

# B S R & Co. LLP

Chartered Accountants

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To,  
The Board of Directors,  
Ion Exchange (India) Limited  
Ion House, Dr. E. Moses Road,  
Mahalaxmi, Mumbai – 400011

28 April 2023

**Statutory Auditor's Certificate in relation to proposed accounting treatment in the books of Ion Exchange (India) Limited as specified in the Proposed Scheme of Amalgamation of Ion Exchange Projects and Engineering Limited with Ion Exchange (India) Limited and their respective shareholders pursuant to provisions of Sections 230-232 of the Companies Act, 2013**

1. This certificate is issued in accordance with the terms of our engagement letter dated 15 November 2022 and addendum to the engagement letter dated 24 April 2023 with Ion Exchange (India) Limited.
2. We have been requested by the Board of Directors of Ion Exchange (India) Limited (the "Company" or "Transferee Company") to issue a certificate pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the BSE Limited and National Stock Exchange of India Limited in relation to the proposed accounting treatment specified in "Clause 13.1 - Accounting Treatment" of the Proposed Scheme of Amalgamation of Ion Exchange Projects and Engineering Limited ( "Transferor Company") with the Transferee Company and their respective shareholders ("Proposed Scheme") in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 ('the Act') and rules made thereunder, and reproduced under Annexure I to this certificate, with reference to its compliance with the applicable Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act and other generally accepted accounting principles in India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder.
3. The Proposed Scheme is approved by the Board of Directors of the Transferee Company and the Transferor Company on 23 March 2023 and 23 March 2023 respectively and is subject to approval of the respective Shareholders, the National Company Law Tribunal ("NCLT") and Statutory and Regulatory Authorities, as applicable. The appointed date for the purpose of this Proposed Scheme is 01 April 2023.

**Management's Responsibility**

4. The responsibility for preparation of the Proposed Scheme and Annexure I and its compliance with the relevant laws and regulations, including applicable Ind AS read with rules issued thereunder and other generally accepted accounting principles as aforesaid, is that of the Management and Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents.

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## **Independent Auditor's Certificate in relation to proposed accounting treatment in the books of Ion Exchange (India) Limited as specified in the Proposed Scheme of Amalgamation of Ion Exchange Projects and Engineering Limited with Ion Exchange (India) Limited and their respective shareholders pursuant to provisions of Sections 230-232 of the Companies Act, 2013 (*Continued*)**

5. This responsibility includes the designing, implementing and maintaining of internal control relevant to the preparation and presentation of the Proposed Scheme and applying an appropriate basis of preparation; compliance with the relevant laws and regulations, including the applicable Ind AS read with the rules issued thereunder and other generally accepted accounting principles in India as aforesaid, to the extent applicable and making estimates that are reasonable in the circumstances.
6. The management of the Company is also responsible for ensuring that the Company provides all relevant information with respect to the Proposed Scheme to the NCLT and other regulatory bodies as applicable.

### **Auditor's Responsibility**

7. Pursuant to the requirements of provisions of Section 232 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, our responsibility is to provide a reasonable assurance on whether the proposed accounting treatment specified in "Clause 13.1 – Accounting Treatment" of the Proposed Scheme and as reproduced in Annexure I to this certificate is in conformity with the Ind AS specified under Section 133 of the Act and other generally accepted accounting principles in India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder.
8. We conducted our examination of the proposed accounting treatment referred to in clause 13.1 to the Proposed Scheme and reproduced under Annexure I to this certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ("the Guidance Note") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

10. As per Section 232(6) of the Act the Proposed Scheme has to provide for the appointed date from which the Proposed Scheme shall be deemed to be effective. The Company has accordingly proposed the appointed date as 01 April 2023.
11. Based on our examination and according to the information and explanations and representations given to us, the proposed accounting treatment specified in "Clause 13.1 – Accounting treatment" to the Proposed Scheme and reproduced in Annexure I to this certificate, initialed and stamped by

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us for the purpose of identification only, is in conformity with Ind AS 103 'Business Combinations' i.e. the applicable Accounting Standards specified under Section 133 of the Act and other generally accepted accounting principles in India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder.

## Restriction on use

12. This certificate is issued at the request of the Board of Directors of the Transferee Company pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the BSE Limited and National Stock Exchange of India Limited in relation to the Proposed Scheme pursuant to the requirements of Sections 230 to 232 of the Act read with relevant rules issued thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder. Our certificate should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

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

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Mumbai  
28 April 2023

**Glenn D'souza**  
*Partner*

Membership No: 112554  
UDIN: 23112554BGWSAA6271

**Annexure I**

**Relevant extract of proposed accounting treatment in the books of Ion Exchange (India) Limited as specified in the Proposed Scheme of Amalgamation between Ion Exchange Projects And Engineering Limited with Ion Exchange (India) Limited and their respective shareholders pursuant to provisions of Sections 230-232 of the Companies Act, 2013:**

**13. ACCOUNTING TREATMENT**

13.1. On the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation of the Transferor Company in its books of account in accordance with "Pooling of Interest Method" laid down under Appendix C of IND AS 103 (Business combination of entities under common control) and/ or any other applicable IND AS, as the case may be, as notified under Section 133 of the Act read with relevant rules issued thereunder. It would inter-alia include the following:

- (a) All the assets and liabilities of the Transferor Company shall be transferred and vested in the books of the Transferee Company pursuant to this Scheme and shall be recorded by the Transferee Company at their respective book values appearing in the books of the Transferor Company.
- (b) The identity of the reserves of the Transferor Company shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner, in which they appeared in the financial statements of the Transferor Company, prior to this Scheme becoming effective.
- (c) The investments in the equity share capital of the Transferor Company as appearing in the books of accounts of the Transferee Company shall stand cancelled.
- (d) Inter-Company balances, loans and advances, if any, between the Transferor Company and the Transferee Company, will stand cancelled.
- (e) The face value of equity shares issued by the Transferee Company to the shareholders of the Transferor Company pursuant to Clause 12.1 shall be credited to the equity share capital account of the Transferee Company.
- (f) The difference, if any, between the amount recorded as share capital issued at face value as a consideration to the shareholders of the Transferor Company plus amount of the investments in the equity share capital of the Transferor Company cancelled as mentioned in clause (c) above and the amount of share capital of the Transferor Company shall be credited to capital reserve account or debited to retained earnings, as the case maybe, of the Transferee Company.

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**ION EXCHANGE (INDIA) LTD. | CIN: L74999MH1964PLC014258**

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- (g) The financial statements of the Transferee Company will reflect the financial position based on consistent accounting policies. In case of any difference in any of the accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy and in conformity with applicable standards.

**For Ion Exchange (India) Limited**  
**CIN: L74999MH1964PLC014258**

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SHARMA

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**Rajesh Sharma**  
**Chairman and Managing Director**

**Mumbai**  
**28<sup>th</sup> April 2023**



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