,500.00 Lacs from a bank for capital expenditure. Loan is repayable in 48 months from the date of the first disbursement and carries interest @ 9.40% to 10.20% p.a. The loan is secured by exclusive first charge on three residential properties.
- (c) Indian rupees loan of INR 925.00 Lacs from a bank for capital expenditure. Loan is repayable in 48 months from the date of the first disbursement and carries interest rate of 10% to 10.90% p.a. The loan is secured by exclusive first charge on three residential properties.
- (d) Indian rupees loan of INR 1400.00 Lacs from a bank for capital expenditure. Loan is repayable in 48 months from the date of the first disbursement and carries interest rate of 8.40% p.a. The loan is secured by exclusive first charge on three residential properties.
- (e) Indian rupee vehicle loans from banks and finance companies carries interest @ 8.00% to 13.50% p.a. The loans are repayable within a period of 36 to 60 months in equal monthly installments along with interest, from the various dates of disbursements. The loans are secured by hypothecation of under lying vehicles.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**19. Other financial liabilities - Non Current**

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Deposits	890.98	847.92
	<b>890.98</b>	<b>847.92</b>

**20. Provisions**

	Non-current		Current	
	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Provision for employee benefits (Refer note 38)	1,664.34	1,483.03	604.16	438.31
Provision for warranties	-	-	32.68	27.13
	<b>1,664.34</b>	<b>1,483.03</b>	<b>636.84</b>	<b>465.44</b>

**Provision for warranties**

A provision is recognised for expected warranty claims on Consumer Product Division's products sold during last one year, based on past experience of the level of repairs and returns.

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
At the beginning of the year	27.13	14.96
Arising during the year	32.68	27.13
Utilised during the year	27.13	14.96
Unused amounts reversed	-	-
At the end of the year	<b>32.68</b>	<b>27.13</b>

**21. Borrowings - Current**

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Working capital loan from banks (Secured) [Refer note (a) below]	31.51	442.12
Purchase Bill Discounting (Unsecured) [Refer note (b) below]	571.01	402.51
Inter-corporate deposits (Unsecured) [Refer note (c) below]		
- from related parties [Refer note 42]	414.50	349.50
Current maturities of long term borrowings (Refer note 18) (Secured)	946.37	1,084.17
	<b>1,963.39</b>	<b>2,278.30</b>
The above amount includes		
Secured borrowings	977.88	1,526.29
Unsecured borrowings	985.51	752.01
	<b>1,963.39</b>	<b>2,278.30</b>

(a) The working capital loan is secured by joint hypothecation of book debts and stocks and collateral security by way of charge on the fixed assets at its manufacturing facilities situated in Hosur, Patancheru, Vashi, Goa, Ankleshwar and Mumbai (Office Premises). The working capital loan is repayable on demand and carries interest @ 7.75% to 11% p.a.

(b) Purchase Bill Discounting Finance availed from finance company and carries interest @ 8.50% p.a.

(c) Inter corporate deposit are for a period from 90 to 365 days and carried interest @ 8% to 9% p.a.

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 22. Trade payables

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Trade payables (including acceptances)		
- Total outstanding dues of micro and small enterprises (Refer note 50)	3,031.67	1,504.76
- Total outstanding dues of creditors other than Micro and Small Enterprises	45,557.07	48,947.51
	<b>48,588.74</b>	<b>50,452.27</b>

## Trade payables ageing schedule

## As at 31 March 2022

	Outstanding for following periods from due date of payment				Total INR in Lacs
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	
Total outstanding dues of micro enterprises and small enterprises	3,029.23	0.08	0.74	1.62	3,031.67
Total outstanding dues of creditors other than micro enterprises and small enterprises	44,729.33	113.43	58.38	360.21	45,261.35
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	32.47	38.33	68.22	156.70	295.72
	<b>47,791.03</b>	<b>151.84</b>	<b>127.34</b>	<b>518.53</b>	<b>48,588.74</b>

## As at 31 March 2021

	Outstanding for following periods from due date of payment				Total INR in Lacs
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	
Total outstanding dues of micro enterprises and small enterprises	1,502.40	0.74	0.56	1.06	1,504.76
Total outstanding dues of creditors other than micro enterprises and small enterprises	47,721.42	205.81	179.74	482.46	48,589.43
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	157.35	17.62	22.13	160.98	358.08
	<b>49,381.17</b>	<b>224.17</b>	<b>202.43</b>	<b>644.50</b>	<b>50,452.27</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**

**23. Other financial liabilities - Current**

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Interest accrued but not due	11.59	3.26
Employee benefits payable	2,204.73	2,040.37
Creditors for capital goods	503.16	525.90
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
- Unpaid dividend	67.48	54.71
- Unclaimed interest on fixed deposit	0.30	0.52
- Unclaimed matured deposit	1.40	2.00
	<b>2,788.66</b>	<b>2,626.76</b>

**24. Other current liabilities**

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Advance from customers	21,195.61	12,407.56
Unearned revenue on construction contracts	6,680.87	10,637.21
Unearned revenue on AMC services	603.28	455.24
Statutory dues	1,301.84	919.73
Others liabilities	360.00	-
	<b>30,141.60</b>	<b>24,419.74</b>

**25. Tax liabilities**

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Provision for income tax (Net of advance tax)	1,421.78	2,456.39
	<b>1,421.78</b>	<b>2,456.39</b>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 26. Revenue from operations

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
<b>Revenue from operations</b>		
<b>Sale of products</b>		
Finished goods	105,751.80	95,098.20
Traded goods	8,443.32	6,787.47
<b>Sale of services</b>	35,557.13	37,254.24
<b>Others operating revenue</b>		
Scrap sale	369.89	206.55
Management fees	83.52	87.43
Other operating income	730.57	742.67
	<b>150,936.23</b>	<b>140,176.56</b>

Revenue disaggregation as per industry vertical and geography has been included in segment information (Refer note 41)

## 27. Other income

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Interest income on financial instruments measured at amortised cost		
- From banks	1,772.81	1,938.24
- From subsidiaries	966.72	923.03
- From others	322.82	382.53
Guarantee commission	44.77	60.57
Rent	220.75	216.99
Dividend income on		
- Investment in subsidiaries	30.12	114.09
- Long-term investments	1.45	12.57
Exchange gain (Net)	764.72	-
Profit on fixed assets sold/discarded (Net)	21.56	1.39
Other non operating Income	459.07	15.73
Change in fair value of investments classified at FVTPL	7.91	12.68
	<b>4,612.70</b>	<b>3,677.82</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**28. Cost of raw material consumed**

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Inventory at the beginning of the year	3,819.23	4,910.09
Add: Purchases*	93,780.90	85,076.68
Less: Inventory at the end of the year	6,329.89	3,819.23
<b>Cost of raw material and components consumed **</b>	<b>91,270.24</b>	<b>86,167.54</b>

\* Includes direct expenses incurred on contracts INR 5,794.84 Lacs (2020-2021: INR 6,210.64 Lacs)

\*\* The value of raw materials consumed have been arrived at on basis of opening stocks plus purchases less closing stock. The consumption therefore includes adjustments for materials sold, shortage/ excess and obsolescence.

**29. Purchases of stock-in-trade**

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Consumer products	3,522.52	2,571.35
Spares	751.20	572.43
Others	45.21	133.57
	<b>4,318.93</b>	<b>3,277.35</b>

**30. Changes in inventories of finished goods, stock-in-trade and work-in-progress**

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
<b>Inventories at the end of the year</b>		
Traded goods	1,134.08	759.91
Work-in-progress	1,831.76	1,179.35
Finished goods	4,146.52	3,756.20
Contract work-in-progress	310.48	104.78
	<b>(A) 7,422.84</b>	<b>5,800.24</b>
<b>Inventories at the beginning of the year</b>		
Traded goods	759.91	1,135.10
Work-in-progress	1,179.35	1,537.98
Finished goods	3,756.20	3,372.94
Contract work-in-progress	104.78	55.57
	<b>(B) 5,800.24</b>	<b>6,101.59</b>
	<b>(B) - (A) (1,622.60)</b>	<b>301.35</b>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 31. Employee benefits expense

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Salaries, wages and bonus	14,725.58	12,678.48
Contribution to provident and other funds (Refer note 38)	1,028.73	957.22
Staff welfare expense	614.58	468.33
	<b>16,368.89</b>	<b>14,104.03</b>

## 32. Finance costs

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Interest expense on financial liabilities measured at amortised cost	476.29	650.32
Interest on lease liabilities	157.60	172.13
Other borrowing costs	123.37	167.15
	<b>757.26</b>	<b>989.60</b>

## 33. Depreciation and amortisation expense

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Depreciation of property, plant and equipment (Refer note 2)	1,869.12	1,803.29
Depreciation of ROU assets (Refer note 4)	745.43	752.07
Amortization of intangible assets (Refer note 5)	63.68	58.61
	<b>2,678.23</b>	<b>2,613.97</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**

**34. Other expenses**

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Stores and spare parts consumed	65.93	62.20
Power and fuel	2,038.98	1,496.19
Repairs and maintenance - Buildings	121.94	71.18
- Plant and machinery	583.35	426.71
- Others	301.75	266.47
Rent (Net of recoveries)	280.29	335.82
Rates and taxes	444.83	515.56
Insurance (Net of recoveries)	266.28	236.64
Travelling and conveyance	2,382.99	1,716.57
Freight (Net of recoveries)	4,168.02	3,137.14
Packing (Net of recoveries)	1,995.41	1,581.51
Advertisement and publicity	722.66	397.29
Commission	234.45	153.26
Legal and professional charges	1,665.12	1,329.84
Telephone and telex	188.17	184.17
Bad debts written off	122.69	-
Provision for doubtful debts	1,109.00	919.28
Doubtful advances/Claim written off	-	286.00
Auditors' remuneration (Refer note 34.1)	47.64	41.03
Directors' fees (Refer note 42)	29.20	32.20
Directors' commission (Refer note 42)	175.00	175.00
Bank charges	228.33	186.74
Exchange loss (Net)	-	361.68
Provision for impairment in value of investments	-	18.10
Establishment and other miscellaneous expenses *	3,732.38	2,882.40
	<b>20,904.41</b>	<b>16,812.98</b>

\* Includes CSR expenditure of INR 284.78 Lacs (2020-21: INR 203.03 Lacs). Refer note 52.

**34.1 Auditors' remuneration (excluding taxes)**

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
As auditor:		
- Audit fees	19.75	19.75
- Tax audit fees	4.00	4.00
- Limited review	8.25	5.25
In other capacity:		
- Other services (Certification fees)	8.60	5.89
- Reimbursement of expenses	2.79	1.49
Branch auditor		
- Audit fees	2.75	2.75
- Other services (Certification fees)	1.20	1.50
- Reimbursement of expenses	0.30	0.40
	<b>47.64</b>	<b>41.03</b>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 35. Tax expense

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Current tax	5,807.03	5,385.00
Deferred tax	(354.31)	(395.00)
	<b>5,452.72</b>	<b>4,990.00</b>
<b>Reconciliation of tax expense</b>		
Profit before tax	20,873.57	19,587.56
Applicable tax rate	25.17%	25.17%
<b>Computed tax expense</b>	<b>(A) 5,253.88</b>	<b>4,930.19</b>
Adjustments for:		
Non-deductible tax expenses	75.15	68.35
Tax-exempt income	(7.95)	(31.88)
Corporate social responsibility expenditure	71.68	51.10
Deduction under house property	(17.82)	(17.65)
Others	77.78	(10.11)
<b>Net adjustments</b>	<b>(B) 198.84</b>	<b>59.81</b>
<b>Tax expense</b>	<b>(A+B) 5,452.72</b>	<b>4,990.00</b>

## 36. Other comprehensive income

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
<b>Items that will not be reclassified to profit or loss</b>		
Re-measurements of defined benefit plans	(196.89)	127.22
Income tax relating to items that will not be reclassified to profit or loss	49.56	(32.02)
	<b>(147.33)</b>	<b>95.20</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**37. Earnings per share (EPS)**

	Particulars	31st March 2022	31st March 2021
I	Profit computation for both basic and diluted earnings per share of INR 10 each		
	Net profit as per the statement of profit and loss available for equity shareholders (INR in Lacs)	15,420.85	14,597.56
II	Weighted average number of equity shares for earnings per share computation		
	A) For basic earnings per share		
	No. of shares	14,666,659	14,666,659
	Less: Treasury shares held by IEI Shareholding (Staff Welfare) Trusts and HMIL Shareholding (Staff Welfare) Trusts (Weighted average)	2,373,614	2,373,614
	No. of shares for basic earnings per share	12,293,045	12,293,045
	B) For diluted earnings per share		
	No. of shares for basic EPS	12,293,045	12,293,045
	Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	-	-
	No. of shares for diluted earnings per share	12,293,045	12,293,045
III	Earnings per share in Rupees		
	Basic (INR)	125.44	118.75
	Diluted (INR)	125.44	118.75

**38. 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 recognised by Income tax authorities.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

**INR in Lacs**

	Particulars	2021-22	2020-21
<b>I</b>	<b>Change in defined benefit obligation</b>		
	Defined benefit obligation, Beginning of period	2,164.52	2,122.21
	Interest cost	122.50	126.11
	Service cost	166.15	167.58
	Liability transferred in / acquisitions	-	0.23
	Actual plan participants' contributions	-	-
	Total actuarial (gains)/losses	205.52	(113.36)
	a. Effect of change in financial assumptions	18.81	15.54
	b. Effect of change in demographic assumptions	(39.47)	(94.18)
	c. Experience (gains) / losses	224.32	(34.72)
	Changes in foreign currency exchange rates	-	-
	Acquisition / Business combination/divestiture	-	-
	Benefits paid	(136.28)	(138.25)
	Past service cost	-	-
	Losses / (gains) on curtailments / settlements	-	-
	Defined benefit obligation, end of period	2,521.48	2,164.52

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 38. Employee benefits (contd...)

INR in Lacs

	Particulars	2021-22	2020-21
<b>II</b>	<b>Change in the fair value of plan assets</b>		
	Fair value of plan assets at the beginning of the period	1,958.14	1,869.89
	Interest income	118.85	119.04
	Contributions by the employer	205.98	79.38
	Expected contributions by the employees	-	-
	Assets transferred in / acquisitions	-	-
	(Assets transferred out / divestments)	-	-
	(Benefit paid from the fund)	(98.35)	(124.03)
	(Assets distributed on settlements)	-	-
	Effects of asset ceiling	-	-
	The effect of changes in foreign exchange rates	-	-
	Return on plan assets, excluding interest income	8.63	13.86
	Fair value of plan assets at the end of the period	2,193.25	1,958.14
<b>III</b>	<b>Expenses recognised in the statement of profit or loss for current period</b>		
	Current service cost	166.15	167.58
	Net interest cost	3.63	7.06
	Past service cost	-	-
	(Expected contributions by the employees)	-	-
	(Gains) / Losses on curtailments and settlements	-	-
	Net effect of changes in foreign exchange rates	-	-
	Expenses recognised	169.78	174.64
<b>IV</b>	<b>Expenses recognised in the other comprehensive income (OCI) for current period</b>		
	Actuarial (gains) / losses on obligation for the period	205.52	(113.36)
	Return on plan assets, excluding interest income	(8.63)	(13.86)
	Change in asset ceiling	-	-
	Net (income) / expense for the period recognised in OCI	196.89	(127.22)
<b>V</b>	<b>Maturity analysis of the benefit payments</b>		
	Projected benefits payable in future years from the date of reporting		
	1st following year	569.16	448.97
	2nd following year	315.30	637.78
	3rd following year	351.82	244.57
	4th following year	286.84	229.64
	5th following year	238.15	161.95
	Sum of years 6 to 10	990.56	541.62
	Sum of years 11 and above	324.01	266.56
<b>VI</b>	<b>Sensitivity analysis</b>		
	Projected benefit obligation on current assumptions	2,521.48	2,164.52
	Delta effect of +0.5% change in rate of discounting	(49.22)	(39.52)
	Delta effect of -0.5% change in rate of discounting	52.09	41.39
	Delta effect of +0.5% change in rate of salary increase	52.69	40.64
	Delta effect of -0.5% change in rate of salary increase	(49.47)	(25.57)
	Delta effect of +0.5% change in rate of employee turnover	(3.59)	(3.16)
	Delta effect of -0.5% change in rate of employee turnover	3.69	3.27

The company expects to contribute INR 138.06 Lacs (2020-21: INR 84.26 Lacs Lacs) to gratuity in 2021-22.

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

### 38. Employee benefits (contd...)

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(Gratuity)	
		2021-22	2020-21
1	Central and state government bonds	-	-
2	Public sector undertaking	-	-
3	Insurance policy	100%	100%
4	Special deposit scheme 1975	-	-
5	Other assets	-	-

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.

Notes:

a) Amounts recognised as an expense and included in note 31:

Gratuity in "Contribution to provident and other funds" INR 357.85 Lacs (2020-21: INR 72.48 Lacs).

#### B. Provident fund

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

The company's provident fund scheme which is managed by trust set up by the company, the contribution to the provident fund is remitted to a separate trust established for this purpose based on a fixed percentage of the eligible employees' salary and charged to statement of profit and loss. Shortfall, if any, in the fund assets, based on the government specified minimum rate of return, will be made good by the company and charged to statement of profit and loss. The actual return earned by the fund has mostly been higher than the government specified minimum rate of return in the past years. There is a shortfall of INR 33.64 Lacs in the fund as on 31st March 2021 as per valuation report, which has been provided for by the company. There was no shortfall in the fund as on 31st March 2022.

The details of fund obligations are given below:

INR in Lacs

Particulars	As at 31st March 2022	As at 31st March 2021
Present value of benefit obligation at period end	6,847.88	5,944.98

#### C. Defined contribution plan

Amount recognised as an expense and included in the note 31 – "Contribution to provident and other funds" of the statement of profit and loss INR 677.06 Lacs (2020-21: INR 584.77 Lacs).

#### D. Other employee benefits

Amounts recognised as an expense and included in note 31

Leave encashment in "Salaries, wages and bonus" INR 433.92 Lacs (2020-21: INR 237.49 Lacs)

#### E. The net provision for leave encashment liability upto 31st March 2022 is INR 1,928.43 Lacs (31st March 2021: INR 1,662.91 Lacs)

Note:

The Indian parliament has approved the Code of Social Security, 2020 ('the code'), which, inter alia, deals with employee benefits during employment and post-employment. The code has been published in the gazette of India. The effective date of the code and rules thereunder are yet to be notified. In view of this, the impact of the change, if any, will be assessed and recognised post notification of the relevant provisions.

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 39. 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. It does not include the fair value information for current financial assets and current financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value

INR in Lacs

	As at 31st March 2022				As at 31st March 2021			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level of input used in				Level of input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial assets - Non-current</b>								
<b>At amortised cost</b>								
Trade receivables	123.50	-	123.50	-	123.71	-	123.71	-
Loans	2,200.00	-	2,200.00	-	3,346.64	-	3,346.64	-
Other financial assets	857.84	-	857.84	-	853.09	-	853.09	-
Investments *	0.50	-	0.50	-	0.50	-	0.50	-
<b>At FVTPL</b>								
Investments *	65.68	-	-	65.68	65.68	-	-	65.68
<b>Financial assets - Current **</b>								
<b>At amortised cost</b>								
Trade receivables	50,883.70				45,282.75			
Cash and cash equivalents	15,355.83				18,128.58			
Bank balances other than above	35,899.76				30,568.86			
Loans	7,628.32				5,307.65			
Other financial assets	1,152.24				985.60			
<b>At FVTPL</b>								
Investments	31.66	31.66	-	-	23.75	23.75	-	-
<b>Financial liabilities - Non-current</b>								
<b>At amortised cost</b>								
Borrowings	1,172.08	-	1,172.08	-	795.01	-	795.01	-
Lease liabilities	256.24	-	256.24	-	456.19	-	456.19	-
Other financial liabilities	890.98	-	890.98	-	847.92	-	847.92	-
<b>Financial liabilities - Current **</b>								
Borrowings	1,963.39				2,278.30			
Lease liabilities	401.02				585.09			
Trade payables	48,588.74				50,452.27			
Other financial liabilities	2,788.66				2,626.76			

\* Excludes investments measured at cost

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

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

### 39. Financial instruments (contd...)

#### B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used. The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

Financial instruments measured at fair value

Type	Valuation technique
Forward contracts for foreign exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies
Non-current financial assets 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.
Investments in unquoted preference shares and debentures	Discounted cash flow: The fair value is estimated considering net present value calculated using long term growth rate and discount rate.
Investments in unquoted equity shares	Discounted cash flow: Using long term growth rate.

#### C. Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

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

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

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

#### D. Inter level transfers:

There are no transfers between levels 1 and 2 as also between levels 2 and 3 during the year

#### E. Financial risk management:

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

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

##### (i) Risk management framework

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

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

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

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****39. Financial instruments (contd...)****Credit risk**

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

**Trade receivables**

Credit risk is managed through credit approvals 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 customer based on market intelligence, past payment history and defaults.

Credit risk management procedure includes regular monitoring of outstanding trade receivables to ensure risk of credit loss is minimal.

As per policy, trade receivables are classified into different buckets based on the overdue period. There are different provisioning norms for each bucket which are ranging from 25% to 100%.

The movement in the provision for expected credit loss in respect of trade receivables (including retention money) and accrued value of work done during the year is as follows:

Particulars	Trade Receivable INR in Lacs
Balance as at 1st April 2020	847.62
Provision recognised	919.28
Amount utilized	-
Balance as at 31st March 2021	1,766.90
Provision recognised	1,109.00
Amount utilized	-
Balance as at 31st March 2022	2,875.90

**Cash and cash equivalents**

The company held cash and cash equivalents of INR 15,355.83 Lacs as at 31st March 2022 (as at 31st March 2021: INR 18,128.58 Lacs). The cash and cash equivalents are held with banks with good credit ratings.

**Other bank balances**

The company held other bank balances equivalents of INR 35,899.76 Lacs as at 31st March 2022 (as at 31st March 2021: INR 30,568.86 Lacs). The other bank balances are mainly temporary surplus fund invested in fixed deposits with banks having good rating and margin money against bank guarantees issued by banks on the company's behalf.

**Investments**

The company has invested an insignificant amount in listed securities. The company does not expect any losses.

**Other financial assets**

Other financial assets mainly comprise of tender deposits and security deposits which are given to customers or governmental agencies in relation to contracts bid / execution and are assessed by the company for credit risk on a continuous basis.

**(ii) Liquidity risk**

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

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

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**39. Financial instruments (contd...)**
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 2022**
**INR in Lacs**

	Carrying amount	Contractual cash flows *				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
(i) Borrowings **	2,118.45	2,436.96	1,096.91	1,059.72	280.33	-
(ii) Lease liabilities **	657.26	962.73	90.13	731.57	2.19	138.84
(iii) Other Non-current financial liabilities	890.98	890.98	-	-	-	890.98
(iv) Issued financial guarantee contract on behalf of related parties***	-	-	-	-	-	-
<b>Current Financial liabilities</b>						
(i) Short term borrowings	1,017.02	1,017.02	1,017.02	-	-	-
(ii) Trade payables	48,588.74	48,588.74	48,588.74	-	-	-
(iii) Other financial liabilities	2,788.66	2,788.66	2,788.66	-	-	-
	<b>56,061.11</b>	<b>56,685.09</b>	<b>53,581.46</b>	<b>1,791.29</b>	<b>282.52</b>	<b>1,029.82</b>

**As at 31st March 2021**
**INR in Lacs**

	Carrying amount	Contractual cash flows *				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
(i) Borrowings **	1,879.18	2,079.88	1,224.67	845.62	9.59	-
(ii) Lease liabilities **	1,041.28	1,471.36	242.17	1,049.63	36.39	143.17
(iii) Other Non-current financial liabilities	847.92	847.92	-	-	-	847.92
(iv) Issued financial guarantee contract on behalf of related parties***	-	-	-	-	-	-
<b>Current Financial liabilities</b>						
(i) Short term borrowings	1,194.13	1,194.13	1,194.13	-	-	-
(ii) Trade payables	50,452.27	50,452.27	50,452.27	-	-	-
(iii) Other financial liabilities	2,626.76	2,626.76	2,626.76	-	-	-
	<b>58,041.54</b>	<b>58,672.32</b>	<b>55,740.00</b>	<b>1,895.25</b>	<b>45.98</b>	<b>991.09</b>

\* Contractual cash flow includes interest payout in the respective years on borrowings.

\*\* Includes current and non-current portion.

\*\*\* Guarantees issued by the company on behalf of subsidiaries and associates are with respect to working capital facilities raised by the respective subsidiaries and associates. These amounts will be payable in the event of default by the concerned parties. As of the reporting date, none of the subsidiaries and associates have defaulted and hence, the company does not have any present obligation to third parties in relation to such guarantees (Refer note 42).

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****39. Financial instruments (contd...)****(iii) Market risk**

The company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates to the floating rate debt obligations.

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

Exposure to interest rate risk:

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 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
<b><u>Fixed rate instruments</u></b>		
<b>Financial assets - measured at amortised cost</b>		
Loans to related parties	8,285.72	7,624.91
Balances with banks - On deposit account with original maturing less than 3 months	7,614.00	10,515.91
Other bank balances - On deposit account	16,883.84	13,901.25
Other bank balances - On margin money account	18,948.14	16,612.38
	<b>51,731.70</b>	<b>48,654.45</b>
<b>Financial liabilities - measured at amortised cost</b>		
Long term borrowings *	1,804.62	1,149.78
Short term borrowings	985.51	752.01
	<b>2,790.13</b>	<b>1,901.79</b>
<b><u>Variable rate loan</u></b>		
<b>Financial liabilities - measured at amortised cost</b>		
Long term borrowings *	313.83	729.40
Short term borrowings	31.51	442.12
	<b>345.34</b>	<b>1,171.52</b>

\* Including current maturity of long term borrowings

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

### 39. Financial instruments (contd...)

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 remain constant.

	31st March 2022		31st March 2021	
	Increase (-) INR in Lacs	Decrease + INR in Lacs	Increase (-) INR in Lacs	Decrease + INR in Lacs
1% Movement	(3.45)	3.45	(11.72)	11.72

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

Foreign currency risk

The company is exposed to currency risk on account of its revenue generating and operating activities in foreign currency. The functional currency of the company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed in recent periods and may continue to fluctuate in the future

Exposure to currency risk:

The currency profile of financial assets and financial liabilities as at 31st March 2022 and 31st March 2021 are as below:

**As at 31st March 2022**

**INR in Lacs**

	USD	EUR	SAR	AED	Others	Total
<b>Financial assets</b>						
Loans to subsidiaries	279.80	-	-	-	-	279.80
Cash and cash equivalents	4,463.70	-	-	351.76	336.27	5,151.73
Trade and other receivables	19,350.64	436.63	8.88	2,006.84	268.08	22,071.07
	<b>24,094.14</b>	<b>436.63</b>	<b>8.88</b>	<b>2,358.60</b>	<b>604.35</b>	<b>27,502.60</b>
Less: Forward exchange contracts	(4,182.66)	-	-	-	-	(4,182.66)
Less: Natural hedge	(2,311.00)	(121.63)	(8.88)	(292.43)	(556.80)	(3,290.74)
<b>Net exposure on financial assets</b>	<b>17,600.48</b>	<b>315.00</b>	<b>-</b>	<b>2,066.17</b>	<b>47.55</b>	<b>20,029.20</b>
<b>Financial liabilities</b>						
Trade and other payables	2,311.00	121.63	13.23	292.43	3,630.81	6,369.10
	<b>2,311.00</b>	<b>121.63</b>	<b>13.23</b>	<b>292.43</b>	<b>3,630.81</b>	<b>6,369.10</b>
Less: Forward exchange contracts	-	-	-	-	-	-
Less: Natural hedge	(2,311.00)	(121.63)	(8.88)	(292.43)	(556.80)	(3,290.74)
<b>Net exposure on financial liabilities</b>	<b>-</b>	<b>-</b>	<b>4.35</b>	<b>-</b>	<b>3,074.01</b>	<b>3,078.36</b>
<b>Total net exposure</b>	<b>17,600.48</b>	<b>315.00</b>	<b>4.35</b>	<b>2,066.17</b>	<b>3,121.56</b>	<b>23,107.56</b>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 39. Financial instruments (contd...)

As at 31st March 2021

INR in Lacs

	USD	EUR	SAR	AED	Others	Total
<b>Financial assets</b>						
Loans to subsidiaries	389.45	-	-	-	-	389.45
Cash and cash equivalents	3,701.02	-	-	578.26	1,614.21	5,893.49
Trade and other receivables	22,085.57	121.76	125.61	572.33	294.79	23,200.06
	<b>26,176.04</b>	<b>121.76</b>	<b>125.61</b>	<b>1,150.59</b>	<b>1,909.00</b>	<b>29,483.00</b>
Less: Forward exchange contracts	(2,844.82)	-	-	-	-	(2,844.82)
Less: Natural hedge	(1,929.14)	(121.76)	(12.75)	(219.45)	(1,884.62)	(4,167.72)
<b>Net exposure on financial assets</b>	<b>21,402.08</b>	<b>-</b>	<b>112.86</b>	<b>931.14</b>	<b>24.38</b>	<b>22,470.46</b>
<b>Financial liabilities</b>						
Trade and other payables	1,929.14	819.83	12.75	219.45	2,045.83	5,027.00
	<b>1,929.14</b>	<b>819.83</b>	<b>12.75</b>	<b>219.45</b>	<b>2,045.83</b>	<b>5,027.00</b>
Less: Forward exchange contracts	-	(271.21)	-	-	-	(271.21)
Less: Natural hedge	(1,929.14)	(121.76)	(12.75)	(219.45)	(1,884.62)	(4,167.72)
<b>Net exposure on financial liabilities</b>	<b>-</b>	<b>426.86</b>	<b>-</b>	<b>-</b>	<b>161.21</b>	<b>588.07</b>
<b>Total net exposure</b>	<b>21,402.08</b>	<b>426.86</b>	<b>112.86</b>	<b>931.14</b>	<b>185.59</b>	<b>23,058.53</b>

## Sensitivity analysis:

A reasonably possible strengthening / weakening of the Indian Rupee against foreign currency at 31st March would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

INR in Lacs

	Profit or (loss)			
	31st March 2022		31st March 2021	
	(Strengthening)	Weakening	(Strengthening)	Weakening
<b>1% movement</b>				
USD	(176.00)	176.00	(214.02)	214.02
EUR	(3.15)	3.15	(4.27)	4.27
SAR	(0.04)	0.04	(1.13)	1.13
AED	(20.66)	20.66	(9.31)	9.31
Others	(31.22)	31.22	(1.86)	1.86
	<b>(231.07)</b>	<b>231.07</b>	<b>(230.59)</b>	<b>230.59</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**

**40. Disclosure as per Ind AS 115**

- (a) The company offers wide range of solutions across the water cycle from pre-treatment to process water treatment, waste water treatment, recycle, zero liquid discharge, sewage treatment, packaged drinking water, sea water desalination etc. The company is also engaged in manufacturing resins, speciality chemicals for water and waste water treatment as well as non-water applications.

The type of work in the contracts with the customers involves designing, engineering, supply of materials, installation and commissioning of the plant, project management, operations and maintenance. The effect of initially applying Ind AS 115 on the Company's revenue from contracts with customers is described in Note 1.17.

- (b) Revenue disaggregation as per industry vertical and geography has been included in segment information (Refer note 41).  
(c) Contract balances

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

INR in Lacs

Particulars	As at 31st March 2022	As at 31st March 2021
Receivables which are included in trade and other receivables	29,575.88	26,376.06
Contract assets		
- Accrued value of work done net off provision	Nil	Nil
Contract liabilities		
- Unearned revenue on construction contracts	6,680.87	10,637.21
- Advance from customers	16,554.08	9,586.69

- (d) Remaining performance obligations

The following table includes revenue expected to be recognised in future related to performance obligations that are unsatisfied or partially unsatisfied at reporting date

The company applies practical expedient included in Para 121 of Ind AS 115 and does not disclose information about the remaining performance obligations that have an original expected contract duration of one year or less

INR in Lacs

	31st March 2022	31st March 2021
Amount of revenue expected to be recognised for contracts having original expected duration of more than one year in progress as at reporting date	221,613.00	72,210.00

- (e) Performance obligation

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.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****40. Disclosure as per Ind AS 115 (contd...)**

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 plant to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Company recognises the entire estimated loss in the period the loss becomes known.

Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

- (f) Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.
- (g) 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.
- (h) 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.
- (i) Reconciliation of revenue recognised in the statement of profit and loss

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

**INR in Lacs**

<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
Revenue	151,248.28	140,436.63
Less: Reduction towards variable consideration component *	312.05	260.07
<b>Revenue recognised in the statement of profit and loss</b>	<b>150,936.23</b>	<b>140,176.56</b>

\* Reduction towards variable consideration component includes discount etc.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**

**41. Segment**

**I. Information about business segments**

INR in Lacs

	Engineering		Chemicals		Consumer Products		Unallocated		Total	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>Revenue</b>										
External sales	86,767.27	87,937.92	50,426.65	41,308.31	13,655.64	10,842.90	86.67	87.43	150,936.23	140,176.56
Inter-segmental Sales	3,227.75	2,336.19	2,135.02	1,667.85	-	-	-	-	5,362.77	4,004.04
Total revenue	89,995.02	90,274.11	52,561.67	42,976.16	13,655.64	10,842.90	86.67	87.43	156,299.00	144,180.60
Less: Eliminations									(5,362.77)	(4,004.04)
Add : Interest income	663.92	88.74	372.20	0.55	40.62	2.60	3,062.35	3,243.80	3,062.35	3,243.80
Add : Other income							473.61	342.13	1,550.35	434.02
Total enterprise revenue									155,548.93	143,854.38
<b>Result</b>										
Segment results	9,391.58	8,638.74	11,251.81	10,591.64	(404.22)	(408.47)	-	-	20,239.17	18,821.91
Unallocated expenditure net of unallocated income							(1,670.69)	(1,488.55)	(1,670.69)	(1,488.55)
Finance cost							(757.26)	(989.60)	(757.26)	(989.60)
Interest income							3,062.35	3,243.80	3,062.35	3,243.80
Profit before taxation							634.40	765.65	20,873.57	19,587.56
<b>Other Information</b>										
Segment assets	106,593.93	95,886.53	28,567.59	25,932.95	4,139.52	3,423.67	27,366.24	24,320.38	166,667.28	149,563.53
Segment liabilities	66,291.26	62,944.97	12,692.87	11,126.32	3,987.57	3,246.72	6,953.97	9,548.13	89,925.67	86,866.14
Capital expenditure	635.00	249.32	1,983.17	1,726.21	192.93	113.32	190.23	237.25	3,001.33	2,326.10
Depreciation	717.48	703.30	1,498.31	1,472.46	50.49	41.23	411.95	396.98	2,678.23	2,613.97
Non cash expenditure other than depreciation	1,114.57	1,161.59	530.05	454.63	141.81	112.57	(242.39)	(361.79)	1,544.04	1,367.00

**II. Information about geographical segments**

INR in Lacs

	India		Outside India		Total	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
External revenue	109,024.43	83,829.77	41,911.80	56,346.79	150,936.23	140,176.56
Carrying amount of segment assets	136,853.49	117,882.34	29,813.79	31,681.19	166,667.28	149,563.53
Additions to property, plant and equipment	2,995.37	2,324.41	5.96	1.69	3,001.33	2,326.10

**III. Notes:**

- The company's operations are organized into three business segments, namely:  
Engineering division – comprising of water treatment plants, spares and services in connection with the plants.  
Chemicals – comprising of resins, water treatment chemicals and speciality chemicals.  
Consumer Products – comprising of water purification equipments for homes, institutions and communities.
- The segment revenue in the geographical segments considered for disclosure are as follows:  
Revenue within India includes sales to customers located within India and earnings in India. Revenue outside India includes sales to customers located outside India and earnings outside India.
- No single customer contributes 10% or more of the company's total revenue for the year ended 31st March 2022.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****42. Related party disclosures (As identified by the management):**Where control exists

a) Subsidiary companies	<p>Ion Exchange Enviro Farms Ltd.  Watercare Investments (India) Ltd.  Aqua Investments (India) Ltd.  Ion Exchange Asia Pacific Pte. Ltd., Singapore  Ion Exchange Asia Pacific (Thailand) Ltd., Thailand *  PT Ion Exchange Asia Pacific, Indonesia*  IEI Environmental Management (M) Sdn. Bhd., Malaysia  Ion Exchange Environment Management (BD) Ltd., Bangladesh  Ion Exchange LLC, USA  Ion Exchange And Company LLC, Oman  Ion Exchange WTS (Bangladesh) Ltd., Bangladesh  Ion Exchange Projects and Engineering Ltd.  Global Composites and Structurals Ltd.  Ion Exchange Safic Pty. Ltd., South Africa  Total Water Management Services (India) Ltd.  Ion Exchange Purified Drinking Water Pvt. Ltd.  Ion Exchange Environment Management Ltd.  Ion Exchange Arabia For Water, Saudi Arabia</p>
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Others

b) Associates	<p>Aquanomics Systems Ltd.  IEI Water-Tech (M) Sdn. Bhd., Malaysia **  Ion Exchange PSS Co. Ltd., Thailand **  Ion Exchange Financial Products Pvt. Ltd. **</p>
c) Key managerial personnel	<p>Mr. Rajesh Sharma - Chairman &amp; Managing Director  Mr. Dinesh Sharma - Executive Director  Mr. Aankur Patni - Executive Director</p>
d) Non-executive directors	<p>Dr. V. N. Gupchup  Mr. M. P. Patni  Mr. T. M. M. Nambiar  Mr. P. Sampathkumar  Mr. Abhiram Seth  Mr. Shishir Tamotia  Mrs. Kishori Udeshi</p>
e) Relatives of key managerial personnel and director	<p>Mr. M. P. Patni - Father of Mr. Aankur Patni  Mr. Bimal Jain - Brother of Mr. M. P. Patni  Mrs. Nirmala Patni - Mother of Mr. Aankur Patni  Mrs. Aruna Sharma - Wife of Mr. Rajesh Sharma  Mrs. Poonam Sharma - Wife of Mr. Dinesh Sharma  Mrs. Nidhi Patni - Wife of Mr. Aankur Patni  Ms. Pallavi Sharma - Daughter of Mr. Rajesh Sharma</p>
f) Enterprise owned or significantly influenced by key managerial personnel or their relatives	<p>Ion Foundation</p>
g) Post-employment benefit plans	<p>Ion Exchange (India) Ltd.'s Provident Institution  Ion Exchange (India) Ltd.'s Management Staff Gratuity Fund  Ion Exchange Staff Superannuation Scheme  Ion Exchange India Ltd. – Gratuity Fund Trust</p>

\* Subsidiary company of subsidiary

\*\* Associate companies of subsidiaries

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**

**42. Related party disclosures (contd...)**

I. Related party-wise transactions during the year with outstanding balances as at year-end:

INR in Lacs

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>Sale of goods *</b>								
Ion Exchange And Company LLC, Oman	4.73	91.98	-	-	-	-	4.73	91.98
Ion Exchange Asia Pacific Pte. Ltd., Singapore	3,606.56	1,013.74	-	-	-	-	3,606.56	1,013.74
Ion Exchange Environment Management (BD) Ltd., Bangladesh	250.24	158.95	-	-	-	-	250.24	158.95
Ion Exchange LLC, USA	4,080.30	4,847.33	-	-	-	-	4,080.30	4,847.33
Global Composites And Structurals Ltd.	134.92	105.45	-	-	-	-	134.92	105.45
Ion Exchange Projects And Engineering Ltd.	-	20.35	-	-	-	-	-	20.35
Ion Exchange Safic Pty. Ltd., South Africa	641.24	422.00	-	-	-	-	641.24	422.00
PT Ion Exchange Asia Pacific, Indonesia	71.76	84.92	-	-	-	-	71.76	84.92
Ion Exchange Purified Drinking Water Pvt. Ltd.	-	0.86	-	-	-	-	-	0.86
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	384.93	218.89	-	-	-	-	384.93	218.89
Aquanomics Systems Ltd.	-	-	6,145.87	7,220.29	-	-	6,145.87	7,220.29
Ion Exchange PSS Co. Ltd., Thailand	-	-	98.90	165.55	-	-	98.90	165.55
Ion Foundation	-	-	-	-	1.47	3.50	1.47	3.50
<b>Total</b>	<b>9,174.68</b>	<b>6,964.47</b>	<b>6,244.77</b>	<b>7,385.84</b>	<b>1.47</b>	<b>3.50</b>	<b>15,420.92</b>	<b>14,353.81</b>
<b>Services rendered</b>								
Ion Exchange Enviro Farms Ltd.	-	1.75	-	-	-	-	-	1.75
Ion Exchange Projects And Engineering Ltd.	34.86	11.18	-	-	-	-	34.86	11.18
Total Water Management Services (India) Ltd.	55.58	8.43	-	-	-	-	55.58	8.43
Ion Exchange Environment Management Ltd.	-	0.07	-	-	-	-	-	0.07
<b>Total</b>	<b>90.44</b>	<b>21.43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90.44</b>	<b>21.43</b>
<b>Rental income</b>								
Ion Exchange Projects And Engineering Ltd.	81.25	76.18	-	-	-	-	81.25	76.18
Ion Exchange Environment Management Ltd.	18.00	18.08	-	-	-	-	18.00	18.08
<b>Total</b>	<b>99.25</b>	<b>94.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99.25</b>	<b>94.26</b>
<b>Interest income on loan and advances</b>								
IEI Environmental Management (M) Sdn. Bhd., Malaysia	4.21	4.17	-	-	-	-	4.21	4.17
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	1.65	1.63	-	-	-	-	1.65	1.63
Ion Exchange Asia Pacific Pte. Ltd., Singapore	16.65	16.48	-	-	-	-	16.65	16.48

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 42. Related party disclosures (contd...)

I. Related party-wise transactions during the year with outstanding balances as at year-end: (contd...)

INR in Lacs

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>Interest income on loan and advances (contd..)</b>								
Ion Exchange Enviro Farms Ltd.	458.13	446.73	-	-	-	-	458.13	446.73
Ion Exchange Projects And Engineering Ltd.	195.11	152.76	-	-	-	-	195.11	152.76
Ion Exchange Purified Drinking Water Pvt. Ltd.	90.60	93.65	-	-	-	-	90.60	93.65
Ion Exchange Safic Pty. Ltd., South Africa	9.66	14.24	-	-	-	-	9.66	14.24
Total Water Management Services (India) Ltd.	0.01	0.57	-	-	-	-	0.01	0.57
Ion Exchange Environment Management Ltd.	188.23	190.35	-	-	-	-	188.23	190.35
Ion Exchange Arabia For Water, Saudi Arabia	2.47	2.45	-	-	-	-	2.47	2.45
<b>Total</b>	<b>966.72</b>	<b>923.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>966.72</b>	<b>923.03</b>
<b>Management fees</b>								
Aquanomics Systems Ltd.	-	-	83.52	87.43	-	-	83.52	87.43
<b>Total</b>	<b>-</b>	<b>-</b>	<b>83.52</b>	<b>87.43</b>	<b>-</b>	<b>-</b>	<b>83.52</b>	<b>87.43</b>
<b>Purchase of goods *</b>								
Global Composites And Structural Ltd.	407.47	298.46	-	-	-	-	407.47	298.46
PT Ion Exchange Asia Pacific, Indonesia	-	7.22	-	-	-	-	-	7.22
Aquanomics Systems Ltd.	-	-	139.92	284.31	-	-	139.92	284.31
Ion Exchange PSS Co. Ltd., Thailand	-	-	18.01	20.97	-	-	18.01	20.97
<b>Total</b>	<b>407.47</b>	<b>305.68</b>	<b>157.93</b>	<b>305.28</b>	<b>-</b>	<b>-</b>	<b>565.40</b>	<b>610.96</b>
<b>Services received</b>								
Global Composites And Structural Ltd.	357.36	162.84	-	-	-	-	357.36	162.84
Ion Exchange Projects And Engineering Ltd.	2,414.94	3,503.83	-	-	-	-	2,414.94	3,503.83
Ion Exchange Environment Management (BD) Ltd., Bangladesh	93.32	81.26	-	-	-	-	93.32	81.26
Ion Exchange Environment Management Ltd.	363.31	137.15	-	-	-	-	363.31	137.15
PT Ion Exchange Asia Pacific, Indonesia	12.17	17.76	-	-	-	-	12.17	17.76
Total Water Management Services (India) Ltd.	-	2.25	-	-	-	-	-	2.25
Ion Exchange PSS Co. Ltd., Thailand	-	-	45.67	-	-	-	45.67	-
<b>Total</b>	<b>3,241.10</b>	<b>3,905.09</b>	<b>45.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,286.77</b>	<b>3,905.09</b>
<b>Rental expenses</b>								
Ion Exchange Enviro Farms Ltd.	39.54	39.54	-	-	-	-	39.54	39.54
<b>Total</b>	<b>39.54</b>	<b>39.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39.54</b>	<b>39.54</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**42. Related party disclosures (contd...)**

I. Related party-wise transactions during the year with outstanding balances as at year-end: (contd...)

**INR in Lacs**

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>Interest paid on inter corporate deposits</b>								
Aqua Investments (India) Ltd.	18.18	18.86	-	-	-	-	18.18	18.86
Total Water Management Services (India) Ltd.	0.23	-	-	-	-	-	0.23	-
Watercare Investments (India) Ltd.	14.51	15.46	-	-	-	-	14.51	15.46
<b>Total</b>	<b>32.92</b>	<b>34.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32.92</b>	<b>34.32</b>
<b>Provision for doubtful debts</b>								
Ion Exchange Environment Management Ltd.	-	246.51	-	-	-	-	-	246.51
IEI Environmental Management (M) Sdn. Bhd., Malaysia	-	221.77	-	-	-	-	-	221.77
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	643.70	-	-	-	-	-	643.70	-
Ion Exchange PSS Co. Ltd., Thailand	309.76	-	-	-	-	-	309.76	-
<b>Total</b>	<b>953.46</b>	<b>468.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>953.46</b>	<b>468.28</b>
<b>Loans and advances given</b>								
Ion Exchange Enviro Farms Ltd.	452.53	470.85	-	-	-	-	452.53	470.85
Ion Exchange Projects And Engineering Ltd.	2,073.94	4,316.30	-	-	-	-	2,073.94	4,316.30
Ion Exchange Purified Drinking Water Pvt. Ltd.	149.15	473.81	-	-	-	-	149.15	473.81
Ion Exchange Safic Pty. Ltd., South Africa	31.83	-	-	-	-	-	31.83	-
Total Water Management Services (India) Ltd.	8.92	5.39	-	-	-	-	8.92	5.39
Ion Exchange Environment Management Ltd.	151.65	215.36	-	-	-	-	151.65	215.36
<b>Total</b>	<b>2,868.02</b>	<b>5,481.71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,868.02</b>	<b>5,481.71</b>
<b>Loans and advances repaid</b>								
Ion Exchange Enviro Farms Ltd.	31.72	37.23	-	-	-	-	31.72	37.23
Ion Exchange Projects And Engineering Ltd.	1,750.90	4,322.76	-	-	-	-	1,750.90	4,322.76
Ion Exchange Safic Pty. Ltd., South Africa	122.46	-	-	-	-	-	122.46	-
Ion Exchange Purified Drinking Water Pvt. Ltd.	164.46	224.38	-	-	-	-	164.46	224.38
Total Water Management Services (India) Ltd.	10.00	16.38	-	-	-	-	10.00	16.38
Ion Exchange Environment Management Ltd.	267.66	90.07	-	-	-	-	267.66	90.07
Ion Exchange Financial Product Pvt. Ltd.	-	-	7.00	-	-	-	7.00	-
<b>Total</b>	<b>2,347.20</b>	<b>4,690.82</b>	<b>7.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,354.20</b>	<b>4,690.82</b>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 42. Related party disclosures (contd...)

## I. Related party-wise transactions during the year with outstanding balances as at year-end: (contd...)

INR in Lacs

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>Inter corporate deposits received</b>								
Aqua Investments (India) Ltd.	30.00	29.00	-	-	-	-	30.00	29.00
Total Water Management Services (India) Ltd.	10.00	-	-	-	-	-	10.00	-
Watercare Investments (India) Ltd.	25.00	-	-	-	-	-	25.00	-
<b>Total</b>	<b>65.00</b>	<b>29.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65.00</b>	<b>29.00</b>
<b>Dividend received</b>								
Ion Exchange And Company LLC, Oman	30.12	114.09	-	-	-	-	30.12	114.09
Aquanomics Systems Ltd.	-	-	-	11.50	-	-	-	11.50
<b>Total</b>	<b>30.12</b>	<b>114.09</b>	<b>-</b>	<b>11.50</b>	<b>-</b>	<b>-</b>	<b>30.12</b>	<b>125.59</b>
<b>Dividend paid</b>								
Aqua Investments (India) Ltd.	25.38	3.81	-	-	-	-	25.38	3.81
Watercare Investments (India) Ltd.	18.41	2.76	-	-	-	-	18.41	2.76
Aquanomics Systems Ltd.	-	-	0.10	0.02	-	-	0.10	0.02
Ion Exchange Financial Products Pvt. Ltd.	-	-	5.04	0.76	-	-	5.04	0.76
Mr. Rajesh Sharma	-	-	-	-	82.50	12.37	82.50	12.37
Mr. Dinesh Sharma	-	-	-	-	63.23	9.48	63.23	9.48
Mr. Aankur Patni	-	-	-	-	29.53	4.43	29.53	4.43
Mr. M. P. Patni	-	-	-	-	75.55	11.33	75.55	11.33
Dr. V. N. Gupchup	-	-	-	-	11.11	1.67	11.11	1.67
Mr. Abhiram Seth	-	-	-	-	15.48	2.32	15.48	2.32
Mr. T. M. M. Nambiar	-	-	-	-	8.32	1.25	8.32	1.25
Mr. P. Sampath Kumar	-	-	-	-	5.82	0.87	5.82	0.87
Mr. Shishir Tamotia	-	-	-	-	0.23	0.05	0.23	0.05
Mrs. Kishori Udeshi	-	-	-	-	0.36	0.05	0.36	0.05
Relatives of Key Management Personnel	-	-	-	-	58.61	8.79	58.61	8.79
<b>Total</b>	<b>43.79</b>	<b>6.57</b>	<b>5.14</b>	<b>0.78</b>	<b>350.74</b>	<b>52.61</b>	<b>399.67</b>	<b>59.96</b>
<b>Remuneration</b>								
Mr. Rajesh Sharma	-	-	-	-	513.86	427.46	513.86	427.46
Mr. Dinesh Sharma	-	-	-	-	223.96	189.20	223.96	189.20
Mr. Aankur Patni	-	-	-	-	226.54	185.38	226.54	185.38
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>964.36</b>	<b>802.04</b>	<b>964.36</b>	<b>802.04</b>
<b>Commission to executive directors</b>								
Mr. Rajesh Sharma	-	-	-	-	150.00	150.00	150.00	150.00
Mr. Dinesh Sharma	-	-	-	-	75.00	75.00	75.00	75.00
Mr. Aankur Patni	-	-	-	-	75.00	75.00	75.00	75.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300.00</b>	<b>300.00</b>	<b>300.00</b>	<b>300.00</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**42. Related party disclosures (contd...)**
**I. Related party-wise transactions during the year with outstanding balances as at year-end: (contd...)**
**INR in Lacs**

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>Director sitting fees</b>								
Mr. M. P. Patni	-	-	-	-	3.75	4.25	3.75	4.25
Dr. V. N. Gupchup	-	-	-	-	5.35	5.85	5.35	5.85
Mr. T. M. M. Nambiar	-	-	-	-	4.50	5.00	4.50	5.00
Mr. P. Sampath Kumar	-	-	-	-	3.25	3.75	3.25	3.75
Mr. Abhiram Seth	-	-	-	-	4.75	5.25	4.75	5.25
Mr. Shishir Tamotia	-	-	-	-	3.25	3.75	3.25	3.75
Mrs. Kishori Udeshi	-	-	-	-	4.35	4.35	4.35	4.35
<b>Total</b>	-	-	-	-	<b>29.20</b>	<b>32.20</b>	<b>29.20</b>	<b>32.20</b>
<b>Directors commission</b>								
Mr. M. P. Patni	-	-	-	-	25.00	25.00	25.00	25.00
Dr. V. N. Gupchup	-	-	-	-	25.00	25.00	25.00	25.00
Mr. T. M. M. Nambiar	-	-	-	-	25.00	25.00	25.00	25.00
Mr. P. Sampath Kumar	-	-	-	-	25.00	25.00	25.00	25.00
Mr. Abhiram Seth	-	-	-	-	25.00	25.00	25.00	25.00
Mr. Shishir Tamotia	-	-	-	-	25.00	25.00	25.00	25.00
Mrs. Kishori Udeshi	-	-	-	-	25.00	25.00	25.00	25.00
<b>Total</b>	-	-	-	-	<b>175.00</b>	<b>175.00</b>	<b>175.00</b>	<b>175.00</b>
<b>CSR expenses</b>								
Ion Foundation	-	-	-	-	279.59	161.71	279.59	161.71
<b>Total</b>	-	-	-	-	<b>279.59</b>	<b>161.71</b>	<b>279.59</b>	<b>161.71</b>
<b>Investments made during the year</b>								
Ion Exchange Environment Management Ltd.	-	0.05	-	-	-	-	-	0.05
Ion Exchange Safic Pty. Ltd., South Africa	104.53	-	-	-	-	-	104.53	-
<b>Total</b>	<b>104.53</b>	<b>0.05</b>	-	-	-	-	<b>104.53</b>	<b>0.05</b>
<b>Corporate guarantees commission</b>								
Global Composites And Structurals Ltd.	18.00	19.00	-	-	-	-	18.00	19.00
Ion Exchange Asia Pacific Pte. Ltd., Singapore	3.68	3.77	-	-	-	-	3.68	3.77
Ion Exchange Environment Management (BD) Ltd., Bangladesh	2.26	0.82	-	-	-	-	2.26	0.82
Ion Exchange Projects And Engineering Ltd.	-	15.16	-	-	-	-	-	15.16
Ion Exchange Safic Pty. Ltd., South Africa	9.83	9.66	-	-	-	-	9.83	9.66
Aquanomics Systems Ltd.	-	-	11.00	11.00	-	-	11.00	11.00
Ion Exchange PSS Co. Ltd., Thailand	-	-	-	1.16	-	-	-	1.16
<b>Total</b>	<b>33.77</b>	<b>48.41</b>	<b>11.00</b>	<b>12.16</b>	-	-	<b>44.77</b>	<b>60.57</b>
<b>Corporate guarantees issued</b>								
Ion Exchange Environment Management (BD) Ltd., Bangladesh	418.48	-	-	-	-	-	418.48	-
<b>Total</b>	<b>418.48</b>	-	-	-	-	-	<b>418.48</b>	-

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 42. Related party disclosures (contd...)

## I. Related party-wise transactions during the year with outstanding balances as at year-end: (contd...)

INR in Lacs

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>Corporate guarantees discharged</b>								
Global Composites And Structural Ltd.	100.00	-	-	-	-	-	100.00	-
Ion Exchange Projects And Engineering Ltd.	1,093.00	1,691.00	-	-	-	-	1,093.00	1,691.00
Ion Exchange PSS Co. Ltd., Thailand	-	-	-	115.58	-	-	-	115.58
<b>Total</b>	<b>1,193.00</b>	<b>1,691.00</b>	<b>-</b>	<b>115.58</b>	<b>-</b>	<b>-</b>	<b>1,193.00</b>	<b>1,806.58</b>
<b>Contribution to post-employment benefit plans</b>								
Ion Exchange (India) Ltd.'s Provident Institution	-	-	-	-	230.38	195.01	230.38	195.01
Ion Exchange (India) Ltd.'s Management Staff Gratuity Fund	-	-	-	-	173.49	67.50	173.49	67.50
Ion Exchange Staff Superannuation Scheme	-	-	-	-	134.14	125.40	134.14	125.40
Ion Exchange India Ltd. – Gratuity Fund Trust	-	-	-	-	32.49	11.88	32.49	11.88
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>570.50</b>	<b>399.79</b>	<b>570.50</b>	<b>399.79</b>
<b>Inter corporate deposits (Outstanding)</b>								
Aqua Investments (India) Ltd.	224.50	194.50	-	-	-	-	224.50	194.50
Total Water Management Services (India) Ltd.	10.00	-	-	-	-	-	10.00	-
Watercare Investments (India) Ltd.	180.00	155.00	-	-	-	-	180.00	155.00
<b>Total</b>	<b>414.50</b>	<b>349.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>414.50</b>	<b>349.50</b>
<b>Outstanding loans and advances ****</b>								
IEI Environmental Management (M) Sdn. Bhd., Malaysia	47.15	41.64	-	-	-	-	47.15	41.64
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	18.45	16.29	-	-	-	-	18.45	16.29
Ion Exchange Asia Pacific Pte. Ltd., Singapore	186.53	164.72	-	-	-	-	186.53	164.72
Ion Exchange Enviro Farms Ltd.	3,802.78	3,381.98	-	-	-	-	3,802.78	3,381.98
Ion Exchange Projects And Engineering Ltd.	1,603.84	1,146.64	-	-	-	-	1,603.84	1,146.64
Ion Exchange Purified Drinking Water Pvt. Ltd.	898.96	914.26	-	-	-	-	898.96	914.26
Ion Exchange Safic Pty. Ltd., South Africa	-	142.37	-	-	-	-	-	142.37
Total Water Management Services (India) Ltd.	8.64	1.40	-	-	-	-	8.64	1.40
Ion Exchange Environment Management Ltd.	1,691.71	1,791.18	-	-	-	-	1,691.71	1,791.18
Ion Exchange Arabia For Water, Saudi Arabia	27.66	24.43	-	-	-	-	27.66	24.43
Ion Exchange Financial Products Pvt. Ltd.	-	-	12.50**	19.50**	-	-	12.50**	19.50**
<b>Total</b>	<b>8,285.72</b>	<b>7,624.91</b>	<b>12.50</b>	<b>19.50</b>	<b>-</b>	<b>-</b>	<b>8,298.22</b>	<b>7,644.41</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**

**42. Related party disclosures (contd...)**

I. Related party-wise transactions during the year with outstanding balances as at year-end: (contd...)

INR in Lacs

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>Advance to suppliers</b>								
Global Composites And Structural Ltd.	883.87	779.42	-	-	-	-	883.87	779.42
Ion Exchange Environment Management (BD) Ltd., Bangladesh	9.38	-	-	-	-	-	9.38	-
Ion Exchange Projects And Engineering Ltd.	-	19.28	-	-	-	-	-	19.28
Ion Exchange PSS Co. Ltd., Thailand	-	-	-	4.06	-	-	-	4.06
<b>Total</b>	<b>893.25</b>	<b>798.70</b>	<b>-</b>	<b>4.06</b>	<b>-</b>	<b>-</b>	<b>893.25</b>	<b>802.76</b>
<b>Advance from customer</b>								
Ion Exchange Asia Pacific Pte. Ltd., Singapore	-	30.58	-	-	-	-	-	30.58
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	-	14.81	-	-	-	-	-	14.81
Ion Exchange And Company LLC, Oman	10.58	6.74	-	-	-	-	10.58	6.74
Ion Exchange Safic Pty. Ltd., South Africa	0.49	0.49	-	-	-	-	0.49	0.49
Aquanomics Systems Ltd.	-	-	11.64	34.13	-	-	11.64	34.13
Ion Exchange PSS Co. Ltd., Thailand	-	-	0.85	-	-	-	0.85	-
	<b>11.07</b>	<b>52.62</b>	<b>12.49</b>	<b>34.13</b>	<b>-</b>	<b>-</b>	<b>23.56</b>	<b>86.75</b>
<b>Outstanding receivables (Net of payables) excluding loans and advances</b>								
Global Composites And Structural Ltd.	3.24	10.99	-	-	-	-	3.24	10.99
IEI Environmental Management (M) Sdn. Bhd., Malaysia	221.77**	221.77**	-	-	-	-	221.77**	221.77**
Ion Exchange And Company LLC, Oman	27.67	121.26	-	-	-	-	27.67	121.26
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	922.83@	682.22	-	-	-	-	922.83@	682.22
Ion Exchange Asia Pacific Pte. Ltd., Singapore	1,875.69	1,116.36	-	-	-	-	1,875.69	1,116.36
Ion Exchange Environment Management (BD) Ltd., Bangladesh	120.94	8.95	-	-	-	-	120.94	8.95
Ion Exchange Environment Management Ltd.	246.51**	246.51**	-	-	-	-	246.51**	246.51**
Ion Exchange LLC, USA	1,933.58	2,488.29	-	-	-	-	1,933.58	2,488.29
Ion Exchange Projects And Engineering Ltd.	-	183.77	-	-	-	-	-	183.77
Ion Exchange Safic Pty. Ltd., South Africa	563.95	211.82	-	-	-	-	563.95	211.82
PT Ion Exchange Asia Pacific, Indonesia	262.19	204.86	-	-	-	-	262.19	204.86
Aquanomics Systems Ltd.	-	-	2,189.83	2,466.92	-	-	2,189.83	2,466.92
IEI Water Tech (M) Sdn. Bhd., Malaysia	-	-	3.54	3.43	-	-	3.54	3.43
Ion Exchange PSS Co. Ltd., Thailand	-	-	618.29#	572.16	-	-	618.29#	572.16
Ion Foundation	-	-	-	-	-	1.14	-	1.14
<b>Total</b>	<b>6,178.37</b>	<b>5,496.80</b>	<b>2,811.66</b>	<b>3,042.51</b>	<b>-</b>	<b>1.14</b>	<b>8,990.03</b>	<b>8,540.45</b>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 42. Related party disclosures (contd...)

## I. Related party-wise transactions during the year with outstanding balances as at year-end: (contd...)

INR in Lacs

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>Outstanding payables (Net of receivables) excluding loans and advances</b>								
Ion Exchange Environment Management Ltd.	-	32.70	-	-	-	-	-	32.70
Total Water Management Services (India) Ltd.	2.91	3.14	-	-	-	-	2.91	3.14
<b>Total</b>	<b>2.91</b>	<b>35.84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.91</b>	<b>35.84</b>
<b>Investment in equity shares / debentures</b>								
Aqua Investments (India) Ltd.	176.00	176.00	-	-	-	-	176.00	176.00
Global Composites And Structural Ltd.	319.25	301.25	-	-	-	-	319.25	301.25
IEI Environmental Management (M) Sdn. Bhd., Malaysia	18.10**	18.10**	-	-	-	-	18.10**	18.10**
Ion Exchange And Company LLC, Oman	180.85	180.85	-	-	-	-	180.85	180.85
Ion Exchange Arabia For Water, Saudi Arabia	58.18	58.18	-	-	-	-	58.18	58.18
Ion Exchange Asia Pacific Pte. Ltd., Singapore	1,127.33	1,123.66	-	-	-	-	1,127.33	1,123.66
Ion Exchange Enviro Farms Ltd. ***	1,554.70	1,554.70	-	-	-	-	1,554.70	1,554.70
Ion Exchange Environment Management (BD) Ltd., Bangladesh	41.49	39.21	-	-	-	-	41.49	39.21
Ion Exchange Environment Management Ltd.	501.28	501.28	-	-	-	-	501.28	501.28
Ion Exchange LLC, USA	372.01	372.01	-	-	-	-	372.01	372.01
Ion Exchange Projects And Engineering Ltd.	1,460.21	1,460.21	-	-	-	-	1,460.21	1,460.21
Ion Exchange Purified Drinking Water Pvt. Ltd.	39.01	39.01	-	-	-	-	39.01	39.01
Ion Exchange Safic Pty. Ltd., South Africa	190.24	75.90	-	-	-	-	190.24	75.90
Ion Exchange WTS (Bangladesh) Ltd., Bangladesh	2.45	2.45	-	-	-	-	2.45	2.45
Total Water Management Services (India) Ltd.	18.00	18.00	-	-	-	-	18.00	18.00
Watercare Investments (India) Ltd.	177.00	177.00	-	-	-	-	177.00	177.00
Aquanomics Systems Ltd.	-	-	112.00	101.00	-	-	112.00	101.00
Ion Foundation	-	-	-	-	0.10	0.10	0.10	0.10
<b>Total</b>	<b>6,236.10</b>	<b>6,097.81</b>	<b>112.00</b>	<b>101.00</b>	<b>0.10</b>	<b>0.10</b>	<b>6,348.20</b>	<b>6,198.91</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**42. Related party disclosures (contd...)**
**I. Related party-wise transactions during the year with outstanding balances as at year-end: (contd...)**
**INR in Lacs**

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>Corporate guarantees (Outstanding)</b>								
Global Composites And Structural Ltd.	1,800.00	1,900.00	-	-	-	-	1,800.00	1,900.00
Ion Exchange Asia Pacific Pte. Ltd., Singapore	379.03	367.52	-	-	-	-	379.03	367.52
Ion Exchange Environment Management (BD) Ltd., Bangladesh	542.03	121.94	-	-	-	-	542.03	121.94
Ion Exchange Projects And Engineering Ltd.	-	1,093.00	-	-	-	-	-	1,093.00
Ion Exchange Safic Pty. Ltd., South Africa	1,017.55	982.70	-	-	-	-	1,017.55	982.70
Aquanomics Systems Ltd.	-	-	1,100.00	1,100.00	-	-	1,100.00	1,100.00
<b>Total</b>	<b>3,738.61</b>	<b>4,465.16</b>	<b>1,100.00</b>	<b>1,100.00</b>	<b>-</b>	<b>-</b>	<b>4,838.61</b>	<b>5,565.16</b>

\* Gross amount has been considered.

\*\* Provision for impairment / expected credit loss has been made in respect of the said amounts

\*\*\* Includes INR 1,500.00 Lacs investment in debentures for both years.

\*\*\*\* Includes receivable on account of re-imburement of expenses.

@ Provision for impairment / expected credit loss for INR 643.70 Lacs

# Provision for impairment / expected credit loss for INR 309.76 Lacs.

II. Company has given letter for continuous financial support to its Subsidiaries - Ion Exchange Safic Pty. Ltd., South Africa, Ion Exchange Asia Pacific Pte. Ltd., Singapore, Ion Exchange Projects And Engineering Ltd., Global Composites And Structural Ltd. and Ion Exchange Environment Management Ltd.

III. **Disclosure pursuant to the regulation 34(3) read with para A of schedule V of (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

(a) Loans and advances in the nature of loans

Name of the related party	Relationship	As at 31st March 2022 INR in Lacs	Maximum balance in 2021-22 INR in Lacs	As at 31st March 2021 INR in Lacs	Maximum balance in 2020-21 INR in Lacs
IEI Environmental Management (M) Sdn. Bhd., Malaysia	100% Subsidiary	47.15	47.15	41.64	41.64
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	100% Subsidiary	18.45	18.45	16.29	16.29
Ion Exchange Asia Pacific Pte. Ltd, Singapore	100% Subsidiary	186.53	186.53	164.72	164.72
Ion Exchange Enviro Farms Ltd.	Subsidiary	3,802.78	3,802.78	3,381.98	3,381.98
Ion Exchange Projects And Engineering Ltd.	Subsidiary	1,603.84	2,532.85	1,146.64	3,653.54
Ion Exchange Purified Drinking Water Pvt. Ltd.	100% Subsidiary	898.96	935.81	914.26	978.23
Ion Exchange Safic Pty. Ltd., South Africa	Subsidiary	-	166.17	142.37	142.37
Total Water Management Services (India) Ltd.	Subsidiary	8.64	8.64	1.40	8.99
Ion Exchange Environment Management Ltd.	100% Subsidiary	1,691.71	1,953.41	1,791.18	1,873.69
Ion Exchange Arabia For Water, Saudi Arabia	Subsidiary	27.66	27.66	24.43	24.43

Notes:

(i) Loans and advances shown above to the subsidiaries fall under the category of 'Loans and Advances in nature of Loans' which are repayable on demand and as per mutual agreement.

(ii) Interest on loans and advances to the subsidiaries are charged at the prevailing market rates.

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 42. Related party disclosures (contd...)

## IV. Disclosure as per Section 186 of the Companies Act, 2013:

The details of loans, guarantees and investments under section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

- (a) Details of investment made are given in note 6 and 13.  
 (b) Details of loans given by the company are as follows:

Name of the party	Relationship	Purpose	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
IEI Environmental Management (M) Sdn. Bhd., Malaysia	100% Subsidiary	For business purpose	47.15	41.64
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	100% Subsidiary		18.45	16.29
Ion Exchange Asia Pacific Pte. Ltd, Singapore	100% Subsidiary		186.53	164.72
Ion Exchange Enviro Farms Ltd.	Subsidiary		3,802.78	3,381.98
Ion Exchange Projects And Engineering Ltd.	Subsidiary		1,603.84	1,146.64
Ion Exchange Purified Drinking Water Pvt. Ltd.	100% Subsidiary		898.96	914.26
Ion Exchange Safic Pty. Ltd., South Africa	Subsidiary		-	142.37
Total Water Management Services (India) Ltd.	Subsidiary		8.64	1.40
Ion Exchange Environment Management Ltd.	100% Subsidiary		1,691.71	1,791.18
Ion Exchange Arabia For Water, Saudi Arabia	Subsidiary		27.66	24.43

- (c) Details of guarantees issued by the company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder:

Name of the party on whose behalf guarantee issued	Relationship	Purpose	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Bharuch Enviro Infrastructure Limited	Unrelated	Corporate Guarantee to Gujarat Industrial Development Corporation, for use of facilities	38.88	38.88
Global Composites And Structural Ltd.	Subsidiary	For banking facilities of respective subsidiaries and associate.	1,800.00	1,900.00
Ion Exchange Asia Pacific Pte. Ltd., Singapore	100% Subsidiary		379.03	367.52
Ion Exchange Environment Management (BD) Ltd., Bangladesh	100% Subsidiary		542.03	121.94
Ion Exchange Projects And Engineering Ltd.	Subsidiary		-	1,093.00
Ion Exchange Safic Pty. Ltd., South Africa	Subsidiary		1,017.55	982.70
Aquanomics Systems Ltd.	Associates		1,100.00	1,100.00

## 43. Loans and advances to related parties

Loans and advances in the nature of loans are granted to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are:

Type of borrower	As at 31-Mar-2022		As at 31-Mar-2021	
	Amount of loan or advances in the nature of loan	Percentage to the total loans and advances in the nature of loan	Amount of loan or advances in the nature of loan	Percentage to the total loans and advances in the nature of loan
	INR in Lacs	%	INR in Lacs	%
Promoter	-	0.00%	-	0.00%
Directors	-	0.00%	-	0.00%
KMPs	-	0.00%	-	0.00%
Related parties	8,285.72	100.00%	7,624.91	100.00%

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**

44. (a) The company has an investment of INR 54.70 Lacs (31st March 2021: INR 54.70 Lacs) in equity shares and INR 1,500.00 Lacs (31st March 2021: INR 1,500.00 Lacs) in 7% Secured Redeemable Non-Convertible Debentures in Ion Exchange Enviro Farms Limited (IEEFL), a subsidiary company as at 31st March 2022 and it has also granted loans and advances as at 31st March 2022 aggregating INR 3,802.78 Lacs (31st March 2021: INR 3,381.98 Lacs) to IEEFL. As at 31st March 2022, the accumulated losses of IEEFL have substantially exceeded its paid-up share capital.

IEEFL has adequate assets in the form of developed and undeveloped land and the redeemable non-convertible debentures are secured by way of mortgage of office premises.

Also IEEFL had filed appeal against the Security Appellate Tribunal Order of refunding monies to investors with return and winding-up of scheme with Supreme Court of India on 4th July 2006. The Hon'ble Supreme Court of India had dismissed the IEEFL's appeal on 26th February 2013. Subsequent to this dismissal, IEEFL approached SEBI with a proposal related to the compliance of the said order vide letter dated 17th May 2013. During personal hearing with SEBI officials on 27th November 2013, pursuant to the above letter, SEBI had called for furnishing additional details which have been duly complied with vide letter dated 13th December 2013. Pursuant to this, IEEFL has initiated actions in line with the aforesaid meetings with SEBI officials and letters submitted to SEBI.

Subsequent to SEBI order of 30th December 2015, for closure of the CIS Scheme (which inter-alia included directions to refund INR 2,006.00 Lacs to investors, as per the earlier order of 27th November 2003) IEEFL was granted a personal hearing on 3rd February 2016 and additional information called for was submitted on 23rd March 2016. IEEFL had requested permission to wind up the scheme in terms of rule 73(1) to (9) of CIS Regulations as it has completed all obligations towards the investors, i.e. sale of lands and development and maintaining the lands thereafter, as per agreements.

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

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

The appeal was heard and vide order dated 18th October 2019 SAT has dismissed the appeal. IEEFL had filed a review petition before the SAT, Mumbai on 3rd December 2019 for correction of factual errors in the said order. Further, based on the legal advice, pending final order from SAT on the review petition, an appeal is filed in the Supreme Court against order of SAT on 18th February 2020. As per the SAT hearing dated 19th March 2021, it was held that, there is not an error apparent on the face of the record and thus review application filed was dismissed by SAT. As such the appeal is set aside against IEEFL and further vide order No. 2853/2021 dated 6th December 2021, the Supreme Court has granted liberty to IEEFL to approach Securities and Exchange Board of India and request for reconsideration of the matter by producing additional material. IEEFL has filed representation requesting reconsideration of the matter by filing additional documents through its advocates vide letter dated 2nd March, 2022. Further SEBI vide letter dated 17th May, 2022 has made certain observations and has advised IEEFL to provide for additional comments/documents. IEEFL is in the process of responding to the observations of SEBI.

Further, SEBI had on 25th April 2019 under SEBI (Appointment of Administrator and Procedure for Refunding of Investors) Regulations 2018 has appointed an administrator for selling the land at Goa (Quepam) of IEEFL and recovering the dues vide letter dated 30th April 2019. IEEFL has requested the Recovery Office of SEBI to keep the proceedings in abeyance. Further, in view of the above developments the proceedings are in abeyance or on hold as on date.

In view of the foregoing, the management is of the opinion, that there is no diminution, other than temporary, in the value of investments and the advances are fully recoverable. Hence presently no provision is considered necessary.

- (b) Further, book values of certain other long term investments in subsidiaries measured at cost, aggregating to INR 3,658.94 Lacs (31st March 2021: INR 3,520.06 Lacs) are lower than its cost. The company has also granted loans and advances to these subsidiaries as at 31st March 2022 aggregating INR 3,556.89 Lacs (31st March 2021: INR 3,310.98 Lacs). Considering the strategic and long term nature of the aforesaid investments, and asset base and business plan of the investee companies; in the opinion of the management the recoverable amount is not less than its carrying amount recognised in the books.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**

45. Capital expenditure incurred on research and development during the year is INR 145.26 Lacs (2020-21: INR 108.32 Lacs). Revenue expenditure of INR 901.32 Lacs (2020-21: INR 932.32 Lacs) incurred on research and development has been expensed to the statement of profit and loss under various expense heads. Location wise details are as follows:

INR in Lacs

Nature	2021-22			2020-21		
	Location		Total	Location		Total
	Patancheru	Vashi		Patancheru	Vashi	
Capital expenditure	47.54	97.72	145.26	104.20	4.12	108.32
Revenue expenditure	426.28	475.04	901.32	416.20	516.12	932.32

**46. Lease****Operating Lease**

Company as lessor:

The company has entered into commercial property lease of its surplus office. The lease agreement is for 5 years. The lease includes a clause to enable upward revision by 15% after completion of 3 years from the date of commencement of the lease agreement.

Further minimum rentals receivable under non-cancellable operating lease are as follows:

	31st March 2022 INR in Lacs	31st March 2021 INR in Lacs
Within one year	212.20	165.80
After one year but not more than five years	200.49	122.76
More than five years	Nil	Nil

**47. Right-of-use assets**

The break-up of lease expenses during the year are as follows

Particulars	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Short-term lease expense	280.29	335.82
Low value lease expense	-	-
<b>Total lease expenses</b>	<b>280.29</b>	<b>335.82</b>

The break-up of Cash outflow on leases during the year are as follows

Particulars	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Repayment of lease liabilities	642.77	985.65
Interest on lease liabilities	157.60	172.13
Short-term lease expense	280.29	335.82
Low value lease expense	-	-
<b>Total cash outflow on leases</b>	<b>1,080.66</b>	<b>1,493.60</b>

The break-up of current and non-current lease liabilities are as follows

Particulars	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Current lease liabilities	401.02	585.09
Non-current lease liabilities	256.24	456.19
<b>Total</b>	<b>657.26</b>	<b>1,041.28</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**

**47. Right-of-use assets (contd...)**

The movement in lease liabilities during the year

Particulars	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Balance at the beginning	1,041.28	1,966.28
Additions	261.79	60.65
Finance cost accrued during the period	157.60	172.13
Deletions	(3.04)	-
Payment of lease liabilities	(800.37)	(1,157.78)
Transition impact	-	-
Balance at the end	<b>657.26</b>	<b>1,041.28</b>

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows

Particulars	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Less than one year	90.13	242.17
One to five year	733.76	1,086.02
More than five year	138.84	143.17
<b>Total</b>	<b>962.73</b>	<b>1,471.36</b>

**48. Capital and other commitments**

Estimated amount of contracts (net of advances) remaining to be executed on capital account not provided for is INR 662.58 Lacs (31st March 2021: INR 634.24 Lacs)

**49. Contingent liabilities**

Contingent liabilities not provided for:

(a) Guarantee given by the company on behalf of:

- i) Subsidiaries – INR 3,738.61 Lacs (31st March 2021: INR 4,465.16 Lacs)
- ii) Associates – INR 1,100.00 Lacs (31st March 2021: INR 1,100.00 Lacs)
- iii) Others – INR 38.88 Lacs (31st March 2021: INR 38.88 Lacs)

(b) Demand raised by authorities against which the company has filed an appeal.

- i) Income tax – INR Nil (31st March 2021: INR 601.35 Lacs)
- ii) Excise duty – INR 24.58 Lacs (31st March 2021: INR 27.91 Lacs)
- iii) Service tax – INR 236.91 Lacs (31st March 2021: INR 255.67 Lacs)
- iv) Sales tax / VAT – INR 904.12 Lacs (31st March 2021: INR 947.58 Lacs)

(c) Claims against the company arising in the course of business not acknowledged as debts (to the extent ascertainable) INR 2,918.21 Lacs (31st March 2021: INR 2,710.41 Lacs).

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

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****50. 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)**

	31st March 2022 INR in Lacs	31st March 2021 INR in Lacs
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	<b>2,920.39</b>	<b>1,424.47</b>
Interest due on above	30.99	9.00
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.	<b>111.28</b>	<b>80.29</b>
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.	-	-

51. Capital advance includes amount of INR 25.33 Lacs (31st March 2021: INR 25.33 Lacs) paid for acquiring furnished office premises at Hyderabad, the ownership of which is under legal dispute for which transfer formalities are in progress.

**52. Corporate Social Responsibility expenses:**

A. Gross amount required to be spent by the group during the year INR 284.78 Lacs (2020-21: INR 203.03 Lacs)

B. Amount approved by the board to spent during the year INR 284.78 Lacs (2020-21: INR 203.03 Lacs)

C. Amount spent during the year ending 31st March 2022:

INR in Lacs

	In cash	Yet to be paid in cash	Total
(i) Construction / Acquisition of any assets	-	-	-
(ii) Purpose other than (i) above	284.78	-	284.78
(iii) Contribution to PM Care fund	-	-	-
<b>Total</b>	<b>284.78</b>	<b>-</b>	<b>284.78</b>

Amount spent during the year ending 31st March 2021:

INR in Lacs

	In cash	Yet to be paid in cash	Total
(i) Construction / Acquisition of any assets	-	-	-
(ii) Purpose other than (i) above	161.71	-	161.71
(iii) Contribution to PM Care fund	41.32	-	41.32
<b>Total</b>	<b>203.03</b>	<b>-</b>	<b>203.03</b>

D. Shortfall at the end of the year: INR Nil (31st March 2021 INR Nil)

E. Reason for shortfall at the end of the year: Not applicable

F. Nature of CSR activities: Education, Environment, Water, Sanitation, Health and Hygiene.

G. Related party transaction in relation to Corporate Social Responsibility: INR 279.58 Lacs (2020-21: INR 161.71 Lacs)

Majority of the CSR projects under the Ion Exchange umbrella are implemented by Ion Foundation, a company incorporated under Section 8 of the Companies Act, 2013

H. Provision during the year INR Nil (2020-21: INR Nil)

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**53. Ratio Analysis and its elements**

Ratio	Numerator	Denominator	31 March 2022	31 March 2021	% change	Explanation to variance in ratio
Current ratio	Current Assets	Current Liabilities	1.57	1.43	9.5%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.04	0.05	16.6%	
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Finance Cost	Debt service = Interest & Lease Payments + Principal Repayments	6.69	2.61	155.8%	Increase in profit and reduction in debts
Return on Equity ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	22.1%	26.3%	(16.0%)	
Inventory Turnover ratio	Cost of goods sold	Average Inventory	7.56	8.14	(7.2%)	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	3.13	2.89	8.4%	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	1.98	1.81	9.3%	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	3.08	3.89	(20.7%)	
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	10.2%	10.4%	(1.9%)	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	27.1%	31.4%	(13.5%)	
Return on Investment	Interest income from Bank + Change in fair value of investments classified at FVTPL	Average Bank fixed deposits and margin money + Average current Investments	4.2%	5.7%	(26.7%)	Variance in period and rate of interest

**54. Details of transactions with companies struck off**

Name of struck off company	Nature of transaction with struck off company	Balance Outstanding 31st March 2022 INR in Lacs	Relationship with the Struck off company, if any to be disclosed
Allen Bradley India Ltd.	Payables	0.70	Not applicable
Cambatta Technical Services Pvt. Ltd.	Payables	0.19	Not applicable
Gordhandas Desai Pvt. Ltd.	Payables	-	Not applicable
Prakash Industries Ltd.	Receivables	5.13	Not applicable
Samay Tiles Ltd.	Receivables	0.63	Not applicable
Sea-Bird Engineers Pvt. Ltd.	Payables	0.05	Not applicable
Siemac Controls Private Ltd.	Payables	0.37	Not applicable
Steelmen Infratech Private Ltd.	Payables	7.20	Not applicable

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****55. Other Statutory Information**

- (i) The company do not have any benami property, where any proceeding has been initiated or pending against the group for holding any benami property.
- (ii) The company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (v) The company have not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the group shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vi) The company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

**56. 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. Also refer note 59.

57. Previous period figures have been regrouped/ reclassified, wherever necessary, to conform to current periods classification and in order to comply with the requirements of the amended schedule III to the companies Act 2013 effective 1st April, 2021.

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

**59. Dividends**

	31st March 2022 INR in Lacs	31st March 2021 INR in Lacs
Proposed dividends on equity shares		
For the year 2021-22 - Rs. 10 per share	1,466.67	-
For the year 2020-21 - Rs. 10 per share	-	1,466.67
Less: Dividend on treasury shares	(237.36)	(237.36)
	<b>1,229.31</b>	<b>1,229.31</b>

Proposed dividends on equity shares are subject to the approval at the annual general meeting and are not recognized as a liability as at 31st March.

As per our report of even date attached

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 (INDIA) LIMITED  
CIN - L74999MH1964PLC014258

SUHAS PAI  
Partner  
Membership no.: 119057

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 27th May 2022

N. M. RANADIVE  
Chief Financial Officer

Place : Mumbai  
Date : 27th May 2022

## Independent Auditors' Report

To the Members of  
Ion Exchange (India) Limited

### Report on the Audit of Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Ion Exchange (India) Limited (hereinafter referred to as the "Holding Company") which include financial information of a branch at Bengaluru, IEI Shareholding (Staff Welfare) Trusts – Sixty trusts and HMIL Shareholding (Staff Welfare) Trusts – Seventeen trusts ("trusts") audited by the branch auditor and the respective auditors of the trusts and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the branch auditor on financial statements of such branch as were audited by the branch auditor and reports of other auditors on separate financial statements of such trusts, subsidiaries, and associates as were audited by the other auditors, the aforesaid consolidated 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 consolidated state of affairs of the Group and its associates as at 31 March 2022, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

#### 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 Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the branch auditor, trust auditor and other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Emphasis of matter

The auditors of Ion Exchange Enviro Farms Limited (IEEFL), a subsidiary company has mentioned Emphasis of Matter in audit report in respect of the matters stated below:

- (A) The Hon'ble Supreme Court of India has dismissed the company's appeal against the order of securities appellate tribunal for refunding monies to investors with return and for winding up of scheme. Further the companies had submitted relevant details to SEBI and have initiated actions in line with the details submitted to SEBI which in December, 2015 had asked the company to pre deposit amount due to farm owners and close the scheme. The company has submitted that it shall get discharge certificates from balance farm owners within a period of two years from March 2016. As SEBI refused to accede to Company's request, company has preferred a fresh appeal at Securities Appellate Tribunal (SAT) on 9th February 2017 - Appeal No. (I) 40 of 2017 - citing practical difficulties in execution of the SEBI order for refund to all investors as investors have already received their lands/refunds as per the agreement. Appeal has been already admitted by SAT and certain hearings had taken place from time to time. The appeal was heard and vide order dated 18th October, 2019; SAT has dismissed the appeal. The company has filed a Review Petition before the SAT, Mumbai on 3rd December, 2019 for correction of factual errors in the said order. Further, based on the Legal Advice, pending final order from SAT on the Review Petition, an Appeal is filed in the Supreme Court Against order of SAT on 18th February 2020. As per the SAT hearing dated 19th March 2021, it was held that, there is not an error apparent on the face of the record and thus review application filed was dismissed by SAT. As such the appeal is set aside against the company and further vide order No. 2853/2021 dated 6th December 2021, the Supreme Court has granted liberty to the company to approach Securities and Exchange Board of India and request for reconsideration of the matter by producing additional material. The company has filed representation requesting reconsideration of the matter by filing additional documents through its advocates vide letter dated 2nd March, 2022. Further SEBI vide letter dated 17th May, 2022 has made certain observations and has advised the Company to provide for additional comments/documents. Company is in the process of responding to the observations of SEBI.
- (B) Administrator's Appointment : SEBI had on 25th April 2019 under SEBI (Appointment of Administrator and Procedure for Refunding of Investors) Regulations 2018 had appointed an Administrator for selling the Land at Goa (Quepem) of the Company and Recovering the Dues

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

- c) The maintenance expenses recoverable aggregating Rs. 1,31,47,651/- (net of provision) considered as fully recoverable by the management from future crop sales/ land sales. In view of this no provision is considered necessary by the management.

Our opinion is not modified in respect of these matters.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of branch auditor and other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Description of Key Audit Matter

Revenue recognition See note 3.16 and note 45 to the consolidated financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The arrangement for EPC business contracts includes fixed price contracts. Revenue for such contracts usually extends beyond a reporting period. Contract revenue is measured based on the proportion of contract costs incurred for work performed to date relative to estimated total contract costs. It is computed as per the input method. The estimate is formed by the Company considering the following:</p> <ul style="list-style-type: none"> <li>● Application of the revenue recognition accounting standard is complex. One of the key estimate is total cost-to-completion of these contracts. It is used to determine the percentage of completion of the relevant performance obligation.</li> <li>● This method requires the Company to perform an initial assessment of total estimated cost and further reassess these estimates on a periodic basis, including end of each reporting period.</li> </ul> <p>Considering the significant estimate involved in measurement of revenue in EPC business, we have considered measurement of revenue as a key audit matter.</p>	<ul style="list-style-type: none"> <li>● Our audit procedures over estimation of total contract costs and revenue recognition for EPC business included the following:</li> <li>● Testing the design, implementation and operating effectiveness of key internal financial controls and processes. This includes estimation of total project cost-to-completion related revenue;</li> <li>● For selected sample of contracts, we inspected key contractual terms with signed contracts and assessed revenue recognized in accordance with Ind AS by:</li> <li>● Observing the approval of percentage of completion workings.</li> <li>● Challenging the Company's forecasted cost to completion, through comparison of costs incurred with project budgets, and executed purchase orders and agreements. Identifying significant variations and testing variations resulting into re-estimating the remaining costs to complete the contract</li> <li>● Comparing, on a sample basis, revenue transactions recorded during the year with the underlying contracts, progress reports, invoices raised on customers and collections in bank accounts. Also, checked the related revenue, contract costs, evaluation for onerous contracts, contract assets and unearned revenue had been recognized accordance with the Company's revenue recognition policies.</li> <li>● Performing analytical procedures on incurred and estimated contract costs or efforts. It includes assessment of contracts with unusual or negative margins, little or no movement in efforts from previous periods.</li> </ul>

## Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management of the companies/ branch and Board of Directors of the companies/ board of trustees included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies/ branch and Board of Directors of the companies/ Board of Trustees included in the Group and Board of Directors of its associates are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

accounting unless the respective Board of Directors/ Board of Trustees either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Management of the companies/ branch and Board of Directors of the companies/ Board of Trustees included in the Group and Board of Directors of its associates are responsible for overseeing the financial reporting process of each company/ trust.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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.
- 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated 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 Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

- (a) We did not audit the financial statements of 1 branch and 77 trusts, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 8,347 Lacs as at 31 March 2022, total revenues (before consolidation adjustments) of Rs. 11,538 Lacs and net cash outflows (before consolidation adjustments) amounting to Rs. 45 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by branch auditors and other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these branches and trusts and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid branches and trusts is based solely on the reports of the branch auditors and other auditors.

We did not audit the financial statements of 13 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 21,094 Lacs as at 31 March 2022, total revenues (before consolidation adjustments) of Rs. 16,588 Lacs and net cash outflows (before consolidation adjustments) amounting to Rs. 116 Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of Rs. 42 Lacs for the year ended 31 March 2022, in respect of 4 associates whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the reports of the other auditors.

Certain of these subsidiaries and associates are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements/financial information of such subsidiaries and associates located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and associates located outside India is based on the

reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- (b) The financial statements of 1 subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 218 Lacs as at 31 March 2022, total revenues (before consolidation adjustments) of Rs. 644 Lacs and net cash outflows (before consolidation adjustments) amounting to Rs. 15 Lacs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the branch auditors, trusts auditors and other auditors and the financial statements certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associates as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors and proper returns adequate for the purposes of our audit have been received from the branch not visited by us.

- c) The reports on the accounts of the branch office of the Holding company audited under section 143(8) of the Act by branch auditor have been sent to us and have been properly dealt with us in preparing this report.
- d) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements and with the return received from branch not visited by us.
- e) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- f) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies, none of the directors of the Group companies and its associate companies is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies and associate companies incorporated in India 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and associates, as noted in the "Other Matters" paragraph:

- a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group and its associates. Refer Note 56 to the consolidated financial statements.

- b) The Group, its associates and joint ventures and joint operations did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.
- c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and associate companies during the year ended 31 March 2022.
- d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies and associate companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies and associate companies incorporated in India or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies and associate companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies and associate
- companies incorporated in India shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act. The subsidiary companies and associate companies incorporated in India have neither declared nor paid any dividend during the year.
- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and associate companies which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies and associate companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies and associate companies 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

**Suhas Pai**  
Partner

Place: Mumbai  
Date: 27 May 2022.

Membership No. 119057  
UDIN: 22119057AJTONL2826

## Annexure “A” to the Independent Auditor’s Report on Consolidated Financial Statements (Referred to in our report of even date)

With reference to the Annexure A referred to in the Independent Auditors’ Report to the members of the Company on the consolidated financial statements for the year ended 31 March 2022, we report the following:

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor’s Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report
1	Ion Exchange (India) Limited	L74999MH1964PLC014258	Holding	3(i)(c); 3(iii)(c); 3(vii-a)
2	Ion Exchange Enviro Farms Ltd	U01110MH1995PLC091478	Subsidiary	3(i)(c); 3(xvii); 3(xix)
3	Ion Exchange Projects and Engineering Limited	U74200MH2011PLC216024	Subsidiary	3(vii-a); 3(ix-d); 3(xvii); 3(xix)
4	Ion Exchange Environment Management Limited	U45204MH2005PLC157554	Subsidiary	3(vii-a); 3(xvii); 3(xix); 3(ix-d)
5	Global Composites and Structurals Limited	U26102MH2006PLC161108	Subsidiary	3(xvii); 3(xix)
6	Ion Exchange Purified Drinking Water Private Limited	U41000MH2013PTC248560	Subsidiary	3(vii-a); 3(xvii)
7	Aquanomics Systems Limited	U67120MH1994PLC080387	Associate	3(vii-a); 3(xvii)

## **“Annexure B” to the Independent Auditor’s report on the consolidated financial statements of Ion Exchange (India) Limited for the year ended 31 March 2022**

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

**(Referred to in paragraph 2(A)(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

### **Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Ion Exchange (India) Limited (hereinafter referred to as “the Holding Company”) and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its associate companies as of that date.

In our opinion, the Holding Company (including its branch at Bengaluru) and such companies incorporated in India which are its subsidiary companies and its associate companies have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls 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 respective Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective 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 the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as “the Act”).

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and associate companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

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

A company’s internal financial controls with reference to consolidated 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 consolidated financial statements 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.

**Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 1 branch, 6 subsidiary companies and 2 associate company is based on the corresponding reports of the auditors of such companies incorporated in India.

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

**Suhas Pai**  
*Partner*

Place: Mumbai  
Date: 27 May 2022.

Membership No. 119057  
UDIN: 22119057AJTONL2826

## CONSOLIDATED BALANCE SHEET as at 31st March 2022

	Notes	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	14,460.05	14,864.36
(b) Capital work-in-progress	5	2,003.57	1,459.82
(c) Right-of-use assets	6	3,694.66	3,030.26
(d) Goodwill	62	863.10	863.10
(e) Other intangible assets	7	192.66	215.80
(f) Investment accounted using equity method	8	397.71	356.04
(g) Financial assets			
(i) Investments	9	436.73	71.18
(ii) Trade receivables	10	453.96	454.17
(iii) Loans	11	-	-
(iv) Other financial assets	12	1,706.66	1,767.85
(h) Other non current assets	13	2,569.81	1,355.01
(i) Deferred tax assets (Net)	14	934.04	534.94
(j) Non current tax assets (Net)	15	140.78	60.53
<b>Total non-current assets</b>		<b>27,853.73</b>	<b>25,033.06</b>
<b>Current assets</b>			
(a) Inventories	16	18,095.99	12,759.46
(b) Financial assets			
(i) Investments	17	31.66	23.74
(ii) Trade receivables	10	50,770.05	44,896.02
(iii) Cash and cash equivalents	18	16,907.74	19,722.73
(iv) Bank balances other than (iii) above	19	36,681.83	30,815.20
(v) Loans	11	2,012.10	1,424.33
(vi) Other financial assets	12	1,372.56	1,171.42
(c) Current tax assets (Net)	15	31.15	67.16
(d) Other current assets	13	8,784.43	8,417.71
<b>Total current assets</b>		<b>134,687.51</b>	<b>119,297.77</b>
<b>Total assets</b>		<b>162,541.24</b>	<b>144,330.83</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	20	1,422.88	1,422.88
(b) Other equity	21	64,143.21	49,161.06
<b>Equity attributable to owners</b>		<b>65,566.09</b>	<b>50,583.94</b>
<b>Non controlling interests</b>		<b>(82.70)</b>	<b>(12.45)</b>
<b>Total equity</b>		<b>65,483.39</b>	<b>50,571.49</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	22	1,172.08	795.01
(ii) Lease liabilities		290.22	483.88
(iii) Other financial liabilities	23	890.98	847.92
(b) Provisions	24	1,898.43	1,704.73
(c) Deferred tax liabilities (Net)	14	24.00	-
(d) Other non-current liabilities	25	50.75	50.75
<b>Total non-current liabilities</b>		<b>4,326.46</b>	<b>3,882.29</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	27	3,636.25	4,343.35
(ii) Lease liabilities		423.60	610.34
(iii) Trade payables	28		
- Total outstanding dues of micro and small enterprises		3,035.98	1,504.76
- Total outstanding dues of creditors other than micro and small enterprises		49,312.89	52,026.95
(iv) Other financial liabilities	29	3,238.61	3,106.13
(b) Other current liabilities	30	30,849.18	25,184.26
(c) Provisions	24	733.60	524.98
(d) Current tax liabilities (Net)	26	1,501.28	2,576.28
<b>Total current liabilities</b>		<b>92,731.39</b>	<b>89,877.05</b>
<b>Total liabilities</b>		<b>97,057.85</b>	<b>93,759.34</b>
<b>Total equity and liabilities</b>		<b>162,541.24</b>	<b>144,330.83</b>
Significant accounting policies	3		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

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

Suhas Pai  
Partner  
Membership no.: 119057

Place : Mumbai  
Date : 27th May 2022

For and on behalf of the board of directors of  
ION EXCHANGE (INDIA) LIMITED  
CIN - L74999MH1964PLC014258

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

N. M. RANADIVE  
Chief Financial Officer

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 27th May 2022

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS for the year ended 31st March 2022**

	Notes	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
<b>Income</b>			
Revenue from operations	31	157,686.77	144,951.95
Other income	32	4,169.58	3,308.80
<b>Total Income (I)</b>		<b>161,856.35</b>	<b>148,260.75</b>
<b>Expenses</b>			
Cost of materials consumed	33	92,792.02	86,530.40
Purchases of stock-in-trade	34	4,318.93	3,277.35
Change in inventories of finished goods, work-in-progress and stock-in-trade	35	(2,537.28)	(617.83)
Employee benefits expense	36	19,903.52	17,362.88
Finance costs	37	994.66	1,260.82
Depreciation and amortisation expenses	38	2,804.27	2,767.47
Other expenses	39	21,888.85	18,169.08
<b>Total expenses (II)</b>		<b>140,164.97</b>	<b>128,750.17</b>
<b>Profit before tax, before share of profit / (loss) of equity accounted investee (I - II)</b>		<b>21,691.38</b>	<b>19,510.58</b>
Share of profit / (loss) of equity accounted investee (net of income tax)		41.67	(6.99)
<b>Profit from operations before income tax</b>		<b>21,733.05</b>	<b>19,503.59</b>
<b>Tax expense</b>			
Current tax	40	5,887.47	5,631.16
Deferred tax	14	(323.19)	(459.97)
<b>Total tax expense</b>		<b>5,564.28</b>	<b>5,171.19</b>
<b>Profit after tax (III)</b>		<b>16,168.77</b>	<b>14,332.40</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss	41		
(a) Remeasurement benefit of defined benefit plans		(208.80)	134.55
(b) Income tax expense on remeasurement benefit of defined benefit plans		49.56	(32.02)
Items that will be reclassified to profit or loss			
Movement in foreign currency translation reserve		58.91	(129.62)
<b>Total Other Comprehensive Income (IV)</b>		<b>(100.33)</b>	<b>(27.09)</b>
<b>Total Comprehensive Income (III + IV)</b>		<b>16,068.44</b>	<b>14,305.31</b>
Profit attributable to:			
Owners of the company		16,277.46	14,393.32
Non-controlling interests		(108.69)	(60.92)
<b>Profit for the year</b>		<b>16,168.77</b>	<b>14,332.40</b>
Other Comprehensive Income attributable to :			
Owners of the company		(109.79)	14.24
Non-controlling interests		9.46	(41.33)
<b>Other Comprehensive Income for the year</b>		<b>(100.33)</b>	<b>(27.09)</b>
Total Comprehensive Income attributable to :			
Owners of the company		16,167.67	14,407.56
Non-controlling interests		(99.23)	(102.25)
<b>Total Comprehensive Income for the year</b>		<b>16,068.44</b>	<b>14,305.31</b>
<b>Earnings per equity share:</b>			
	42		
[Nominal value of shares INR 10 (2020-21: INR 10)]			
Basic (in INR)		137.30	121.41
Diluted (in INR)		137.30	121.41
Significant accounting policies	3		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

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

Suhas Pai  
Partner  
Membership no.: 119057

Place : Mumbai  
Date : 27th May 2022

For and on behalf of the board of directors of  
ION EXCHANGE (INDIA) LIMITED  
CIN - L74999MH1964PLC014258

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

N. M. RANADIVE  
Chief Financial Officer

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 27th May 2022



**CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March 2022**

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
<b>A. Cash flow from operating activities:</b>		
<b>Profit before tax, before share of profit / (loss) of equity accounted investee</b>	<b>21,691.38</b>	<b>19,510.58</b>
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	2,804.27	2,767.47
(Profit) / Loss on assets sold / discarded (Net)	(21.49)	(1.37)
Finance cost	994.66	1,260.82
Dividend income	(2.20)	(1.07)
Interest income	(2,215.09)	(2,420.77)
Provision for doubtful debts / Bad debts written off	329.69	700.90
Doubtful advances / Claims written off	66.00	476.32
Change in fair value of investments	(7.91)	(12.68)
Unrealised exchange loss / (gain)	212.41	(35.91)
Others	-	45.73
<b>Operating profit before working capital changes</b>	<b>23,851.72</b>	<b>22,290.02</b>
Movements in working capital:		
(Increase) / Decrease in inventories	(5,336.53)	690.53
(Increase) / Decrease in trade receivables	(6,418.78)	4,300.69
(Increase) / Decrease in loans	(653.77)	647.18
(Increase) / Decrease in other current assets	(160.40)	(1,340.65)
(Decrease) / Increase in trade payables	(1,042.85)	4,317.34
(Decrease) / Increase in other financial liabilities	176.97	275.66
(Decrease) / Increase in other current liabilities	5,664.92	(6,713.48)
(Decrease) / Increase in provisions	193.52	227.80
<b>Cash generated from operations</b>	<b>16,274.80</b>	<b>24,695.09</b>
Taxes paid (Net)	(7,136.71)	(4,989.60)
<b>Net cash generated from operating activities (A)</b>	<b>9,138.09</b>	<b>19,705.49</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant and equipment	(5,002.31)	(2,995.27)
Proceeds from sale of property, plant and equipment	26.26	1.53
Investments made in others	(365.55)	-
Bank deposit made during the year (with maturity more than three months)	(9,173.24)	(7,636.43)
Bank deposit matured during the year (with maturity more than three months)	3,319.16	3,972.34
Dividend received	2.20	1.07
Interest received	1,993.69	3,733.19
<b>Net cash used in investing activities (B)</b>	<b>(9,199.79)</b>	<b>(2,923.57)</b>
<b>C. Cash flow from financing activities:</b>		
Repayment of borrowings	(1,878.92)	(5,530.77)
Proceeds from borrowings	2,002.55	716.15
Payment of lease liability	(818.26)	(1,193.61)
Equity contribution by minority	57.30	-
Dividend paid	(1,213.84)	(293.94)
Finance cost	(835.15)	(1,168.27)
<b>Net cash generated used in financing activities (C)</b>	<b>(2,686.32)</b>	<b>(7,470.44)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>(2,748.02)</b>	<b>9,311.48</b>
<b>Effect of exchange difference on cash and cash equivalent held in foreign currency</b>	<b>(66.97)</b>	<b>265.69</b>
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>19,722.73</b>	<b>10,145.56</b>
<b>Cash and cash equivalents as at the end of the year</b>	<b>16,907.74</b>	<b>19,722.73</b>

**CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March 2022 (contd...)****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 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.
- Purchase of property, plant and equipment represents additions to property, plant and equipment, and other intangible assets adjusted for movement of capital work-in-progress for property, plant and equipment.
- Cash and cash equivalents excludes the following balances with bank:

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Cash and cash equivalents disclosed under current assets [Note 18]	16,907.74	19,722.73
Other bank balances disclosed under current assets [Note 19]	36,681.83	30,815.20
<b>Total cash and cash equivalents as per balance sheet</b>	<b>53,589.57</b>	<b>50,537.93</b>
Less: Other bank balances disclosed under current assets		
On unclaimed dividend account	67.48	54.71
On unclaimed interest on fixed deposits	0.30	0.52
On deposit account	16,885.15	13,901.43
On margin money account	19,728.90	16,858.54
	<b>36,681.83</b>	<b>30,815.20</b>
<b>Total cash and cash equivalents as per statement of cash flows</b>	<b>16,907.74</b>	<b>19,722.73</b>

## 4. Changes in liabilities arising from financing activities

	As at	2021-22		As at
	31st Mar 2021	Net Cash inflow / (outflow)	Others *	31st Mar 2022
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs
Borrowings (Non current and current)	5,138.36	123.63	(453.66)	4,808.33
	<b>5,138.36</b>	<b>123.63</b>	<b>(453.66)</b>	<b>4,808.33</b>

	As at	2020-21		As at
	31st Mar 2020	Net Cash inflow / (outflow)	Others *	31st Mar 2021
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs
Borrowings (Non current and current)	10,185.46	(4,814.62)	(232.48)	5,138.36
	<b>10,185.46</b>	<b>(4,814.62)</b>	<b>(232.48)</b>	<b>5,138.36</b>

\* Lease finance availed during the year forming part of lease liabilities  
As per our report of even date attached

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 (INDIA) LIMITED  
CIN - L74999MH1964PLC014258

Suhas Pai  
Partner  
Membership no.: 119057

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 27th May 2022

N. M. RANADIVE  
Chief Financial Officer

Place : Mumbai  
Date : 27th May 2022

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022

### Overview of the group

Ion Exchange (India) Limited (the company) is a public limited company incorporated and domiciled in India. It is listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). This consolidated financial statement comprises the company and its subsidiaries (referred to collectively as 'the group') and the group's interest in associates.

The group offers a wide range of solutions across the water cycle from pre-treatment to process water treatment, waste water treatment, recycle, zero liquid discharge, sewage treatment, packaged drinking water, sea water desalination etc. The group is also engaged in manufacturing resins, speciality chemicals for water and waste water treatment as well as non-water applications. The group's water and environment management solutions extend beyond the industrial sector to homes, hotels, spas, educational institutions, hospitals, laboratories, realty sector, defense establishments and rural communities, providing safe drinking water and a clean environment.

### 1. Principles of consolidation:

#### (a) Subsidiaries

Subsidiaries are all entities that are controlled by the Company. Control exists when the Company is exposed to, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases.

#### (b) Non-controlling interests ("NCI")

Non-controlling interest are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Change in Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### (c) Equity accounted investees

The group's interest in equity accounted investees comprises interest in associates and joint ventures. Associates are those entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies. Significant influence is presumed to exist when the Company holds more than 20% of the voting power of another entity.

Joint arrangements are those arrangements over which the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in associates and jointly controlled entities are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. Subsequent to initial recognition, the consolidated financial statements include the group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases.

#### (d) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated. Unrealised gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the group's interest in the investee.

#### (e) The financial statement of the subsidiaries, associates and jointly controlled entity used for consolidation are drawn up to the same reporting date as that of the parent i.e. 31st March 2022.

### 2.1 Subsidiary companies considered in the consolidated financial statements are:

Name of the company	Country of incorporation	% of Voting power as at	
		31st March 2022	31st March 2021
Aqua Investments (India) Limited	India	99.42	99.42
Watercare Investments (India) Limited	India	99.43	99.43
Ion Exchange Enviro Farms Limited (IEEFL)	India	79.60	79.60
Ion Exchange Asia Pacific Pte. Limited	Singapore	100.00	100.00
IEI Environmental Management (M) Sdn. Bhd.	Malaysia	100.00	100.00
Ion Exchange Environment Management (BD) Limited	Bangladesh	100.00	100.00
Ion Exchange LLC	USA	100.00	100.00
Ion Exchange And Company LLC	Oman	51.00	51.00
Ion Exchange Asia Pacific (Thailand) Limited *	Thailand	100.00	100.00
PT Ion Exchange Asia Pacific *	Indonesia	95.00	95.00
Ion Exchange WTS (Bangladesh) Limited	Bangladesh	100.00	100.00

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****2.1 Subsidiary companies considered in the consolidated financial statements are (contd...):**

Name of the company	Country of incorporation	% of Voting power as at	
		31st March 2022	31st March 2021
Ion Exchange Projects And Engineering Limited	India	91.81	91.81
Global Composites And Structural Limited	India	73.92	73.92
Total Water Management Services (I) Limited	India	70.19	70.19
Ion Exchange Safic Pty. Limited	South Africa	60.00	60.00
Ion Exchange Purified Drinking Water Private Limited	India	100.00	100.00
Ion Exchange Environment Management Ltd.	India	100.00	100.00
Ion Exchange Arabia for Water	Saudi Arabia	60.00	60.00

The principal place of business of all the entities listed above is the same as their respective country of incorporation.

**2.2 The Associates considered in the consolidated financial statements are:**

Name of the company	Country of Incorporation	% of Voting power as at	
		31st March 2022	31st March 2021
IEI Water-Tech (M) Sdn. Bhd. *	Malaysia	30.00	30.00
Aquanomics Systems Limited	India	48.42	48.42
Ion Exchange Financial Products Private Limited **	India	24.02	24.02
Ion Exchange PSS Co. Limited *	Thailand	49.00	49.00

\* Holding through subsidiary company – Ion Exchange Asia Pacific Pte. Limited, Singapore.

\*\* Holding through subsidiary companies – Aqua Investments (India) Limited and Watercare Investments (India) Limited.

**3. Significant accounting policies****3.1 Statement of compliance**

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

The consolidated financial statements are authorised for issue by the board of directors of the company at their meeting held on 27th May 2022.

**3.2 Basis of preparation**

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

The consolidated financial statements includes financials statements of IEI Shareholding (Staff Welfare) Trusts (60 trusts) and HMIL Shareholding (Staff Welfare) Trusts (17 trusts).

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

**3.3 Functional and presentation currency**

The consolidated 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 lacs, unless otherwise indicated.

**3.4 Basis of measurement**

The consolidated 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

### 3. Significant accounting policies (contd...)

#### 3.5 Use of estimates

The preparation of the consolidated financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31st March 2022 are as follows:

a) Evaluation of percentage completion

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

b) Useful life of property, plant and equipment

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

c) Recognition and measurement of defined benefit obligations

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

d) Expected credit loss (ECL) – Refer note no. 3.13 on Impairment of financial assets

#### 3.6 Measurement of fair values

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

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

#### 3.7 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****3. Significant accounting policies (contd...)****3.7 Property, plant and equipment and depreciation (contd...)**

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 based on technical evaluation, whichever is lower, as stated below.

<b>Assets</b>	<b>Useful lives</b>
Road	10 years
Building - Other than factory buildings	30 – 60 years
- Factory buildings	20 – 30 years
Plant and machinery	10 – 15 years
Site equipments	3 years
Furniture and fixtures	10 years
Vehicles	4 – 8 years
Office equipments	3 – 5 years

In case of certain class of assets, the group uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from those class of assets. The group uses its technical expertise along with historical and industry trends for arriving the economic life of an asset.

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.

**3.8 Intangible assets**

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

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

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

An intangible asset is eliminated from the consolidated 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.

**3.9 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.

The group reviews its carrying value of investments carried at cost and amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**3.10 Foreign currency transactions**

Transactions in foreign currencies are recognised 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 recognised 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 recognised 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

### 3. Significant accounting policies (contd...)

#### 3.11 Inventories

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

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

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

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

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

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

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

#### 3.12 Research and development

Capital expenditure on research and development is treated in the same manner as property, plant and equipment. Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured.

#### 3.13 Financial instruments

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

##### A. Financial assets

###### (i) Initial recognition and measurement

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

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

###### (ii) Classification and subsequent measurement

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

###### a) At amortised cost.

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

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

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

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****3. Significant accounting policies (contd...)****3.13 Financial instruments (contd...)****(iii) Equity investments**

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

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

If the group decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

**(iv) Impairment of financial assets**

The group assesses impairment based on expected credit losses (ECL) model for the following:

Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

Other financial assets such as deposits, advances etc., the group follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition.

As a practical expedient, the group uses the provision matrix to determine impairment loss allowance on the trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and its adjusted forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) during the period is recognised as other expense in the statement of profit and loss.

**(v) De-recognition of financial assets**

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

**B. Financial liabilities****(i) Initial recognition and measurement**

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

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

**(ii) Classification and subsequent measurement**

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

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

### 3. Significant accounting policies (contd...)

#### 3.13 Financial instruments (contd...)

- Derivative financial instruments

The group 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. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the statement of profit and loss.

#### 3.14 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 for the year when the contribution to the respective fund is due. There is no other obligation other than the contribution payable.
- (ii) Provident Fund scheme managed by trust set up by the group is a defined benefit plan. Employee benefits, in form of contribution to provident fund managed by such trust, is charged to the statement of profit and loss as and when the related services are rendered. The deficit, if any, in the accumulated corpus of the trust is recognised in the statement of profit and loss based on actuarial valuation.
- (iii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit method made at the end of each financial year. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI).
- (iv) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.
- (v) 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 group presents the leave liability as non-current in the balance sheet, to the extent it has an unconditional right to defer its settlement for a period beyond 12 months, balance amount is presented as current.

#### 3.15 Employee stock compensation cost

Equity-settled plans are accounted at fair value as at the grant date. The fair value of the share-based option is determined at the grant date using a market-based option valuation model (Black Scholes Option Valuation Model). The fair value of the option is recorded as compensation expense amortized over the vesting period of the options, with a corresponding increase in Reserves and Surplus under the head "Employee Stock Option Outstanding". On exercise of the option, the proceeds are recorded as share capital and security premium account.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the group's best estimate of the number of equity instruments that will ultimately vest.

#### 3.16 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 in an amount that reflects the consideration which the group expects to receive in exchange for those products or services.

Revenue related to fixed price maintenance and support services contracts where the group 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 fixed-price construction 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****3. Significant accounting policies (contd...)****3.16 Revenue recognition (contd...)**

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.

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 is 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 group recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The group 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 group disaggregates revenue from contracts with customers into categories that depict the nature of services and geography.

Use of significant judgements in revenue recognition

- The group's contracts with customers could include promises to transfer multiple products and services to a customer. The group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement 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 group 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 group uses judgement to determine an appropriate standalone selling price for a performance obligation. The group 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 group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The group 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 construction contract is recognised using percentage-of-completion method. The group uses judgement 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.

**3.17 Service concession arrangement**

The group has recognised its rights under the service concession as receivable under service concession arrangement for contracts with government agencies for public sector infrastructure assets and services under Built Own Operate Transfer (BOOT) scheme.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

### 3. Significant accounting policies (contd...)

#### 3.18 Taxation

- (i) Provision for current taxation has been made in accordance with the Income tax laws prevailing for the relevant assessment years.
- (ii) Deferred tax is recognised, 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 recognised 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 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.

#### 3.19 Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the group 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.

#### 3.20 Earnings per share

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

For calculating the weighted average number of equity shares outstanding, 2,368,939 (2020-21: 2,368,939) equity shares and 4,675 (2020-21: 4,675) equity shares are being excluded on consolidation of equity shares held by IEI Shareholding (Staff Welfare) Trusts and HMIL Shareholding (Staff Welfare) Trusts respectively.

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

#### 3.21 Segment reporting policies

##### Identification of segments

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

##### Inter-segment Transfers

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****3. Significant accounting policies (contd...)****3.22 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.

**3.23 Leases:**Where the group is the lessor

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

Where the group the lessee

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

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

The lease liability is initially measured at the present value of the lease payments, discounted using the group'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.

**3.24 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.

**3.25 Dividend payable**

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as a liability on the date of declaration by the group's board of directors. A corresponding amount is recognised directly in equity.

**3.26 Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework. The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use. The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

### 3. Significant accounting policies (contd...)

#### 3.26 Recent pronouncements (contd...)

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract. The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021). The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021). The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The group does not expect the amendment to have any significant impact in its financial statements

None of the amendments notified by MCA, which are applicable from 1st April 2022 are expected to have any material impact on the financial statement of the group.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 4. Property, plant and equipment

INR in Lacs

	Land (Freehold) (Refer note a)	Road	Building on freehold land (Refer note b,c,d and e)	Building on leasehold land	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Total
<b>Gross block</b>									
As at 1st April 2021	342.64	95.88	4,128.13	3,611.74	11,252.42	736.04	535.99	1,146.97	21,849.81
Addition during the year	-	15.72	38.36	68.37	972.66	56.60	23.36	419.82	1,594.89
Disposal during the year	-	-	-	-	110.39	2.65	17.35	7.12	137.51
Exchange gain / (loss)	-	-	-	0.24	1.75	0.42	7.99	3.21	13.61
<b>As at 31st March 2022</b>	<b>342.64</b>	<b>111.60</b>	<b>4,166.49</b>	<b>3,680.35</b>	<b>12,116.44</b>	<b>790.41</b>	<b>549.99</b>	<b>1,562.88</b>	<b>23,320.80</b>
<b>Depreciation / Amortisation</b>									
As at 1st April 2021	-	48.87	401.86	574.78	4,590.95	299.13	354.76	715.10	6,985.45
Depreciation during the year	-	11.74	125.86	157.32	1,196.05	73.12	92.46	324.26	1,980.81
Deduction during the year	-	-	-	-	91.65	0.64	17.35	6.30	115.94
Exchange gain / (loss)	-	-	-	0.13	0.73	0.30	6.70	2.57	10.43
<b>As at 31st March 2022</b>	<b>-</b>	<b>60.61</b>	<b>527.72</b>	<b>732.23</b>	<b>5,696.08</b>	<b>371.91</b>	<b>436.57</b>	<b>1,035.63</b>	<b>8,860.75</b>
<b>Net carrying value as at 31st March 2022</b>	<b>342.64</b>	<b>50.99</b>	<b>3,638.77</b>	<b>2,948.12</b>	<b>6,420.36</b>	<b>418.50</b>	<b>113.42</b>	<b>527.25</b>	<b>14,460.05</b>
<b>Gross block</b>									
As at 1st April 2020	342.64	88.46	4,024.11	3,031.44	10,001.42	639.89	536.68	995.95	19,660.59
Addition during the year	-	7.42	104.02	580.52	1,249.89	95.80	4.87	150.52	2,193.04
Disposal during the year	-	-	-	-	-	-	3.82	0.58	4.40
Exchange gain / (loss)	-	-	-	(0.22)	1.11	0.35	(1.74)	1.08	0.58
<b>As at 31st March 2021</b>	<b>342.64</b>	<b>95.88</b>	<b>4,128.13</b>	<b>3,611.74</b>	<b>11,252.42</b>	<b>736.04</b>	<b>535.99</b>	<b>1,146.97</b>	<b>21,849.81</b>
<b>Depreciation / Amortisation</b>									
As at 1st April 2020	-	38.67	278.59	425.34	3,268.47	229.43	255.82	566.00	5,062.32
Depreciation during the year	-	10.20	123.27	149.55	1,321.92	69.53	102.46	149.74	1,926.67
Deduction during the year	-	-	-	-	-	-	3.82	0.42	4.24
Exchange gain / (loss)	-	-	-	(0.11)	0.56	0.17	0.30	(0.22)	0.70
<b>As at 31st March 2021</b>	<b>-</b>	<b>48.87</b>	<b>401.86</b>	<b>574.78</b>	<b>4,590.95</b>	<b>299.13</b>	<b>354.76</b>	<b>715.10</b>	<b>6,985.45</b>
<b>Net carrying value as at 31st March 2021</b>	<b>342.64</b>	<b>47.01</b>	<b>3,726.27</b>	<b>3,036.96</b>	<b>6,661.47</b>	<b>436.91</b>	<b>181.23</b>	<b>431.87</b>	<b>14,864.36</b>

## Notes

- a) Freehold land includes land at Pune and Tamil Nadu, the title deeds of which are in the name of the nominees of the company. Gross book value INR 27.44 Lacs (31st March 2021: INR 27.44 Lacs)
- b) Buildings on freehold land includes residential flats, the cost of which includes:
- INR 250 (31st March 2021: INR 250) being the value of 5 Shares (unquoted) of INR 50 each, fully paid up in Sunrise Co-operative Housing Society Limited.
  - INR 3,500 (31st March 2021: INR 3,500) being the value of 70 Shares (unquoted) of INR 50 each, fully paid up in Usha Milan Co-operative Society Limited.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**

**4. Property, plant and equipment**

- c) Buildings on freehold land includes residential flats acquired at Mumbai, the society formation of which is in progress.  
Deemed gross book value INR 41.15 Lacs (31st March 2021: INR 41.15 Lacs)  
Net book value INR 34.92 Lacs (31st March 2021: INR 35.95 Lacs)
- d) Buildings on freehold land includes residential flats comprising of 2 LIG flats (Nos. B-16 and B-17) and 1 MIG flat (No. B-14) at Hosur, the title deeds of which are awaited from authorities.  
Deemed gross book value INR Nil (31st March 2021: INR Nil)  
Net book value INR Nil (31st March 2021: INR Nil)
- e) Buildings on freehold land includes office premises given on operating lease :  
Deemed gross book value INR 104.74 Lacs (31st March 2021: INR 104.74 Lacs)  
Accumulated depreciation INR 13.81 Lacs (31st March 2021: INR 11.51 Lacs)  
Depreciation for the year INR 2.30 Lacs (31st March 2021: INR 2.30 Lacs)  
Net book value INR 90.93 Lacs (31st March 2021: INR 95.53 Lacs)
- f) Addition to Property, plant and equipment includes amount of INR 219.76 Lacs (31st March 2021: INR 108.32 Lacs) pertaining to research and development.
- g) Certain property, plant and equipment are given as security for borrowings, the details relating to which have been described in note 22 and note 27

**5. Capital work-in-progress**

	INR in Lacs	
	Year ended 31st March 2022	Year ended 31st March 2021
As at 1st April	1,459.82	1,150.82
Addition during the year	2,461.07	2,015.89
Capitalisation / deductions during the year	1,917.32	1,706.89
As at 31st March	<b>2,003.57</b>	<b>1,459.82</b>

**Capital work in progress ageing schedule  
As at 31 March 2022**

	Amount in capital work in progress for a period of				Total INR in Lacs
	Less than 1 year INR in Lacs	1-2 years INR in Lacs	2-3 years INR in Lacs	More than 3 years INR in Lacs	
Projects in progress	1,762.87	227.55	13.15	-	2,003.57
Projects temporarily suspended	-	-	-	-	-
	<b>1,762.87</b>	<b>227.55</b>	<b>13.15</b>	-	<b>2,003.57</b>

**As at 31 March 2021**

	Amount in capital work in progress for a period of				Total INR in Lacs
	Less than 1 year INR in Lacs	1-2 years INR in Lacs	2-3 years INR in Lacs	More than 3 years INR in Lacs	
Projects in progress	1,436.92	22.90	-	-	1,459.82
Projects temporarily suspended	-	-	-	-	-
	<b>1,436.92</b>	<b>22.90</b>	-	-	<b>1,459.82</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 6. Right-of-use assets

	INR in Lacs					
	Land	Building	Plant and machinery (Refer note a)	Vehicle	Office equipments (Refer note a)	Total
<b>Gross block</b>						
As at 1st April 2021	335.99	574.16	3,165.64	9.18	366.35	4,451.32
Addition during the year	1,145.47	315.14	-	-	-	1,460.61
Disposal during the year	-	194.66	2.43	-	74.62	271.71
Exchange gain / (loss)	-	2.12	0.31	-	-	2.43
<b>As at 31st March 2022</b>	<b>1,481.46</b>	<b>696.76</b>	<b>3,163.52</b>	<b>9.18</b>	<b>291.73</b>	<b>5,642.65</b>
<b>Depreciation / Amortisation</b>						
As at 1st April 2021	18.96	329.14	817.15	0.48	255.33	1,421.06
Depreciation during the year	11.43	165.39	518.80	1.15	62.89	759.66
Deduction during the year	-	160.26	-	-	74.62	234.88
Exchange gain / (loss)	-	1.87	0.28	-	-	2.15
<b>As at 31st March 2022</b>	<b>30.39</b>	<b>336.14</b>	<b>1,336.23</b>	<b>1.63</b>	<b>243.60</b>	<b>1,947.99</b>
<b>Net carrying value as at 31st March 2022</b>	<b>1,451.07</b>	<b>360.62</b>	<b>1,827.29</b>	<b>7.55</b>	<b>48.13</b>	<b>3,694.66</b>
<b>Gross block</b>						
As at 1st April 2020	335.99	595.02	3,164.67	-	324.35	4,420.03
Addition during the year	-	9.72	-	9.18	42.00	60.90
Disposal during the year	-	36.34	0.29	-	-	36.63
Exchange gain / (loss)	-	5.76	1.26	-	-	7.02
<b>As at 31st March 2021</b>	<b>335.99</b>	<b>574.16</b>	<b>3,165.64</b>	<b>9.18</b>	<b>366.35</b>	<b>4,451.32</b>
<b>Depreciation / Amortisation</b>						
As at 1st April 2020	9.48	160.20	344.07	-	123.04	636.79
Depreciation during the year	9.48	167.38	472.48	0.48	132.29	782.11
Deduction during the year	-	0.49	-	-	-	0.49
Exchange gain / (loss)	-	2.05	0.60	-	-	2.65
<b>As at 31st March 2021</b>	<b>18.96</b>	<b>329.14</b>	<b>817.15</b>	<b>0.48</b>	<b>255.33</b>	<b>1,421.06</b>
<b>Net carrying value as at 31st March 2021</b>	<b>317.03</b>	<b>245.02</b>	<b>2,348.49</b>	<b>8.70</b>	<b>111.02</b>	<b>3,030.26</b>

**Note**

- a) Finance lease obligations are secured by hypothecation of under lying plant and machinery and equipment's taken on lease. Lease obligations are discharged by monthly / quarterly lease rental payments. The lease terms are for 2 to 4 years.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**

**7. Other intangible assets**

	INR in Lacs	
	Computer Software	Total
<b>Gross block</b>		
As at 1st April 2021	466.93	466.93
Addition during the year	40.65	40.65
Disposal during the year	-	-
Exchange gain / (loss)	0.03	0.03
<b>As at 31st March 2022</b>	<b>507.61</b>	<b>507.61</b>
<b>Amortisation</b>		
As at 1st April 2021	251.13	251.13
Amortised during the year	63.80	63.80
Deduction during the year	-	-
Exchange gain / (loss)	0.02	0.02
<b>As at 31st March 2022</b>	<b>314.95</b>	<b>314.95</b>
<b>Net carrying value as at 31st March 2022</b>	<b>192.66</b>	<b>192.66</b>
<b>Gross block</b>		
As at 1st April 2020	351.70	351.70
Addition during the year	115.15	115.15
Disposal during the year	-	-
Exchange gain / (loss)	0.08	0.08
<b>As at 31st March 2021</b>	<b>466.93</b>	<b>466.93</b>
<b>Amortisation</b>		
As at 1st April 2020	192.38	192.38
Amortised during the year	58.69	58.69
Deduction during the year	-	-
Exchange gain / (loss)	0.06	0.06
<b>As at 31st March 2021</b>	<b>251.13</b>	<b>251.13</b>
<b>Net carrying value as at 31st March 2021</b>	<b>215.80</b>	<b>215.80</b>

**8. Investment accounted using equity method**

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
<b>At cost in equity shares of associates</b>		
<b>Unquoted, fully paid-up</b>		
460,000 (31st March 2021: 460,000) equity shares of INR 10 each, fully paid-up in Aquanomics Systems Limited	397.71	356.04
300,000 (31st March 2021: 300,000) equity shares of MYR 1 each, fully paid-up in IEI Water-Tech (M) Sdn. Bhd.	-	-
2,450 (31st March 2021: 2,450) equity shares of INR 10 each, fully paid-up in Ion Exchange Financials Products Private Limited	-	-
14,700 (31st March 2021: 14,700) equity shares of THB 100 each, fully paid-up in Ion Exchange PSS Co. Limited	-	-
	<b>397.71</b>	<b>356.04</b>
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	397.71	356.04

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 9. Non-current investments

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
<b>Measured at fair value through profit and loss in equity shares of others</b>		
<b>Unquoted, fully paid-up</b>		
6,000 (31st March 2021: 6,000) equity shares of INR 10 each, fully paid-up in IEK Plastics Limited	-	-
113 (31st March 2021: 113) equity shares of INR 10 each, fully paid-up in Patancheru Enviro-tech Limited	0.01	0.01
10,500 (31st March 2021: 10,500) equity shares of INR 10 each, fully paid-up in Bharuch Enviro Infrastructure Limited	1.05	1.05
352,500 (31st March 2021: 352,500) equity shares of INR 10 each, fully paid-up in Bharuch Eco-Aqua Infrastructure Limited	35.25	35.25
71,518 (31st March 2021: 71,518) equity shares of INR 10 each, fully paid-up in GPCL Consulting Services Limited	27.46	27.46
1,000 (31st March 2021: 1,000) equity shares of INR 10 each, fully paid-up in Ion Foundation	0.10	0.10
11,000 (31st March 2021: 11,000) equity shares of INR 10 each, fully paid-up in Haldia Water Services Pvt. Ltd. [Refer note (a) below]	1.10	1.10
7,143 (31st March 2021: 7,143) equity shares of INR 10 each, fully paid-up in Water Quality India Association	0.71	0.71
750 (31st March 2021: 750) equity shares of INR 10 each, fully paid-up in Process Automation Engineering	-	-
9,999 (31st March 2021: 9,999) equity shares of INR 10 each, fully paid-up in The Thane Janta Sahakari Bank Ltd.	5.00	5.00
<b>(A)</b>	<b>70.68</b>	<b>70.68</b>
<b>Measured at amortised cost in preference shares of others</b>		
<b>Unquoted, fully paid-up</b>		
75,000 (31st March 2021: 75,000) 14.25% preference shares of INR 100 each, fully paid-up in HMG Industries Limited.	0.50	0.50
<b>(B)</b>	<b>0.50</b>	<b>0.50</b>
<b>Investments in bonds</b>		
6.5% Bond of Sultante of Oman (Nominal Value USD 500,000)	365.55	-
<b>(C)</b>	<b>365.55</b>	<b>-</b>
<b>Total non current investments</b>	<b>(A+B+C) 436.73</b>	<b>71.18</b>
Aggregate amount of quoted Investments	-	-
Aggregate amount of unquoted Investments	436.73	71.18

Note

(a) 11,000 equity shares are pledged to a non-banking financial company.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**10. Trade receivables**

	Non-current		Current	
	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Trade receivables				
(a) Unsecured, considered good	-	-	50,631.35	44,757.50
(b) Unsecured, have significant increase in credit risk	453.96	454.17	138.70	138.52
(c) Unsecured, credit impaired	68.88	68.88	1,940.30	1,879.03
	522.84	523.05	52,710.35	46,775.05
Less: Provision for credit impaired	68.88	68.88	1,940.30	1,879.03
	<b>453.96</b>	<b>454.17</b>	<b>50,770.05</b>	<b>44,896.02</b>

**Trade receivables ageing schedule  
As at 31 March 2022**

	Outstanding for following periods from due date of payment					Total INR in Lacs
	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	
Undisputed trade receivables - considered good	45,105.68	1,711.44	1,692.03	1,186.37	935.83	50,631.35
Undisputed trade receivables - considered good have significant increase in credit risk	-	-	-	-	138.70	138.70
Undisputed Trade Receivables - credit impaired	79.63	684.88	463.05	129.49	583.25	1,940.30
Disputed Trade receivables - have significant increase in credit risk	-	-	-	20.15	433.81	453.96
Disputed Trade receivables - credit impaired	-	-	-	-	68.88	68.88
	45,185.31	2,396.32	2,155.08	1,336.01	2,160.47	53,233.19
Less: Provision for credit impaired	79.63	684.88	463.05	129.49	652.13	2,009.18
<b>Total</b>	<b>45,105.68</b>	<b>1,711.44</b>	<b>1,692.03</b>	<b>1,206.52</b>	<b>1,508.34</b>	<b>51,224.01</b>

**As at 31 March 2021**

	Outstanding for following periods from due date of payment					Total INR in Lacs
	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	
Undisputed trade receivables - considered good	38,784.25	2,399.95	2,363.37	299.78	910.15	44,757.50
Undisputed trade receivables - considered good have significant increase in credit risk	-	-	-	-	138.52	138.52
Undisputed Trade Receivables - credit impaired	84.00	45.71	311.29	378.28	1,059.75	1,879.03
Disputed Trade receivables - have significant increase in credit risk	-	-	20.26	6.90	427.01	454.17
Disputed Trade receivables - credit impaired	-	-	-	-	68.88	68.88
	38,868.25	2,445.66	2,694.92	684.96	2,604.31	47,298.10
Less: Provision for credit impaired	84.00	45.71	311.29	378.28	1,128.63	1,947.91
<b>Total</b>	<b>38,784.25</b>	<b>2,399.95</b>	<b>2,383.63</b>	<b>306.68</b>	<b>1,475.68</b>	<b>45,350.19</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 11. Loans

	Non-current		Current	
	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Loans and advances to related parties (Refer note 47)				
(a) Unsecured, considered good	-	-	282.88	224.36
(b) Unsecured, credit impaired	12.50	19.50	-	-
	12.50	19.50	282.88	224.36
Less: Provision for credit impaired	12.50	19.50	-	-
(A)	-	-	282.88	224.36
Claims receivables and others	(B)	-	1,623.91	1,116.56
Loans and advance to employees	(C)	-	105.31	83.41
Rent receivable (Unsecured, credit impaired)	17.05	17.05	-	-
Less: Provision for credit impaired	17.05	17.05	-	-
(D)	-	-	-	-
Others - Unsecured, credit impaired				
- Inter corporate deposits	57.07	57.07	-	-
- Other loans and advances	55.07	55.07	-	-
	112.14	112.14	-	-
Less: Provision for credit impaired	112.14	112.14	-	-
(E)	-	-	-	-
<b>(A+B+C+D+E)</b>	-	-	<b>2,012.10</b>	<b>1,424.33</b>

## 12. Other financial assets

	Non-current		Current	
	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Tender, security and other deposits				
(a) Unsecured, considered good	1,178.13	1,176.80	91.12	111.38
(b) Unsecured, credit impaired	20.74	13.74	-	-
	1,198.87	1,190.54	91.12	111.38
Less: Provision for credit impaired	20.74	13.74	-	-
(A)	1,178.13	1,176.80	91.12	111.38
Receivable from concession agreement (Refer note 61)	(B)	528.53	591.05	115.52
Interest accrued on margin money	(C)	-	-	1,165.92
<b>(A+B+C)</b>	<b>1,706.66</b>	<b>1,767.85</b>	<b>1,372.56</b>	<b>1,171.42</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**13. Other assets**

		Non-current		Current	
		As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Capital advances (Refer note 58)	(A)	1,401.99	62.32	-	-
Balance with statutory authorities	(B)	474.80	533.67	4,719.31	5,143.70
Advance to suppliers					
(a) Unsecured, considered good		-	-	2,919.20	2,562.41
(b) Unsecured, considered good - related parties [Refer note 47]		-	-	-	4.06
(c) Unsecured, credit impaired		30.90	30.90	-	-
		30.90	30.90	2,919.20	2,566.47
Less: Provision for credit impaired		30.90	30.90	-	-
	(C)	-	-	2,919.20	2,566.47
Security Deposit for Land and other loans and advances (Refer note 49, 50 and 51)					
(a) Unsecured, considered good		693.02	759.02	-	-
(b) Unsecured, credit impaired		186.78	186.78	-	-
		879.80	945.80	-	-
Less: Provision for credit impaired		186.78	186.78	-	-
	(D)	693.02	759.02	-	-
Prepaid expenses	(E)	-	-	1,145.92	707.54
	<b>(A+B+C+D+E)</b>	<b>2,569.81</b>	<b>1,355.01</b>	<b>8,784.43</b>	<b>8,417.71</b>

**14. Deferred tax assets / liabilities**

As at 31st March 2022					INR in Lacs
Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Other adjustments *	Closing balance
<b>Deferred tax assets/ (liabilities)</b>					
Property, plant and equipment	(1,354.29)	447.15	-	-	(907.14)
Trade Receivables and retention money	969.22	(136.64)	-	-	832.58
Loans and borrowings	120.44	6.67	-	-	127.11
Other items	799.57	6.01	49.56	2.35	857.49
<b>Tax assets/(liabilities)</b>	<b>534.94</b>	<b>323.19</b>	<b>49.56</b>	<b>2.35</b>	<b>910.04</b>
<b>Disclosed as under</b>					
<b>Deferred tax assets (Net)</b>	<b>534.94</b>				<b>934.04</b>
<b>Deferred tax liabilities (Net)</b>					<b>24.00</b>
<b>Tax assets/(liabilities)</b>	<b>534.94</b>				<b>910.04</b>

\* Other adjustments includes currency fluctuation on conversion of foreign subsidiaries.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 14. Deferred tax assets / liabilities (contd...)

As at 31st March 2021

INR in Lacs

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Other adjustments *	Closing balance
<b>Deferred tax assets/ (liabilities)</b>					
Property, plant and equipment	(1,377.10)	22.81	-	-	(1,354.29)
Trade Receivables and retention money	731.30	237.92	-	-	969.22
Loans and borrowings	68.77	51.67	-	-	120.44
Other items	679.27	147.57	(32.02)	4.75	799.57
<b>Tax assets/(liabilities)</b>	<b>102.24</b>	<b>459.97</b>	<b>(32.02)</b>	<b>4.75</b>	<b>534.94</b>

Disclosed as under

<b>Deferred tax assets (Net)</b>	<b>148.31</b>				<b>534.94</b>
<b>Deferred tax liabilities (Net)</b>	<b>46.07</b>				<b>-</b>
<b>Tax assets/(liabilities)</b>	<b>102.24</b>				<b>534.94</b>

\* Other adjustments includes currency fluctuation on conversion of foreign subsidiaries.

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

## 15. Tax assets

	Non-current		Current	
	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Income tax paid (Net of provision for tax)	140.78	60.53	31.15	67.16
	<b>140.78</b>	<b>60.53</b>	<b>31.15</b>	<b>67.16</b>

## 16. Inventories

(valued at lower of cost and net realizable value)

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Raw materials and components	6,465.24	3,909.00
Work-in-progress	1,906.84	1,297.23
Finished goods	7,397.32	6,049.52
Traded goods	1,134.08	759.91
Stores and spares	882.03	639.02
Contract work-in-progress	310.48	104.78
	<b>18,095.99</b>	<b>12,759.46</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**17. Current investments**

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
<b>Investments measured at fair value through profit and loss</b>		
<b>Quoted, fully paid-up</b>		
5,875 (31st March 2021: 5,875) equity shares of INR 2 each, fully paid-up in Sterlite Technologies Limited	13.20	11.40
70 (31st March 2021: 70) equity shares of INR 2 each, fully paid-up in Jain Irrigation Systems Limited	0.02	0.01
8,100 (31st March 2021: 8,100) equity shares of INR 10 each, fully paid-up in Canara Bank	18.44	12.33
	<b>31.66</b>	<b>23.74</b>
Aggregate amount of quoted Investments	31.66	23.74
Market value of quoted Investments	31.66	23.74

**18. Cash and cash equivalents**

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Balances with banks		
On current accounts [Refer note below]	9,202.36	9,136.59
On Exchange Earner's Foreign Currency accounts	17.15	16.63
On deposit account with original maturity period of three months or less	7,614.00	10,515.91
Cash on hand	74.23	53.60
	<b>16,907.74</b>	<b>19,722.73</b>

**Note**

Includes balance of INR 4,309.03 Lacs (31st March 2021: INR 3,581.90 Lacs) in escrow accounts for utilisation in the execution of a specific EPC contract.

**19. Bank balances other than cash and cash equivalents**

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Balances with banks		
On Unclaimed dividend account	67.48	54.71
On Unclaimed interest on fixed deposits	0.30	0.52
Other bank balances:		
On deposit account	16,885.15	13,901.43
On margin money account [Refer note below]	19,728.90	16,858.54
	<b>36,681.83</b>	<b>30,815.20</b>

**Note**

Margin money deposits with a carrying amount of INR 19,728.90 Lacs (31st March 2021: INR 16,858.54 Lacs) are subject to first charge to secure bank guarantees issued by banks on our behalf.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 20. Equity share capital

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
<b>Authorised capital</b>		
17,000,000 (31st March 2021: 17,000,000) equity shares of INR 10 each.	1,700.00	1,700.00
<b>Issued, subscribed and fully paid-up capital *</b>		
14,228,785 (31st March 2021: 14,228,785) equity shares of INR 10 each.	1,422.88	1,422.88
	<b>1,422.88</b>	<b>1,422.88</b>

\* Issued, subscribed and fully paid-up shares are net of elimination of shares held by subsidiaries.

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

	As at 31st March 2022		As at 31st March 2021	
	No. of equity shares	INR in Lacs	No. of equity shares	INR in Lacs
At the beginning of the year	14,228,785	1,422.88	14,228,785	1,422.88
Add: Issued during the year	-	-	-	-
At the end of the year	<b>14,228,785</b>	<b>1,422.88</b>	<b>14,228,785</b>	<b>1,422.88</b>

## (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 March 2022		As at 31st March 2021	
	No. of equity shares	% holding	No. of equity shares	% holding
Mr. Rajesh Sharma	824,968	5.80%	824,968	5.80%
Mr. M. P. Patni	755,497	5.31%	755,497	5.31%

\*\* 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 exercise of options granted under the Employee Stock Option Scheme (ESOS) wherein part consideration was received in form of employee services preceding last five years ended on 31st March 2022: Nil shares (Previous period of five years ended 31st March 2021: 109,500 shares)

## (e) Shares reserved for issue under ESOS

There are no pending shares reserved for issue under Employee Stock Option Schemes (ESOS).

## (f) Details of shares held by promoter and promoter group (excluding shares held by subsidiaries)

As on 31st March 2022

Promoter name	No. of equity shares	% of total equity shares	% change during the year
Rajesh Sharma	824,968	5.80%	0.00%
M. P. Patni	755,497	5.31%	0.00%
Dinesh Sharma	632,271	4.44%	0.00%
Bimal Jain	417,223	2.93%	0.00%
Uma Ranganathan	373,274	2.62%	0.00%
Aankur Patni	295,293	2.08%	0.00%
Aruna Sharma	107,895	0.76%	0.00%

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**20. Equity share capital (contd...)**
**(f) Details of shares held by promoter and promoter group (excluding shares held by subsidiaries) (contd...)**
**As on 31st March 2022 (contd...)**

Promoter name	No. of equity shares	% of total equity shares	% change during the year
Poonam Sharma	49,650	0.35%	0.00%
Nirmla Patni	8,300	0.06%	0.00%
Anita Jain	5,546	0.04%	0.00%
Pallavi Sharma	2,000	0.01%	0.00%
Nidhi Patni	1,000	0.01%	0.00%
Ion Exchange Financial Products Pvt. Ltd.	50,422	0.36%	0.00%
	<b>3,523,339</b>	<b>24.77%</b>	<b>0.00%</b>

**As on 31st March 2021**

Promoter name	No. of equity shares	% of total equity shares	% change during the year
Rajesh Sharma	824,968	5.80%	0.00%
M. P. Patni	755,497	5.31%	0.00%
Dinesh Sharma	632,271	4.44%	0.00%
Bimal Jain	417,223	2.93%	0.00%
Uma Ranganathan	373,274	2.62%	0.00%
Aankur Patni	295,293	2.08%	0.00%
Aruna Sharma	107,895	0.76%	0.00%
Poonam Sharma	49,650	0.35%	0.00%
Nirmla Patni	8,300	0.06%	0.00%
Anita Jain	5,546	0.04%	0.00%
Pallavi Sharma	2,000	0.01%	0.00%
Nidhi Patni	1,000	0.01%	0.00%
Ion Exchange Financial Products Pvt. Ltd.	50,422	0.36%	0.00%
	<b>3,523,339</b>	<b>24.77%</b>	<b>0.00%</b>

**21. Other equity**

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
<b>Security premium</b>		
Balance as at 1st April	8,334.84	8,334.84
(A)	8,334.84	8,334.84
<b>Special reserve</b>		
Balance as at 1st April	22.17	22.17
(As per section 45 - IC of the Reserve Bank of India Act, 1934)		
(B)	22.17	22.17
<b>General reserve</b>		
Balance as at 1st April	2,719.79	2,719.79
(C)	2,719.79	2,719.79
<b>Legal reserve</b>		
Balance as at 1st April	151.54	151.54
(D)	151.54	151.54

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 21. Other equity (contd...)

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
<b>Capital reserve on consolidation</b>		
Balance as at 1st April	257.48	257.48
	(E) 257.48	257.48
<b>Foreign currency translation reserve</b>		
Balance as at 1st April	221.00	309.29
Add: Foreign currency translation profit during the year	49.45	(88.29)
	(F) 270.45	221.00
<b>Retained earnings</b>		
Balance as at 1st April	40,266.88	25,904.85
Additional treasury shares	-	47.35
Profit for the year	16,277.46	14,393.32
Other Comprehensive Income (OCI)	(159.24)	102.53
Appropriations		
- Dividend	(1,185.52)	(181.17)
	(G) 55,199.58	40,266.88
<b>Treasury shares</b>		
Balance as at 1st April	(2,812.64)	(2,808.28)
Additional treasury shares	-	(4.36)
	(H) (2,812.64)	(2,812.64)
	<b>(A+B+C+D+E+F+G+H) 64,143.21</b>	<b>49,161.06</b>

## Notes

## (a) Description of nature and purpose of each reserve

**Security premium:** Security premium is used to record the premium on issue of shares. Securities premium also includes the difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to employee stock options scheme. The reserve is utilised in accordance with the provisions of the Act.

**Special reserve:** Special reserve is created by the company in past as per provision of section 45 - IC of the Reserve Bank of India Act, 1934 for repayment of fixed deposit holders.

**General reserve:** The company created a General Reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirement to transfer profits to General Reserve is not mandatory. General reserve represents appropriation of retained earnings and are available for distribution to shareholders.

**Legal reserve:** Legal reserve is reserve created in accordance with the Commercial Companies Law of Oman, 1974)

**Capital reserve on consolidation:** The amount represents capital reserve arising at the time of acquisition.

**Foreign currency translation reserve:** Exchange difference arising on re-statement of long-term monetary items that in substance forms part of group's net investment in foreign operations, is accumulated in foreign currency translation reserve.

**Treasury shares:** Treasury shares represents equity shares of the company held by IEI Shareholding (Staff Welfare) Trusts and HMIL Shareholding (Staff Welfare) Trusts.

## b) Dividend on equity shares paid during the year (excluding for shares held by subsidiaries)

	31st March 2022 INR in Lacs	31st March 2021 INR in Lacs
Dividend [INR 10.00 per equity share (2020-21: INR 1.50 per equity share)]	1,422.88	213.43
Less: Dividend on treasury shares	(237.36)	(32.26)
	<b>1,185.52</b>	<b>181.17</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**22. Borrowings**

	Non-current		Current	
	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Term loans (Secured)				
Indian rupee loan from financial institution [Refer note (a) below]	-	310.96	313.83	418.44
Indian rupee loan from a bank [Refer note (b), (c) and (d) below]	1,135.89	404.69	581.25	609.58
Indian rupee vehicle loan from banks and finance companies [Refer note (e) below]	36.19	79.36	51.29	56.15
	<b>1,172.08</b>	<b>795.01</b>	<b>946.37</b>	<b>1,084.17</b>
The above amount includes				
Secured borrowings	1,172.08	795.01	946.37	1,084.17
Unsecured borrowings	-	-	-	-
Amount included under the head "Current liabilities - Borrowings" (Refer note 27)	-	-	(946.37)	(1,084.17)
	<b>1,172.08</b>	<b>795.01</b>	<b>-</b>	<b>-</b>

**Notes**

- (a) Indian rupees loan from financial institution for capital expenditure carries interest @ 9.80 to 11.30% p.a. The loan is secured by first charge on movable and immovable fixed assets pertaining to a manufacturing facility at Goa and is repayable in 54 months with moratorium of 6 months from the date of actual commercial operation date.
- (b) Indian rupees loan of INR 1,500.00 Lacs from a bank for capital expenditure. Loan is repayable in 48 months from the date of the first disbursement and carries interest @ 9.40% to 10.20% p.a. The loan is secured by exclusive first charge on three residential properties.
- (c) Indian rupees loan of INR 925.00 Lacs from a bank for capital expenditure. Loan is repayable in 48 months from the date of the first disbursement and carries interest rate of 10% to 10.90% p.a. The loan is secured by exclusive first charge on three residential properties.
- (d) Indian rupees loan of INR 1,400.00 Lacs from a bank for capital expenditure. Loan is repayable in 48 months from the date of the first disbursement and carries interest rate of 8.40% p.a. The loan is secured by exclusive first charge on three residential properties.
- (e) Indian rupee vehicle loans from banks and finance companies carries interest @ 8.00% to 13.50% p.a. The loans are repayable within a period of 36 to 60 months in equal monthly installments along with interest, from the various dates of disbursements. The loans are secured by hypothecation of under lying vehicles.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 23. Other financial liabilities - Non Current

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Deposits	890.98	847.92
	<b>890.98</b>	<b>847.92</b>

## 24. Provisions

	Non-current		Current	
	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Provision for employee benefits (Refer note 43)	1,898.43	1,704.73	693.99	497.85
Provision for warranties	-	-	39.61	27.13
	<b>1,898.43</b>	<b>1,704.73</b>	<b>733.60</b>	<b>524.98</b>

## Provision for warranties

A provision is recognised for expected warranty claims on Consumer Product Division's products sold and Engineering services during last one year, based on past experience of the level of repairs and returns.

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
At the beginning of the year	27.13	31.53
Arising during the year	39.61	27.13
Utilised during the year	27.13	31.53
Unused amounts reversed	-	-
At the end of the year	39.61	27.13

## 25. Other non-current liabilities

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Others	50.75	50.75
	<b>50.75</b>	<b>50.75</b>

## 26. Tax liabilities

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Provision for income tax (Net)	1,501.28	2,576.28
	<b>1,501.28</b>	<b>2,576.28</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**

**27. Borrowings - Current**

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Working capital loan from banks (Secured) [Refer notes (a) to (e) below]	2,078.43	2,507.18
Buyers credit with a financial institution (Unsecured) [Refer note (f) below]	15.67	246.22
Purchase Bill Discounting (Unsecured) [Refer note (g) below]	571.01	402.51
Inter-corporate deposits (Unsecured) [Refer note (h) below]	24.77	103.27
Current maturities of long term borrowings (Secured) (Refer note 22)	946.37	1,084.17
	<b>3,636.25</b>	<b>4,343.35</b>
The above amount includes		
Secured borrowings	3,024.80	3,591.35
Unsecured borrowings	611.45	752.00
	<b>3,636.25</b>	<b>4,343.35</b>

Notes:

- (a) Includes working capital loan of INR 31.51 Lacs (31st March 2021: INR 442.12 Lacs) secured by joint hypothecation of book debts and stocks and collateral security by way of charge on the fixed assets at its manufacturing facilities situated in Hosur, Patancheru, Vashi, Goa, Ankleshwar and Mumbai (Office Premises). The working capital loan is repayable on demand and carries interest @ 7.75% to 11% p.a.
- (b) Includes working capital loan of INR Nil (31st March 2021: INR Nil) from a bank secured against fixed deposits and corporate guarantees and carries interest of 1.5% p.a.
- (c) Includes working capital loan of INR 259.33 Lacs (31st March 2021: INR 246.82 Lacs) from a bank secured against hypothecation of book debts and stocks and also secured by corporate guarantees and carries interest of 3 months JIBAR + 410 basis point. The working capital loan is repayable on demand.
- (d) Includes working capital loan of INR 1,787.59 Lacs (31st March 2021: INR 1,782.88 Lacs) from a bank secured against hypothecation of stock and book debts and supplementary mortgage of factory land and building at village Nichole, Taluka Wada, District Thane, and hypothecation of plant and machinery present and future, and personal guarantee of directors and corporate guarantee. The cash credit is repayable on demand and carries interest @ 12.50% p.a.
- (e) Includes working capital loan of INR Nil (31st March 2021: INR 35.36 Lacs) is secured by hypothecation of book debts and stocks and collateral security by way of comfort letter / corporate guarantee. The working capital loan is repayable on demand and carries interest @ 9.00 % p.a.
- (f) Buyers credit is vendor bills discounting facility with a financial institution and carries interest @ Overnight SOFR + 475 basis point.
- (g) Purchase Bill Discounting Finance availed from finance company and carries interest @ 8.50% p.a.
- (h) Inter corporate deposit are for a period from 90 to 365 days and carried interest @ 10% p.a.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 28. Trade payables

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Trade payables (including acceptances)		
- Total outstanding dues of micro and small enterprises (Refer note 57)	3,035.98	1,504.76
- Total outstanding dues of creditors other than micro and small enterprises	49,312.89	52,026.95
	<b>52,348.87</b>	<b>53,531.71</b>

## Trade payables ageing schedule

## As at 31 March 2022

	Outstanding for following periods from due date of payment				Total INR in Lacs
	Less than 1 year INR in Lacs	1-2 years INR in Lacs	2-3 years INR in Lacs	More than 3 years INR in Lacs	
	Total outstanding dues of micro enterprises and small enterprises	3,033.54	0.08	0.74	
Total outstanding dues of creditors other than micro enterprises and small enterprises	46,371.50	1,303.37	145.28	751.19	48,571.34
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	59.60	39.00	68.73	199.51	366.84
Unbilled trade payables	374.71	-	-	-	374.71
	<b>49,839.35</b>	<b>1,342.45</b>	<b>214.75</b>	<b>952.32</b>	<b>52,348.87</b>

## As at 31 March 2021

	Outstanding for following periods from due date of payment				Total INR in Lacs
	Less than 1 year INR in Lacs	1-2 years INR in Lacs	2-3 years INR in Lacs	More than 3 years INR in Lacs	
	Total outstanding dues of micro enterprises and small enterprises	1,502.40	0.74	0.56	
Total outstanding dues of creditors other than micro enterprises and small enterprises	49,523.27	311.20	300.67	1,087.89	51,223.03
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	157.35	17.62	69.60	188.95	433.52
Unbilled trade payables	370.40	-	-	-	370.40
	<b>51,553.42</b>	<b>329.56</b>	<b>370.83</b>	<b>1,277.90</b>	<b>53,531.71</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**29. Other financial liabilities - Current**

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Interest accrued but not due	18.23	9.25
Employee benefits payable	2,559.37	2,425.08
Creditors for capital goods	591.83	614.57
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
- Unpaid dividend	67.48	54.71
- Unclaimed interest on fixed deposit	0.30	0.52
- Unclaimed matured deposit	1.40	2.00
	<b>3,238.61</b>	<b>3,106.13</b>

**30. Other current liabilities**

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Advance from customers	21,515.27	12,562.90
Unearned revenue on construction contracts (Refer note 45)	6,680.87	10,637.21
Unearned revenue on AMC services	603.28	455.24
Statutory dues	1,549.44	1,369.18
Other liabilities	489.27	148.68
Deposits	11.05	11.05
	<b>30,849.18</b>	<b>25,184.26</b>

**31. Revenue from operations**

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
<b>Sale of products</b>		
Finished goods	110,677.76	97,804.56
Traded goods	8,443.32	6,787.47
<b>Sale of services</b>	37,380.19	38,998.81
<b>Other operating revenue</b>		
Scrap sale	371.41	207.61
Management fees	83.52	87.43
Other operating income	730.57	1,066.07
	<b>157,686.77</b>	<b>144,951.95</b>

Revenue disaggregation as per industry vertical and geography has been included in segment information (Refer note 46)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 32. Other income

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Interest income at amortised cost		
- From banks	1,790.41	1,944.56
- From others	424.68	476.21
Rent	153.91	138.17
Dividend income on investments	2.20	1.07
Exchange gain (Net)	697.21	-
Profit on fixed assets sold/discarded (Net)	21.49	1.37
Other non operating Income	1,071.77	734.74
Change in fair value of investments - Investments classified at FVTPL	7.91	12.68
	<b>4,169.58</b>	<b>3,308.80</b>

## 33. Cost of materials consumed

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Inventory at the beginning of the year	3,909.00	5,056.11
Add: Purchases *	95,348.26	85,383.29
Less: Inventory at the end of the year	6,465.24	3,909.00
Cost of raw material and components consumed **	<b>92,792.02</b>	<b>86,530.40</b>

\* Includes direct expenses incurred on contracts

\*\* The value of raw materials consumed have been arrived at on basis of opening stocks plus purchases less closing stock. The consumption therefore includes adjustments for materials sold, shortage/ excess and obsolescence.

## 34. Purchases of stock-in-trade

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Consumer products	3,522.52	2,571.35
Spares	751.20	572.43
Others	45.21	133.57
	<b>4,318.93</b>	<b>3,277.35</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**

**35. Change in inventories of finished goods, work-in-progress and stock-in-trade**

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
<b>Inventories at the end of the year</b>		
Traded goods	1,134.08	759.91
Work-in-progress	1,906.84	1,297.23
Finished goods	7,397.32	6,049.52
Contract work-in-progress	310.48	104.78
<b>(A)</b>	<b>10,748.72</b>	<b>8,211.44</b>
<b>Inventories at the beginning of the year</b>		
Traded goods	759.91	1,135.10
Work-in-progress	1,297.23	1,614.22
Finished goods	6,049.52	4,788.72
Contract work-in-progress	104.78	55.57
<b>(B)</b>	<b>8,211.44</b>	<b>7,593.61</b>
<b>(B)-(A)</b>	<b>(2,537.28)</b>	<b>(617.83)</b>

**36. Employee benefits expense**

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Salaries, wages and bonus	17,999.50	15,704.93
Contribution to provident and other funds (Refer note 43)	1,145.41	1,066.49
Staff welfare expense	758.61	591.46
	<b>19,903.52</b>	<b>17,362.88</b>

**37. Finance costs**

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Interest expense financial liabilities measured at amortised cost	709.55	913.39
Interest on lease liabilities	161.74	180.27
Other borrowing costs	123.37	167.16
	<b>994.66</b>	<b>1,260.82</b>

**38. Depreciation and amortisation expense**

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Depreciation of property, plant and equipment (Refer note 4)	1,980.81	1,926.67
Depreciation on right-of-use assets (Refer note 6)	759.66	782.11
Amortisation of intangible assets (Refer note 7)	63.80	58.69
	<b>2,804.27</b>	<b>2,767.47</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 39. Other expenses

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Stores and spare parts consumed	77.93	72.10
Power and fuel	2,145.50	1,565.69
Repairs and Maintenance - Buildings	121.94	71.18
- Plant and machinery	583.40	426.71
- Others	355.08	303.31
Rent (Net of recoveries)	422.95	434.95
Rates and taxes	510.74	601.92
Insurance (Net of recoveries)	320.37	284.99
Travelling and conveyance	2,760.24	1,983.23
Freight (Net of recoveries)	4,232.30	3,180.44
Packing (Net of recoveries)	1,995.41	1,581.62
Advertisement and publicity	733.26	400.83
Commission	350.34	209.13
Legal and professional charges	1,957.53	1,241.40
Telephone and telex	226.23	222.30
Bad debts written off	268.42	128.03
Less: Provision for doubtful debts utilised	80.14	-
	188.28	128.03
Provision for doubtful debts	141.41	572.87
Doubtful advances/Claims written off	66.00	476.32
Auditors' remuneration (Refer note 39.1)	56.94	50.34
Directors' fees	38.65	41.70
Directors' commission	175.00	175.00
Bank charges	272.31	210.78
Exchange loss (Net)	-	258.53
Establishment and other miscellaneous expenses *	4,157.04	3,675.71
	<b>21,888.85</b>	<b>18,169.08</b>

\* Includes CSR expenditure of INR 284.78 Lacs (2020-21: INR 203.03 Lacs). Refer note 64.

## 39.1 Auditors' remuneration (excluding taxes)

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
As auditor:		
- Audit fees	28.75	28.75
- Tax audit fees	4.00	4.00
- Limited review	8.25	5.25
In other capacity:		
- Other services (Certification fees)	8.60	5.70
- Reimbursement of expenses	3.09	1.99
Branch auditor		
- Audit fees	2.75	2.75
- Other services (Certification fees)	1.20	1.50
- Reimbursement of expenses	0.30	0.40
	<b>56.94</b>	<b>50.34</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**40. Tax expense**

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Current tax	5,887.47	5,631.16
Deferred tax	(323.19)	(459.97)
	5,564.28	5,171.19
<b>Reconciliation of Tax Expense</b>		
Profit before tax	21,691.38	19,510.58
Applicable tax rate	25.17%	25.17%
<b>Computed tax expense</b>	<b>(A) 5,459.72</b>	<b>4,910.81</b>
Adjustments for:		
Non-deductible tax expenses	75.15	68.35
Tax-exempt income	(7.95)	(31.88)
Corporate social responsibility expenditure	71.68	51.10
Deduction under house property	(17.82)	(17.65)
Subsidiaries chargeable at different rates	81.48	6.04
Deferred tax not recognised on losses and others	(97.98)	184.42
<b>Net adjustments</b>	<b>(B) 104.56</b>	<b>260.38</b>
<b>Tax expense</b>	<b>(A+B) 5,564.28</b>	<b>5,171.19</b>

**41. Other comprehensive income**

	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
<b>Items that will not be reclassified to profit or loss</b>		
(a) Remeasurement benefit of defined benefit plans	(208.80)	134.55
(b) Income tax expense on remeasurement benefit of defined benefit plans	49.56	(32.02)
<b>Items that will be reclassified to profit or loss</b>		
(a) Movement in foreign currency translation reserve	58.91	(129.62)
	<b>(100.33)</b>	<b>(27.09)</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 42. Earnings per share (EPS)

	Particulars	31st March 2022	31st March 2021
I	Profit computation for both basic and diluted earnings per share of INR 10 each		
	Net profit as per the statement of profit and loss available for equity shareholders (INR in Lacs)	16,277.46	14,393.32
II	Weighted average number of equity shares for earnings per share computation (equity shares are after elimination of shares held by subsidiaries)		
A)	For basic earnings per share		
	No. of shares	14,228,785	14,228,785
	Less: Treasury shares held by IEI Shareholding (Staff Welfare) Trusts and HMIL Shareholding (Staff Welfare) Trusts (Weighted average)	2,373,614	2,373,614
	No. of shares for basic earnings per share	11,855,171	11,855,171
B)	For diluted earnings per share		
	No. of shares for basic EPS	11,855,171	11,855,171
	Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	-	-
	No. of shares for diluted earnings per share	11,855,171	11,855,171
III	Earnings per share in Rupees (Weighted average)		
	Basic (INR)	137.30	121.41
	Diluted (INR)	137.30	121.41

## 43. Employee benefits

- A. The group 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 recognised by Income tax authorities.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

INR in Lacs

	Particulars	2021-22	2020-21
I	<b>Change in defined benefit obligation</b>		
	Defined benefit obligation, Beginning of period	2,337.91	2,279.17
	Interest cost	133.07	136.12
	Service cost	183.33	184.82
	Liability transferred in / acquisitions	-	-
	Actual plan participants' contributions	-	-
	Total actuarial (gains)/losses	216.33	(120.77)
	a. Effect of change in financial assumptions	15.63	17.52
	b. Effect of change in demographic assumptions	(39.44)	(94.18)
	c. Experience (gains) / losses	240.14	(44.11)
	Changes in foreign currency exchange rates	-	-
	Acquisition / Business combination/divestiture	-	-
	Benefits paid	(138.59)	(141.44)
	Past service cost	-	-
	Losses / (gains) on curtailments / settlements	-	-
	Defined benefit obligation, end of period	2,731.11	2,337.90

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**43. Employee benefits (contd...)**
**INR in Lacs**

	Particulars	2021-22	2020-21
<b>II</b>	<b>Change in the fair value of plan assets</b>		
	Fair value of plan assets at the beginning of the period	2,116.46	2,014.81
	Interest income	128.46	128.28
	Contributions by the employer	233.70	86.81
	Expected contributions by the employees	-	-
	Assets transferred in / acquisitions	-	-
	(Assets transferred out / divestments)	-	-
	(Benefit paid from the fund)	(99.97)	(127.22)
	(Assets distributed on settlements)	-	-
	Effects of asset ceiling	-	-
	The effect of changes in foreign exchange rates	-	-
	Return on plan assets, excluding interest income	7.53	13.78
	Fair value of plan assets at the end of the period	2,386.17	2,116.46
<b>III</b>	<b>Expenses recognised in the statement of profit or loss for current period</b>		
	Current service cost	183.33	184.82
	Net interest cost	4.61	7.84
	Past service cost	-	-
	(Expected contributions by the employees)	-	-
	(Gains) / Losses on curtailments and settlements	-	-
	Net effect of changes in foreign exchange rates	-	-
	Expenses recognised	187.93	192.66
<b>IV</b>	<b>Expenses recognised in the other comprehensive income (OCI) for current period</b>		
	Actuarial (gains) / losses on obligation for the period	216.33	(120.77)
	Return on plan assets, excluding interest income	(7.53)	(13.78)
	Change in asset ceiling	-	-
	Net (income) / expense for the period recognised in OCI	208.80	(134.55)
<b>V</b>	<b>Maturity analysis of the benefit payments</b>		
	Projected benefits payable in future years from the date of reporting		
	1st following year	634.27	479.02
	2nd following year	341.11	677.80
	3rd following year	371.15	264.34
	4th following year	306.98	244.27
	5th following year	255.54	176.91
	Sum of years 6 to 10	1,059.79	599.32
	Sum of years 11 and above	395.39	326.72
<b>VI</b>	<b>Sensitivity analysis</b>		
	Projected benefit obligation on current assumptions	2,731.11	2,337.91
	Delta effect of +0.5% change in rate of discounting	(53.64)	(43.69)
	Delta effect of -0.5% change in rate of discounting	56.79	45.83
	Delta effect of +0.5% change in rate of salary increase	57.31	44.94
	Delta effect of -0.5% change in rate of salary increase	(53.86)	(28.89)
	Delta effect of +0.5% change in rate of employee turnover	(4.16)	(3.76)
	Delta effect of -0.5% change in rate of employee turnover	4.28	3.89

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****43. Employee benefits (contd...)**

The group expects to contribute INR 357.85 Lacs (2021-22: INR 72.48 Lacs) to gratuity in 2022-23.

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 (Gratuity)	
		2021-22	2020-21
1	Central and state government bonds	-	-
2	Public sector undertaking	-	-
3	Insurance policy	100%	100%
4	Special deposit scheme 1975	-	-
5	Other assets	-	-

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.

**B. Provident fund**

The group's provident fund schemes which are administered through government of India are defined contribution plan. The group's contribution paid / payable under the scheme is recognised as expense in the statement of profit and loss during the year in which the employee renders the related services. There are no other obligations other than the contribution payable to the respective fund.

The group's provident fund scheme which is managed by trust set up by the group, the contribution to the provident fund is remitted to a separate trust established for this purpose based on a fixed percentage of the eligible employees' salary and charged to statement of profit and loss. Shortfall, if any, in the fund assets, based on the government specified minimum rate of return, will be made good by the group and charged to statement of profit and loss. The actual return earned by the fund has mostly been higher than the government specified minimum rate of return in the past years. There is a shortfall of INR 33.64 Lacs in the fund as on 31st March 2021 as per valuation report, which has been provided for by the company. There was no shortfall in the fund as on 31st March 2022.

The details of fund obligations are given below:

**INR in Lacs**

Particulars	INR in Lacs	
	As at 31st March 2022	As at 31st March 2021
Present value of benefit obligation at period end	6,847.88	5,944.98

Note:

The Indian parliament has approved the Code of Social Security, 2020 ('the code'), which, inter alia, deals with employee benefits during employment and post-employment. The code has been published in the gazette of India. The effective date of the code and rules thereunder are yet to be notified. In view of this, the impact of the change, if any, will be assessed and recognised post notification of the relevant provisions.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**44. 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. It does not include the fair value information for current financial assets and current financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value

INR in Lacs

	As at 31st March 2022				As at 31st March 2021			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level of input used in				Level of input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial assets - Non-current</b>								
<b>At amortised cost</b>								
Trade receivables	453.96	-	453.96	-	454.17	-	454.17	-
Loans	-	-	-	-	-	-	-	-
Others	1,706.66	-	1,706.66	-	1,767.85	-	1,767.85	-
<b>At FVTPL</b>								
Investments *	436.73	-	436.73	-	71.18	-	71.18	-
<b>Financial assets - Current **</b>								
<b>At amortised cost</b>								
Trade receivables	50,770.05				44,896.02			
Cash and cash equivalents	16,907.74				19,722.73			
Bank balances other than above	36,681.83				30,815.20			
Loans	2,012.10				1,424.33			
Others	1,372.56				1,171.42			
<b>At FVTPL</b>								
Investments	31.66	31.66	-	-	23.74	23.74	-	-
<b>Financial liabilities - Non-current</b>								
<b>At amortised cost</b>								
Borrowings	1,172.08	-	1,172.08	-	795.01	-	795.01	-
Lease liabilities	290.22	-	290.22	-	483.88	-	483.88	-
Other financial liabilities	890.98	-	890.98	-	847.92	-	847.92	-
<b>Financial liabilities - Current **</b>								
Borrowings	3,636.25				4,343.35			
Lease liabilities	423.60				610.34			
Trade payables	52,348.87				53,531.71			
Other financial liabilities	3,238.61				3,106.13			

\* Excludes investments in associates amounting to INR 397.71 Lacs (31st March 2021: INR 356.04 Lacs)

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****44. Financial instruments (contd...)****B. Measurement of fair values**

Valuation techniques and significant unobservable inputs

The following table show the valuation techniques used in measuring level 2 and level 3 fair values, as well as the significant unobservable inputs used. The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

Financial instruments measured at fair value

Type	Valuation technique
Forward contracts for foreign exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies
Non current financial assets 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.
Investments in unquoted preference shares	Discounted cash flow: The fair value is estimated considering net present value calculated using long term growth rate and discount rate.
Investments in unquoted equity shares	Discounted cash flow: Using long term growth rate.

**C. Fair value hierarchy:**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

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

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

**Level 3:** If one or more of the significant Inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

**D. Inter level transfers:**

There are no transfers between levels 1 and 2 as also between levels 2 and 3 during the year

**E. Financial risk management**

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

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

**(i) Risk management framework**

The audit committee members of the company and board of directors of the subsidiaries have overall responsibility for the establishment and oversight of the company's risk management framework.

The group's risk management policies are established to identify and analyses the risks faced by the group, 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 group's activities. The group, 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**

**44. Financial instruments (contd...)**

The audit committee members of the company and the board of directors of the subsidiaries oversees how management monitors compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The board of directors is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the major observations are periodically highlighted to the audit committee members of the company and the board of directors of the subsidiaries.

**(ii) Credit risk**

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

**Trade receivables**

Credit risk is managed through credit approvals, and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. In respect of trade receivables, the group 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 group assesses the credit quality of the customer based on market intelligence, past payment history and defaults.

Credit risk management procedures includes regular monitoring of outstanding trade receivables to ensure risk of credit loss is minimal.

The company has impaired its trade receivables using a provisioning matrix representing expected credit losses based on range of outcome.

As per policy, trade receivables are classified into different buckets based on the overdue period. There are different provisioning norms for each bucket which are ranging from 25% to 100%.

INR in Lacs

Particulars	Trade receivables
Balance as at 1st April 2020	1,375.04
Provision recognized	572.87
Amount utilized	-
Balance as at 31st March 2021	1,947.91
Provision recognized	141.41
Amount utilized	80.14
Balance as at 31st March 2022	2,009.18

**Cash and cash equivalents**

The group held cash and cash equivalents of INR 16,907.74 Lacs as at 31st March 2022 (as at 31st March 2021: INR 19,722.73 Lacs). The cash and cash equivalents are held with banks with good credit ratings.

**Other bank balances**

The group held other bank balances equivalents of INR 36,681.83 Lacs as at 31st March 2022 (as at 31st March 2021: INR 30,815.20 Lacs). The other bank balances are mainly temporary surplus fund invested in fixed deposits with banks having good credit rating and margin money against bank guarantees issued by bank on our behalf.

**Investments**

The group has invested an insignificant amount in listed securities. The group does not expect any losses.

**Other financial assets**

Other financial assets mainly comprise of tender deposits and security deposits which are given to customers or governmental agencies in relation to contracts under bid / under execution and are assessed by the group for credit risk on a continuous basis.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****44. Financial instruments (contd...)****(iii) Liquidity risk**

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group'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 group's reputation.

The group has obtained fund and non-fund based working capital limits from various banks. The group invests its temporary 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.

**As at 31st March 2022****INR in Lacs**

	Carrying amount	Contractual cash flows *				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
(i) Borrowings **	2,118.45	2,436.96	1,096.91	1,059.72	280.33	-
(ii) Lease liabilities **	713.82	1,019.29	116.50	761.76	2.19	138.84
(iii) Other non current financial liabilities	890.98	890.98	-	-	-	890.98
<b>Current financial liabilities</b>						
(i) Short term borrowings	2,689.88	2,689.88	2,689.88	-	-	-
(ii) Trade payables	52,348.87	52,348.87	52,348.87	-	-	-
(iii) Other financial liabilities	3,238.61	3,238.61	3,238.61	-	-	-
	<b>62,000.61</b>	<b>62,624.59</b>	<b>59,490.77</b>	<b>1,821.48</b>	<b>282.52</b>	<b>1,029.82</b>

**As at 31st March 2021****INR in Lacs**

	Carrying amount	Contractual cash flows *				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
(i) Borrowings **	1,879.18	2,079.88	1,224.67	845.62	9.59	-
(ii) Lease liabilities **	1,094.22	1,524.29	267.41	1,077.32	36.39	143.17
(iii) Other non current financial liabilities	847.92	847.92	-	-	-	847.92
<b>Current financial liabilities</b>						
(i) Short term borrowings	3,259.18	3,259.18	3,259.18	-	-	-
(ii) Trade payables	53,531.71	53,531.71	53,531.71	-	-	-
(iii) Other financial liabilities	3,106.13	3,106.13	3,106.13	-	-	-
	<b>63,718.34</b>	<b>64,349.11</b>	<b>61,389.10</b>	<b>1,922.94</b>	<b>45.98</b>	<b>991.09</b>

\* Contractual cash flows includes interest payout in the respective years on borrowings.

\*\* Including current and non-current portion.

**(iv) Market risk**

The group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates to the floating rate debt obligations.

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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**44. Financial instruments (contd...)**
Exposure to interest rate risk:

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

	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
<b>Fixed rate instruments</b>		
<b>Financial assets – measured at amortised cost</b>		
Loans to related parties	282.88	224.36
Balances with banks - On deposit account with original maturity less than 3 months	7,614.00	10,515.91
Other bank balances – On deposit account	16,885.15	13,901.43
Other bank balances – On margin money account	19,728.90	16,858.54
	<b>44,510.93</b>	<b>41,500.24</b>
<b>Financial liabilities – measured at amortised cost</b>		
Long term borrowing *	1,804.62	1,149.78
Short term borrowings	595.78	505.78
	<b>2,400.40</b>	<b>1,655.56</b>
<b>Variable rate loan</b>		
<b>Financial liabilities – measured at amortised cost</b>		
Long term borrowings *	313.83	729.40
Short term borrowings	2,094.10	2,753.40
	<b>2,407.93</b>	<b>3,482.80</b>

\* Including current maturity of long term borrowings

Fair value sensitivity analysis for fixed-rate instruments:

The group 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 remain constant.

	31st March 2022		31st March 2021	
	Increase	Decrease	Increase	Decrease
	(-)	+	(-)	+
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs
1% Movement	(24.08)	24.08	(34.83)	34.83

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

Foreign currency risk

The group is exposed to currency risk on account of its revenue generating and operating activities in foreign currency. The functional currency of the group is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed in recent periods and may continue to fluctuate in the future.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 44. Financial instruments (contd...)

Exposure to currency risk:

The currency profile of financial assets and financial liabilities as at 31st March 2022 and 31st March 2021 are as below:

**As at 31st March 2022**

INR in Lacs

	USD	EUR	SAR	AED	Others	Total
<b>Financial assets</b>						
Loans to subsidiaries	279.80	-	-	-	-	279.80
Cash and cash equivalents	4,463.70	-	-	351.76	336.27	5,151.73
Trade and other receivables	19,420.40	436.63	8.88	2,006.84	268.08	22,140.83
	<b>24,163.90</b>	<b>436.63</b>	<b>8.88</b>	<b>2,358.60</b>	<b>604.35</b>	<b>27,572.36</b>
Less: Forward exchange contracts	(4,182.66)	-	-	-	-	(4,182.66)
Less: Natural hedge	(4,823.31)	-	(8.88)	(292.43)	(556.80)	(5,681.42)
<b>Net exposure on financial assets</b>	<b>15,157.93</b>	<b>436.63</b>	<b>-</b>	<b>2,066.17</b>	<b>47.55</b>	<b>17,708.28</b>
<b>Financial liabilities</b>						
Trade and other payables	4,516.51	121.63	13.23	292.43	3,630.81	8,574.61
Borrowings	306.80	-	-	-	-	306.80
	<b>4,823.31</b>	<b>121.63</b>	<b>13.23</b>	<b>292.43</b>	<b>3,630.81</b>	<b>8,881.41</b>
Less: Forward exchange contracts	-	-	-	-	-	-
Less: Natural hedge	(4,823.31)	-	(8.88)	(292.43)	(556.80)	(5,681.42)
<b>Net exposure on Financial liabilities</b>	<b>-</b>	<b>121.63</b>	<b>4.35</b>	<b>-</b>	<b>3,074.01</b>	<b>3,199.99</b>
<b>Total net exposure</b>	<b>15,157.93</b>	<b>558.26</b>	<b>4.35</b>	<b>2,066.17</b>	<b>3,121.56</b>	<b>20,908.27</b>

**As at 31st March 2021**

INR in Lacs

	USD	EUR	SAR	AED	Others	Total
<b>Financial assets</b>						
Loans to subsidiaries	389.45	-	-	-	-	389.45
Cash and cash equivalents	3,701.02	-	-	578.26	1,614.21	5,893.49
Trade and other receivables	22,126.04	121.76	125.61	572.33	294.80	23,240.54
	<b>26,216.51</b>	<b>121.76</b>	<b>125.61</b>	<b>1,150.59</b>	<b>1,909.01</b>	<b>29,523.48</b>
Less: Forward exchange contracts	(2,844.82)	-	-	-	-	(2,844.82)
Less: Natural hedge	(4,325.28)	-	(12.75)	(219.45)	(1,884.62)	(6,442.10)
<b>Net exposure on financial assets</b>	<b>19,046.41</b>	<b>121.76</b>	<b>112.86</b>	<b>931.14</b>	<b>24.39</b>	<b>20,236.56</b>
<b>Financial liabilities</b>						
Trade and other payables	4,000.20	819.83	12.75	219.45	2,045.95	7,098.18
Borrowings	325.08	-	-	-	-	325.08
	<b>4,325.28</b>	<b>819.83</b>	<b>12.75</b>	<b>219.45</b>	<b>2,045.95</b>	<b>7,423.26</b>
Less: Forward exchange contracts	-	(271.21)	-	-	-	(271.21)
Less: Natural hedge	(4,325.28)	-	(12.75)	(219.45)	(1,884.62)	(6,442.10)
<b>Net exposure on Financial liabilities</b>	<b>-</b>	<b>548.62</b>	<b>-</b>	<b>-</b>	<b>161.33</b>	<b>709.95</b>
<b>Total net exposure</b>	<b>19,046.41</b>	<b>670.38</b>	<b>112.86</b>	<b>931.14</b>	<b>185.72</b>	<b>20,946.51</b>

Sensitivity analysis:

A reasonably possible strengthening / weakening of the Indian Rupee against foreign currency at 31st March would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

INR in Lacs

	Profit or (loss)			
	31st March 2022		31st March 2021	
	(Strengthening)	Weakening	(Strengthening)	Weakening
<b>1% movement</b>				
USD	(151.58)	151.58	(190.46)	190.46
EUR	(5.58)	5.58	(6.70)	6.70
SAR	(0.04)	0.04	(1.13)	1.13
AED	(20.66)	20.66	(9.31)	9.31
Others	(31.22)	31.22	(1.86)	1.86
	<b>(209.08)</b>	<b>209.08</b>	<b>(209.46)</b>	<b>209.46</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**

**45. Disclosure as per Ind AS 115**

- (a) The group offers wide range of solutions across the water cycle from pre-treatment to process water treatment, waste water treatment, recycle, zero liquid discharge, sewage treatment, packaged drinking water, sea water desalination etc. The group is also engaged in manufacturing resins, speciality chemicals for water and waste water treatment as well as non-water applications.

The type of work in the contracts with the customers involves designing, engineering supply of materials, installation and commissioning of the plant, project management, operations and maintenance. The effect of initially applying Ind AS 115 on the group's revenue from contracts with customers is described in note 3.16.

- (b) Revenue disaggregation as per industry vertical and geography has been included in segment information – Refer note 46.
- (c) Contract balances

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

INR in Lacs

Particulars	As at 31st March 2022	As at 31st March 2021
Receivables which are included in trade and other receivables	28,311.67	26,376.06
Contract assets		
- Accrued value of work done net off provision	Nil	Nil
Contract liabilities		
- Unearned revenue on construction contracts	6,680.87	10,637.21
- Advance from customers	16,554.08	9,586.69

- (d) Remaining performance obligations

The following table includes Revenue expected to be recognised in future related to performance obligations that are unsatisfied or partially unsatisfied at reporting date

The Group applies practical expedient included in Para 121 of Ind AS 115 and does not disclose information about the remaining performance obligations that have an original expected contract duration of one year or less

INR in Lacs

	31st March 2022	31st March 2021
Amount of Revenue expected to be recognised for contracts having original expected duration of more than one year in progress as at reporting date	221,613.00	72,210.00

- (e) Performance obligation

The group evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the group 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 group enters into multiple contracts with the same customer, the group 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 group 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 group's input methods of revenue recognition as the amounts are not reflective of our transferring control of the plant to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the group recognises the entire estimated loss in the period the loss becomes known.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****45. Disclosure as per Ind AS 115 (contd...)**

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.

- (f) Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.
- (g) 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.
- (h) Revenue related to fixed price maintenance and support services contracts where the group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- (i) Reconciliation of revenue recognised in the statement of profit and loss

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

**INR in Lacs**

<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
Revenue recognised	157,998.82	145,212.02
Less: Reduction towards variable consideration component *	312.05	260.07
<b>Revenue recognised in the statement of profit and loss</b>	<b>157,686.77</b>	<b>144,951.95</b>

\* Reduction towards variable consideration component includes discount etc.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**46. Segment**
**I. Information about business segments**
**INR in Lacs**

	Engineering		Chemicals		Consumer Products		Other Business		Unallocated		Total	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>Revenue</b>												
External sales	90,285.11	91,733.44	53,659.35	42,288.25	13,655.64	10,842.78	-	0.04	86.67	87.44	157,686.77	144,951.95
Inter-segmental sales	3,227.75	2,336.19	2,135.02	1,667.85	-	-	-	-	-	-	5,362.77	4,004.04
Total revenue	93,512.86	94,069.63	55,794.37	43,956.10	13,655.64	10,842.78	-	0.04	86.67	87.44	163,049.54	148,955.99
Less: Eliminations											(5,362.77)	(4,004.04)
Add : Interest income	1,187.05	763.23	380.26	41.32	40.62	2.60	46.45	17.92	300.11	62.96	1,954.49	888.03
Other income											161,856.35	148,260.75
Total enterprise revenue												
<b>Result</b>												
Segment results	10,675.32	9,951.29	12,080.24	10,618.38	(361.69)	(369.06)	(76.63)	(97.74)	-	-	22,317.24	20,102.87
Unallocated expenditure net of unallocated income									(1,846.29)	(1,752.24)	(1,846.29)	(1,752.24)
Finance cost									(994.66)	(1,260.82)	(994.66)	(1,260.82)
Interest income									2,215.09	2,420.77	2,215.09	2,420.77
Profit before tax, before share of profit / (loss) of equity accounted investee									(625.86)	(592.31)	21,691.38	19,510.58
<b>Other Information</b>												
Segment assets	111,830.67	100,388.57	30,283.31	26,894.77	4,142.52	3,423.67	1,147.41	1,220.07	15,137.33	12,403.75	162,541.24	144,330.83
Segment liabilities	72,179.97	68,824.78	14,156.02	12,275.82	3,987.57	3,246.72	2,156.65	2,18.07	6,518.64	9,193.95	97,057.85	93,759.34
Capital expenditure	677.38	281.33	2,035.16	1,737.19	192.93	113.32	0.44	-	190.24	237.25	3,096.15	2,369.09
Depreciation	824.52	826.63	1,511.83	1,497.16	50.49	41.23	5.48	5.48	411.95	396.97	2,804.27	2,767.47
Non cash expenditure other than depreciation	1,209.50	1,432.74	537.21	590.05	141.81	112.57	67.26	64.66	(242.39)	(343.68)	1,713.39	1,856.34

**II. Information about geographical segments**
**INR in Lacs**

	India		Outside India		Total	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
External revenue	110,082.97	83,870.08	47,603.80	61,081.87	157,686.77	144,951.95
Carrying amount of segment assets	130,526.06	111,482.17	32,015.18	32,848.66	162,541.24	144,330.83
Additions to property, plant and equipment	3,023.28	2,336.71	72.87	32.38	3,096.15	2,369.09

**III. Notes:**

(a) The group's operations are organized into three business segments, namely:

Engineering division – comprising of water treatment plants, spares and services in connection with the plants.

Chemicals – comprising of resins, water treatment chemicals and speciality chemicals.

Consumer Products – comprising of water purification equipments for homes, institutions and communities.

(b) The segment revenue in the geographical segments considered for disclosure are as follows:

Revenue within India includes sales to customers located within India and earnings in India. Revenue outside India includes sales to customers located outside India and earnings outside India.

(c) No single customer contributes 10% or more of the company's total revenue for the year ended 31st March 2022.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****47. Related party disclosures (As identified by the management):**

a) Associates	Aquanomics Systems Ltd. IEI Water-Tech (M) Sdn. Bhd., Malaysia * Ion Exchange PSS Co. Ltd., Thailand * Ion Exchange Financial Products Pvt. Ltd. *
b) Key management personnel	Mr. Rajesh Sharma - Chairman & Managing Director Mr. Dinesh Sharma - Executive Director Mr. Aankur Patni - Executive Director
c) Non-executive directors	Dr. V. N. Gupchup Mr. M. P. Patni Mr. T. M. M. Nambiar Mr. P. Sampathkumar Mr. Abhiram Seth Mr. Shishir Tamotia Mrs. Kishori Udeshi
d) Relatives of key management personnel	Mr. M. P. Patni - Father of Mr. Aankur Patni Mr. Bimal Jain - Brother of Mr. M. P. Patni Mrs. Nirmala Patni - Mother of Mr. Aankur Patni Mrs. Aruna Sharma - Wife of Mr. Rajesh Sharma Mrs. Poonam Sharma - Wife of Mr. Dinesh Sharma Mrs. Nidhi Patni - Wife of Mr. Aankur Patni Ms. Pallavi Sharma - Daughter of Mr. Rajesh Sharma
e) Enterprise owned or significantly influenced by key management personnel or their relatives	Ion Foundation Ultrafresh Modular Solutions Limited
f) Post-employment benefit plans	Ion Exchange (India) Ltd.'s Provident Institution Ion Exchange (India) Ltd.'s Management Staff Gratuity Fund Ion Exchange Staff Superannuation Scheme Ion Exchange India Ltd. – Gratuity Fund Trust

\* Associate companies of subsidiaries

**I. Transactions during the year with related parties with outstanding balances as at year-end:****INR in Lacs**

Particulars	Associates		Others		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>Sale of goods *</b>						
Aquanomics Systems Ltd.	6,145.87	7,220.29	-	-	6,145.87	7,220.29
Ion Exchange PSS Co. Ltd., Thailand	99.58	167.69	-	-	99.58	167.69
Ion Foundation	-	-	1.47	3.50	1.47	3.50
<b>Total</b>	<b>6,245.45</b>	<b>7,387.98</b>	<b>1.47</b>	<b>3.50</b>	<b>6,246.92</b>	<b>7,391.48</b>
<b>Management fees</b>						
Aquanomics Systems Ltd.	83.52	87.43	-	-	83.52	87.43
<b>Total</b>	<b>83.52</b>	<b>87.43</b>	<b>-</b>	<b>-</b>	<b>83.52</b>	<b>87.43</b>
<b>Purchase of goods *</b>						
Aquanomics Systems Ltd.	139.92	284.31	-	-	139.92	284.31
Ion Exchange PSS Co. Ltd., Thailand	21.55	20.97	-	-	21.55	20.97
<b>Total</b>	<b>161.47</b>	<b>305.28</b>	<b>-</b>	<b>-</b>	<b>161.47</b>	<b>305.28</b>
<b>Rental income</b>						
Ultrafresh Modular Solutions Limited	-	-	32.42	14.55	32.42	14.55
	-	-	<b>32.42</b>	<b>14.55</b>	<b>32.42</b>	<b>14.55</b>
<b>Loans and advances given</b>						
Ion Exchange PSS Co. Ltd., Thailand	135.94	100.75	-	-	135.94	100.75
<b>Total</b>	<b>135.94</b>	<b>100.75</b>	<b>-</b>	<b>-</b>	<b>135.94</b>	<b>100.75</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**47. Related party disclosures (contd...):**

I. Transactions during the year with related parties with outstanding balances as at year-end: (contd...)

INR in Lacs

Particulars	Associates		Others		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>Loans and advances repaid</b>						
Ion Exchange PSS Co. Ltd., Thailand	77.42	-	-	-	77.42	-
Ion Exchange Financial Product Pvt Ltd	7.00	-	-	-	7.00	-
<b>Total</b>	<b>84.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84.42</b>	<b>-</b>
<b>Dividend paid</b>						
Aquanomics Systems Ltd.	0.10	0.02	-	-	0.10	0.02
Ion Exchange Financial Products Pvt. Ltd.	5.04	0.76	-	-	5.04	0.76
Mr. Rajesh Sharma	-	-	82.50	12.37	82.50	12.37
Mr. Dinesh Sharma	-	-	63.23	9.48	63.23	9.48
Mr. Aankur Patni	-	-	29.53	4.43	29.53	4.43
Mr. M. P. Patni	-	-	75.55	11.33	75.55	11.33
Dr. V. N. Gupchup	-	-	11.11	1.67	11.11	1.67
Mr. Abhiram Seth	-	-	15.48	2.32	15.48	2.32
Mr. T. M. M. Nambiar	-	-	8.32	1.25	8.32	1.25
Mr. P. Sampath Kumar	-	-	5.82	0.87	5.82	0.87
Mr. Shishir Tamotia	-	-	0.23	0.05	0.23	0.05
Mrs. Kishori Udeshi	-	-	0.36	0.05	0.36	0.05
Relatives of Key Management Personnel	-	-	58.61	8.79	58.61	8.79
<b>Total</b>	<b>5.14</b>	<b>0.78</b>	<b>350.74</b>	<b>52.61</b>	<b>355.88</b>	<b>53.39</b>
<b>Remuneration to directors</b>						
Mr. Rajesh Sharma	-	-	513.86	427.46	513.86	427.46
Mr. Dinesh Sharma	-	-	223.96	189.20	223.96	189.20
Mr. M. P. Patni	-	-	99.71	93.83	99.71	93.83
Mr. Aankur Patni	-	-	226.54	185.38	226.54	185.38
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,064.07</b>	<b>895.87</b>	<b>1,064.07</b>	<b>895.87</b>
<b>Commission to executive directors</b>						
Mr. Rajesh Sharma	-	-	150.00	150.00	150.00	150.00
Mr. Dinesh Sharma	-	-	75.00	75.00	75.00	75.00
Mr. Aankur Patni	-	-	75.00	75.00	75.00	75.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>300.00</b>	<b>300.00</b>	<b>300.00</b>	<b>300.00</b>
<b>Director sitting fees</b>						
Mr. Rajesh Sharma	-	-	1.25	1.35	1.25	1.35
Mr. Dinesh Sharma	-	-	1.25	1.25	1.25	1.25
Mr. Aankur Patni	-	-	1.25	1.25	1.25	1.25
Mr. Mahabir Prasad Patni	-	-	3.75	4.25	3.75	4.25
Dr. V. N. Gupchup	-	-	6.80	7.40	6.80	7.40
Mr. T. M. M. Nambiar	-	-	5.85	6.35	5.85	6.35
Mr. P. Sampath Kumar	-	-	3.25	3.75	3.25	3.75
Mr. Abhiram Seth	-	-	6.20	6.55	6.20	6.55
Mr. Shishir Tamotia	-	-	3.25	3.75	3.25	3.75
Mrs. Kishori Udeshi	-	-	4.35	4.35	4.35	4.35
<b>Total</b>	<b>-</b>	<b>-</b>	<b>37.20</b>	<b>40.25</b>	<b>37.20</b>	<b>40.25</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 47. Related party disclosures (contd...):

I. Transactions during the year with related parties with outstanding balances as at year-end: (contd...)

INR in Lacs

Particulars	Associates		Others		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>Directors commission</b>						
Mr. Mahabir Prasad Patni	-	-	25.00	25.00	25.00	25.00
Dr. V. N. Gupchup	-	-	25.00	25.00	25.00	25.00
Mr. T. M. M. Nambiar	-	-	25.00	25.00	25.00	25.00
Mr. P. Sampath Kumar	-	-	25.00	25.00	25.00	25.00
Mr. Abhiram Seth	-	-	25.00	25.00	25.00	25.00
Mr. Shishir Tamotia	-	-	25.00	25.00	25.00	25.00
Mrs. Kishori Udeshi	-	-	25.00	25.00	25.00	25.00
<b>Total</b>	-	-	<b>175.00</b>	<b>175.00</b>	<b>175.00</b>	<b>175.00</b>
<b>CSR expenses</b>						
Ion Foundation	-	-	279.58	161.71	279.58	161.71
<b>Total</b>	-	-	<b>279.58</b>	<b>161.71</b>	<b>279.58</b>	<b>161.71</b>
<b>Corporate guarantees discharged</b>						
Ion Exchange PSS Co. Ltd.	-	115.58	-	-	-	115.58
<b>Total</b>	-	<b>115.58</b>	-	-	-	<b>115.58</b>
<b>Contribution to post-employment benefit plans</b>						
Ion Exchange (India) Ltd.'s Provident Institution	-	-	230.38	195.01	230.38	195.01
Ion Exchange (India) Ltd.'s Management Staff Gratuity Fund	-	-	173.49	67.50	173.49	67.50
Ion Exchange Staff Superannuation Scheme	-	-	134.14	125.40	134.14	125.40
Ion Exchange India Ltd. – Gratuity Fund Trust	-	-	32.49	11.88	32.49	11.88
<b>Total</b>	-	-	<b>570.50</b>	<b>399.79</b>	<b>570.50</b>	<b>399.79</b>
<b>Outstanding loans and advances</b>						
Ion Exchange Financial Products Pvt. Ltd.**	12.50	19.50	-	-	12.50	19.50
Ion Exchange PSS Co. Ltd.	282.88	224.36	-	-	282.88	224.36
<b>Total</b>	<b>295.38</b>	<b>243.86</b>	-	-	<b>295.38</b>	<b>243.86</b>
<b>Advance to suppliers</b>						
Ion Exchange PSS Co. Ltd.	-	4.06	-	-	-	4.06
<b>Total</b>	-	<b>4.06</b>	-	-	-	<b>4.06</b>
<b>Outstanding receivables (Net of payable) excluding loans and advances</b>						
Aquanomics Systems Ltd.	2,209.58	2,432.79	-	-	2,209.58	2,432.79
IEI Water Tech (M) Sdn. Bhd., Malaysia	3.54	3.43	-	-	3.54	3.43
Ion Exchange PSS Co. Ltd., Thailand	235.71	177.54	-	-	235.71	177.54
Ion Foundation	-	-	-	1.14	-	1.14
<b>Total</b>	<b>2,448.83</b>	<b>2,613.76</b>	-	<b>1.14</b>	<b>2,448.83</b>	<b>2,614.90</b>
<b>Corporate guarantees (Outstanding)</b>						
Aquanomics Systems Ltd.	1,100.00	1,100.00	-	-	1,100.00	1,100.00
<b>Total</b>	<b>1,100.00</b>	<b>1,100.00</b>	-	-	<b>1,100.00</b>	<b>1,100.00</b>

\* Gross amount has been considered.

\*\* Provision has been made in respect of the said amount.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****48. (a) Provisional registration by SEBI**

In response to the SEBI (Collective Investment Schemes) Regulations, 1999 (the "Guidelines"), notified by Securities and Exchange Board of India (SEBI) on 15th October 1999, Ion Exchange Enviro Farms Limited (IEEFL) had applied for registration to SEBI on 14th December 1999. In response, SEBI had granted provisional registration to IEEFL on 13th February 2001, subject to certain conditions. The provisional registration was subsequently extended and expired on 13th February 2003.

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

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

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

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

Subsequent to SEBI order of 30th December 2015, for closure of the CIS Scheme (which inter-alia included directions to refund INR 2,006 Lacs to investors, as per the earlier order of 27th November 2003) IEEFL was granted a personal hearing on 3rd February 2016 and additional information called for was submitted on 23rd March 2016. IEEFL had requested permission to wind up the scheme in terms of rule 73(1) to (9) of CIS Regulations as it has completed all obligations towards the investors, i.e. sale of lands and development and maintaining the lands thereafter, as per agreements.

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

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

The appeal was heard and vide order dated 18th October 2019 SAT has dismissed the appeal. IEEFL had filed a review petition before the SAT, Mumbai on 3rd December 2019 for correction of factual errors in the said order. Further, based on the legal advice, pending final order from SAT on the review petition, an appeal is filed in the Supreme Court against order of SAT on 18th February 2020. As per the SAT hearing dated 19th March 2021, it was held that, there is not an error apparent on the face of the record and thus review application filed was dismissed by SAT. As such the appeal is set aside against IEEFL and further vide order No. 2853/2021 dated 6th December 2021, the Supreme Court has granted liberty to IEEFL to approach Securities and Exchange Board of India and request for reconsideration of the matter by producing additional material. IEEFL has filed representation requesting reconsideration of the matter by filing additional documents through its advocates vide letter dated 2nd March 2022. Further SEBI vide letter dated 17th May 2022 has made certain observations and has advised IEEFL to provide for additional comments/documents. IEEFL is in the process of responding to the observations of SEBI.

**(b) Administrators appointment:**

SEBI on 25th April 2019 under SEBI (Appointment of Administrator and Procedure for Refunding of Investors) Regulations 2018 has appointed an administrator for selling the land at Goa (Quepam) of IEEFL and recovering the dues vide letter dated 30th April 2019. IEEFL has requested the Recovery Office of SEBI to keep the proceedings in abeyance. Further, in view of the above developments the proceedings are in abeyance or on hold as on date.

**49. Maintenance expenses recoverable of Ion Exchange Enviro Farms Limited (IEEFL), represent expenses incurred on sites sold under the scheme, which are to be recovered from future income generated by sale of intercrops and main crops. The recovery is dependent on farm activities. The Management expects that there will be sufficient future returns from crop/land sales to completely recover all these expenses.**

No provision is considered necessary by the management for the balance as at the end of INR 131.48 Lacs (31st March 2021: INR 197.48 Lacs) as future returns from crop sales and sale of land will be available to recover the same.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**

50. Security deposit for land INR 237.63 Lacs (31st March 2021: INR 237.63 Lacs) represents amount paid by Ion Exchange Enviro Farms Limited (IEEFL) for acquiring agricultural land, inclusive of stamp duty and registration charges, which are unsold as at 31st March 2022. IEEFL has conducted valuation of land and found the market value are higher than the original cost and hence IEEFL has not made provision for the same.
51. Advances for repurchase INR 323.91 Lacs (31st March 2021: INR 323.91 Lacs) represents amounts paid by Ion Exchange Enviro Farms Limited (IEEFL) to investors for purchase of sites sold to them in earlier years, at prices announced by the IEEFL from time to time. These amounts are paid to investors on their execution of an irrevocable Power of Attorney in favour of the IEEFL's nominees for sale thereof at future date.
52. Capital expenditure incurred on research and development during the year is INR 145.26 Lacs (2020-21: INR 108.32 Lacs). Revenue expenditure of INR 901.32 Lacs (2020-21: INR 932.32 Lacs) incurred on research and development has been expensed to the statement of profit and loss under various expense heads.

**53. Lease****Operating Lease**Group as lessor:

The group has entered into commercial property lease of its surplus office. The lease agreement is for 5 years. The lease includes a clause to enable upward revision by 15% after completion of 3 years from the date of commencement of the lease agreement.

Further minimum rentals receivable under non-cancellable operating lease are as follows:

	31st March 2022 INR in Lacs	31st March 2021 INR in Lacs
Within one year	167.79	150.41
After one year but not more than five years	130.62	298.41
More than five years	Nil	Nil

**54. Right-of-use assets**

The break-up of lease expenses are as follows

Particulars	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Short-term lease expense	318.18	434.95
Low value lease expense	-	-
<b>Total lease expenses</b>	<b>318.18</b>	<b>434.95</b>

The break-up of cash outflow on leases are as follows

Particulars	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Repayment of lease liabilities	656.52	1,013.34
Interest on lease liabilities	161.74	180.27
Short-term lease expense	318.18	434.95
Low value lease expense	-	-
<b>Total cash outflow on leases</b>	<b>1,136.44</b>	<b>1,628.56</b>

The break-up of current and non-current lease liabilities are as follows

Particulars	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Current lease liabilities	423.60	610.34
Non-current lease liabilities	290.22	483.88
<b>Total</b>	<b>713.82</b>	<b>1,094.22</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**

**54. Right-of-use assets (contd...)**

**The movement in lease liabilities**

Particulars	Year ended 31st March 2022 INR in Lacs	Year ended 31st March 2021 INR in Lacs
Balance at the beginning	1,094.22	2,032.33
Additions	315.14	70.37
Finance cost accrued during the period	161.74	180.27
Deletions	(38.03)	-
Payment of lease liabilities	(818.26)	(1,193.61)
Translation difference	(0.99)	4.86
Balance at the end	<b>713.82</b>	<b>1,094.22</b>

**The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows**

Particulars	As at 31st March 2022 INR in Lacs	As at 31st March 2021 INR in Lacs
Less than one year	116.50	267.41
One to five year	763.95	1,113.71
More than five year	138.84	143.17
<b>Total</b>	<b>1,019.29</b>	<b>1,524.29</b>

**55. Capital and other commitments**

Estimated amount of contracts (net of advances) remaining to be executed on capital account not provided for is INR 662.58 Lacs (31st March 2021: INR 634.24 Lacs).

**56. Contingent liabilities**

Contingent liabilities not provided for:

- (a) Guarantee given by the group on behalf of:
  - i) Associates – INR 1,100.00 Lacs (31st March 2021: INR 1,100.00 Lacs)
  - ii) Others – INR 38.88 Lacs (31st March 2021: INR 38.88 Lacs)
- (b) Demand raised by authorities against which the group has filed an appeal.
  - i) Income tax – INR 7.66 Lacs (31st March 2021: INR 601.78 Lacs)
  - ii) Excise duty – INR 24.58 Lacs (31st March 2021: INR 27.91 Lacs)
  - iii) Service tax – INR 236.91 Lacs (31st March 2021: INR 255.67 Lacs)
  - iv) Sales tax / VAT – INR 1,480.57 Lacs (31st March 2021: INR 1,695.18 Lacs)
- (c) Claims against the group arising in the course of business not acknowledged as debts (to the extent ascertainable) INR 2,918.21 Lacs (31st March 2021: 2,710.41 Lacs).

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)****57. 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)**

	31st March 2022 INR in Lacs	31st March 2021 INR in Lacs
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	2,920.39	1,424.47
Interest due on above	30.99	9.00
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.	115.59	80.29
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.	-	-

58. Capital advance includes amount of INR 25.33 Lacs (31st March 2021: INR 25.33 Lacs) paid for acquiring furnished office premises at Hyderabad, the ownership of which is under legal dispute for which transfer formalities are in progress.

**59. Equity accounted Investees**

Information of interest of the group in its equity accounted investees:

	Note reference	Carrying cost	
		31st March 2022 INR in Lacs	31st March 2021 INR in Lacs
Interest in Associates	See Note (A) below	397.71	356.04

**[A] Interest in associates**

(I) List of material associates of the group

Sr No	Name	Country of Incorporation	31st March 2022	31st March 2021
1	Aquanomics Systems Limited	India	48.42%	48.42%

The principal place of business of the entity listed above is the same as their respective country of incorporation.

Fair Value of material listed associates

There is no material listed associate of the Group

The following table comprises the financial information of the group's material associates and their respective carrying amount.

	Aquanomics Systems Limited	
	31st March 2022 INR in Lacs	31st March 2021 INR in Lacs
Percentage ownership interest	48.42%	48.42%
<b>Summarised financial information</b> (Net of consolidated adjustments)		
Non-current assets	227.19	233.63
Current assets (Excluding cash and cash equivalent)	2,977.09	3,229.27
Cash and cash equivalent	532.56	748.38
Non Current liabilities	(161.80)	(170.71)
Current liabilities	(169.37)	(170.86)
(Current liabilities other than trade payables and other current liabilities)		
Trade payables and other current liabilities	(2,584.32)	(3,134.42)
<b>Net assets</b>	<b>821.35</b>	<b>735.29</b>
<b>Groups share of net assets</b>	<b>397.71</b>	<b>356.04</b>
<b>Carrying amount of interest in associates</b>	<b>397.71</b>	<b>356.04</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**
**59. Equity accounted Investees (contd...)**

	Aquanomics Systems Limited	
	2021-22 INR in Lacs	2020-21 INR in Lacs
Revenue	8,663.14	8,768.97
Depreciation and amortization	66.95	61.86
Interest expense	24.69	39.94
Income tax expense	23.24	73.33
Other Comprehensive Income	0.40	0.68
<b>Total comprehensive income</b>	77.48	(106.60)
<b>Groups share of profit / (loss)</b>	37.52	(51.61)
<b>Consolidated adjustments / Prior period adjustments</b>	4.15	44.62
<b>Groups share of OCI</b>	-	-
<b>Groups share of total comprehensive income</b>	41.67	(6.99)
<b>Dividend received from the associate</b>	-	11.50

Contingent liabilities in respect of associates

	2021-22 INR in Lacs	2020-21 INR in Lacs
Contingent liabilities – VAT / Central sales tax	615.48	121.69

**60. Non-controlling interests**

Below is the list of partly owned subsidiaries of the group and the respective share of the non-controlling interests.

Sr No	Name	Country of Incorporation	Non-controlling interest	
			31st March 2022	31st March 2021
1	Ion Exchange And Co. LLC	Oman	49.00%	49.00%
2	Ion Exchange Safic Pty Ltd.	South Africa	40.00%	40.00%
3	Global Composites And Structural Ltd.	India	26.08%	26.08%
4	Ion Exchange Enviro Farms Ltd.	India	20.40%	20.40%
5	Ion Exchange Projects and Engineering Ltd.	India	8.19%	8.19%
6	Aqua Investments (India) Ltd.	India	0.58%	0.58%
7	Watercare Investments (India) Ltd.	India	0.57%	0.57%
8	Total Water Management Services (India) Ltd.	India	29.81%	29.81%
9	PT Ion Exchange Asia Pacific	Indonesia	5.00%	5.00%
10	Ion Exchange Arabia For Water	Saudi Arabia	40.00%	40.00%

The following table comprises the information relating to each of the groups subsidiaries that has material NCI, before any intra group eliminations.

**31st March 2022**
**INR in Lacs**

Particulars	Ion Exchange And Co LLC - Oman *	Ion Exchange Safic Pty Ltd. *	Global Composites And Structural Ltd.	Ion Exchange Enviro Farms Ltd.
NCI percentage	49.00%	40.00%	26.08%	20.40%
Non current assets	396.68	78.87	381.30	1,096.05
Current assets	1,166.55	647.71	218.57	16.03
Non current liabilities	(70.13)	(27.52)	-	(4,157.83)
Current liabilities	(354.22)	(914.70)	(2,870.72)	(1,359.02)
Net assets	1,138.88	(215.64)	(2,270.85)	(4,404.77)
<b>Net assets attributable to NCI</b>	<b>558.05</b>	<b>(86.26)</b>	<b>(592.24)</b>	<b>(898.57)</b>
Revenue	1,869.24	1,411.56	671.24	87.94
Profit/(Loss)	110.15	122.36	(180.46)	(491.61)
Other comprehensive income	33.39	(11.23)	-	(0.31)
Total comprehensive income	<b>143.53</b>	<b>111.13</b>	<b>(180.46)</b>	<b>(491.92)</b>
<b>Profit / (Loss) allocated to NCI</b>	<b>53.97</b>	<b>48.94</b>	<b>(47.06)</b>	<b>(100.35)</b>
<b>OCI allocated to NCI</b>	16.36	(4.49)	-	(0.06)
<b>Total comprehensive income allocated to NCI</b>	<b>70.33</b>	<b>44.45</b>	<b>(47.06)</b>	<b>(100.41)</b>
Cash flow from operating activities	267.71	218.49	220.69	33.81
Cash flow from investing activities	(352.95)	(18.98)	0.38	0.44
Cash flow from financing activities	(59.73)	(45.66)	(220.76)	(37.33)
<b>Net increase /(decrease) in cash and cash equivalents</b>	<b>(144.97)</b>	<b>153.85</b>	<b>0.31</b>	<b>(3.08)</b>
<b>Dividends paid to Non-controlling interest</b>	28.32	-	-	-

\* Adapted as per Ind AS for consolidation.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 60. Non controlling interests (contd...)

31st March 2021

INR in Lacs

Particulars	Ion Exchange And Co LLC - Oman *	Ion Exchange Safic Pty Ltd. *	Global Composites And Structural Ltd.	Ion Exchange Enviro Farms Ltd.
NCI percentage	49.00%	40.00%	26.08%	20.40%
Non current assets	65.29	61.41	405.21	1,170.35
Current assets	1,448.53	466.54	203.26	14.37
Non current liabilities	(59.64)	(14.50)	-	(3,759.42)
Current liabilities	(401.04)	(1,011.50)	(2,716.85)	(1,338.14)
Net assets	1,053.14	(498.05)	(2,108.38)	(3,912.84)
<b>Net assets attributable to NCI</b>	<b>516.04</b>	<b>(199.22)</b>	<b>(549.87)</b>	<b>(798.22)</b>
Revenue	2,296.09	922.21	459.11	57.71
Profit/(Loss)	301.86	1.30	(384.44)	(503.15)
Other comprehensive income	(20.71)	(77.82)	-	0.34
Total comprehensive income	<b>281.15</b>	<b>(76.52)</b>	(384.44)	<b>(502.81)</b>
<b>Profit / (Loss) allocated to NCI</b>	<b>147.91</b>	<b>0.52</b>	<b>(100.26)</b>	<b>(102.57)</b>
<b>OCI allocated to NCI</b>	(10.15)	(31.28)	-	-
<b>Total comprehensive income allocated to NCI</b>	<b>137.76</b>	<b>(30.76)</b>	<b>(100.26)</b>	<b>(102.57)</b>
Cash flow from operating activities	144.10	214.42	220.43	18.56
Cash flow from investing activities	1.31	(16.78)	-	-
Cash flow from financing activities	(228.79)	(250.18)	(221.66)	(11.70)
<b>Net increase /(decrease) in cash and cash equivalents</b>	<b>83.38</b>	<b>(52.54)</b>	<b>(1.23)</b>	<b>6.86</b>
<b>Dividends paid to Non-controlling interest</b>	<b>112.77</b>	-	-	-

\* Adapted as per Ind AS for consolidation

Aggregate carrying amount of individually immaterial

INR in Lacs

	31st March 2022	31st March 2021
Aggregate amount of NCI's share of profits/loss	(64.19)	(6.52)
Aggregate amount of NCI's share of other comprehensive income	(2.35)	0.10
Aggregate amount of NCI's share of total comprehensive income	(66.54)	(6.42)

## 61. Service concession arrangement

Ion Exchange Purified Drinking Water Private Limited (IEPDWPL), has entered into a service concession arrangement with Indian Railways Catering and Tourism Corporation Limited (IRCTC) the regulator, to construct, operate and maintain a packaged drinking water plant ('The plant').

Under the terms of agreement, the IEPDWPL is to construct, operate and maintain the plant and supply packaged drinking water (PDW) in PET bottles exclusively to regulator for the period starting on the commencement date i.e 20th December 2013 and ending on 30th September 2029.

The plant will be transferred to IRCTC at the end of the service concession period.

The IEPDWPL in turn has a right to charge the regulator at the agreed rate as stated in the service concession arrangement. Further, IRCTC has assured minimum sales volume during the concession period.

## 62. In the financial year 2018-19, Ion Exchange Environment Management Ltd. a joint venture of the company became a wholly owned subsidiary of the company w.e.f. 20th August 2018. On acquisition a goodwill of INR 863.10 Lacs had been created.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**

**63. Loans and advances to related parties**

Loans and advances in the nature of loans are granted to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are:

Type of borrower	As at 31-Mar-2022		As at 31-Mar-2021	
	Amount of loan or advances in the nature of loan	Percentage to the total loans and advances in the nature of loan	Amount of loan or advances in the nature of loan	Percentage to the total loans and advances in the nature of loan
	INR in Lacs	%	INR in Lacs	%
Promoter	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related parties	282.88	100%	224.36	100%

**64. Corporate Social Responsibility expenses (CSR):**

- A. Gross amount required to be spent by the group during the year INR 284.78 Lacs (2020-21: INR 203.03 Lacs)  
 B. Amount approved by the board to spent during the year INR 284.78 Lacs (2020-21: INR 203.03 Lacs)  
 C. Amount spent during the year ending 31st March 2022:

		INR in Lacs		
		In cash	Yet to be paid in cash	Total
(i)	Construction / Acquisition of any assets	-	-	-
(ii)	Purpose other than (i) above	284.78	-	284.78
(iii)	Contribution to PM Care fund	-	-	-
	<b>Total</b>	<b>284.78</b>	<b>-</b>	<b>284.78</b>

Amount spent during the year ending 31st March 2021:

		INR in Lacs		
		In cash	Yet to be paid in cash	Total
(i)	Construction / Acquisition of any assets	-	-	-
(ii)	Purpose other than (i) above	161.71	-	161.71
(iii)	Contribution to PM Care fund	41.32	-	41.32
	<b>Total</b>	<b>203.03</b>	<b>-</b>	<b>203.03</b>

- D. Shortfall at the end of the year: INR Nil (31st March 2021 INR Nil)  
 E. Reason for shortfall at the end of the year: Not applicable  
 F. Nature of CSR activities: Education, Environment, Water, Sanitation, Health and Hygiene.  
 G. Related party transaction in relation to Corporate Social Responsibility: INR 279.58 Lacs (2020-21: INR 161.71 Lacs)

All CSR projects under the Ion Exchange umbrella are implemented by Ion Foundation, a company incorporated under Section 8 of the Companies Act, 2013

- H. Provision during the year INR Nil (2020-21: INR Nil)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 65. Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interest for the year ending 31st March 2022

Name of the entity	Country of incorporation	Net assets, i.e. total assets, minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount INR in Lacs	As % of consolidated profit and loss	Amount INR in Lacs	As % of consolidated other comprehensive income	Amount INR in Lacs	As % of total comprehensive income	Amount INR in Lacs
Ion Exchange (India) Limited	India	101.67	76,741.61	99.87	15,420.85	(13.36)	(147.33)	92.32	15,273.52
<b>Subsidiaries</b>									
1 Ion Exchange Enviro Farms Ltd.	India	(5.84)	(4,404.76)	(3.18)	(491.62)	(0.03)	(0.31)	(2.97)	(491.93)
2 Watercare Investments (India) Ltd.	India	3.96	2,990.20	0.15	23.99	48.11	530.49	3.35	554.48
3 Aqua Investments (India) Ltd.	India	5.43	4,101.39	0.21	31.90	66.33	731.45	4.61	763.35
4 Ion Exchange Asia Pacific Pte. Ltd.	Singapore	0.34	260.34	1.52	234.39	-	-	1.42	234.39
5 Ion Exchange Asia Pacific (Thailand) Ltd.	Thailand	(0.83)	(627.00)	(0.19)	(29.24)	-	-	(0.18)	(29.24)
6 PT Ion Exchange Asia Pacific	Indonesia	-	2.82	0.01	1.25	-	-	0.01	1.25
7 IEI Environmental Management (M) Sdn. Bhd.	Malaysia	(0.36)	(275.97)	(0.14)	(21.56)	-	-	(0.13)	(21.56)
8 Ion Exchange Environment Management (BD) Ltd.	Bangladesh	0.44	329.30	0.18	28.11	-	-	0.17	28.11
9 Ion Exchange WTS (Bangladesh) Ltd.	Bangladesh	(0.01)	(5.58)	-	(0.39)	-	-	-	(0.39)
10 Ion Exchange LLC	USA	1.07	810.29	2.44	377.27	-	-	2.28	377.27
11 Ion Exchange And Company LLC *	Oman	1.51	1,138.87	0.71	110.14	-	-	0.67	110.14
12 Ion Exchange Projects And Engineering Ltd.	India	(1.47)	(1,109.70)	(0.09)	(13.89)	(1.02)	(11.22)	(0.15)	(25.11)
13 Global Composites And Structurals Ltd.	India	(3.01)	(2,270.85)	(1.17)	(180.46)	-	-	(1.09)	(180.46)
14 Total Water Management Services (India) Ltd.	India	0.10	72.23	0.03	4.30	-	-	0.03	4.30
15 Ion Exchange Safic Pty. Ltd.	South Africa	(0.28)	(215.63)	0.85	131.85	-	-	0.80	131.85
16 Ion Exchange Purified Drinking Water Pvt. Ltd.	India	0.20	150.54	0.02	3.09	-	-	0.02	3.09
17 Ion Exchange Environment Management Ltd.	India	(2.65)	(2,000.64)	(0.13)	(20.34)	(0.03)	(0.38)	(0.13)	(20.72)
18 Ion Exchange Arabia For Water	Saudi Arabia	(0.27)	(203.12)	(1.09)	(168.91)	-	-	(1.03)	(168.91)
		<b>100.00</b>	<b>75,484.34</b>	<b>100.00</b>	<b>15,440.73</b>	<b>100.00</b>	<b>1,102.70</b>	<b>100.00</b>	<b>16,543.43</b>
a) Adjustment arising out of consolidation			(10,000.95)		686.37		(1,261.94)		(575.57)
b) Movement in foreign currency translation reserve							58.91		58.91
c) Share in profit / (loss) of associates					41.67		-		41.67
<b>Total</b>			<b>65,483.39</b>		<b>16,168.77</b>		<b>(100.33)</b>		<b>16,068.44</b>

\* Adapted as per Ind AS for Consolidation

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)**

**66. Details of transactions with companies struck off**

Name of struck off company	Nature of transaction with Struck off company	Balance Outstanding 31st March 2022 INR in Lacs	Relationship with the Struck off company, if any to be disclosed
Allen Bradley India Ltd.	Payables	0.70	Not applicable
Cambatta Technical Services Pvt. Ltd.	Payables	0.19	Not applicable
Gordhandas Desai Pvt. Ltd.	Payables	-	Not applicable
Prakash Industries Ltd.	Receivables	5.13	Not applicable
Samay Tiles Ltd.	Receivables	0.63	Not applicable
Sea-Bird Engineers Pvt. Ltd.	Payables	0.05	Not applicable
Siemac Controls Private Ltd.	Payables	0.37	Not applicable
Steelmen Infratech Private Ltd.	Payables	7.20	Not applicable

**67. Other Statutory Information**

- (i) The group do not have any benami property, where any proceeding has been initiated or pending against the group for holding any benami property.
- (ii) The group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (v) The group have not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vi) The group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

**68. 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. Also refer note 71.

69. Previous period figures have been regrouped/ reclassified, wherever necessary, to conform to current periods classification and in order to comply with the requirements of the amended schedule III to the companies Act 2013 effective 1st April, 2021
70. Information with regard to other matters, as required by Schedule III to the Act is either nil or not applicable to the group for the year.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2022 (contd...)

## 71. Dividends

	31st March 2022 INR in Lacs	31st March 2021 INR in Lacs
Proposed dividends on equity shares (excluding for shares held by subsidiaries)		
For the year 2021-22 - Rs. 10 per share	1,422.88	-
For the year 2020-21 - Rs. 10 per share	-	1,422.88
Less: Dividend on treasury shares	(237.36)	(237.36)
	<b>1,185.52</b>	<b>1,185.52</b>

Proposed dividends on equity shares are subject to the approval at the annual general meeting and are not recognized as a liability as at 31st March.

As per our report of even date attached

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

Suhas Pai  
Partner  
Membership no.: 119057

Place : Mumbai  
Date : 27th May 2022

For and on behalf of the board of directors of  
ION EXCHANGE (INDIA) LIMITED  
CIN - L74999MH1964PLC014258

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

N. M. RANADIVE  
Chief Financial Officer

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 27th May 2022

**FORM AOC - 1**

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Associate Companies) Rule, 2014]  
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

**Part A : Subsidiaries**

INR in Lacs

Sr. no.	Name of the subsidiary	The date since when subsidiary	Financial year ending on	Country of incorporation	Report- ing cur- rency	Exchange rate as at 31.03.2022	Equity Share capital	Other Equity	Total assets	Total li- abilities	Investments (including investments in holding company, subsidiaries and associ- ates)	Total income (including other income)	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Other compre- hensive income	Total compre- hensive income	Proposed dividend (including dividend already paid, if any)	% of share- holding
1	Ion Exchange Enviro Farms Ltd.	21.08.1997	31.03.2022	India	INR	1.00	69.47	(4,474.23)	1,112.08	5,516.84	-	87.94	(491.62)	-	(491.62)	(0.31)	(491.93)	-	79.60
2	Watercare Investments (India) Ltd.	01.04.1999	31.03.2022	India	INR	1.00	178.02	2,812.18	3,219.04	228.84	3,025.72	32.92	32.12	8.13	23.99	530.49	554.48	-	99.43
3	Aqua Investments (India) Ltd.	01.04.1999	31.03.2022	India	INR	1.00	177.02	3,924.37	4,416.73	315.34	4,171.80	43.56	42.71	10.81	31.90	731.45	763.35	-	99.42
4	Ion Exchange Asia Pacific Pte. Ltd.	12.08.2004	31.03.2022	Singapore	USD	75.80710	1,498.74	(1,238.40)	2,593.69	2,333.35	130.77	3,889.31	234.39	-	234.39	-	234.39	-	100.00
5	Ion Exchange Asia Pacific (Thailand) Ltd. *	12.04.2007	31.03.2022	Thailand	THB	2.26634	90.66	(717.66)	862.73	1,489.73	-	481.76	(29.24)	-	(29.24)	-	(29.24)	-	100.00
6	PT Ion Exchange Asia Pacific *	01.08.2017	31.03.2022	Indonesia	IDR	0.00626	131.48	(128.66)	550.00	547.18	-	441.66	1.25	-	1.25	-	1.25	-	95.00
7	IEI Environmental Management (M) Sdn. Bhd.	11.03.2004	31.03.2022	Malaysia	MYR	17.95186	44.88	(320.85)	167.10	443.07	-	77.30	(26.16)	(4.60)	(21.56)	-	(21.56)	-	100.00
8	Ion Exchange Environment Management (BD) Ltd.	01.04.2006	31.03.2022	Bangladesh	BDT	0.86102	48.10	281.20	837.62	508.32	-	1,041.17	52.36	24.25	28.11	-	28.11	-	100.00
9	Ion Exchange WTS (Bangladesh) Ltd.	31.01.2010	31.03.2022	Bangladesh	BDT	0.86102	23.65	(29.23)	-	5.58	-	-	(0.39)	-	(0.39)	-	(0.39)	-	100.00
10	Ion Exchange LLC	01.03.2007	31.03.2022	USA	USD	75.80710	530.65	279.64	3,050.03	2,239.74	-	5,316.96	420.96	43.69	377.27	-	377.27	-	100.00
11	Ion Exchange And Company LLC	01.08.2006	31.03.2022	Oman	OMR	195.56986	586.71	577.99	1,589.05	424.35	365.55	1,869.24	42.69	(6.89)	49.58	-	49.58	58.67	51.00
12	Ion Exchange Projects And Engineering Ltd.	11.04.2011	31.03.2022	India	INR	1.00	1,521.52	(2,631.22)	1,872.47	2,982.17	9.84	2,840.97	(13.89)	-	(13.89)	(11.22)	(25.11)	-	91.81
13	Global Composites And Structural Ltd.	29.03.2012	31.03.2022	India	INR	1.00	293.55	(2,564.40)	599.87	2,870.72	5.00	671.24	(180.07)	0.39	(180.46)	-	(180.46)	-	73.92
14	Total Water Management Services (India) Ltd.	01.04.2012	31.03.2022	India	INR	1.00	10.89	61.34	83.12	10.89	-	67.45	9.59	5.29	4.30	-	4.30	-	70.19
15	Ion Exchange Saifc Pty. Ltd.	01.07.2012	31.03.2022	South Africa	ZAR	5.18666	0.10	(215.73)	726.58	942.21	-	1,410.63	128.17	(3.68)	131.85	-	131.85	-	60.00
16	Ion Exchange Purified Drinking Water Pvt. Ltd.	25.09.2013	31.03.2022	India	INR	1.00	1.00	149.54	1,430.47	1,279.93	-	1,147.46	37.26	34.17	3.09	-	3.09	-	100.00
17	Ion Exchange Environment Management Ltd.	20.08.2018	31.03.2022	India	INR	1.00	500.00	(2,500.64)	71.14	2,071.78	-	363.65	(20.34)	-	(20.34)	(0.38)	(20.72)	-	100.00
18	Ion Exchange Arabia for Water	20.11.2019	31.03.2022	Saudi Arabia	SAR	20.11054	100.55	(303.67)	217.54	420.66	-	644.46	(168.91)	-	(168.91)	-	(168.91)	-	60.00

\* Holding through subsidiary company – Ion Exchange Asia Pacific Pre. Ltd., Singapore.

Note :

Subsidiaries yet to commence operation

: None

Subsidiaries liquidated or sold during the year

: None

**Part B : Associates and Joint Ventures**

Sr. no.	Name of the Associates / Joint Ventures	Associates			
		IEI Water-Tech (M) Sdn. Bhd. **	Aquanomics Systems Ltd	Ion Exchange Financial Products Pvt. Ltd.*	Ion Exchange PSS Co. Ltd.**
1	Latest audited Balance Sheet Date	31.12.2021	31.03.2022	31.03.2022	31.03.2022
2	Date on which the Associate or Joint Venture was associated or acquired	06.07.2005	31.03.2006	01.04.1999	30.09.2011
3	Share of Associate / Joint Ventures held by company on year end				
	- Number of shares	300,000	4,60,000	2,450	14,700
	- Amount of Investment (net of impairment, if any) (INR in Lacs)	-	79.00	0.25	26.65
	- Extent of holding %	30.00%	48.42%	24.02%	49.00%
4	Description of how there is significant influence	Significant influence due to percentage of share capital			
5	Reason why the Associate / Joint Ventures is not considered	N.A.	N.A.	N.A.	N.A.
6	Net worth attributable to shareholding as per latest audited balance sheet (INR in Lacs)	-	397.71	181.45	(154.35)
7	Total Comprehensive income				
	i. Considered in consolidation # (INR in Lacs)	-	77.48	3.26	7.71
	ii. Not considered in consolidation (INR in Lacs)	-	-	146.81	-

**Note :**

\* Holding through subsidiary companies – Aqua Investments (India) Limited and Watercare Investments (India) Limited.

\*\* Holding through subsidiary Ion Exchange Asia Pacific Pte. Ltd., Singapore

# Considered in consolidation as per applicable Ind AS

Associates / Joint Ventures yet to commence operation : None

Associates / Joint Ventures liquidated or sold during the year : None

For and on behalf of the board of directors of  
ION EXCHANGE (INDIA) LIMITED

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

M. P. PATNI  
Director  
DIN – 00515553

MILIND PURANIK  
Company Secretary

N. M. RANADIVE  
Chief Financial Officer

Place : Mumbai  
Date : 27<sup>th</sup> May 2022

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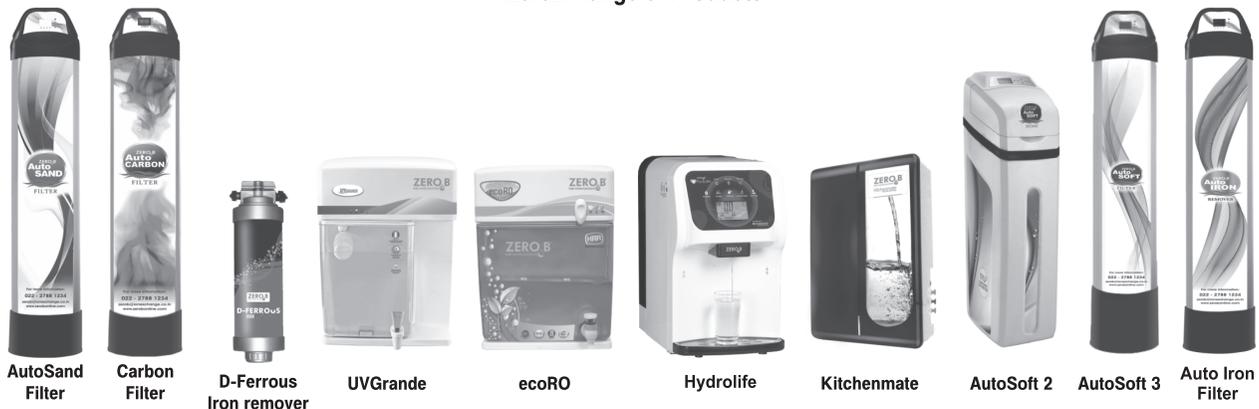
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**Ion Exchange (India) Ltd.**

Corporate Office : Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai-400 011, India Call: 022 2788 1234, 022 68486848 | WhatsApp: +91 77560 43064

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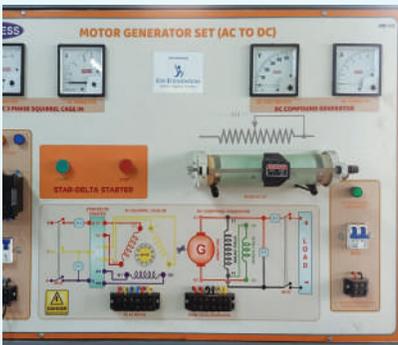
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Distribution of School Books & Stationery, Nitya Seva Niketan, Goa



Upgrading skills via Vocational Training Course, Bhanudas Maniram Seva Shiksha Sanstha, Maharashtra



Skill Development Driving course for Women, Association for Non-traditional Employment for Women (ANEW), Tamil Nadu



Distribution of Stationery & Financial Assistance towards teachers' salary Bethesda Life Center, Goa



Supporting Project PALNA, Delhi Council for Child Welfare, Delhi



Distribution of School Books, Kids Centre, West Bengal



Setting up of Water Treatment Plant (WTP) & Sewage Treatment Plant (STP), Om Creations Trust, Maharashtra



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