

**Nurturing Sustainable and Inclusive Growth**  
*integrating*  
**EESG principles**



# Total Water & Waste Water Treatment Solutions



## Water Treatment Plant for India's largest private sector producer of Crude Oil

Turnkey lumpsum EPC project for treating and reinjecting complex produced water using advanced membrane processes



## Waste Water Treatment Plant for a large Chemical Complex

Complete Water and Effluent Treatment Plant with tertiary advanced membrane process for recycling treated effluents



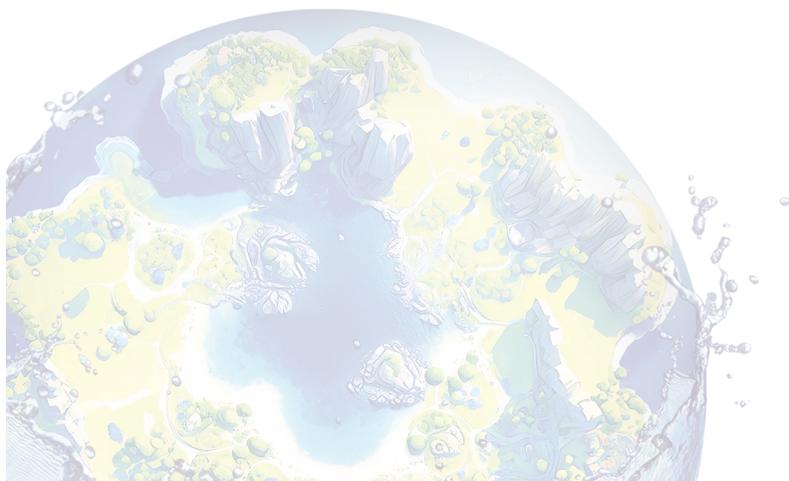
## Enforcing Value Creation...ESG for the Long Term

As we enter the new year of 2023-24, it is crucial to reflect upon the pressing global challenges and opportunities ahead. The interplay between the economy, ESG (Environmental, Social and Governance) factors and the integration in business activities will augur well in shaping a sustainable future.

In an increasingly interconnected world, the unity of the global economy has become more critical than ever. The challenges posed by climate change, social inequality and governance issues are no longer isolated concerns but demand a collaborative response from governments, businesses and individuals alike. Fostering a united economy requires a collective effort to prioritize sustainable practices, ethical decision-making and long-term resilience. By emphasizing cooperation over competition, we can harness the economic potential to drive positive change and ensure a more equitable and prosperous future for all.

Environmental, Social and Governance factors have emerged as fundamental building blocks for sustainable development. Environmental considerations call for preserving and restoring our planet, addressing issues such as climate change, resource depletion and pollution. Social factors encompass social justice, inclusivity and human rights, recognizing the importance of equity and well-being for all individuals and communities. Governance factors focus on transparent, accountable and responsible practices in both public and private sectors. Integrating these EESG principles into decision-making processes can create a holistic approach that balances economic growth with environmental and social well-being.

The challenges (environmental, economic growth, social justice, equality and increased governance) we face in the coming year are immense, but so are the opportunities to reshape our world for the better. We can build a more sustainable and inclusive future by uniting the economy, incorporating EESG principles into decision-making. Through responsible environment management practices, innovative technology and digital solutions and global partnerships, we have the potential to overcome the challenges before us and create a world that thrives economically, environmentally and socially.



**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	Director
Mr. Sanjay Joshi	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 Head - Financial Planning & Risk Management
Mr. Dinesh Sadasivan	President - Standard Systems, CSD & Services
Dr. S. V. Mehendale	Executive Vice President - Membrane Division
Mr. S. N. Iyengar	Executive Vice President - Medium Industry Segment
Dr. N. Anbanathan	Executive Vice President - Resin Division
Mr. C.K.Sandeep	Executive Vice President - International Division
Mr. Paresh Ballikar	Executive Vice President - Internal Audit and Information Technology
Mr. Venkathnath Kandalla	Executive Vice President - Industrial Chemical Division
Mr. Yogesh Bajpai	Executive Vice President - Home Water Solutions
Mr. Vasant Naik	Group Chief Financial Officer

**COMPANY SECRETARY**

Mr. Milind Puranik

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

M/s. TSR Consultants Private Limited  
C-101, 1<sup>st</sup> Floor, 247 Park  
Lal Bahadur Shastri Marg  
Vikhroli (West) Mumbai – 400 083  
Tel No.: +918108118484  
Fax No.: +9166568494  
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. B S R & Co. LLP

**ADVOCATE & SOLICITORS**

Crawford Bayley & Co.

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## NOTICE

NOTICE is hereby given that the Fifty-Ninth Annual General Meeting of the members of Ion Exchange (India) Limited will be held on Friday, 8<sup>th</sup> September, 2023 at 11.00 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, 2023, 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, 2024, 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. Alteration of the Object Clause of the Memorandum of Association of the Company

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

“**RESOLVED THAT** pursuant to the provisions of sections 4, 13 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force) and the rules framed thereunder, and other applicable regulations, rules and guidelines issued, if any, and subject to approval of Ministry of Corporate Affairs, and any other appropriate regulatory / statutory authorities and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authority, the consent of the members of the Company be and is hereby accorded to alter and amend existing Clause III (A) [Main Object] of the Memorandum of Association of the Company by inserting following sub-clauses at the end of Main Objects Clause of the Memorandum of Association as Clause No. 3 (1I) to 3 (1R) which are as under:

“(1I) To carry on the business in India or abroad to establish, manufacture, design, fabricate, assemble, job work, install, maintain, manage, repair, erect, operate, buy, sell, import, export, trade market, distribute, hire, let on hire, lease, and to act as contractors, sub-contractors, agent, broker, representative, supplier, consultant, stockist, or otherwise to deal in all varieties, descriptions, specifications, characteristics, and applications of fibre glass reinforcements plastic (FRP), FRP pipings, FRP sheets, FRP composites, cable trays, engineering products, construction materials, designing and structural fabrication of metal & steels structures, wooden structures, composite structures, sheet metal fabrication and building raw materials and to undertake contract works of construction of buildings residential, commercial, or industrial structures, RCC & Steel structure or any other super structures and installation of all types of structures and foundation thereof.

(1J) To carry on business as manufactures, importers, exporters, buyers, sellers, distributors, dealers, sub-contractors, repairers, agents and to act as electrical engineers, iron founders, mechanical engineers, electrical engineers, consulting engineers, architects, surveyors, valuers, building and constructional contractors, tool-makers, die casters, brass founders, metal workers, machinists, iron and steel converters and processors, gas makers, carriers, composites, components, metallurgists and water supply engineer's and manufactures of electrical instruments, apparatus, equipments, tools, motors generators, pumps, tools, dies, jigs, fixtures, patterns, designs, plants & machineries, welders, electroplating apparatus, spare parts, engineering items, fabricated items, Fibre Glass Reinforcements Plastic (FRP) and other material and to do structural fabrication, accessories and components of all description whether electrical mechanical or otherwise.

(1K) To carry on the business of design, engineering, procurement, supply construction and installation of Municipal sewage treatment Plants and industrial wastewater treatment Plants and/or Projects and the operation & maintenance thereof.

(1L) To carry on the business of Industrial and Municipal solid waste disposal and management, sludge and bio-solids treatment, air pollution control technology, soil remediation technology and waste management projects.

(1M) To carry on the business of Process water and drinking water treatment and distribution projects.

(1N) To carry on all or any of the business of manufacturing and selling water and wastewater treatment plants, water treatment chemicals, resins and other specialty chemicals.

(1O) To carry on all or any of the business of manufacturer of and dealer in resins, organic solvents, water treatment chemicals, petro-chemicals, electro-chemicals, compounds and products thereof; designers, fabricators, manufacturers, contractors and dealers in water treatment machinery, equipment and plants, industrial and scientific apparatus and materials; process and design engineers, and without limiting the generality of the foregoing, in particular as process and design engineers for softening, purification or other treatment of water for industrial, municipal, domestic and other purposes to engage in all or any of the businesses of assemblers, processors, repairers, finishers and manufacturers of and dealers in industrial and municipal plant, machinery, equipment and tools of all description, and components and accessories thereof; and in any similar or allied business and either in connection with any of the said businesses or as distinct or separate businesses.

(1P) To act as engineers and consultants for environmental protection and prevention of water and atmospheric pollution, to act as environmental management consultants.

(1Q) To carry on the business in India or abroad as civil engineers, electrical engineers, mechanical engineers, structural engineers, architects, planners, developers and to build, construct, acquire, install, survey, design, layout, establish, provide, manage, maintain, handle, operate, administer, lease, transfer all water treatment projects, infrastructure projects, facilities including demolition, development & construction work and to carry business as turnkey construction of hospital with equipments and accessories, resorts, aqua parks, hotels, designers, fabricators, manufacturers, contractors and dealers in water treatment machinery, equipment and plants, process and design engineers and deal in collection, separation of solid waste disposal, recovery of reusable materials, energy of waste recycle and treat hazardous waste from hospitals, factories, softening, purification, construct and or maintain municipal water, sewage, collection and distribution network in city, town or metro city landscaping or beautifying city, town etc, treatment of water for industrial, domestic and other purposes, municipal water treatment, water supply, sewage treatment plant, highways, roads, bridges, flyovers, roadways, underground, tunnels, runways, freeways, rail road, air-stripes, airports, seaports, ware houses, storage plants, buildings, residential buildings, industrial parks recreation facilities, gardens, exhibition parks, I.T. Parks, townships, wells, dams canals, environmental bases projects, power transmission lines, communication centers, resorts, health centers, museums, civic works, earthworks and irrigation projects or any other infrastructure facilities either on build, operate and transfer (B.O.T) basis and to collect toll thereon or otherwise and render all services in connection with such infrastructure facilities of industries and community.

(1R) To carry on the business in India or abroad as civil engineers, electrical engineers, mechanical engineers, structural engineers, architects, planners, developers and to build, construct, acquire, install, survey, design, layout, establish, provide, manage, maintain, handle, operate, administer, lease, transfer all infrastructure projects, facilities including demolition, development & construction work of municipal water treatment, water supply, sewages, and drainage supply, sewage treatment plant, highways, roads, bridges, flyovers, roadways, underground, tunnels, runways, freeways, rail-road, air-stripes, airports, seaports, ware houses, storage plants, buildings, residential buildings, industrial parks, recreation facilities, gardens, exhibition parks, I. T. Parks, townships, wells, dams, canals, environmental based projects, power transmission lines, communication centers, resorts, health centers, museums, civic works, earthwork and irrigation projects or any other infrastructure either on build, operate and transfer (B. O. T.) basis and to collect toll thereon or otherwise and render all services in connection with such infrastructure facilities of industries and community and to undertake industrial and residential water purification treatment systems including the production of chemicals and resins for water and waste water treatment.”

**RESOLVED FURTHER THAT** any one of the Directors of the Company be and is/are hereby authorized jointly and/or severally to make necessary alterations/modification in the Memorandum of Association to give effect to the above resolution and to execute, sign and file the required documents/ returns/forms with Registrar of Companies and to make necessary corrections/ modifications/ alterations suggested by the concerned authorities and to collect the certificate confirming the above alteration.”

7. **Appointment of Mr. Sanjay Joshi (DIN: 01656787) 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 a **Special 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. Sanjay Joshi (DIN: 01656787) 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, 2023 upto the conclusion of 64<sup>th</sup> Annual General Meeting to be held in the year 2028.

**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, 26<sup>th</sup> July, 2023

## NOTES :

1. 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 and December 28, 2022 (collectively referred to as "MCACirculars") 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 Thursday, 31<sup>st</sup> August, 2023 to Friday, 8<sup>th</sup> September, 2023 (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. Sanjay Joshi
Designation	Non-Executive Director	Non-Executive Independent Director
Date of Birth	25.09.1945	20.04.1959
Age	78 years	64 years
Date of Appointment	28.09.2001	26.07.2023
Qualification	B.E. (Mechanical)	B.Tech. (Chemical Engineering)
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 55 years. He has considerable exposure in handling large projects of national importance.	Mr. Sanjay Joshi has over four decades of wide-ranging professional experience in leadership roles. He has had global industry exposure in engineering and project management of oil and gas, refining, petrochemical and chemical projects and energy transition. He started his professional career in 1980 after graduating in chemical engineering and held various working level and leadership position with various companies in India, Oman, Abu Dhabi and United Kingdom. Played key role to expand Aker Solutions' business in the upstream oil and gas sector and established India as execution centre across the value chain of oil and gas industry to serve subsea, greenfield, brownfield projects in the North Sea. He received the Business Leader of the year in Engineering Services award in 2015 from the ChemTECH Foundation, in recognition of his contribution to the engineering sector in India.
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	75,54,970	Nil



Name	Mr. M. P. Patni	Mr. Sanjay Joshi
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. Labhda Properties Pvt. Ltd.</li> <li>2. IEI Water Tech (M) Sdn. BHD.</li> <li>3. IEI Environmental Management (M) SDN. BHD.</li> <li>4. Ion Exchange Environmental Management (BD) Ltd.</li> <li>5. Ion Exchange Asia Pacific Pte. Ltd. (Singapore)</li> <li>6. Ion Exchange Asia Pacific (Thailand) Ltd.</li> <li>7. Ion Exchange Projects &amp; Engineering Ltd.</li> <li>8. Ion Exchange PSS Ltd. (Thailand)</li> <li>9. Ion Exchange Safic (Pty.) Ltd. (South Africa)</li> </ol>	<ol style="list-style-type: none"> <li>1. Aker Carbon Capture India Private Limited</li> </ol>
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>	Not Applicable
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, 2023 to those members (holding shares in physical form) whose names appear on the Register of members as on 8<sup>th</sup> September, 2023 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.ionexchange.global.com](http://www.ionexchange.global.com) and on the website of TSR at 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 2014-15 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 2015-16 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 5,985 shares to the Investor Education and Protection Fund Authority during the year 2022-23.
10. As per the provisions of Section 72 of the Companies Act, 2013 (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, 2023 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 2022-23 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 2022-23 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-exemptforms2324@tcplindia.co.in](mailto:csg-exemptforms2324@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 July 26, 2023 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 Monday, 4<sup>th</sup> September, 2023 (9.00 a.m) and ends on Thursday, 7<sup>th</sup> September, 2023 (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, 2023 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>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.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 or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdasDirectReg.jsp</a></li> </ol>

Type of shareholders	Login Method
	<p>3. 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 or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  <b>App Store</b> </div> <div style="text-align: center;">  <b>Google Play</b> </div> </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>1. Existing users who have opted for CDSL 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.</p> <p>2. 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.</p> <p>3. 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></p> <p>4. 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.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>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.</p>

**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.: 022 48867000 and 022 24997000
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 1800225533

**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?**

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. 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 demataccount 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 demataccount 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.nsd.com](http://www.evoting.nsd.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.: 022 48867000 and 022 24997000 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, 2023.
- 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, 2023 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.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 022 48867000 and 022 24997000.
- 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 two working days from 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.global.com](http://www.ionexchange.global.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 where the shares of the Company are listed.

**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. 022 48867000 and 022 24997000 or contact Mr. Amit Vishal or Ms. Pallavi Mhatre at the designated email id - [evoting@nsdl.co.in](mailto:evoting@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, 2023 to 4<sup>th</sup> September, 2023. 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, 26<sup>th</sup> July, 2023



## **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 7 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-Ninth 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 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 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, 2024.

Remuneration payable to M/s. Kishore Bhatia & Associates, Cost Auditors of the Company for the financial year ended March 31, 2024 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 26<sup>th</sup> May, 2023.

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 approval by the Members.

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

### **Item No. 6**

In light of the ongoing Scheme of Amalgamation of Global Composites and Structural Limited (Transferor Company No.1) and Ion Exchange Environment Management Limited (Transferor Company No.2) with Ion Exchange (India) Limited (Transferee Company) approved by the Board of Directors on 3<sup>rd</sup> February, 2023 and another ongoing Scheme of Amalgamation of Ion Exchange Projects and Engineering Limited (Transferor Company) with Ion Exchange (India) Limited (Transferee Company) approved by the Board of Directors on 23<sup>rd</sup> March, 2023, it is necessary to amend the Main Object clause of the Company to

incorporate the existing main objects of the transferor companies so as to enable the company to carry on the business activities of all the transferor companies post completion of amalgamation.

The Board recommends the Resolution at Item No. 6 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. 6 of the accompanying Notice except to the extent of shareholding in the Company.

**Item No. 7**

The Board of Directors upon recommendation of the Nomination & Remuneration Committee at its meeting held on July 26, 2023, appointed Mr. Sanjay Joshi 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 the Companies Act, 2013, Mr. Sanjay Joshi 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. Sanjay Joshi to be appointed as an Independent Director of the Company.

Mr. Sanjay Joshi has over four decades of wide-ranging professional experience in leadership roles. He has had global industry experience in engineering and project management of oil and gas, refining, petrochemical and chemical projects and energy transition.

He started his professional career in 1980 after graduating in chemical engineering and held various working level and leadership position with various companies in India, Oman, Abu Dhabi and United Kingdom. Played key role to expand Aker Solutions' business in the upstream oil and gas sector and established India as execution centre across the value chain of oil and gas industry to serve subsea, greenfield, brownfield projects in the North Sea. He received the Business Leader of the year in Engineering Services award in 2015 from the ChemTECH Foundation, in recognition of contribution to the engineering sector in India. Established new entity for Aker Carbon Capture in India in April 2022 to develop business strategy for ACC-Norway and explore opportunities to decarbonize the industry.

In the opinion of the Board, Mr. Sanjay Joshi 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. Sanjay Joshi. Further, the Company has also received Mr. Sanjay Joshi'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. Sanjay Joshi 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. Sanjay Joshi 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. Sanjay Joshi, 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. 7 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. 7 of the accompanying Notice.

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

Mumbai, 26<sup>th</sup> July, 2023

By Order of the Board

**Milind Puranik**  
Company Secretary

## DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the 59<sup>th</sup> Annual Report and Accounts for the financial year ended 31<sup>st</sup> March, 2023.

### FINANCIAL RESULTS

The highlights of the financial results are as follows:

(INR in Lacs)

Particulars	Standalone		Consolidated	
	Year ended March 2023	Year ended March 2022	Year ended March 2023	Year ended March 2022
Revenue from operations	189,216.59	1,50,936.23	198,960.93	1,57,686.77
Other Income	4,679.85	4,612.70	4,106.84	4,169.58
Earnings before interest, taxes, depreciation	27,970.70	24,309.06	29,605.52	25,490.31
Finance Cost	636.38	757.26	919.98	994.66
Depreciation and amortization expenses	2,796.52	2,678.23	2,908.67	2,804.27
<b>Profit before taxation</b>	<b>24,537.80</b>	<b>20,873.57</b>	<b>25,776.87</b>	<b>21,691.38</b>
Add: Share of profit/(loss) of equity accounted investee (net of income tax)		-	93.43	41.67
Less: Provision for taxation:				
Current tax	6,203.98	5,807.03	6,467.63	5,887.47
Deferred tax	(137.86)	(354.31)	(93.96)	(323.19)
<b>Profit after tax</b>	<b>18,471.68</b>	<b>15,420.85</b>	<b>19,496.63</b>	<b>16,168.77</b>
Other comprehensive income (Net of Taxes)	(235.38)	(147.33)	(166.29)	(100.33)
<b>Total Comprehensive income</b>	<b>18,236.30</b>	<b>15,273.52</b>	<b>19,330.34</b>	<b>16,068.44</b>

### OPERATIONS

During the financial year ended 31<sup>st</sup> March, 2023, the net profit after tax of the company on standalone basis has increased to INR 18,471.68 Lacs as compared to previous year's net profit after tax of INR 15,420.85 Lacs showing an improvement of 19.8 percent over the previous year on standalone basis. The Company has achieved a turnover of INR 1,892.17 crores as compared to INR 1,509.36 crores of the previous year.

### DIVIDEND

At the Board Meeting held on May 26, 2023, the Board of Directors recommended dividend of INR 12.50 (125%) per equity share of face value of INR 10 each for the financial year ended March 31, 2023. Subsequently pursuant to the Shareholders' approval, the Company sub-divided its equity shares from the face value of INR 10 per share to INR 1 per share w.e.f 12<sup>th</sup> June, 2023 i.e. record date. Accordingly, the dividend per share stands adjusted to INR 1.25 (125%) per equity share to reflect post-split face value of INR 1 each.

### FUTURE OUTLOOK

The overall outlook for the Indian Economy remains positive. However, geopolitical crisis slowing world demand, supply-chain re-orientation, global inflation and tight monetary policy conditions create downside risk to India's growth projections of 6.5 percent.

Against these headwinds optimism is in order on the domestic inflation front which has already started softening and is

expected to moderate to 5 percent from 6.8 percent in the previous year. A good rabbi harvest would help cool food inflation. However, the risk to this optimism are tilted upwards, given the world meteorological organization's prediction that El Nino warming effect is likely in the next couple of months affecting country's rainfall and in turn hurt farm output. However, IMD's prediction presents a better picture with respect to adequacy and spread of rainfall.

Global growth is expected to remain generally subdued. The slowing demand will likely push down the global commodity prices and improve India's current account deficit in FY 2024 (<3 percent of GDP). The headwinds to India's export linked sectors (both goods and services) will be due to global demand slow down, particularly the US and the European Union (EU) which dominate global trade and account for 42 percent of the global GDP.

In a recent study of CRISIL, 19 sectors such as Automobiles and Components, Hospitality, Food & Beverages, Dairy – all driven by domestic demand are expected to invest in capex aided by already favourable Cash-flows, robust Balance Sheets and capacity utilization. As many as 25 other sectors also showed favourable trends in their operating profit. These include some infrastructure sectors such as Renewable and Construction. Steel, Cement will continue to benefit from Central Government spending which is expected to increase by 30 percent in fiscal year 2024. Going forward, the drivers for pick-up in capex in the private sector will be strong domestic

demand and the Production Linked Incentive (PLI) Scheme in sectors such as Auto, Pharma, Textiles, Chemicals, Electronics, Renewables, Health Care and China-Plus-One derisking strategy of global measures. Softening of crude prices and critical raw materials like Copper, Aluminum, Steel is expected to increase the operating profit, reduction in working capital for most capex projects under execution thereby improving the profitability of the capital goods sectors. Thus, private capex is likely to pick up in fiscal year 2024, particularly in the second half in most of the above sectors. The Service sector which has benefitted from pent up demand, especially for Hospitality & Aviation, Business & Leisure, Transfer Travel is expected to log double-digit growth in FY 2024.

The key drivers to India's economic growth (apart from private consumption) being capital investments, both by the government, the private sector and productivity increases. The later will be enhanced by digitalization together with efficiency – enhancing reforms to increase productivity. The Indian economy will continue to reap efficiency gains from past reforms such as GST and Insolvency and Bankruptcy Code (IBC).

Thus India's GDP growth in FY 2023-24 is expected to be 6 percent and average 6.8 percent between fiscals 2024 and 2028, a TAD better than the pre-Pandemic five-year average of 6.7 percent during fiscals 2016-2020.

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

Your Company has evolved a rational business strategy and activity plans based on macro and micro economic factors affecting the company's growth with careful analysis of opportunities and threats in market/geographies it serves. The business continuity plans assesses risks to its ongoing business and future growth plans with its comprehensive risk management framework. It includes dynamic risk identification and mitigation through robust operational and internal controls and frequent reviews at apex levels.

The robustness of the process was never before experienced but during the Pandemic. Thus key learnings from the Pandemic to maintain business and continuity are integrated in business processes of the company even in the present vulnerable and uncertain global environment.

#### **FINANCIAL RESOURCES**

##### **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, 2023, the Subsidiary companies M/s. Aqua Investments (India) Limited posted profit

after tax of INR 31.99 Lacs compared to INR 31.90 Lacs of the previous year and M/s. Watercare Investments (India) Ltd. posted profit after tax of INR 24.05 Lacs compared to INR 23.99 Lacs of the previous year.

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

During the year under review, the Company's revenue was INR 157.17 Lacs as against INR 87.94 Lacs in the previous year.

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 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 1808.26 Lacs during the year under review as compared to INR 4782.97 Lacs in previous year. The Company made consolidated net profit after tax of INR 15.46 Lacs.

the Company had a healthy offer bank, some of the major orders could not be finalized during the current year due to various geo-economical factors which ultimately affected the invoices of the Company. However, we are confident that these orders will get finalized in the current year financial year and the company will be back on track in the coming year.

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

The Company achieved a turnover of INR 3.38 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 has been initiated by the Company and is progressing well. We are hopeful of completing the same in the coming year.

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

The Company achieved turnover of INR 1213.83 Lacs during the year as compared to INR 1041.17 Lacs in the previous year. The Company made net profit after tax of INR 42.30 Lacs as compared to net profit after tax of INR 28.11 Lacs.

Bangladesh economy is one of the major growing developing economies. It has seen robust growth after the Pandemic with macro-economic stability and improvement in infrastructure and trade flows.

We are in the final stage of commissioning the Water Treatment & Waster Water Treatment Plants supplied to three Power Projects in Bangladesh. Once fully commissioned, the

Company will gain technical references in Power segment of the country.

Your Company is focusing on infrastructure projects of government and municipal authorities with a view to take advantage of growing investments in these segments. The Company continues 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 2064.41 Lacs during the year under review compared to INR 1629.49 Lacs in the previous year. The Company made net profit after tax of INR 33.30 Lacs.

Oman economy is on recovery path after it witnessed slump due to Covid pandemic. This has helped the Company to show growth during the year under review and are hopeful that the Company will continue its growth trajectory in the coming years.

#### **Ion Exchange LLC, USA**

The Company achieved a turnover of INR 5361.17 Lacs for the year under review as compared to INR 5312.82 Lacs in the previous year. Net profit after tax improved from INR 377.27 Lacs in previous year to INR 392.58 Lacs in the current year.

After normalization of logistic issues, the Company is able to improve its performance & profitability during the current year and we are hopeful to continue our growth & profitability in the coming year.

#### **Ion Exchange Projects and Engineering Limited**

The Company achieved a turnover of INR 3978.34 Lacs for the year under review as against INR 2462.43 Lacs in previous year.

The Company achieved profit after tax of INR 761.90 Lacs for the year as against loss of INR 13.89 Lacs in the previous year.

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

Company has shown improved performance due to revenue growth in the Engineering segment of the Parent Company. Commercial closings of the old projects also helped the Company to improve the margins.

During the year under review, the Board has approved the Scheme of Amalgamation of Ion Exchange Projects and Engineering Limited (Subsidiary Company) with Ion Exchange (India) Limited. After SEBI approval the Company will seek NCLT approval for the proposed Amalgamation.

#### **Global Composites and Structurals Limited**

The Company achieved a turnover of INR 454.58 Lacs for the year under review as compared to INR 668.36 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 Environment Management Limited**

The Company achieved a turnover of INR 1266.77 Lacs for the year under review, as against INR 363.32 Lacs for the previous year.

The Company achieved Net Profit after Tax of INR 254.72 Lacs as compared to the previous year'

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

During the year under review, the Board has approved the scheme of Amalgamation of Global Composites and Structurals Limited and Ion Exchange Environment Management Limited (wholly owned subsidiaries) with Ion Exchange (India) Limited. The Company will seek NCLT approval for the proposed Amalgamation.

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

The Company achieved a turnover of INR 2000.89 Lacs during the year under review as compared to INR 1408.28 Lacs in the previous year registering a growth of 42 percent. The Company made a net profit after tax of INR 66.77 Lacs for the year as compared INR 131.85 Lacs in the previous year.

The Company is a Joint venture Company set up in South Africa with Safic (Pty) Ltd. Despite of low GDP growth and weakening of South African currency, your Company has grown by 42% with its continued focus on Engineering, Chemical and Membrane business. We are confident of continued growth in the coming year as during the last quarter of F.Y. 2022-23 South African GDP has shown marginal improvement.

#### **Ion Exchange Arabia For Water**

The Company achieved a turnover of INR 721.54 Lacs during the year under review compared to INR 644.46 Lacs in previous year. Relaxation of Covid -19 restrictions has enable the Company to marginally improve its turnover. 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 31.15 Lacs for the year under review, as against INR 67.22 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.**

The Company achieved a turnover of INR 1874.45 Lacs for the year under review, as against INR 1094.37 Lacs for the previous year.

The Company achieved Net Profit after Tax of INR 238.53 Lacs as compared to the previous year's Profit after Tax of INR 3.09 Lacs.

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 Europe, LDA**

The Company achieved a turnover of INR 1188.68 Lacs for the year under review. The Company achieved Net Profit after Tax of INR 97.87 Lacs.

During the year under review, the name of the Company was changed from IEI Total Water Management LDA to Ion Exchange Europe, LDA.

To cater to the needs of the European Market, your Company has incorporated a Subsidiary company in Portugal

**AMALGAMATION:****Amalgamation of Global Composites and Structurals Limited and Ion Exchange Environment Management Limited with Ion Exchange (India) Limited**

During the year under review, the Board of Directors of the Company ('Board'), at its meeting held on February 3, 2023, approved the Scheme of Amalgamation of Global Composites and Structurals Limited ('GCSL') and Ion Exchange Environment Management Limited ('IEEML') with Ion Exchange (India) Limited ('IEIL'). GCSL & IEEML are wholly owned subsidiaries of the Company and upon the Scheme coming into effect, the entire paid-up share capital of GCSL and IEEML shall stand cancelled. The Scheme is pending approval before the Hon'ble National Company Law Tribunal, Mumbai Bench. The amalgamation is also subject to approval from other regulatory/governmental authorities.

**Amalgamation of Ion Exchange Projects and Engineering Limited with Ion Exchange (India) Limited**

During the year under review, the Board of Directors of the Company ('Board'), at its meeting held on March 23, 2023, approved the Scheme of Amalgamation of Ion Exchange Projects and Engineering Limited ('IEPEL') with Ion Exchange (India) Limited ('IEIL'). IEPEL is an unlisted subsidiary of the Company. The Board has recommended a share exchange ratio of 214 fully paid-up equity shares of nominal value of INR 1/- each of the Company for every 6,360 fully paid-up equity shares of nominal value of INR 10/- each held by the shareholders of IEPEL. As part of the Scheme, the equity shareholding of the Company in IEPEL shall stand cancelled. The Company has filed the application with the National Stock Exchange of India Limited and BSE Limited for obtaining their No Objection. The amalgamation is subject to approval of the shareholders, NCLT and other regulatory/governmental approvals

**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 Director have, on July 26, 2023, approved the appointment of Mr. Sanjay Joshi (DIN : 01656787) as an Additional Director in the capacity of Independent Director, subject to the 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 59<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 Regulations 16(1)(b) & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (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 and its Committees 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, 2023, 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, 2023 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. Vasant Naik	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 2022-23 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 of the Companies Act, 2013 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 Companies Act, 2013 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.

#### DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### QUALITY INITIATIVES

Your company places quality at the forefront of its products & services. All of your Company's manufacturing and service divisions including support functions like technology and corporate communications are certified for ISO 9001:2015 Quality Management System. The internal quality norms are constantly reviewed to ensure that our products meet the required standards. The quality of material received is also regularly monitored to ensure that it meets the quality standards as per the requirements of your Company's products. The focus on process excellence through 'Lean Six Sigma' is aimed to deliver high quality solutions to customers and create new benchmark.

Your Company's manufacturing facilities i.e. Resins at Ankleshwar, Gujarat; Chemicals at Patancheru, Telangana and Membrane at Goa are certified for ISO 14001:2015 Environmental Management System. In addition, the Resins manufacturing facility has obtained renewed certificates for WHOGMP, WQA-Gold seal; Kosher, Halal, EU and Canadian Health, GMP (Good Manufacturing Practice), GLP (Good Laboratory Practice). The Chemical manufacturing facility at Patancheru is also certified for ISO 45001:2018 Occupational Health and Safety Management System. The chemical facility has also obtained renewed certificates for Kosher, Halal and NSF/ANSI 60. The membrane manufacturing facility at Goa is also NSF certified.

Your Company's R&D Laboratories at Patancheru and Vashi are certified by DSIR and the Laboratory at Bangalore by NABL. Further, one of your Company's service site at Bhatinda has also got its certificate for ISO 45001:2018 Occupational Health and Safety Management System renewed.

Your Company remains focused on enhancing the quality, efficiency and effectiveness of its business process to deliver best-in-class performance.

**AUDITORS****Statutory Auditors**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 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 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, 2023. 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 AND SUSTAINABILITY REPORT**

Business Responsibility and Sustainability 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.ionexchangeglobal.com](http://www.ionexchangeglobal.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, 2023 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 deposit holders.

On behalf of the Board of Directors

**Rajesh Sharma**  
Chairman & Managing Director

Mumbai  
Date: 26<sup>th</sup> July, 2023



**Annexure I**  
**FORM MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 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 ION EXCHANGE (INDIA) LIMITED (hereinafter called “the Company”) bearing CIN L74999MH1964PLC014258 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, 2023 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, 2023 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 and Sweat Equity) Regulations, 2021 [Formerly known as Securities and Exchange Board of India (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 (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable during the period of audit).

- i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not applicable during the period of audit].
- j. 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 (NSE) 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 audit period under review, there were no event/action(s) which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

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

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

**PLACE : MUMBAI**

**DATE : 26<sup>th</sup> MAY, 2023**

**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 : 26<sup>th</sup> MAY, 2023**

## 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) Brief outline on CSR Policy of the Company:**

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.

**2) Composition of Corporate Social Responsibility (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	Ms. Kishori J. Udeshi	Member	2	2
3	Mr. M. P. Patni	Member	2	2
4	Mr. Rajesh Sharma	Member	2	2

**3) The web-links where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company are provided below:**

The composition of the CSR Committee: <https://ionexchangeglobal.com/app/uploads/2022/06/Composition-of-Committees-of-the-Board-of-Directors.pdf>

CSR Policy: <https://ionexchangeglobal.com/pdf/ionindia/CSR%20Policy.pdf>

CSR Projects: <https://ionexchangeglobal.com/investor-relation/policies/>

**4) The Executive summary along with web-link(s) 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, if applicable – Not Applicable**

- 5)**
- a. Average net profit of the Company as per section 135(5) of the Companies Act, 2013 – INR 1,780,304,896
  - b. Two percent of average net profit of the Company as per section 135(5) of the Companies Act, 2013 - INR 35,606,098
  - c. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years - NIL
  - d. Amount required to be set off for the financial year, if any - INR 15,133
  - e. Total CSR obligation for the financial year (5b+5c-5d) - INR 35,590,965
- 6)**
- a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). INR 35,565,762
  - b) Amount spent in Administrative overheads - INR 68,209
  - c) Amount spent on Impact Assessment, if applicable - Nil
  - d) Total amount spent for the Financial Year [(a) + (b) +(c)] - INR 3,563,3971

e) 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
35,633,971	NA	NA	NA	NA	NA

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	35,606,098
(ii)	Total amount spent for the Financial Year	35,633,971
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	27,873
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	27,873

7) Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: Nil

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
NA	NA	Nil	Nil	NA	Nil	NA	Nil	NA

8) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section(5) of section 135 : Not Applicable

Sd/-

**Rajesh Sharma**  
Chairman & Managing Director

Sd/-

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

Mumbai

Date: 26<sup>th</sup> May, 2023

## 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**

The energy intensity has been reduced by 23.86% in FY 2022-23 compared to FY 2021-22.

The water intensity has been reduced by 21.29% in FY 2022-23 compared to FY 2021-22.

**(i) The steps taken to reduce energy and water footprint at our various manufacturing facilities are summarized here:****1. Patancheru:**

State-of-the-art Effluent Treatment Plant (ETP) and tertiary treatment unit led to further reduction of fresh water intake compared to the previous year. During the FY 2022- 23, 1,679 KL of ETP RO permeate water was utilized for Demineralization (DM) plant feed and cooling tower make up water. Use of package chiller in R&D Laboratory condenser resulted in saving of 470 KL of water.

Energy efficiency improvement projects and use of electric vehicle in place of diesel operated vehicle resulted in reduction of cost of utilities:

- Electrical Energy Efficiency – Installation of FRP blades in the Cooling Tower, energy efficient LED lighting system with sensors and energy efficient air-conditioning systems resulted in annual energy savings of 60,305 KWh.
- Fuel – Use of two electric battery operated Forklifts in place of diesel operated Forklifts led to savings in HSD of 4,270 L/per annum.

**2. Ankleshwar:**

- Efficiency improvement in DG set, reduced the cost of DG set energy generation by 6%.
- Energy efficiency improvement measures in ETP reduced the energy consumption by 8%.
- The facility has been able to maintain the total water consumption in the year under review FY 2022-23.
- Electrical Energy Efficiency – Installation of Press Filter in place of decanter, energy efficient Planetary Gearbox in place of Worm gearbox in reactors, energy efficient LED lighting system and energy efficient air-conditioning systems resulted in energy savings of 11,4873 KWh.

**3. Hosur:**

- Implemented rainwater recharging within a catchment area of 425m<sup>2</sup>. This helped in recharge of groundwater by 325 KL per annum.
- Electrical Energy – Installation of energy efficient LED lighting system resulted in improvement of lighting energy efficiency by 50%.

**4. Goa:****Membrane Factory**

- Amount of water used per production of one number 8" equivalent membrane element reduced by 2.3% in FY2022-23 as compared to FY 2021-22.
- Energy efficiency measures in production led to reduction of 1.8% energy consumption per meter of production.
- Electrical Energy Efficiency – Installation of energy efficient LED lighting system and energy efficient air-conditioning systems resulted in energy savings of 7678 KWh.

**Standard Systems Division**

- Water Recycle : During the testing of various products, the service water is recirculated back. Thus preventing wastage of water.
- Water Recycle: During the testing of products, the filtered water and reject are recycled into the water tank after the operational test. Water is also further reused for gardening.
- Rainwater is collected into the Roof Trench provided on the factory building. This water is collected at one point and taken for recycling. Water is further reused for gardening.

Total annual water recycled / reused is 1380 KL.

- Electrical Energy – Installation of energy efficient LED lighting system enhanced lighting efficiency by 50% and installation of energy efficient air-conditioning systems enhanced AC efficiency.

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

**Patancheru:**

R&D centre roof top Solar PV(196 KWp) project generated 238,303 KWh in FY 2022-23 and an equivalent savings of INR 17,16,000 based on the prevalent electricity tariff.

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

**Ankleshwar:**

Investments in equipments to improve the ETP operation to reduce the operational power and chemical cost.

**(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:** A broad range of speciality ion exchange processes were developed in the following application areas during the year:
  - Resin technology for propylene oxide purification meeting Pharma grade specification
  - Resource recovery from process & ETP streams
  - Boron removal and recovery using indigenous resins.
- New cation resin: A new cation exchange resin developed which provides enhanced Softening efficiency of high TDS waters. Patent filed for this novel ion exchange resin.
- Developed brominated polymeric adsorbent resin for specialty applications in Pharma and Biotechnology fields.
- Developed boron selective resin for speciality applications.
- INDION ZRM (Zinc Removal Media): A process for removal and recovery of zinc from the Condensate for Textile industry was developed.
- INDION PFAR (Per & Polyfluoroalkyl Substances Removal Resin). A product for the removal of toxic PFAS (Per & Polyfluoroalkyl Substances) from ground water.
- Process developed for removal of Ammonia from condensate water (450ppm to < 50ppm).

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

- Speciality ion exchange resin applications:
  - Commercial order executed in the segment of propylene oxide purification free from organic contaminants. The finished product meets Pharma grade specification.
  - Commercial orders executed in the application area for recovery of ascetic acid, APIs, FFAs and organics from critical pharma process and ETP waters.
  - Commercial order received for boron removal from seawater.
- New Cation exchange Resin will lead to import substitution.
- Newer business opportunities for new products and applications identified in India and globally

**Water treatment and process chemicals:**

Innovative products and process improvements

- **Defoamers:**
  - Introduced new range of mineral oil defoamers and modified glycol based defoamer for general purpose and speciality applications.
- **Green Chemicals:**
  - Introduced a range of INDION G series of green chemical products for utility applications.
- Commercialized a speciality – anti migrating agent for textile application, which meets NSF norms.
- Developed dispersant polymer for application in paper industry.
- A key process improvement in colour removal polymer was developed. This led to reduction in product dosage and helped eliminate process hazard.

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

- Green Chemicals help towards meeting Company's sustainability initiatives. It also helps the client in meeting their sustainability goals.

New product lines will help increase market share, revenue, profitability and will open up new markets.

**Other Process/Technologies:**

- Process developed for high Fluoride reduction (4000ppm to < 20ppm)
- A product developed for disinfection of groundwater which can be easily incorporated in existing hand pumps.

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

- Savings in CAPEX & OPEX of processes.

**Membrane materials:**

New product and process improvements:

- Developed range of PES based hollow fibre membranes for Ultra Filtration (UF) applications.
- Developed several new membrane process applications for various industries.



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

- New improved processes /chemistries resulted in RMC savings and enhanced product quality of existing RO products.
- New UF membrane product line helped create a new business opportunity besides increase in revenue and profitability.
- Increased market penetration in speciality segments for non water applications

**Water and environment management products /technologies/processes:**

- Drinking Water Technologies
  - Hydrogen rich water maker: A water maker with the benefits of general wellness and for therapeutic use was introduced
  - A fully integrated, compact water bottling plant with a bottling capacity of 1000BPH specially developed for the requirements of the Hospitality industry.

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

- Hydrogen rich water maker makes Hydrogen infused purified water that challenges many lifestyle diseases. Product competes with the best in class wellness devices available globally.
- Fully automatic glass water bottling plant saves on the use of one time plastic water bottles by recycling the in-house glass water bottles. Provides purified and sanitized packed water bottles online. It is an environment friendly water bottling plant, which helps our customers in their journey towards achieving sustainability.

**Environment Management Technologies:**

Development of newer models of Anaerobic process with reduction in footprint.

- Developed a standardized modular system for nutrient removal (Nitrogen)
- Waste to Energy processes – Treatment of municipal solid waste/rice straw waste/ horticulture waste/ wood waste and plastic waste.

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

- New improved process resulting in enhanced outlet quality
- Reduction in electrical power and chemical consumption
- Optimization of Life Cycle cost
- Widening of waste to energy product range for the benefit of industries & 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, Navi Mumbai (INR in Lacs)
a.	Capital Expenditure	116.86	40.23
b.	Revenue Expenditure	503.14	484.09
<b>c.</b>	<b>Total</b>	<b>620.00</b>	<b>524.32</b>
d.	Total R & D Expenditure as percentage of Turnover: 0.60%		

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

During the year under review foreign exchange earnings were INR 40,699.34 Lacs and foreign exchange outgo was INR 19,723.13 Lacs.

On behalf of the Board of Directors

**Rajesh Sharma**  
Chairman & Managing Director

Place: Mumbai

Date: 26<sup>th</sup> May, 2023

## **Business Responsibility and Sustainability Report**

### **Foreword**

Ion Exchange (India) Ltd. being an environment management Company, we enrich every life we touch - through our products, services, business decisions and social initiatives. We have a proud legacy of pioneering positive change, not just within the industry but in the communities where we operate as well.

We are happy to provide 'Business Responsibility and Sustainability Reporting' ("BRSR") containing detailed Environmental, Social and Governance ("ESG") disclosures. We take cognisance of the urgency of the decarbonisation journey to meet the evolving stakeholder expectations. Our most ambitious Net Zero target is 2030.

We believe in partnering & empowering our stakeholders and creating a culture of transparency and accountability. We consider it our responsibility to take the lead in sustainable development not only as a duty to the society but also as an opportunity to protect our planet. By embracing sustainable development, we aim to protect and deliver value to all our stakeholders. Ion Exchange (India) Ltd. consciously embeds the highest standards of governance in its operations.

This report contains the Company's sustainability approach which propels the business strategy to meet the interest of our stakeholders.

**Rajesh Sharma**

**Chairman and Managing Director**

## Section A: GENERAL DISCLOSURES

### I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L74999MH1964PLC014258
2	Name of the Listed Entity	Ion Exchange (India) Limited
3	Year of incorporation	1964
4	Registered office address	Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai-400011.
5	Corporate address	Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai-400011.
6	E-mail	investorhelp@ionexchange.co.in
7	Telephone	022 62312042
8	Website	www.ionexchangeglobal.com
9	Financial year for which reporting is being done	FY 2022 - 2023
10	Name of the Stock Exchange(s) where shares are listed	(i) National Stock Exchange of India Limited (ii) BSE Limited
11	Paid-up Capital	₹ 14,66,66,590
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Ajay Popat President +91-22-62312031 ajay.popat@ionexchange.co.in
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures under this reports are made on standalone basis for the entity, Ion Exchange India Ltd, as also referred under Sr. no 21.

### II. Products/ Services

#### 14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% Of the Turnover of the entity
1	Engineering Segment	Provides comprehensive and integrated services and solutions in water, wastewater treatment & solid waste management to industries & communities. This includes advanced Membranes & their applications in Sea Water desalination, Recycle, Zero Liquid Discharge, purification & concentration of process stream and integrated waste to energy systems with comprehensive operation and maintenance services.	61%
2	Chemical Segment	Provides widest range of ion exchange resins, adsorbents, speciality process chemicals and customized chemical treatment programmes for various utility applications.	29%
3	Consumer Product Segment	Caters to individual homes, realty, institutions like hotels, educational institutes, hospitals, railway and defence establishments, laboratories etc. To provide pure & safe drinking water and sustainable waste management.	10%

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% Of the total Turnover contributed
1	Chemical - Resins & Chemicals	20119, 20131	29%
2	Engineering - Water Treatment & Waste Water Treatment	36000, 37003	61%

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	6	11	17
International	0	2	2

#### 17. Markets served by the entity:

##### a) Number of Locations

Locations	Number
National (Number of States)	23
International (Number of Countries)	80

##### b) What is the contribution of exports as a percentage of the total turnover of the entity?

21%

##### c) A brief on types of customers

Customers requiring total water and environment management solutions in sectors like industries, homes and communities.

### IV. Employees

#### 18. Details as at the end of Financial year:

##### a). Employees and workers (including differently abled):

Particulars	Total (A)	Male		Female	
		No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>					
Permanent	2019	1875	93%	144	7%
Other than Permanent	141	130	92%	11	8%
<b>Total Employees</b>	<b>2160</b>	<b>2005</b>	<b>93%</b>	<b>155</b>	<b>7%</b>
<b>Workers</b>					
Permanent	NA	NA	NA	NA	NA
Other than Permanent	NA	NA	NA	NA	NA
<b>Total Workers</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

##### b). Differently abled employees and workers:

Particulars	Total (A)	Male		Female	
		No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Differently abled Employees</b>					
Permanent	1	1	100%	0	0%
Other than Permanent	0	0	0	0	0%
<b>Total differently abled employees</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
<b>Differently abled Workers</b>					
Permanent	NA	NA	NA	NA	NA
Other than Permanent	NA	NA	NA	NA	NA
<b>Total differently abled workers</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**19. Participation/Inclusion/Representation of women**

	Total (A)	Number & % of Females	
		No. (B)	% (B/A)
Board of Directors *	11	1	9%
Key Management Personnel *	3	0	0%

\*Includes Chairman & Managing Director

**20. Turnover rate for permanent employees and workers**

	FY 2022 - 23			FY 2021 - 22			FY 2020 - 21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11.34%	1.54%	12.88%	8.33%	1.03%	9.36%	6.67%	0.67%	7.34%
Permanent Workers	Not Applicable								

**V. Holding, Subsidiary and Associate Companies (including joint ventures)****21. (a) Names of holding / subsidiary / associate companies / joint ventures**

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures	Name of the holding / subsidiary / associate companies / joint ventures	% of shares held by listed entity as on 31 <sup>st</sup> March, 2023
1	Ion Exchange Enviro Farms Ltd.	Subsidiary	79.60
2	Watercare Investments (India) Ltd.	Subsidiary	99.43
3	Aqua Investments (India) Ltd	Subsidiary	99.42
4	Ion Exchange Asia Pacific Pte. Ltd.	Subsidiary	100.00
5	Ion Exchange Asia Pacific (Thailand) Ltd.	Subsidiary	100.00
6	PT Ion Exchange Asia Pacific	Subsidiary	95.00
7	IEI Environmental Management (M) Sdn. Bhd.	Subsidiary	100.00
8	Ion Exchange Environment Management (BD) Ltd.	Subsidiary	100.00
9	Ion Exchange WTS (Bangladesh) Ltd.	Subsidiary	100.00
10	Ion Exchange LLC	Subsidiary	100.00
11	Ion Exchange And Company LLC	Subsidiary	51.00
12	Ion Exchange Projects And Engineering Ltd.	Subsidiary	99.58
13	Global Composites And Structurals Ltd.	Subsidiary	100.00
14	Total Water Management Services (India) Ltd.	Subsidiary	70.19
15	Ion Exchange Safic Pty. Ltd.	Subsidiary	60.00
16	Ion Exchange Purified Drinking Water Pvt. Ltd.	Subsidiary	100.00
17	Ion Exchange Environment Management Ltd.	Subsidiary	100.00
18	Ion Exchange Arabia For Water	Subsidiary	60.00
19	Ion Exchange Europe LDA	Subsidiary	99.98
20	Aquanomics Systems Ltd	Associate	48.42
21	Ion Exchange Financial Products Pvt. Ltd.	Associate	24.02
22	Ion Exchange PSS Co. Ltd	Associate	49.00

**Does the entities indicated in the above table participate in the Business Responsibility initiatives of the listed entity? (Yes/No)**

No.

None of the above entities participated in the Business Responsibility initiative.

## VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**

(ii) Turnover in FY 2022-23 (in ₹): **1,892.17 Crore**

(iii) Net worth FY 2022-23 (in ₹): **937.49 Crore**

## VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)  (If Yes, then provide web-link for grievance redress policy)	FY 2022 -23			FY 2021 - 22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0		0	0	
Inventors (Other than shareholders)	Yes	0	0		0	0	
Shareholders	The Company has empowered a Board-level Stakeholders Relationship Committee ("SRC") to examine and redress complaints by shareholders. The status of complaints is reported to the entire Board on quarterly basis. SRC meets atleast once a year and as and when required to resolve Shareholders grievances.	3	0	All complaints reported are resolved	3	0	All complaints reported are resolved
Employees & Workers	Yes	0	0		0	0	
Customers	Yes	0	0	No Complaints/ Grievances under any of the principles (Principles 1 to 9).	0	0	No Complaints/ Grievances under any of the principles (Principles 1 to 9).
Value chain partners	Yes	0	0		0	0	

**24. Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

Sr. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Water & Waste Management	Opportunity	Increasing demand and scarcity of water. Need to sustainably manage waste.		Positive
2	Circular Economy	Opportunity	Resource recovery whilst managing waste treatment efficiently thereby reducing resource consumption at source.		Positive
3	Safe Chemistry	Opportunity	Demand to increase sustainability quotient amongst discerning end users. Green and safe chemical production will preserve competitive edge.		Positive
4	Energy Management	Risk	Growing concern on climate change, Energy intensity and carbon footprint reductions.	1. Energy efficiency improvement at all processes. 2. Alternate fuel substitution. 3. Adoption of renewable energy.	Negative
5	Community Engagement	Opportunity	Improve the Quality of life of the local communities through various engagements in education, health, sanitation, safe drinking water & Rural development		Positive
6	Employment – Diversity, inclusion and equal opportunity	Opportunity	Increase the preference the prospective employees to work for the company. For the existing employees it provides assurance for growth strictly on merit.		Positive
7	Board Oversight & Governance	Opportunity	Ensures company's mission and business objectives are managed responsibly.		Positive



## Section B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

<b>P1</b>	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
<b>P2</b>	Businesses should provide goods and services in a manner that is sustainable and safe.
<b>P3</b>	Businesses should respect and promote the well-being of all employees, including those in their value chains.
<b>P4</b>	Businesses should respect the interests of and be responsive to all its stakeholders.
<b>P5</b>	Businesses should respect and promote human rights.
<b>P6</b>	Businesses should respect and make efforts to protect and restore the environment.
<b>P7</b>	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
<b>P8</b>	Businesses should promote inclusive growth and equitable development.
<b>P9</b>	Businesses should engage with and provide value to their consumers in a responsible manner.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
c. Web Link of the Policies, if available	<a href="https://ionexchangeglobal.com/investor-relation/policies/">https://ionexchangeglobal.com/investor-relation/policies/</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	N	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Yes, the manufacturing unit are certified for ISO-9001 (Quality Management System), ISO-14001 (Environment Management System), ISO-45001 (Occupational Health & Safety Management System), WHOGMP, GMP, GLP, WQA-Gold Seal; Kosher, Halal, NSF, NABL, etc. (Refer Quality initiative under Director's Report).								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Company is committed to providing customers with energy efficient products and aspires to become net zero and water positive.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance of each of the principles is reviewed periodically by various Committees led by the Management and Board of Directors								

The Company has a process to advocate its opinion on adoption of sustainable processes and technologies for total water and environment management for Industries, Homes, Communities - Urban and Rural. The Company also has processes (Internal and External) for promoting Make In India Initiatives, enhance quality of the products and services, rationalisation of taxes, duties etc. It does these activities through advocacy and active participation in trade forums not limited to the Following Point P7-1B.

**Governance, leadership and oversight**

**7. Statement by director responsible for the business responsibility and sustainability report, highlighting ESG related challenges, targets and achievements.**

Company always believed in driving business with purpose. Through reporting, we would like to communicate to our stakeholders, our progress on Environmental, Social and Corporate Governance performance. Sustainability enables businesses to thrive in dynamically changing environments. Innovation and adaptation will be key to overcoming challenges and building resilience, especially in the ever-changing environments around us. We have been working in the past year to strengthen our commitments towards Sustainability, this includes integrating ESG risks to our Enterprise Risk Management framework; building aspirational goals of carbon neutral and water positive for our operations; investing in products and processes that are energy efficient; promoting products and services that help in lowering environmental impact; partnering with waste recyclers; and supporting communities. We believe Sustainability is a journey, and while we believe there is more work to be done, we are also poised to take up challenges and improvements through transforming our ways of doing business.

**8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**

Mr. Ajay Popat, President

**9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**

Yes.

The company has a core group to look into sustainability related issues which includes BRSR Reporting. It is headed by Mr. Ajay Popat, President.

**10. Details of Review of NGRBCs by the Company:**

Subject for review	Indicates whether review was undertaken by Director/ Committee of the board/ Any other committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y

Subject for review	Frequency (Annually/ Half yearly/ Quarterly/ Any other)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	YLY	YLY	YLY	YLY	YLY	YLY	YLY	YLY	YLY
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	YLY	YLY	YLY	YLY	YLY	YLY	YLY	YLY	YLY

**11. Details of Review of NGRBCs by the Company:**

Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No) If Yes, provide the name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Yes. TUV-SUD South Asia Pvt. Ltd.	Y	Y	Y	Y	Y	Y	Y	Y

**12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

## Section C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### Essential Indicator

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ Principles covered under the training and its impact	% Of persons in respective category covered by the awareness programmes
Board of Directors	6	Updates and awareness related to regulatory changes are conducted for the Board of Directors & KMPs.	100%
Key Management Personnel	6	Topics covered includes: 1) Corporate Governance 2) Companies Act 3) SEBI Listing Requirements 4) Environmental & Safety matters 5) BRSR	100%
Employees other than BoD and KMPs	33	All (Ethical Compliance Standards including Company's Code of Conduct) ESG, ESH, Social Impact	80+ of all the intended target
Workers		Not Applicable	

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings with regulators/ law enforcement agencies/ judicial institutions in FY23

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in ₹)	Brief of the case	Has an appeal been preferred? (Yes/ No)
Penalty/ Fine			0	Not Applicable	
Settlement			0	Not Applicable	
Compounding fee			0	Not Applicable	

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/ No)
Imprisonment			Nil	
Punishment			Nil	

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Nil	
Nil	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, we have anti-corruption / anti-bribery policy for our employees. The web link of policy is mentioned below.

<https://ionexchangeglobal.com/app/uploads/2023/05/Anti-Corruption-and-Anti-Bribery-Policy.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022 - 23	FY 2021 - 22
Board of Directors	Nil	Nil
Key Management Personnel	Nil	Nil
Employees other than BoD and KMPs	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest.

	FY 2022 - 23		FY 2021 - 22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil		Nil	

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest

Nil

## Leadership Indicator

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of training and awareness programmes held	Topics/ Principles covered under the training and its impact	% Of the value chain partners covered under the awareness programmes
NA		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.

Yes.

The Company has a dedicated Code of Conduct to manage conflict of interests involving members of the Board. The code of conduct is available on the website of the Company:

<https://ionexchangeglobal.com/pdf/ionindia/Code%20of%20Conduct.pdf>

**PRINCIPLE 2**

Businesses should provide goods and services in a manner that is sustainable and safe.

**Essential Indicator**

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2022 - 23	FY 2021 - 22	Details of improvements in environmental and social impacts
<b>R&amp;D</b>	88%	98%	Minimize emissions of short and long-lived climate pollutant, Zero Liquid Discharge, Energy Efficiency Improvement, Reduction in Hazardous Chemical Effluents, Increase in yield in Products.
<b>Capex</b>	67%	29%	Quality improvement, Renewable- Solar energy, Water efficiency enhancement and conservation, Energy conservation and efficiency enhancement, Reduction in Noise and air emission.

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes. Company has a 'Supplier Code of Conduct' and has established process for vendor selection. This includes various guidelines such as Legal Compliance, Safety, Health and Environment Policy, adherence to ISO Certification, responsible resource utilization, etc.

**b. If yes, what percentage of inputs were sourced sustainably?**

81%

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Driven by the belief that waste should be eliminated, Ion Exchange India is committed to implementing efficient processes for the safe reclamation of products. With a focus on plastics, including packaging, e-waste, hazardous waste, we strive to facilitate the reuse, recycling, and responsible disposal of materials at the end of their lifecycle. Our dedicated efforts aim to contribute to a sustainable future while addressing the pressing challenges of waste management.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, Extended Producer Responsibility is applicable to the Company. Registration for EPR is under process. Organisation structure, responsibility matrix, data generation related to EPR plans and its registration are in process.

**Leadership Indicator**

**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

No

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of the Product/ Service	Description of the risk/ concern	Action taken
NA		

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or Reused input material to total material	
	FY 2022 - 23	FY 2021 - 22
NA		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022 - 23			FY 2021 - 22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (Including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	NA

### **PRINCIPLE 3**

Businesses should respect and promote the well-being of all employees, including those in their value chains.

### **Essential Indicator**

% Of employees covered by											
Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>Permanent Employees</b>											
Male	1875	1875	100%	1875	100%	NA	NA	1875	100%	-	-
Female	144	144	100%	144	100%	144	100%	NA	NA	-	-
<b>Total</b>	<b>2019</b>	<b>2019</b>	<b>100%</b>	<b>2019</b>	<b>100%</b>	<b>144</b>	<b>7%</b>	<b>1875</b>	<b>93%</b>		

% of employees covered by											
Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>Other than Permanent Employees</b>											
Male	130	-	0%	80	62%	NA	NA	-	-	-	-
Female	11	-	0%	11	100%	-	-	NA	NA	-	-
<b>Total</b>	<b>141</b>	<b>-</b>	<b>0%</b>	<b>91</b>	<b>65%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## b. Details of measures for the well-being of workers:

% of workers covered by											
Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>Other than Permanent Employees</b>											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Other than Permanent Workers</b>											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

## 2. Details of retirement benefits for current and previous financial year.

Benefits	FY 2022 - 23			FY 2021 - 22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Yes/ No/ N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Yes/ No/ N.A.)
PF	100%	NA	Yes	100%	NA	Yes
Gratuity	100%	NA	Yes	100%	NA	Yes
ESI	100%	NA	Yes	100%	NA	Yes
Superannuation	5%	NA	Yes	6%	NA	Yes
HDFC NPS	6%	NA	Yes	6%	NA	Yes

## 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company currently does not have the necessary offices or workspaces specially designed to accommodate employees or workers with disabilities.

We have taken this into account and are working to correct the concern. We are confident that we will soon be in compliance with the 2016 Rights of Persons with Disabilities Act.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company has Equal Employment Opportunity Policy.

<https://ionexchange.global.com/app/uploads/2023/05/Equal-Employment-Policy.pdf>

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	NA	NA
Female	100%	100%	NA	NA
Total	100%	100%	NA	NA



6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
<b>Permanent Employees</b>	Yes. Grievances redressal policy available
<b>Other than Permanent Employees</b>	Yes. Grievances redressal policy available
<b>Permanent Workers</b>	NA
<b>Other than Permanent Workers</b>	NA

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022 - 23			FY 2021 - 22		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or union (B)	% (B/A)	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or union (B)	% (B/A)
<b>Total Permanent Employees</b>	Nil	Nil	Nil	Nil	Nil	Nil
- Male	Nil	Nil	Nil	Nil	Nil	Nil
- Female	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total Permanent Workers</b>	Nil	Nil	Nil	Nil	Nil	Nil
- Male	Nil	Nil	Nil	Nil	Nil	Nil
- Female	Nil	Nil	Nil	Nil	Nil	Nil

8. Details of training given to employees and workers:

Category	FY 2022 - 23					FY 2021 - 22				
	Total (A)	On Health and Safety measures		On Skill Upgradation		Total (D)	On Health and Safety measures		On Skill Upgradation	
		No. (B)	& (B/A)	No. (C)	% (C/A)		No. (E)	& (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	1875	1821	97%	696	37%	1615	1347	83%	231	14%
Female	144	136	94%	104	72%	138	119	86%	32	23%
<b>Total</b>	<b>2019</b>	<b>1957</b>	<b>97%</b>	<b>800</b>	<b>40%</b>	<b>1753</b>	<b>1466</b>	<b>84%</b>	<b>263</b>	<b>15%</b>
<b>Workers</b>										
Male	Not Applicable									
Female	Not Applicable									
<b>Total</b>	Not Applicable									

**9. Details of performance and career development reviews of employees and worker:**

Category	FY 2022 – 23			FY 2021 - 22		
	Total (A)	No. employees and workers covered (B)	% (B/A)	Total (C)	No.. employees and workers covered (D)	%(D/C)
<b>Employees</b>						
Male	1875	1875	100%	1615	1615	100%
Female	144	144	100%	138	138	100%
<b>Total</b>	<b>2019</b>	<b>2019</b>	<b>100%</b>	<b>1753</b>	<b>1753</b>	<b>100%</b>
<b>Workers</b>						
Male	Not Applicable					
Female	Not Applicable					
<b>Total</b>	Not Applicable					

**10. Health and safety management system:**

**a). Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes.

We have corporate policies and management systems in place to ensure the safety, health, and environment of all our factories and offices. Our chemical, resin, and membrane businesses are ISO 14001 (EMS) certified. ISO 45001 (OHSMS) certification has been granted to our ICD Chemical division. Ion Exchange has established nine "safety standards," which offer an organised and methodical approach to establishing, improving, and aligning current safety management procedures and systems in order to accomplish "zero harm" goals. Ion Exchange conducts a safety perception study on a regular basis, which helps to evaluate the safety culture, examine employee involvement, and gauge perceptions of existing safety management. Ion Exchange established the 'Behaviour Based Safety (BBS)' project, which was inaugurated by our Chairman and Managing Director, taking another step forward in attaining our HSE goals. Our BBS effort encourages a proactive approach and advocates interventions that engage, motivate, help, reinforce, and sustain safe behaviours. We implemented the HSE Kaizen system to allow employees to report HSE-related improvements.

**b). What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

We have a system in place at all of our operations to record work-related hazards. These hazards can be reported via an online safety portal. Through HIRA (hazard and risk assessment) documentation, which is kept up-to-date by each unit, all routine and non-routine hazards are documented.

**c). Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N).**

Yes

All employees can report work-related hazards to their department heads. Safety officers compile monthly data and report these hazards under safety observations in the monthly MIS report.

**d). Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No).**

Yes.

The medical insurance policy covers all of the employees. Employees are covered by a group mediclaim policy and receive ESIC benefits. There are also health camps and health screening benefits based on age group.

**11. Details of safety related incidents.**

Safety incident/ Number	Category	FY 2022 - 23	FY 2021 - 22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	NA	NA
Total recordable work-related injuries	Employees	0	0
	Workers	NA	NA
Number of fatalities	Employees	0	0
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	NA	NA

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

1. Ion Exchange conducts frequent assessments to detect potential workplace risks and implement mitigation measures.
2. Ion Exchange trains staff on how to work safely, how to use equipment and machinery properly, and how to manage hazardous materials.
3. Ion Exchange keeps the workplace clean and sanitary by providing adequate ventilation, cleaning and sanitising surfaces, and ensuring that waste is appropriately disposed of.
4. Ion Exchange has put in place safety procedures such as emergency evacuation plans, safety standards, and safety instructions for individual tasks.
5. Employees are provided with necessary safety wear and equipment, such as gloves, safety goggles, helmets, and respirators, by Ion Exchange.

**13. Number of Complaints on the following made by employees and workers:**

	FY 2022 – 23			FY 2021 – 22		
	Filled during the year	Pending resolution at the end of year	Remarks	Filled during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0		0	0	
Health & Safety	0	0		0	0	

**14. Assessments for the year**

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% at all Units
Working conditions	100% at all Units

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Ion Exchange investigates all incidents in order to find the root cause of the issue. Based on the investigation's findings, we are taking steps to prevent such instances from occurring in the future. We perform frequent assessments of HSE practises in order to resolve significant risks or concerns linked to health and safety practises and working conditions. Ion Exchange has a specific internal HSE portal online.

## Leadership Indicator

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

(a)	Employees	Yes
(b)	Workers	NA

Yes, the EDLI and gratuity policies provide death coverage. Benefits such as provident funds and pensions, when appropriate, are settled in order of priority. In addition, medical insurance plans and education sponsorship are offered to the families of employees who passed away as a result of COVID.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures that all the value chain partners adhere to the 'Supplier Code of Conduct' at all times. We are serious about the welfare of our stakeholders and make certain that statutory requirements are fulfilled by our partners in accordance with the code.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total number of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022 - 23	FY 2021 - 22	FY 2022 - 23	FY 2021 - 22
<b>Employees</b>	0	5	2	2
<b>Workers</b>	NA	NA	NA	NA

NOTE: All the death's have taken place due to COVID-19. We have placed two employees family member in our company as they agreed & were willing to work.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, The Company has a transition assistance program for employees attaining the retirement age as per the policy of the company. This includes counselling. In addition the company at its discretion and consent of employees, provides extension on case specific basis as per company's requirements.

The Company has a zero tolerance clause on specific issues as mentioned in its policy documents. In case of non performance the employee is counselled, supported and given an opportunity to improve the performance before disengagement with the company.

5. Details on assessment of value chain partners:

	% Of value chain partners that were assessed (by value of business done with such partners)
<b>Health and safety practices</b>	We are in the process of developing a framework to assess our value chain partners' health and safety practices.
<b>Working conditions</b>	We are in the process of developing a framework to assess our value chain partners' Working conditions.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The "Supplier Code of Conduct", developed by the Ion Exchange, outlines the standards for working conditions and health and safety procedures throughout the value chain. In order to find areas of risk or non-compliance, we are also conducting audits of value chain partners. At our facilities, we are assisting value chain partners in enhancing their working conditions and health and safety procedures. In order to guarantee continued adherence to health and safety criteria, we are also routinely observing and assessing the performance of value chain partners.

## **PRINCIPLE 4**

Businesses should respect the interests of and be responsive to all its stakeholders.

### **Essential Indicator**

#### **1. Describe the processes for identifying key stakeholder groups of the entity.**

Key stakeholders: Customers, Supplier, Employees, Shareholders, Communities .

The stakeholders who are impacted by Ion Exchange operations both internally and externally have been thoroughly identified. The firm is committed to working with all of its stakeholders to understand their areas of concern and to take the required steps to find appropriate solutions while accomplishing its objectives. This supports the company's efforts to improve the working environment and put more emphasis on compliance, productivity, and growth strategy. In the communities where its facilities, offices, and project sites are located, the company supports and interacts with the underserved and neglected sections of the local population. Children and young people with disabilities have become a separate category, and as a result, they are catered to through educational and skill-building programmes. The company seeks to raise the social standing of women by providing them with access to healthcare, education, skill-building programmes, and awareness workshops in rural areas.

#### **2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

<b>Stakeholder Group</b>	<b>Whether identified as Vulnerable &amp; Marginalized Group (Yes/ No)</b>	<b>Channels of communication(Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)</b>	<b>Frequency of engagement (Annually/ Half-yearly/ Quarterly/ Other)</b>	<b>Purpose and scope of engagement including key topics and concern raised during such engagement</b>
Customers	No	IEI News, Emailers, Advertisements, Websites, Social media platforms, personal meetings, seminars, conferences, customer meets, webinar, exhibitions. Promotions/ promotional material (below the line activities)	Continuous/Real time basis. Customers are contacted daily, weekly, monthly based on the requirements	Customer relationship management, product promotion, new product/ technology development information sharing, training and event based engagements. Creating awareness about our products, solutions, services and any new developments within the organisation including media engagement etc.
Supplier	No	Regular supplier meetings involving their organizations for large, critical packager for all projects.	Regularly during execution tenure of project, raw material procurement cycles etc	Need and expectation, schedule, supply chain issue, meeting their regulatory contractual compliance etc.
Employees	No	<ul style="list-style-type: none"> <li>• Online news bulletins, in house magazines</li> <li>• Circular and corporate communications</li> <li>• Employee satisfaction surveys, engagement surveys</li> <li>• Corporate social initiatives</li> <li>• Welfare initiatives for employee and their families</li> </ul>	Regularly	Employees' engagement benefits career growth

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/ Half-yearly/ Quarterly/ Other)	Purpose and scope of engagement including key topics and concern raised during such engagement
Shareholders/ Investors	No	Multiple channels – physical and digital including quarterly investor presentations, press releases and communications through stock exchanges, participation in investor conferences, etc.	Regularly	To keep shareholders updated on comprises performance, plans against current and future scenarios
Communities around our operating sites	Yes	Direct engagement and through the Company's CSR project implementation partners (NGO)	Regularly	To improve livelihood, Women empowerment, access to healthcare and education. Support socially high impact projects.

## Leadership Indicator

### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The internal review process is well-established and occurs once a month. All HODs who plan to attend the review meeting with all necessary supporting documents are informed of the agenda, time, and date of the meeting. The apex body also presents data to the board once every three months.

### 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes.

Ion Exchange and one of the stakeholders (customer) submitted an unsolicited bid to the Gujarat government for a proposal to treat sewage from nearby villages and reuse the treated water at their facility to meet their substantial water needs, with the remainder of the treated water being supplied to nearby industries to meet their water demands. The Gujarat government reviewed this proposal, and the contract was given to our customer based on a Swiss challenge. The project was carried out using a public-private partnership (PPP). As a result, stakeholders funded the project, and IEIL was designated as the EPC contractor for the design, manufacturing, and delivery of the project's systems.

### 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The company is dedicated to the betterment of society and has taken many initiatives to identify and address the concerns of marginalised stakeholders. With our CSR initiatives, we are providing need-based scholarships to meritorious disadvantaged students from high school to master's level; there is after-school support for students; and we have a special focus on reaching out to first-generation students.

We are focusing on improving the quality of education with our initiatives of Science on Wheels, providing education kits, and improving STEM education. We are also improving healthcare with our support for the Indian Red Cross Society, which supplies sanitation facilities and safe drinking water.

## PRINCIPLE 5

Businesses should respect and promote human rights.

### Essential Indicator

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022 - 23			FY 2021 - 22		
	Total (A)	No. of employees/ workers (B)	% (B/A)	Total (C)	No. of employees/ workers (D)	% (D/C)
<b>Employees</b>						
Permanent	2019	2019	100%	1753	1753	100%
Other than Permanent	141	141	100%	73	73	100%
<b>Total Employees</b>	<b>2160</b>	<b>2160</b>	<b>100%</b>	<b>1826</b>	<b>1826</b>	<b>100%</b>
<b>Workers</b>						
Permanent	NA	NA	NA	NA	NA	NA
Other than Permanent	NA	NA	NA	NA	NA	NA
<b>Total Employees</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

Note: Human rights training is provided as part of new employee orientation, POSH, and the code of conduct, among other things. The training is in accordance with the company's Code of Conduct and Human Rights Statement. The Code of Conduct policy is available for reference by other categories of employees on the company's website and intranet portal. They are expected to read and understand this code, to uphold these standards in their daily actions, and to comply with all applicable laws, rules, and regulations, as well as the company's policies and procedures.

2. Details of minimum wages paid to employees and workers.

Category	FY 2022 - 23					FY 2021 - 22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	& (B/A)	No. (C)	% (C/A)		No. (E)	& (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Total Permanent</b>	<b>2019</b>	<b>NA</b>		<b>2019</b>	<b>100%</b>	1753	NA		1753	100%
Male	1875	NA		1875	100%	1615	NA		1615	100%
Female	144	NA		144	100%	138	NA		138	100%
<b>Total other than Permanent</b>	<b>141</b>	<b>NA</b>		<b>141</b>	<b>100%</b>	73	NA		73	100%
Male	130	NA		130	100%	62	NA		62	100%
Female	11	NA		11	100%	11	NA		11	100%

3. Details of remuneration/salary/wages, in the following format:

Category	FY 2022 - 23					FY 2021 - 22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	& (B/A)	No. (C)	% (C/A)		No. (E)	& (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Total Permanent</b>	Not Applicable									
Male	Not Applicable									
Female	Not Applicable									
<b>Total other than Permanent</b>	Not Applicable									
Male	Not Applicable									
Female	Not Applicable									

**3. Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors	3	29,880,282	-	-
Key Management Personnel	2	6,975,733	-	-
Employees other than BoD and KMPs	2005	660,281	155	660,281
Workers	NA	NA	NA	NA

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes.

The Human resource department is the focal point to address human rights issues in the company.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Grievances related to human rights issues are first brought to the notice of the local HR representative, who together with local unit head understands and investigates the case specific issues and thereafter reports to corporate HR for resolution on the subject matter.

Necessary action is taken in accordance with human rights policy, underlying workplace norms and laws. Accordingly the issue/ grievance is resolved.

**6. Number of complaints on the following made by employees and workers.**

	FY 2022 - 23			FY 2021 - 22		
	Filled during the year	Pending resolution at the end of year	Remarks	Filled during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0		0	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/ Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company provides adequate protection to the complainants against any form of intimidation or harassment during the period of investigation and there after. The Company believes in the principle of natural justice and ensures full confidentiality of complainant is maintained during and after resolution of complaint. The complainant is protected against any adverse action not limited to harassment, unfair termination of employment, demotion, suspension and biased behavior.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes

All commercial agreements and contracts entered into by the company with any partner include relevant clauses on the affirmation of applicable regulatory obligations, which include human rights.



**9 Assessment of the year.**

	<b>% Of your plant and offices that were assessed (By entity or statutory authorities or third parties)</b>
<b>Sexual Harassment</b>	100%
<b>Discrimination at workplace</b>	100%
<b>Child Labour</b>	100%
<b>Forced Labour/ Involuntary Labour</b>	100%
<b>Wages</b>	100%
<b>Other human rights related issues</b>	

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

NA

## Leadership Indicator

### 1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

During the reporting period, no business processes have been modified or introduced for addressing human rights grievances/ complaints.

### 2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company is committed to protecting and respecting Human Rights and remedying rights violations in case they are identified. The Company works towards providing equal employment opportunity, ensuring fairness, creating a harassment-free, safe environment and respecting fundamental human rights. As an equal opportunity employer, no discrimination is tolerated on any aspect. Refer to the Company's Human Right Policy on our Website.

### 3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The Company is taking appropriate measures to build systems and processes to ensure appropriate infrastructural facilities and amenities are provided to future engagement of employees with disabilities to enable them to discharge their duties safely and effectively in the establishment.

### 4. Details on assessment of value chain partners:

	% Of value chain partners that were assessed (by value of business done with such partners)
Sexual Harassment	NIL
Discrimination at workplace	NIL
Child Labour	NIL
Forced Labour/ Involuntary Labour	NIL
Wages	NIL
Other human rights related issues	NIL

### 5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable

## PRINCIPLE 6

Businesses should respect and make effort to protect and restore the environment.

### Essential Indicator

#### 1. Details of total energy consumption and energy intensity.

Parameter	Unit	FY 2022 - 23	FY 2021 - 22
Total electricity consumption (A)	GJ	45,489.13	44,778.56
Total fuel consumption (B)	GJ	53,585.86	59,016.83
Energy consumption through other sources (C)	GJ	0	0
<b>Total energy consumption (A + B + C)</b>	<b>GJ</b>	<b>99,074.99</b>	<b>103,795.39</b>
Energy intensity per rupee of turnover (Total energy consumption/ Turnover in rupees)	GJ/ million ₹	5.236	6.877
Energy intensity (Optional) - the relevant metric may be selected by the entity			

Note: conversion factors used: Electricity consumption: GJ = 0.0036 x kWh of electricity;  
 Diesel consumption: GJ = 0.03586 x Ltr of diesel  
 Natural gas consumption: GJ = 0.03648 x SCM of Natural Gas

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes.

TUV-SUD South Asia Pvt. Ltd

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No.

#### 3. Provide details of the following disclosures related to water.

Parameter	Unit	FY 2022 - 23	FY 2021 - 22
<b>Water Withdrawal by source</b>			
(i) Surface Water	KL	0	0
(ii) GroundWater	KL	89	82
(iii) Third party Water	KL	326,553	331,015
(iv) Sea Water/ Desalinated Water	KL	0	0
(v) Others	KL	0	0
<b>Total volume of water withdrawal (i + ii + iii + iv + v)</b>	<b>KL</b>	<b>326,641</b>	<b>331,098</b>
<b>Total volume of water consumption</b>	<b>KL</b>	<b>326,641</b>	<b>331,098</b>
Water intensity per rupee of turnover (Total water consumption/ Turnover in rupees)	KL/ million ₹	17.26	21.93
Water intensity (Optional) - the relevant metric may be selected by the entity			

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes.

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**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Ion Exchange (India) Ltd has resin manufacturing facility at Gujarat, which produces cation and anion exchange resins; gel, macroporous and isoporous resins for water, wastewater treatment as well as for non-water speciality applications. The unit generates around 1000 KLD effluent which is segregated based on the effluent characteristics as and treated separately.

The unit is permitted to dispose 600 KLD treated effluent after meeting the stringent norms set by the Ankleshwar GIDC CETP. To comply with these stringent regulations, Ion Exchange (I) Ltd. has invested in advanced wastewater treatment technologies. Thus, the total 1000 KLD effluent generated from the resin manufacturing unit, balance approx. 400 KLD of effluent is recycled back in the process plant.

For optimal water recovery and reuse in the production facility, the IEI chemical manufacturing facility in Patancheru also recycles approx. 24 KLD effluent with the help of the most recent and advanced wastewater treatment technologies. The current Effluent Treatment and to Recycling Plant is now being upgraded (52 KLD capacity) to a Zero Liquid Discharge (ZLD) system.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Unit	FY 2022 - 23	FY 2021 - 22
NOx	µg/Nm <sup>3</sup>	27.2	25.9
SOx	µg/Nm <sup>3</sup>	31.9	29.2
Particulate matter (PM 10)	µg/Nm <sup>3</sup>	82.6	89.65
Particulate matter (PM 2.5)	µg/Nm <sup>3</sup>	54.2	45.19
Persistent organic pollutants (POP)		0	0
Volatile organic compounds (VOC)		0	0
Hazardous air pollutants (HAP)		0	0
Others		0	0

**Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes.

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**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity.**

Parameter	Unit	FY 2022 - 23	FY 2021 - 22
Total Scope 1 emissions - (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	t CO <sub>2</sub> e	3,338	3,638
Total Scope 2 emissions - (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	t CO <sub>2</sub> e	9,780	9,763
Total Scope 1 and Scope 2 emissions per rupee turnover (Total Scope 1 and Scope 2 emissions / Turnover in rupees)	t CO <sub>2</sub> e/ ₹	6.93 X 10 <sup>-7</sup>	8.88X 10 <sup>-7</sup>
Total Scope 1 and Scope 2 emissions intensity (Optional) - the relevant metric may be selected by the entity	NA	NA	NA

**Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes.

TUV-SUD South Asia Pvt. Ltd

**7. Does the entity have any project related to reducing Greenhouse Gas emission? If Yes, then provide details.**

The company understands the gravity of the global issue of climate change and the need to be proactive in the reduction of the Greenhouse Gas (GHG) emission.

Below are our projects dedicated to the reduction of GHG:

1. Energy Efficient 5 Star Air-Conditioning(HVAC) System
2. Energy Efficient LED Lighting System with occupancy sensor
3. Energy Efficient screw Chillers in place of reciprocating Chillers
4. Installation of VFDs for Pumps & Fans
5. Energy Efficient FRP Blades in Cooling Tower
6. Installation of Filter Press in place of Decanter(centrifuge)
7. Condensate Recovery system and improvement in Steam Traps
8. Adoption of IE3 Energy Efficient Motors
9. Use of energy efficient Planetary Gearbox in place of Worm gearbox in reactors
10. Use of renewable energy from rooftop Solar PV
11. Use of Electric Forklift
12. Tree Plantation

Our intent is to become Carbon Net Zero by 2030. Towards this intent, we have already initiated definite measures which includes implementation of renewable projects at some of our locations. We are optimistic in energy transition initiatives and supported by government policies, incentives and technology developments to improve cost efficiencies facilitating our defined intent.

**8. Provide details related to waste management by the entity.**

Parameter	Unit	FY 2022 - 23	FY 2021 - 22
<b>Total waste generated</b>			
Plastic waste (A)	MT	0.036	0.00
E-waste (B)	MT	1.8	0.00
Bio-medical waste (C)	MT	0.00	0.00
Construction and demolition waste (D)	MT	0.00	0.00
Battery waste (E)	MT	0.5	0.9
Radioactive waste (F)	MT	0.00	0.00
Other Hazardous waste (G)	MT	15,361	15,997
Other Non-Hazardous waste (H)	MT	376	348
<b>Total (A + B + C + D + E + F + G + H)</b>	<b>MT</b>	<b>15,739</b>	<b>16,346</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations</b>			
<b>Category of waste</b>			
(i) Recycled	MT	0	0
(ii) Re-used	MT	6.072	6.072
(iii) Other recovery operations	MT	0.195	0.197
<b>Total</b>	<b>MT</b>	<b>6.267</b>	<b>6.269</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method</b>			
<b>Category of waste</b>			
(i) Incineration	MT	0	0
(ii) Landfilling	MT	47	47
(iii) Other disposal operations	MT	15,733	16,760
<b>Total</b>	<b>MT</b>	<b>15,780</b>	<b>16,807</b>

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Waste generation is an unavoidable part of manufacturing process. The Company follows the strategy of Reduce, Reuse and Recycle for waste management and follows legally prescribed procedures, apply environmentally sound disposal techniques for disposing of hazardous waste and the non-hazardous waste. The Company takes efforts to minimize waste generation, treatment and discharge of all types of wastes complying with pollution control norms. In order to reduce quantum of hazardous waste going to CETPs and landfills the company has found avenues to recover value from these wastes by repurposing their use as inputs to other process industries or authorised recyclers.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

Sr. No.	Location of operations/ offices	Types of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	Not applicable		No offices or operations are present in ecologically sensitive areas

**11. Details of Environmental Impact Assessments (EIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA notification number	Date of notification	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No)	Relevant Web link
Establishment of Synthetic Organic Cation & Anion Resins Manufacturing unit by Ion Exchange (India) Limited, Plot No. - 18/1, MIDC Area, Village - Dhatav, Taluka - Roha, District - Raigad, by Ion Exchange India Limited	SIA/MH/IND3/77127/2022	09 Jun 2022	Yes	Yes	<a href="https://environmentclearance.nic.in/TrackState_proposal.aspx?type=EC&amp;status=EC_new&amp;statername=Maharashtra&amp;pno=SIA/MH/IND3/77127/2022&amp;pid=203600">https://environmentclearance.nic.in/TrackState_proposal.aspx?type=EC&amp;status=EC_new&amp;statername=Maharashtra&amp;pno=SIA/MH/IND3/77127/2022&amp;pid=203600</a>

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.**

Yes.

The company complied with all the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules applicable states and central environmental law/ regulations/ guidelines in India.

Sr. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken
			Nil	

## Leadership Indicator

### 1. Provide break-up of the total energy consumed from renewable and non-renewable sources.

Parameter	Unit	FY 2022 - 23	FY 2021 - 22
<b>From renewable sources</b>			
Total electricity consumption (A)	GJ	787.36	0
Total fuel consumption (B)	GJ	0	0
Energy consumption through other sources (C)	GJ	0	0
<b>Total energy consumed from renewable sources (A + B + C)</b>	GJ	<b>787.36</b>	<b>0</b>
<b>From non-renewable sources</b>			
Total electricity consumption (D)	GJ	44,701.77	44,778.56
Total fuel consumption (E)	GJ	53,585.86	59,016.83
Energy consumption through other sources (F)	GJ	0	0
<b>Total energy consumed from non-renewable sources (D + E + F)</b>	GJ	<b>98,287.63</b>	<b>103,795.39</b>

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes.

TUV-SUD South Asia Pvt. Ltd

### 2. Provide the following details related to water discharge.

Parameter	Unit	FY 2022 - 23	FY 2021 - 22
<b>Water discharge by destination and level of treatment</b>			
(i) To Surface Water			
No treatment		0	0
With treatment (Specify level of treatment)		0	0
(ii) To Groundwater			
No treatment		0	0
With treatment (Specify level of treatment)		0	0
(iii) To Sea Water			
No treatment		0	0
With treatment (Specify level of treatment)		0	0
(iv) Sent to third-parties			
No treatment		0	0
With treatment (Specify level of treatment)	KL	207,929	186,642
(v) Other			
No treatment		0	0
With treatment (Specify level of treatment)		0	0
<b>Total water discharged</b>	KL	<b>207,929</b>	<b>186,642</b>

Note - Water is treated in ETP (primary, secondary and tertiary) before being sent to CETP.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes.

TUV-SUD South Asia Pvt. Ltd

**3. Water withdrawal, consumption and discharge in areas of water stress.**

For each facility/ plant located in areas of water stress:

- (i) Name of the area:  
(ii) Nature of operations:  
(iii) Water withdrawal, consumption and discharge:

As per recent assessment report released by Central Ground Water Authority (CGWA) in December, 2022, none of the Company's plants are located in the water stress area. Thus, the disclosure is not applicable.

Parameter	Unit	FY 2022 - 23	FY 2021 - 22
<b>Water withdrawal by source</b>			
(i) Surface Water		NA	NA
(ii) GroundWater		NA	NA
(iii) Third party Water		NA	NA
(iv) Sea Water/ Desalinated Water		NA	NA
(v) Others		NA	NA
<b>Total volume of water withdrawal (i + ii + iii + iv + v)</b>		NA	NA
<b>Total volume of water consumption</b>			
Water intensity per rupee of turnover (Total water consumption/ Turnover in rupees)		NA	NA
Water intensity (Optional) -the relevant metric may be selected by the entity		NA	NA
<b>Water discharge by destination and level of treatment</b>			
(i) Into Surface Water		NA	NA
- No treatment		NA	NA
- With treatment (Specify level of treatment)		NA	NA
(ii) Into Groundwater		NA	NA
- No treatment		NA	NA
- With treatment (Specify level of treatment)		NA	NA
(iii) Into Sea Water			
- No treatment		NA	NA
- With treatment (Specify level of treatment)		NA	NA
(iv) Sent to third-parties		NA	NA
- No treatment		NA	NA
- With treatment (Specify level of treatment)		NA	NA
(v) Other		NA	NA
- No treatment		NA	NA
- With treatment (Specify level of treatment)		NA	NA
<b>Total water discharged</b>		NA	NA

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.



**4. Provide details of total Scope 3 emissions & its intensity.**

Parameter	Unit	FY 2022 - 23	FY 2021 - 22
<b>Total Scope 3 emissions - (Break-up of the GHG into CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, if available)</b>		NA	NA
<b>Total Scope 3 emissions per rupee turnover (Total Scope 3 emissions / Turnover in rupees)</b>		NA	NA
<b>Total Scope 3 emissions intensity (Optional) - the relevant metric may be selected by the entity</b>		NA	NA

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not applicable

**6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives.**

Recognising the importance of water as a resource, we undertake several initiatives to optimise the consumption and reduce resultant wastewater generation through our reuse or recycle schemes. Such wastewater is further recovered and used back in process. The details of such initiatives can be found under SL. 4 of Essential Indicator - Principle 6

Sr. No.	Initiative undertake	Details of initiative (Web link if any, may be provided along with summary)	Outcome of the initiative
	NA		

**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

The company has a standardized "Emergency Preparedness and Response document" to support its business continuity plan. It ensures resilient business operations and utmost safety of employees and the Company's assets. The business continuity plans are integrated in our Enterprise Risk Management program and guide our response to disruptions to our operations. This covers various scenarios as a part of risk management processes and provides for risk mitigation and management in case of uncertainties

This standard policy document applies to its manufacturing facilities. This Standard provides a structured approach for:

- Identifying the potential emergency situations arising out of the technological failure, natural disasters, health disasters, social emergencies;
- Assessing the risk involved;
- Identifying and implementing prevention and mitigation measures; and periodically assessing the effectiveness of continued preparedness.

In addition to the above Policy, we have also framed policies and system on Digital Security and protection against loss of processing data and storage facilities. The company has defined a policy and system for regular backup of digital data and restoration.

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

We have not currently monitored the impacts to the environment arising from the value chain of the entity. However we have begin to draft processes and documents towards these activity relying upon current practices.

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Not Applicable

## PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

### Essential Indicator

#### 1. a. Number of affiliations with trade and industry chambers/ associations.

The company is associated with 15 trade and industry chambers/ associations.

#### b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	Confederation of Indian Industry	National
2	Bombay Chambers of Commerce and Industry	State
3	Associated Chambers of Commerce & Industry of India (ASSOCHAM)	National
4	Indian Desalination Association	National
5	Indian Chamber of Commerce	National
6	Indian Environmental Association	National
7	Process Plant & Machinery Association of India	National
8	Indian Chemical Council	National
9	Water Quality India Association	National
10	Federation of Indian Export Organisation	National

#### 2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Nil

### Leadership Indicator

#### 1. Details of public policy positions advocated by the entity:

We play an active role towards building consensus around

Sr. No.	Public policy advocated	Method restored for such advocacy	Whether information available in public domain? (Yes/ No)	Frequency of review by board (Annually/ Half-yearly/ Quarterly/ Other)	Web link, if available
1	Thought leadership in environment and sustainability approach.	The Company represents the general interest of the industry in major trade associations and government initiated forms through its designated representative.	The advocacy is made or represented to trade associations and government bodies constituted to seek industry opinion on various subjects. The suggestions are made via emails or direct interactions in forums inviting our participations. Hence, generally these are not available on public domains.	Annually as a part of our strategy and advocacy plan to participate and interact on the subjects, in the agenda of trade bodies/ industry associations, government nominated bodies.	
2	Manufacturing safe and sustainable products,				
3	Evolving new standards for finished products and components used in water purification process.				
4	Promoting make in India concept				
5	Rationalisation of taxes, duties, etc.				

## PRINCIPLE 8

Businesses should promote inclusive growth and equitable development.

### Essential Indicator

#### 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

The Company undertakes its CSR initiatives directly and through implementing agency in accordance with the applicable laws.

Name and brief details of project	SIA notification number	Date of notification	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/No)	Relevant Web link
(a) Solar powered farming and Irrigation systems			No		
(b) Women Empowerment through Driving training course for Women			No		

Details:

##### (a) Solar powered farming and Irrigation systems

We partnered with the NGO Keshav Shruti for the project on Solar powered farming and Drip Irrigation at Morpada village, Palghar, Maharashtra.

Before intervention: 27 nos. of farmers in Morpada village were dependent on annual rainfall for cultivation one crop in a year. The average income of family was around ₹.20,000 per year. The children did not get financial support from family for continuing education as well job opportunity nearby. There were significant migrations of villagers to nearby town for income. Infact 90% of the crops that they cultivate is actually sufficient only for their own consumption

##### Intervention:

We supported by providing installing new 20 KWp Solar PV renewable based Water Pumping Irrigation System for the cultivated land from nearby Vaitarana river. The maximum water flow capacity is 50 m<sup>3</sup>/hr, which is adequate to irrigate 27 acre of land during all the seasons.

##### Impact :

1. Provided river water throughout the year for agriculture to 27 acres land for irrigation and created opportunity for multiple seasonal crops.
2. The income of 27 farmers and their families would increase to a minimum of 90,000 – 1L per annum.
3. Due to higher income, there would be reduction of migration of villagers to other places in search of jobs.
4. Most of the children will be able to continue primary education in the local area.

##### (b) Women Empowerment through Driving training course for Women

We partnered with the NGO ANEW – Association for Non-traditional Employment for Women, based in Anna Nagar, Chennai to support Driving training course (partnered with an authorized driving school) for 25 underprivileged women.

Before intervention: Of the 25 students, 15 were working earlier as either house helps, tea seller, coolie etc. and their average income was around Rs.6,800 per month and the rest of them were unemployed.

##### Intervention:

We supported for training the 25 women for driving course through the NGO ANEW which was a 6-months initiative where they completed their driving training at the driving school and received their licenses. All of them also received their badges which is mandatory for driving commercial vehicles. Additionally, they were trained in Orientation, Life Skills, English, Krav Maga (self-defense) & Legal Awareness sessions.

##### Post intervention:

Out of 25 Women 13 are working as drivers currently either driving their own vehicle or a rented one. 8 of them are selected for and awaiting auto under CM grant. 1 is in the process of buying a second hand vehicle. 3 of them are continuing the earlier work till they get a good driving opportunity.

Out of the 15 who were employed earlier, 13 women have an average income of Rs.16,000 per month i.e 100% increase from their previous earning.

This way they are able to give their children a better education and support their families for food and shelter.

We will continue our intervention & impact assessment through our initiatives.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

Sr. No.	Name of project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	% Of PAFs covered by R&R	Amounts paid to PAFs in the FY (in ₹)
	Not Applicable					

3. Describe the mechanisms to receive and redress grievances of the community.

The organisation has systems in place to hear and address the concerns of diverse stakeholders.

We have arranged for our local workers to visit the community and meet with individuals on a regular basis to gauge and address community problems. We have not encountered any specific issues from the community based on these interactions. Ion Exchange (the Ion Foundation's CSR branch) handles community complaints via our CSR implementation partners (NGOs).

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022 - 23	FY 2021 - 22
Directly sourced from MSMEs/ Small producers	9.6%	11.2%
Sourced directly from within the district and neighbouring districts	22.00%	28.00%

## Leadership Indicator

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational Districts	Amount Spent (in ₹)
		NA	

The company has undertaken CSR projects and activities in and around its manufacturing sites in Telangana, Navi Mumbai, Goa, Palghar, and Ankleshwar. The aspirational districts are located far away from our operational units, due to which, till date, the company has not undertaken any such CSR activity in those identified areas.

3.a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No.

The majority of the company's procurement is of industrial origin. The items are procured in bulk quantities. The company does not have a preferential procurement policy to purchase from suppliers comprising marginalised or vulnerable groups.

(b) From which marginalized /vulnerable groups do you procure?

NA

(c) What percentage of total procurement (by value) does it constitute?

NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No.	Intellectual property based on traditional knowledge	Owned/ Acquired (Yes/ No)	Benefits shared (Yes/ No)	Basis of calculating benefits share
	NA	NA		

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the case	Corrective action taken
NA		

**6. Details of beneficiaries of CSR projects:**

Sr. No.	CSR Project	Number of person benefited from CSR projects	% Of beneficiaries from vulnerable and marginalized groups
1	Education	30,214	100 % of the Projects serve the beneficiaries who are from the under privileged, marginalised, vulnerable and backward community of the society.
2	Health & Hygiene	5,637	
3	Water	3,285	
4	Rural Development	555	

**PRINCIPLE 9**

**Businesses should engage with and provide value to their consumers in a responsible manner.**

**Essential Indicator**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Complaint registration and resolution is a CRM system-based process. All complaints are entered into CRM by a designated Customer Relationship Officer (CRO) at each Ion Exchange office location. Based on the product line and nature of the complaint, it is reviewed by the appropriate authority (factory, business head, etc.) and taken up for effective resolution; once resolved, it is notified to the appropriate CRO via the system. CROs close the complaint in the system after verifying it with the customer and informing all stakeholders within the organisation.

To resolve consumer client complaints related to Home Water Solution we maintains a dedicated call centre staffed by customer care representatives. Customers can also contact us via a dedicated chat bot and WhatsApp number on the its website. Our team also monitors any consumer queries or complaints posted on official social media sites and forwards them to the appropriate team for prompt response.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
<b>Environmental and social parameters relevant to the product.</b>	100%
<b>Safe and responsible usage</b>	100%
<b>Recycling and/or safe disposal</b>	100%

Product information is available on the Product Data Sheet, and the MSDS (Material Safety Data Sheet) as applicable. It includes product description and information on product performance features & benefits, its application and usage and precautions for safe usage, safe disposal, environmental parameter relevant to product along with technical data.

**3. Number of consumer complaints in respect of the following:**

	FY 2022 - 23			FY 2021 - 22		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data Privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive trade practices	0	0		0	0	
Unfair trade practices	0	0		0	0	
Other	0	0		0	0	

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Nil	
Forced recalls	Nil	

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes.

Ion Exchange has created framework / policy on cyber security and risks related to data privacy and all available on official webpages of Ion Exchange Global and ZeroB.

Web-link:

(a) <https://ionexchangeglobal.com/privacy-policy/>.

(b) <https://ionexchangeglobal.com/terms-of-use/>.

(c) <https://www.zerobonline.com/privacy-policy/>

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

NA

**Leadership Indicator****1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Yes.

Informations on company's products and services can be accessed through various public domains, social media sites such as Ion Exchange official website, Facebook, LinkedIn, Twitter, YouTube handles. Following are the Web-link:

<https://ionexchangeglobal.com/>

<https://hydramem.com/>

<https://ionresins.com/>

<https://www.zerobonline.com>

<http://www.ieiasiapacific.com>

<https://www.labwater.in>

<https://zerobhydrolife.co.in/>

<https://www.linkedin.com/company/ion-exchange-india-ltd/?viewAsMember=true>

<https://www.facebook.com/IONEXCHANGE>

[https://twitter.com/IEI\\_Ltd](https://twitter.com/IEI_Ltd)

<https://www.youtube.com/@ionexchange9704>

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

All Engineering Products MSDS for chemicals and resins come with an operation and maintenance manual. To protect the safety of our clients, we provide detailed product specifications and installation instructions with each Home Water Solution product. We put a QR code on every product to make this information more accessible to customers.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

For Home Water Solution products, any disruption in service is communicated to the customer through a banner on the official website.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)**

**If yes, provide details in brief.**

Yes.

The product information is displayed as per the applicable norms.

For Home Water Solution Product, in addition to the mandatory information, we also display a scannable QR code on the products to provide detailed information about each product.

Transparency and fairness in dealings with customers are followed across Ion Exchange and its group companies. None of the products withhold any relevant information needed by the customers to make informed decisions. Ion Exchange and its group companies, through their charters, policies, etc., communicate customer rights, company commitments, grievance redressal mechanisms, and ombudsman schemes, as applicable, which emphasise our commitment to fair practices by maintaining transparency in the products and services offered.

**Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes.

Customer satisfaction surveys are conducted on a regular basis. The survey's objectives include gathering customer input on pre-sales activities, post-sales activities such as delivering and commissioning plants, product quality and performance, other post-sales services, and corporate image. The survey results are shared with top management, a root cause analysis is performed, and any necessary corrective actions are implemented.

**5. Provide the following information relating to data breaches:**

a	Number of instances of data breaches along-with impact	Nil
b	Percentage of data breaches involving personally identifiable information of customers	Nil

## Alignment of BRSR principles with the SDGs

Principle SDG	Principle 1	Principle 2	Principle 3	Principle 4	Principle 5	Principle 6	Principle 7	Principle 8	Principle 9
			✓	✓				✓	
			✓			✓		✓	
			✓					✓	✓
			✓	✓	✓			✓	
		✓				✓		✓	
		✓				✓	✓		
		✓	✓		✓			✓	
		✓				✓	✓		
		✓				✓	✓		
			✓	✓			✓	✓	
		✓				✓			✓
		✓				✓	✓	✓	
	✓		✓	✓	✓			✓	
	✓						✓	✓	

Alignment of BRSR principles with the Sustainable Development Goals



Sustainable Development Goals adopted by Ion Exchange (India) Ltd.



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### A. INDUSTRY STRUCTURE AND DEVELOPMENT

#### Overview:

Ion Exchange's strategy is based on the purpose of its business i.e. to conserve the planet's most precious resources through total water and environment management solutions. To this end, the Company for 59 years has been providing state-of-the-art sustainable technologies and solutions for managing liquid, solid and gaseous waste generated by industries, institutions, homes and communities – both urban and rural. Thus, eliminating contributors, which lead to adverse climate changes and help create a positive impact on people's lives and the environment.

To meet the rising demand for water and to conserve natural resources, it is imperative that the water and environment sector expands scientific knowledge and technology applications to change the way water and waste is managed and reused by applying the concept of Circular Economy and advance AI/ IOT enabled digital solutions for meeting human, economic and environmental needs.

At Ion Exchange we also nurture sustainable and inclusive growth along with EESG (Environmental, Economic, Social and Governance) goals which are essential for creating a positive impact on society, industry, the economy and environment. By integrating EESG principles with process and digital technologies that promote the concept of Circular Economy, we help our customers in industries, institutions, homes and communities reduce their inefficiencies in water management, environmental footprint and help promote responsible and ethical behaviour while conducting their business. This benefits all stakeholders and contributes to a more sustainable future even as the world continues to recover from the effects of the pandemic and geopolitical tensions that have muted its growth whilst increasing demand for safe, pure water and other natural resources.

#### Global Economy

The Global Economy recovery was well on track until the Russia-Ukraine conflict broke out in February 2022. It disrupted the restoration of supply chains disrupted earlier by lockdowns and limited trade traffic. The conflict caused the prices of critical commodities such as crude oil, natural gas, fertilizers and wheat to soar strengthening inflationary pressures that the global economy had triggered, backed by massive fiscal stimuli undertaken during the Pandemic years. This resulted in hardening of bond yields across economies and resulted in outflow of equity capital from most of the economies around the world into traditionally safe haven market of the US. It led to the strengthening of US Dollar against other currencies whose depreciation widened the

current account deficit and increasing inflationary pressures in the under importing economies, including India.

Rising inflation and monetary tightening also led to slowdown in global output as evidenced by the global PMI Composite Index remaining in contradictory zone since August 2022, while the yearly growth rates of global trade and industrial production significantly declined in the second half of the year 2022. These global economy challenges led to downward revision in growth forecast of global economies. IMF predicts the advanced economies and USA to grow at 1 percent and global growth projection at 2.7 percent in the FY 2023.

#### Indian Economy

During the FY 2022-23 Indian Economy has proven to be remarkably resilient. It withstood the challenge of renewed threat from *Omicron* variant of the Corona virus, external imbalances caused by Russia's invasion of Ukraine leading to disruptions and volatility in global supply chain and ripple effect of the policy tightening measures announced by several major central banks, especially the US Federal Reserve.

India's inflation rate did not creep too far above RBI's upper tolerability of 6% and was curtailed below 6.7% during the year. The current account deficit also narrowed to an estimated 3 percent on the back of strong growth in service exports and easing of crude and global commodity prices in the latter half of FY 2023.

Further, aided by strong consumption rebound, robust revenue collection, sustained capex, both in the public and private sector, growing employment levels in the urban as well as the rural areas has made Indian Economy the fastest growing major economy in the year (7 percent), the third largest economy in the world in PPP terms.

#### Indian Water and Environment Industry

Water and Wastewater management is a promising subsector in India's environment technology segment. India's demand for water is projected twice as much as the available supply by 2030. According to Frost & Sullivan report, the Indian water and wastewater treatment market will likely reach \$2.08 billion by 2025 from \$1.31 billion in 2020, registering growth at a compound annual growth rate (CAGR) of 9 percent. The report also ranked India as the sixth largest market for environmental technologies in the world, with subsector rankings of second for water/wastewater management. Robust governmental initiatives, such as the Atal Mission for Rejuvenation and Urban Transformation, National Mission for Clean Ganga, Jal Jeevan Mission, and Community Drinking Water Schemes will contribute to the growth of the Indian water and wastewater

treatment market.

Government agencies are implementing regulatory and funding mechanisms to open up the water and wastewater market for private investments providing an opportunity for market to achieve significant growth as the industry shifts toward deriving more project value-based (total cost of ownership) and utilizing government expenditure efficiently.

Further, the growing regulations by the regional Government to prevent pollution of naturally occurring water bodies and illegal wastewater discharge have boosted the market growth. To maintain a balance between the population and freshwater supply, wastewater treatment facilities are planned with private sector participation in large Indian cities where the urban population is constantly growing.

Industrial sectors Power, Food and Beverages, Chemicals, Pharmaceuticals, Steel, Refineries and Textile industries prefer advanced treatment technological systems such as reverse osmosis membranes for treating their wastewater. The concept of wastewater recycling and zero discharge systems is becoming more widely accepted as newer technologies such as membrane bioreactor (MBR) based treatment gain in adoption. As examples, some power plants, oil refineries, iron and steel plants, distilleries, cement plants and fertilizer plants are pursuing the principle of Reuse, Recycle and Zero Liquid Discharge to better manage water usage and improve their environmental footprint.

Industries are also setting up sea water desalination plants to meet process water requirements. The coastal states of Tamil Nadu and Gujarat are frontrunners in setting up desalination plants to bolster drinking water supply. Rapid industrialization, deteriorating quality of surface and ground water has increased the demand for pure and safe water in residential, institutional and community segments.

The home water purifier market continues to exhibit good growth rate (CAGR of 9%) and thereby remaining the largest in the South-East Asian region. Moreover, with growing awareness amongst consumers about safe water consumption and its health effects, aided by advancements in technology, industry participants are introducing higher end models at the top of the pyramid whilst increasing the penetration at the bottom rungs with quality value-added products.

High tariffs, particularly in the area of monitoring and instrumentation, and fragmented structure are market challenges for the sector.

## B. Highlights of Performance:

### Standalone

- Total Income: INR 1939 crores registering a growth of 24.7% annually
- EBITDA: INR 280 crores
- EBITDA Margin: 14.4%
- Net Profit After Tax: 185 crores
- PAT Margin: 9.5%
- Diluted EPS: 150.26 (Face value INR 10 each)

### Consolidated

- Total Income: 2031 crores registering a growth of 25.4% annually
- EBITDA: 296 crores registering a growth of 16.1% annually
- EBITDA Margin: 14.6%
- Net Profit After Tax: 195 crores registering a growth of 20.4% annually
- PAT Margin: 9.6%
- Diluted EPS: 165.95 (Face value INR 10 each)

## C. Segment wise Operational Performance:

The business of your company can be segmented into:

1. Engineering
2. Chemicals
3. Consumer Products

### Engineering

The year has seen increase in sales profitability, order inflow from both domestic and international markets. It also has a healthy order backlog and bid pipeline from core industries like Oil & Refining, Steel, Infrastructure & Chemicals and OEMs in renewable energy domain, apart from Food & Beverages, Pharmaceuticals, Automobile & Components, to name a few. The service business also reported a healthy growth in the post Pandemic period. With these the segment has visibility for sustaining growth in the next 2-3 years.

On a standalone basis, the Engineering segment achieved a turnover of INR 1179 crores compared to INR 900 crores for the previous year. The profit from Engineering Operations stood at INR 101 crores.

The execution of Sri Lanka project remained significantly affected and the company has engaged in discussions for expediting the project closure on a mutually acceptable terms. On the other hand, execution of UP Jal Nigam project progressed satisfactorily and revenue has been recognized based on work completion.

The Membrane Division continued to deliver a double-digit growth in its top line with proportional growth in the EBITA margins. The success of its range of world-class membranes (RO, NF) and earlier than planned capacity expansion during the year, will help to further increase our market share in India and increase export of membranes to geographies where we have global presence.

### **Chemical Segment**

The sales in the domestic segment continued to record steady growth while the export volume remained muted due to geo-political issues and recessionary trends in global markets, particularly US and Europe.

However, the segment witnessed improved margins aided by softening and stability of input costs. During the period, the company successfully introduced its range of "Green Chemistry" products to enhance sustainability footprint of its customers. Several new ion exchange resins, adsorbents were introduced in local and export markets.

On standalone basis, the segment achieved sales turnover of INR 583 crores compared to INR 526 crores of the previous year.

Consistent with increased demand for ion exchange resins, we have announced a greenfield expansion project for manufacturing world-class ion exchange resins in Roha, Maharashtra. The state-of-the-art manufacturing facility will also be aligned with internal sustainability goals and environment quality management practices.

### **Consumer Products**

The Consumer Products segment comprises of Home Water Solutions, Institutional, Commercial Water Solutions and Rural Sales Division. Together these verticals achieved a turnover of INR 193 crores

It was a path-breaking year for Zero B Home Water Solutions which had significant growth in its revenue and profits. Sustained product innovations, commercial success of its Zero B Hydrolife range of top end product and Smart Digital initiatives in sales and services contributed to the growth. It also launched innovative products like Bathroom Softeners, low-cost value-added purifiers and extended range of domestic Softeners and sand filters. With focus on quality and speed of response, the vertical greatly improved customer experience and preference for its brands with its after-sales service.

The Institutional segment which caters to the requirement of Realty, Hospitals, Hospitality, etc. also registered good growth in its topline as compared to the previous year. High and differentiated product solutions like INDION HEMO (High Purity Water for Dialysis system), INDION QUENCHER (System for packaged drinking water in glass bottles with an aim to eliminate single-use plastics) and a wide range of Sewage Treatment Plants, contributed to the vertical's performance.

In the Commercial Water segment the new Water Cooler models with unique features of purified water dispensed at three temperature variants (normal/warm/cold) received good response contributing to this segment's growth. The LAB Q "Ultra Plus", and High Purity Water systems for research laboratories and institutes requiring ASTM type-1 water registered good growth.

In the Rural Segment your Company continues to grow through its participation in various Government initiatives such as the Jal Jeevan Mission as well as with its association and support to non-government organizations and companies under their CSR activities.

### **Exports**

Your Company has posted export turnover of INR 394 crores for the year 2022-23.

Having built a favourable position as a reliable exporter of quality ion exchange resins, two of its important markets, namely North America and Europe continued to be constrained due to economic and geopolitical reasons. However, it is expected that these markets will recover in coming years. Basis this pragmatic optimism we have formed a European subsidiary for penetrating the European market as part of our sustainable growth strategy for resins and chemicals.

On the Engineering front, the company witnessed steady order flow in the international market. It includes a 40 MLD Seawater Desalination project for a leading EPC company in North Africa and other significant orders from customers and global EPC companies resulting in a significant growth to the Division's top and bottom line.

### **Digital Initiatives**

Your Company continued to extend its digital adoption for optimizing its business activities and enhancing its customers' satisfaction in FY 2022-23. This included multiple Omni-channel digital campaigns for enhancing product awareness and promotion during the year resulting in enhanced digital engagement and increase in business leads. Product and industry specific campaigns were successfully executed on various social media platforms further increasing customer engagements.

In addition to this, your Company launched their new Corporate ([www.ionexchangeglobal.com](http://www.ionexchangeglobal.com)) and Hydramem ([www.hydradem.com](http://www.hydradem.com)) websites which were stronger in functionality, appearance and navigation. Development of the new regional websites for Asia Pacific, Africa, Europe, India, Middle East and North America widened our marketing and sales reach to global customers.

In a step ahead towards our aim of being a paperless organization, Ion Exchange equipped our exhibition booths with QR Codes which linked our customers to customized landing pages and E-catalogues thereby significantly reducing distribution of paper catalogues.

Digitalization played a very vital role in increasing your Company's Consumer Care Business' (Zero B) brand footprint in FY 2022-23. Considering the high percentage of users accessing website and related content on mobile phones, Zero B website was revamped and modified as per the mobile interface. The new, simplified and user-friendly interface helped the brand to acquire a higher number of new and repeat visitors on the website. Lead generation campaigns were fine-tuned on social media where regular content posting resulted in higher engagement which helped in gaining additional followers and subscribers for the brand. The Consumer Care business initiated integration of the website & CRM for smooth functioning of the service vertical. Other digital initiatives include launch of mobile application for service partners & leaders and enabling scan based payment authentication to enhance and ease customer experience.

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

Pre-empting risks and robust mitigation strategy 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 conflict between Russia and Ukraine has overshadowed the world economic scenario. In the first half of FY 2022-23, the war had its effect on economies in Europe with worsening of the energy cost and thereby creating inflationary pressure. The outlook remained fragile in the major part of second half. Global growth slowed in 2022 to 3.2%, which is one percentage point weaker than what was expected at the end of 2021. In early 2023, signs of improvement are visible and decline in energy prices have improved the sentiments and resulted in decline in food prices thus boosting the purchasing power. After the surge in Covid numbers, early re-opening of China had a positive

impact on the supply chain and helped boost international tourism. On one hand, commodity price inflation has shown signs of easing but on the other hand strong increase in service price and cost pressures from a tight labour market have negated the benefit of inflation moderation.

Majority of global agencies have projected growth to further downside in 2023 on account of the ongoing war in Ukraine, and growing geo-economic fragmentation. Policymakers in various countries have taken forceful actions to stabilize the banking system as the other major forces that shaped the world economy in 2022 seem set to continue into this year, but with changed intensities.

During 2022-23, your Company continued with its reassessment of short-term and long-term impacts on the economies of countries of interest. Geopolitical tensions due to the war between Russia and Ukraine, surge of covid cases in China and slowdown in most European countries compelled most countries to rethink about their manufacturing strategies and focus shifted to strengthening of domestic manufacturing capabilities. To tap the business opportunities in these international markets, to ward off the threat on the price front from other countries and to deliver as per the quality standards and prices in the export market, your company resorted to building capabilities in the countries of interest by investing in business and manpower abroad.

The Indian economy post the pandemic shocks, moved on and staged a full recovery in FY 2022 ahead of many countries and positioned itself to ascend the pre-pandemic growth path in FY 2023. The ripples created by global economy scenarios had an impact on the Indian economy too. India has also faced the challenge of reining in inflation created by these global scenarios and the Indian Government and RBI had to resort to credit control policy decisions. The depreciating rupee on account of US Fed interest rate hike and growth momentum of Indian market led to increase in CAD gap. The overall growth for 2022-23 is estimated at 7%. The current account deficit narrowed in Q3 due to strong growth in service exports and easing of global commodity prices. Despite strong global headwinds and tighter domestic monetary policy, India's GDP growth is expected to be 6% in FY 2023-24.

In order to cash in on 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 the risk appetite they carry and unprofitable or highly volatile opportunities were declined. Your Company continued to maintain a healthy mix of profitable and relatively stable stream of revenues from the engineering, chemical and home segment along with a good opening order bank. Given the global scenario and its impact on the Indian economy, margins

were under pressure. However, your company maintained an apt mix of large and small businesses, ensured steady stream of revenue by maintaining the quality of its products and services in domestic as well as the international market and proactively adjusted to the price sensitive scenarios.

For large EPC jobs your Company has built in a robust and 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 a 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.

## **Human Resources and Training**

### **Developing & Managing Talent**

Promoting an environment that encourages the growth and development of your Company's personnel is critical to the success of its business. Employees are encouraged to channel their potential and gain success throughout their career lifecycle with the Company.

Your Company has established an integrated performance management system that evaluates employee achievements on a periodic basis, in an objective and structured manner. Employees are provided with opportunities to discuss their performance as well as their personal and professional ambitions with their managers across all functions and levels. In FY 2022-23 through your Company's robust performance review system, 100% of the eligible employees have undergone performance and career growth and talent mobility.

Your Company is slowly moving towards Performance Enabler. At your company, learning is integral to work, and therefore along with their performance review, your company provides employees with learning and upskilling opportunities for capability building, to enable them to undertake leadership roles effectively. Training imparted to employees cover a wide range of subjects through internal and external programmes which include technical, non-technical, skill upgradation, prevention of sexual harassment, etc.

Comprehensive Leadership Development Programmes and Leadership Engagement Sessions were conducted on a regular basis for all critical roles in your Company. Training programmes were also undertaken for first time managers to enhance their leadership skills and

orientation sessions were undertaken to familiarize them with their new roles and responsibilities.

Your Company has a structured, well-documented Leadership Competency Framework as well as a Functional Capability Framework, which defines key competencies and forms the bedrock for various talent processes in your Company.

In the year under review a Mentor-Mentee program also called the 'Sarathi – Viraathi' program was launched in which the senior management team volunteered to mentor 39 grass root leaders to develop and strengthen their supervisory skills. New Mentor-Mentee are identified for 2023-24.

Succession planning is an integral part of your Company, which measures the depth of leadership bench at the senior leadership levels. Your company has a strong succession bench for most of the key positions and successors are identified prior to senior management positions falling vacant, to ensure a smooth and seamless transition.

### **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.

### **Social Responsibility Initiatives**

Your company has been undertaking social investments largely through its CSR wing 'Ion Foundation' working with NGOs and partners, as well as employee volunteers, to assist in the implementation of various sustainable development programmes.

The core philosophy of the Company's social intervention programmes is to work closely with communities living near its operations, and beyond. The CSR interventions are wholly based on the needs assessed through community engagement, backed with a definitive structure arising from the identification of needs of the local area and the existing systemic gaps.

Your company has deployed a strategic inclusive development approach that encompasses preserving and building drinking water resources for sustainable water resource management, ensuring access to safe drinking water, implementing long-term plans and enabling water security for domestic and agriculture usage in communities, constructing better sanitation facilities, conserving environment, providing health and nutrition amenities, providing quality education, creating platforms for skill-building and community empowerment.

Your company continued to make a positive difference in more than eight states during FY 2022-23, aligned with Ion Foundation's vision 'To empower the economically disadvantaged towards social equality and to refresh our environment'.

Some of the major interventions undertaken during FY 2022-23 were:

- Solar powered farming and irrigation systems: Your Company assisted two villages in Palghar, Maharashtra by installing a new solar powered water pumping irrigation system of 20 KWp Solar PV. The project had many positive outcomes for the development of the community. It provided an opportunity to the farmers to cultivate multiple seasonal crops, which enabled them to boost their average yearly income by 60%. This resulted in significantly reducing the migration of the farmers to other locations in search of jobs. Children were also able to continue their primary education in their native village.
- Your Company collaborated with an NGO to support a driving training course in partnership with a driving school for 25 underprivileged women. The women received their driving licenses and badges for driving commercial vehicles after this 6-month initiative. This helped the women to achieve financial independence

whilst balancing their family life with secured jobs as chauffeurs, valets and cab drivers. They were able to provide better education for their children as well as support their families.

- Besides the various education initiatives, which your Company has undertaken over the years, the new focus in FY 2022-23 was to help bridge the gap in the field of education by compensating the teachers who take extra classes for needy students.

During FY 2022-23 employees were encouraged to volunteer by forming specific interest groups and join volunteering programmes with different institutions/NGOs planned throughout the year.

#### 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

Sd/  
**Rajesh Sharma**  
Chairman & Managing Director

Mumbai

Date: 26<sup>th</sup> May, 2023

## 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) Regulations, 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, 2023]

The Board comprises of eleven directors, of whom eight directors are non - executive and seven directors are Independent. The Composition of Board is given below:

Name	Category
Mr. Rajesh Sharma	Executive - Chairman & Managing Director
Mr. Dinesh Sharma	Executive Director
Mr. Aankur Patni	Executive Director
Dr. V. N. Gupchup	Non-Executive, Independent
Mr. M. P. Patni	Non-Executive, Non-Independent
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. Kishori J. Udeshi	Non-Executive, Independent
Mr. David Rasquinha	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 27.05.2022, 02.08.2022, 08.09.2022, 09.11.2022, 03.02.2023 and 23.03.2023. 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 8<sup>th</sup> September, 2022 was attended by all the Directors except Ms. Kishori J. Udeshi.

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 (31/03/23)#	Member/ Chairman of committees of other company(s) as on (31/03/2023)#	Name of the Listed Company (s) in which Director holds Directorship-Category of Director
Mr. Rajesh Sharma	6	17	0	-
Mr. Dinesh Sharma	6	12	1 (Chairman)	-
Mr. Aankur Patni	6	9	0	-
Dr. V. N. Gupchup	6	3	1	-
Mr. M. P. Patni	6	9	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 (31/03/23)#	Member/ Chairman of committees of other company(s) as on (31/03/2023)#	Name of the Listed Company (s) in which Director holds Directorship-Category of Director
Ms. Kishori J. Udeshi	5	6	5 (including 2 chairmanship)	1. Haldyn Glass Limited - Non-Executive - Independent Director 2. Thomas Cook (India) Limited - Chairperson -Non-Executive -Independent Director 3. Cartrade Tech Limited - Non-Executive - Independent Director 4. Kalyan Jewellers India Limited – Non-Executive -Independent Director
Mr. David Rasquinha	5	2	2 (including 1 chairmanship)	-

# 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 Manngement.
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.
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.

Name of the Director	Skills/ Expertise/ Competence
Mr. David Rasquinha	Vast exposure in the fields of Banking, Risk Management, Capital Markets and Treasury while being associated with EXIM Bank.

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.ionexchange.global.com](http://www.ionexchange.global.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 2022-23.

**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 five meetings during the year on 27.05.2022, 02.08.2022, 09.11.2022, 02.02.2023 and 23.03.2023



Name	Number of the Audit Committee Meeting Attended
Mr. T.M.M.Nambiar (Chairman)	5
Dr. V.N.Gupchup	5
Mr. Abhiram Seth	5

#### 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 three meeting during the year on 02.08.2022,08.09.2022 and 02.02.2023.

Name	Number of the Nomination and Remuneration meetings attended
Dr. V.N. Gupchup (Chairman)	3
Mr. M.P. Patni	3
Mr. Abhiram Seth	3

#### 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. In the opinion of the Board, the Independent Directors fulfill the conditions specified under SEBI Listing Regulations as amended from time to time and are independent of the management.

##### (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 2022-23 is given hereunder.

Name	Tenure	Salary & Allowances (INR)	Commission (INR)	Contribution to Provident & other funds (INR)	Perquisites (INR)	Total (INR)
Mr. Rajesh Sharma	2022-23	46,357,836	15,000,000	4,437,840	696,368	66,492,044
Mr. Dinesh Sharma	2022-23	18,626,492	7,500,000	3,626,340	124,140	29,876,972
Mr. Aankur Patni	2022-23	18,653,942	7,500,000	3,626,340	100,000	29,880,282

During the year, the Company paid INR 3,195,000/- as sitting fees to the non-executive Directors for attending the Board and Committee Meetings and INR 17,500,000/- as Commission. The details are given below:

Name of Director	Commission	Sitting fees	Total Compensation	No. of shares held
Dr. V. N. Gupchup	2,500,000	560,000	3,060,000	111,126
Mr. M. P. Patni	2,500,000	400,000	2,900,000	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	525,000	3,025,000	154,800
Mr. Shishir Tamotia	2,500,000	325,000	2,825,000	2,270
Ms. Kishori J. Udeshi	2,500,000	335,000	2,835,000	3,630
Mr. David Rasquinha	-	275,000	275,000	25

## 5. RISK MANAGEMENT COMMITTEE

The Company has constituted a Risk Management Committee with effect from June 8, 2021.

The Committee held two meeting during the year on 08.09.2022 and 02.02.2023. The Composition and details of the meetings attended by the members are given below:

Name	Number of the Risk Management Committee (RMC) meetings attended
Ms. Kishori J. Udeshi	1
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 (ESOCC)s

The Employee Stock Option Compensation Committee (ESOCC) of the company administers the Employee Stock Option Schemes. The ESOCC is headed by Mr. M. P. Patni (Non-Executive) along with the members of the Committee are, Dr. V. N. Gupchup, Mr. T. M. M. Nambiar and Mr. P. Sampath Kumar (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 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, Group Head Financial Planning and Risk Management.

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 23.03.2023 which was attend by all the Committee members.

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

Sr. No	QUERIES / COMPLAINTS/ REQUESTS RELATED TO	TOTAL RECEIVED	TOTAL REPLIED
<b>1</b>	<b>Payments</b>		
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)	76	74
c	Issue of new Drafts against unencashed Drafts/ Recovery Drafts	67	66
d	Non Receipt of warrants (where recon in progress)	0	0
e	Non Receipt of payments (where new Instruments already issued)	0	0
f	Unclaimed and Unpaid amounts transferred to ROC / IEPF	17	15
g	Miscellaneous	14	11
2	Annual Report	0	0
3	Bonus Issue	0	0
4	Change In Name / Status	16	16
5	Communication received through SEBI and other statutory/ regulatory bodies	5	5
6	Conversion / Demerger - Scheme of Arrangement / Exchange/ Merger - Amalgamation of Cos/ Subdivision	20	19
7	Dematerialisation/ Rematerialisation of Securities	5	5
8	Dividend / Interest	0	0
9	Document Registration	38	38
10	Legal Matters	0	0
11	Loss of Securities	346	321
12	Nomination	0	0
13	Tax Exemption	0	0
14	Transfer of Securities	0	0
15	Transmission of Securities	68	68
16	Other Queries	152	133
	<b>TOTAL</b>	<b>824</b>	<b>771</b>

Sr. No	QUERIES / COMPLAINTS/ REQUESTS RELATED TO	TOTAL RECEIVED	TOTAL REPLIED
	<b>Request For</b>		
1	Change of Address	126	126
2	Change in Bank Details	101	99
3	Issue of New Certificates on Split/Consolidation/ Renewal	0	0
4	Nomination	157	150
5	Pan Updation	74	74
	<b>TOTAL</b>	<b>458</b>	<b>449</b>
	<b>GRAND TOTAL :</b>	<b>1282</b>	<b>1220</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 2022-23, the Committee met two times on 15.06.2022 and 08.12.2022. 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. Kishori J. Udeshi	2
Mr. M. P. Patni	2
Mr. Rajesh Sharma	2

The 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 23, 2023 inter alia, to discuss:

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

- 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/app/uploads/2023/08/FAMILIARIZATION-PROGRAM\\_-INDEPENDENT-DIRECTORS\\_-2\\_2.pdf](https://ionexchange.global.com/app/uploads/2023/08/FAMILIARIZATION-PROGRAM_-INDEPENDENT-DIRECTORS_-2_2.pdf)

**10. Annual General Meetings**

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

Year	Date	Time	Location	Special Resolution Passed
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.
2021-2022	08.09.2022	11.00 a.m.	Ion House, Dr. E Moses Road, Mahalaxmi, Mumbai- 400011	- 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. - To increase the borrowing limit under section 180(1)(c) of the Companies Act, 2013. - 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. - Appointment of Mr. David Rasquinha (DIN: 01172654) as an Independent Director of the Company.

## 11. Postal Ballot

During the year 2022-23, One Postal Ballot was conducted in accordance with Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 as per the details given below

Particulars of the Resolution	Re-appointment of Mr. Rajesh Sharma (DIN: 00515486) as Chairman and Managing Director for the period of five years effective from 1 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2027 and remuneration payable to him.	
Type of Resolution	Special	
Name of the Scrutinizer	Mr. Virendra Bhatt, Practicing Company Secretary	
Date of Report Of scrutinizer	06.05.2022	
Date Of Declaration Of Results	06.05.2022	
	Number of valid Postal / electronic ballot forms received	5803498
	Votes in favour of the Resolution	5080397
	Votes against the Resolution	723101
	Number of invalid Votes (Postal/ Electronic)	0
	% Votes in favour	87.5403

## 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://ionexchangeglobal.com/app/uploads/2022/07/Related-party\\_Policy\\_Updated.pdf](https://ionexchangeglobal.com/app/uploads/2022/07/Related-party_Policy_Updated.pdf)
- 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://ionexchangeglobal.com/app/uploads/2022/07/SUBSIDIARIES\\_POLICY.pdf](https://ionexchangeglobal.com/app/uploads/2022/07/SUBSIDIARIES_POLICY.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. Vasant Naik (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 2022-2023, 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 70.88 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. Dividend Distribution Policy

Pursuant to Regulation 43A of the Listing Regulations, the Company has adopted a dividend distribution policy. The Policy is available on the website of the Company <https://ionexchange.global.com/app/uploads/2022/07/Dividend-Distribution-Policy.pdf>

#### 15. Means of Communication

As per the requirements of Listing Agreement with The Bombay Stock Exchange and National Stock Exchange of India, Mumbai, 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.

#### 16. General Shareholder Information

##### i) Annual General Meeting

Date : 8<sup>th</sup> September, 2023

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 2023-24

Financial year	: 1 <sup>st</sup> April to 31 <sup>st</sup> March
Quarter ending June 30, 2023	: Last week of July, 2023
Quarter ending September 30, 2023	: Last week of October, 2023
Quarter ending December 31, 2023	: Last week of January, 2024
Year ending March 31, 2024	: Last week of May, 2024

##### iii) Book closure date

The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 31<sup>st</sup> August, 2023 to Friday, 8<sup>th</sup> September, 2023 (both days inclusive) for determining the entitlement of shareholders to receive dividend for the year ended 31<sup>st</sup> March, 2023, 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, 2023.

##### 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 2022-23 has been paid to BSE & NSE.

##### vi) Stock code and ISIN Number

BSE Limited – 500214

NSE Limited - IONEXCHANG

ISIN Number -INE570A01022

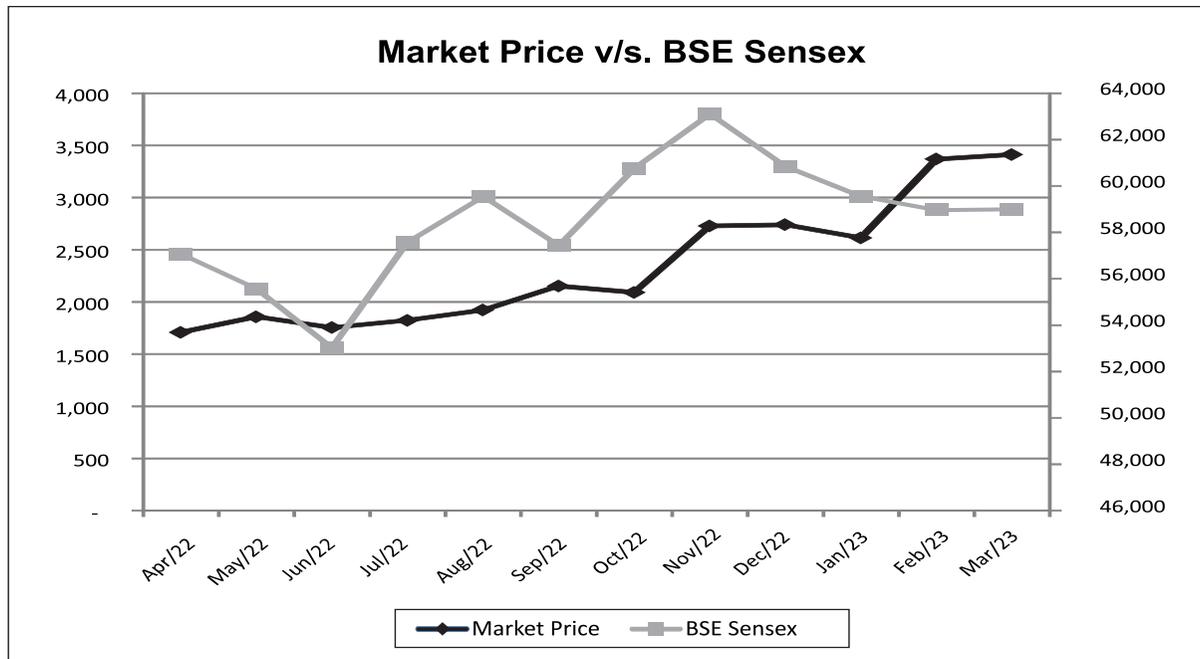
##### vii) Rating Action

Long Term Rating	CRISIL A/Stable
Short Term Rating	CRISIL A1

During the year under review, CRISIL Ratings has upgraded its ratings on the bank facilities of the Company to 'CRISIL A/Stable/CRISIL A1' from 'CRISIL A-/Positive/CRISIL A2+

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

Month	High Price (INR)	Low Price (INR)
Apr-22	1826	1640
May-22	1872	1586
Jun-22	2043	1727
Jul-22	1918	1501
Aug-22	1973	1680
Sep-22	2342	1910
Oct-22	2152	1936
Nov-22	2764	2032
Dec-22	3055	2440
Jan-23	2899	2431
Feb-23	3427	2614
Mar-23	3546	3032



**DISTRIBUTION OF HOLDINGS AS ON 31<sup>st</sup> MARCH, 2023**

DESCRIPTION	SHARES	NO. OF SHARES	%	NO. OF HOLDERS	%	
1	500	1714599	11.69	30300	94.66	
501	-	1000	608264	4.15	825	2.58
1001	-	2000	620688	4.23	432	1.35
2001	-	3000	307119	2.09	121	0.38
3001	-	4000	198270	1.35	56	0.17
4001	-	5000	269326	1.84	58	0.18
5001	-	10000	696052	4.75	97	0.30
10001	-	999999999	10252341	69.90	119	0.37
<b>TOTAL</b>		<b>14666659</b>	<b>100</b>	<b>32008</b>	<b>100.00</b>	

**SHAREHOLDING PATTERN AS ON 31<sup>st</sup> MARCH, 2023**

Category	Holdings as on 31-03-2023	%
Promoter & Promoter Group	3952513	26.95
Mutual Funds & UTI	1215235	8.29
Banks, Financial Institutions & Insurance Companies	277	0.00
FII's	286322	1.95
Domestic Companies	1183763	8.07
Public	5381208	36.69
NRIs/OCBs	273727	1.87
Non Promoter Non Public	2373614	16.18
<b>Total</b>	<b>14,666,659</b>	<b>100</b>

**Dematerialization of Shares and Liquidity**

The Company's Equity Shares are in compulsory demat i.e. electronic mode and as on 31<sup>st</sup> March, 2023, 98.18% 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.: +918108118484

Fax No.: +9166568494

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, 2023, as per the relevant provisions of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) of Listing Regulations for the period 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023.

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 Regulations.

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 26<sup>th</sup> 2023

## **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 IEI Shareholding (Staff Welfare) Trusts – Sixty trusts and HMIL Shareholding Trust's (Seventeen trusts) (collectively referred to as the "trusts") which comprise the standalone balance sheet as at 31 March 2023, 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 2023, 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.

<b>Revenue Recognition</b>	
See note 1.17, note 26 and note 40 to standalone financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p><b>Revenue Recognition</b></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>• Tested 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>• Observed the approval of percentage of completion workings.</li> <li>• For selected samples, tested the Company's forecasted cost to completion, through comparison of costs incurred with project budgets, and executed purchase orders and agreements. Identified significant variations and tested variations resulting into re-estimating the remaining costs to complete the contract.</li> <li>• Compared, 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>• Performed 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>
<b>Recovery of carrying value of investments</b>	
See note 1.13 and note 44 to standalone financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>Recovery of carrying value of investment 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. The recoverable amounts of the above investments are estimated in order to determine the extent of the impairment loss.</li> </ul> <p>As impairment assessment involves significant assumptions and judgment, we regard this as a key audit matter.</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>
Refer to note 6 - "Investments" of the standalone financial statements.	We tested the related disclosures in Note 6 of the financial statements.

**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 Board of directors report, but does not include the financial statements and auditor's report thereon. The Board of directors report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the Board of directors report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

**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 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 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 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 1 branch and 77 trusts included in the standalone financial statements of the Company whose financial statements reflect total assets of Rs. 4,903.95 Lacs as at 31 March 2023, total revenue of Rs 13,066.08 Lacs total net profit after tax of Rs 968.96 Lacs and net cash outflows of Rs 65.83 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 the branch and other 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, 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.
  - 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 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 Auditors) 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 2023 on its financial position in its standalone financial statements - Refer Note 49 to the standalone financial statements.
  - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - 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 management has represented that, to the best of their knowledge and belief, as disclosed in the Note 55(iv) to the standalone financial statements, 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 Company to or in any other person(s) or entity(ies), 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 by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 55(v) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), 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 by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (iii) Based on the audit procedures performed that have been 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) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
  - e. The final dividend paid by the Company during the year, in respect of the same declared for the previous years, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 58 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

**Glenn D'souza**

Partner

Membership No. 112554

ICAI UDIN:23112554BGWSAO5958

Place : Mumbai

Date : 26 May 2023

## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Ion Exchange (India) Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of 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 by which all property, plant and equipment 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 in Lacs	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	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	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 Tamil Nadu (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 the 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) 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.
- (a) 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, or stood guarantee, or provided security to any other entity as below:

Particulars	Guarantees in Lacs	Loans in Lacs
Aggregate amount during the year - Subsidiaries*	41.11	4,241.23
<b>Balance outstanding as at balance sheet date</b>		
Subsidiaries *	3,579.36	6,961.61
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, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year 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 repayment of principal and payment of interest has been stipulated and 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.	4,236.49	There is not stipulation of schedule of repayment of principal or payment of interest
Ion Exchange Purified Drinking Water Private Limited	548.04	
Ion Exchange Environment Management Limited	1,342.71	
Ion Exchange Asia Pacific Pte Ltd.- Singapore	222.06	
Ion Exchange Asia Pacific Pte Ltd.- Thailand	21.97	
IEI Environmental Management (M) Sdn. Bhd, Malaysia	56.13	
Ion Exchange Projects and Engineering Limited	499.83	
Total Water Management Services I Ltd	1.45	
Ion Exchange Arabia For Water	32.93	

Further, the Company has not given any advance in the nature of loan to any party during the year.

- (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"):

	<b>All Parties (Rs. in Lacs)</b>	<b>Related Parties (Rs. in Lacs)</b>
Aggregate of loans/advances in nature of loan		
- Repayable on demand (A)	6,961.61	6,961.61
- Agreement does not specify any terms or period of Repayment (B)	-	-
<b>Total (A+B)</b>	<b>6,961.61</b>	<b>6,961.61</b>
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) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (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 2023 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, 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 on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in Lacs)	Period to which the 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 forms	98.11	1993-94, 1995-96, 2004-05, 2006-07, 2007-08, 2009-10	Senior Joint Commissioner Appeals
		151.30	2006-07, 2007-08, 2013-14, 2017-18	Assistant Commissioner Appeals
		62.48	2010-11	Commercial tax appeals
		6.69	2013-14, 2014-15	Deputy Commissioner Appeals
		3.15	2010-11	Deputy Commissioner of Sales Tax
		43.95	2008-09, 2010-11, 2011-12	Deputy Commissioner of Commercial Tax
		78.41	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	90.63	2006-07, 2007-08 and 2008-09	Additional Commissioner of Central Excise
		231.30	2020-21	CESTAT, Appeals
		86.71	2011-12 and 2012-13	Assistant Commissioner of CGST Appeals
		66.24	2016-17	Assistant Commissioner of Central Excise
Income Tax Act, 1961	Income Tax demand	240.35	2009-10, 2010-11, 2011-12, 2013-14 to 2018-19	Commissioner of Income Tax (Appeal)

- (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

**Glenn D'souza**

Partner

Membership No. 112554

ICAI UDIN:23112554BGWSAO5958

Place : Mumbai

Date : 26 May 2023

## **Annexure B to the Independent Auditor's Report on the standalone financial statements of Ion Exchange (India) Limited for the year ended 31 March 2023**

**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 Act**

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Opinion**

We have audited the internal financial controls with reference to financial statements of Ion Exchange (India) Limited ("the Company") as of 31 March 2023 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 financial statements and such internal financial controls were operating effectively as at 31 March 2023, 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 and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 and the audit evidence obtained by the branch auditors of the relevant branch/branches in terms of their report(s) referred to in the Other Matter(s) paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

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

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

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

### **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one branch, which is a component of the Company, is based on the corresponding report of the auditor of such branch.

Our opinion is not modified in respect of above matters.

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

**Glenn D'souza**

Partner

Membership No. 112554

ICAI UDIN:23112554BGWSAO5958

Place : Mumbai  
Date : 26 May 2023

## Balance sheet as at 31st March 2023

	Notes	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2	16,446.95	13,889.49
(b) Capital work-in-progress	3	4,194.65	2,003.57
(c) Right-of-use assets	4	3,405.30	3,640.72
(d) Other intangible assets	5	177.79	192.12
(e) Financial assets			
(i) Investments	6	6,791.55	6,396.18
(ii) Trade receivables	7	121.53	123.50
(iii) Loans	8	2,200.00	2,200.00
(iv) Other financial assets	9	762.63	857.84
(f) Deferred tax assets (Net)	10	1,040.82	823.80
(g) Other non current assets	11	392.06	1,638.39
<b>Total non-current assets</b>		<b>35,533.28</b>	<b>31,765.61</b>
<b>Current assets</b>			
(a) Inventories	12	18,469.50	14,616.95
(b) Financial assets			
(i) Investments	13	31.71	31.66
(ii) Trade receivables	7	69,900.77	50,883.70
(iii) Cash and cash equivalents	14	15,856.48	15,355.83
(iv) Bank balances other than (iii) above	15	35,834.63	35,899.76
(v) Loans	8	5,775.95	7,628.32
(vi) Other financial assets	9	1,294.90	1,152.24
(c) Other current assets	11	13,760.39	9,333.21
<b>Total current assets</b>		<b>160,924.33</b>	<b>134,901.67</b>
<b>Total assets</b>		<b>196,457.61</b>	<b>166,667.28</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	1,466.67	1,466.67
(b) Other equity	17	92,281.94	75,274.94
<b>Total equity</b>		<b>93,748.61</b>	<b>76,741.61</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	1,567.56	1,172.08
(ii) Lease liabilities		341.48	256.24
(iii) Other financial liabilities	19	872.50	890.98
(b) Provisions	20	2,109.55	1,664.34
<b>Total non-current liabilities</b>		<b>4,891.09</b>	<b>3,983.64</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	947.50	1,963.39
(ii) Lease liabilities		312.60	401.02
(iii) Trade payables	22		
- Total outstanding dues of micro and small enterprises		6,081.59	3,031.67
- Total outstanding dues of creditors other than micro and small enterprises		45,964.65	45,557.07
(iv) Other financial liabilities	23	3,613.91	2,788.66
(b) Other current liabilities	24	39,841.71	30,141.60
(c) Provisions	20	568.22	636.84
(d) Current tax liabilities (Net)	25	487.73	1,421.78
<b>Total current liabilities</b>		<b>97,817.91</b>	<b>85,942.03</b>
<b>Total liabilities</b>		<b>102,709.00</b>	<b>89,925.67</b>
<b>Total equity and liabilities</b>		<b>196,457.61</b>	<b>166,667.28</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

GLENN D'SOUZA  
Partner  
Membership no.: 112554

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 26th May 2023

VASANT NAIK  
Chief Financial Officer

Place : Mumbai  
Date : 26th May 2023



**Statement of profit and loss for the year ended 31st March 2023**

	Notes	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
<b>Income</b>			
Revenue from operations	26	189,216.59	150,936.23
Other income	27	4,679.85	4,612.70
<b>Total Income (I)</b>		<b>193,896.44</b>	<b>155,548.93</b>
<b>Expenses</b>			
Cost of materials consumed	28	116,404.43	91,270.24
Purchases of stock-in-trade	29	7,053.54	4,318.93
Change in inventories of finished goods, stock-in-trade and work-in-progress	30	(672.42)	(1,622.60)
Employee benefits expenses	31	19,590.64	16,368.89
Finance costs	32	636.38	757.26
Depreciation and amortization expenses	33	2,796.52	2,678.23
Other expenses	34	23,549.55	20,904.41
<b>Total expenses (II)</b>		<b>169,358.64</b>	<b>134,675.36</b>
<b>Profit before tax (I - II)</b>		<b>24,537.80</b>	<b>20,873.57</b>
<b>Tax expense</b>			
Current tax	35	6,203.98	5,807.03
Deferred tax credit	10	(137.86)	(354.31)
<b>Total tax expense</b>		<b>6,066.12</b>	<b>5,452.72</b>
<b>Profit after tax (III)</b>		<b>18,471.68</b>	<b>15,420.85</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss	36		
(a) Remeasurement benefit of defined benefit plans		(314.54)	(196.89)
(b) Income tax expense on remeasurement benefit of defined benefit plans		79.16	49.56
<b>Total other comprehensive income (IV)</b>		<b>(235.38)</b>	<b>(147.33)</b>
<b>Total comprehensive income (III + IV)</b>		<b>18,236.30</b>	<b>15,273.52</b>
<b>Earnings per equity share:</b> [Nominal value of shares INR 10 (2021-2022: INR 10)] (Refer note 37)			
Basic (in INR)		150.26	125.44
Diluted (in INR)		150.26	125.44
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

GLENN D'SOUZA  
Partner  
Membership no.: 112554

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 26th May 2023

VASANT NAIK  
Chief Financial Officer

Place : Mumbai  
Date : 26th May 2023

## STATEMENT OF CHANGES IN EQUITY for the year ended 31st March 2023

## A. Equity share capital

	As at 31st March 2023		As at 31st March 2022	
	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 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 (a)	-	-	-	15,420.85	-	15,420.85
Other Comprehensive Income (b)	-	-	-	(147.33)	-	(147.33)
Total comprehensive income for the year (a+b)	-	-	-	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>
<b>Balance as at 1st April 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>
Profit for the year (c)	-	-	-	18,471.68	-	18,471.68
Other Comprehensive Income (d)	-	-	-	(235.38)	-	(235.38)
Total comprehensive income for the year (c+d)	-	-	-	18,236.30	-	18,236.30
Dividend paid	-	-	-	(1,229.30)	-	(1,229.30)
<b>Balance as at 31st March 2023</b>	<b>8,276.09</b>	<b>16.00</b>	<b>2,644.66</b>	<b>84,157.83</b>	<b>(2,812.64)</b>	<b>92,281.94</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

GLENN D'SOUZA  
Partner  
Membership no.: 112554

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 26th May 2023

VASANT NAIK  
Chief Financial Officer

Place : Mumbai  
Date : 26th May 2023

## Cash flow statement for the year ended 31st March 2023

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
<b>A. Cash flow from operating activities:</b>		
<b>Profit before tax</b>	<b>24,537.80</b>	<b>20,873.57</b>
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	2,796.52	2,678.23
Loss on assets sold / discarded (Net)	30.38	(21.56)
Finance cost	636.38	757.26
Dividend Income	(59.41)	(31.57)
Interest Income	(3,511.75)	(3,062.35)
Provision for doubtful debts / Bad debts written off	352.11	1,231.69
Doubtful advances/Claim written off	104.22	-
Change in fair value of investments	(0.05)	(7.91)
Guarantee commission	(46.44)	(44.77)
Unrealised exchange loss / (gain)	(255.57)	106.52
<b>Operating profit before working capital changes</b>	<b>24,584.19</b>	<b>22,479.11</b>
Movements in working capital:		
(Increase) / Decrease in inventories	(3,852.55)	(4,374.31)
(Increase) / Decrease in trade receivables	(19,057.20)	(7,047.70)
(Increase) / Decrease in loans	424.04	(513.22)
(Increase) / Decrease in other assets	(4,339.61)	(419.31)
(Decrease) / Increase in trade payables	3,461.85	(1,723.54)
(Decrease) / Increase in other financial liabilities	554.12	207.42
(Decrease) / Increase in other current liabilities	9,700.11	5,721.86
(Decrease) / Increase in provisions	62.05	155.82
<b>Cash generated from operations</b>	<b>11,537.00</b>	<b>14,486.13</b>
Taxes paid	(7,213.03)	(6,971.64)
<b>Net cash generated from operating activities (A)</b>	<b>4,323.97</b>	<b>7,514.49</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant and equipment	(5,846.31)	(4,916.39)
Proceeds from sale of property, plant and equipment	32.57	23.42
Investments made in subsidiaries	(348.93)	(104.52)
(Increase) / Decrease in loans	1,338.60	(625.08)
Bank deposit made during the year (with maturity more than three months)	(9,614.45)	(8,634.47)
Bank deposit matured during the year (with maturity more than three months)	9,681.81	3,319.16
Dividend Received	59.41	31.57
Interest Received	3,365.03	2,856.73
<b>Net cash used in investing activities (B)</b>	<b>(1,332.27)</b>	<b>(8,049.58)</b>
<b>C. Cash flow from financing activities:</b>		
Repayment of borrowings	(1,949.58)	(1,584.34)
Proceeds from borrowings	1,933.60	2,062.26
Payment towards lease liability	(608.35)	(800.38)
Dividend paid	(1,229.30)	(1,229.30)
Finance cost	(564.13)	(618.93)
<b>Net cash generated / (used) in financing activities (C)</b>	<b>(2,417.76)</b>	<b>(2,170.69)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>573.94</b>	<b>(2,705.78)</b>
<b>Effect of exchange difference on cash and cash equivalent held in foreign currency</b>	<b>(73.29)</b>	<b>(66.97)</b>
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>15,355.83</b>	<b>18,128.58</b>
<b>Cash and cash equivalents as at the end of the year</b>	<b>15,856.48</b>	<b>15,355.83</b>

## Cash Flow Statement for the year ended 31st March 2023 (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 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Cash and cash equivalents disclosed under current assets [Note 14]	15,856.48	15,355.83
Other bank balances disclosed under current assets [Note 15]	35,834.63	35,899.76
<b>Total cash and cash equivalents as per Balance Sheet</b>	<b>51,691.11</b>	<b>51,255.59</b>
Less: Other bank balances disclosed under current assets		
On unclaimed dividend account	69.85	67.48
On unclaimed interest on fixed deposits	0.16	0.30
On deposit account	15,937.52	16,883.84
On margin money account	19,827.10	18,948.14
	<b>35,834.63</b>	<b>35,899.76</b>
<b>Total cash and cash equivalents as per Statement of Cash Flows</b>	<b>15,856.48</b>	<b>15,355.83</b>

- Changes in liabilities arising from financing activities

	As at 1st Apr 2022	2022-23		As at 31st Mar 2023
	INR in Lacs	Net Cash inflow / (outflow)	Others *	INR in Lacs
		INR in Lacs	INR in Lacs	
Borrowings (Non current and current)	3,135.47	(15.98)	(604.43)	2,515.06
	<b>3,135.47</b>	<b>(15.98)</b>	<b>(604.43)</b>	<b>2,515.06</b>

	As at 1st Apr 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	
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>

\* 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

GLENN D'SOUZA  
Partner  
Membership no.: 112554

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 26th May 2023

VASANT NAIK  
Chief Financial Officer

Place : Mumbai  
Date : 26th May 2023

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023

### 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 26th May 2023.

#### 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 2023 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 2023 (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 2023 (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 amortisation and impairment.

Intangible assets are amortised on a straight-line basis over the estimated useful economic life. The amortisation period and the amortisation method are reviewed at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation 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 2023 (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 2023 (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 2023 (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 2023 (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 realised.

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.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)****1. Significant Accounting Policies (contd...)****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.

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 (2021-22: 2,368,939) equity shares and 4,675 (2021-22: 4,675) equity shares are being excluded on consolidation of equity shares held by IEI Shareholding (Staff Welfare) Trusts and HML 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.

## **NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**

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

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

##### 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.

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 capitalised 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.

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (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 2022	204.29	111.60	3,921.22	3,666.51	11,695.00	731.71	342.92	1,377.71	22,050.96
Addition during the year	-	95.80	324.73	113.53	3,373.50	117.46	83.51	501.73	4,610.26
Disposal during the year	-	-	-	-	100.27	0.82	9.44	5.70	116.23
<b>As at 31st March 2023</b>	<b>204.29</b>	<b>207.40</b>	<b>4,245.95</b>	<b>3,780.04</b>	<b>14,968.23</b>	<b>848.35</b>	<b>416.99</b>	<b>1,873.74</b>	<b>26,544.99</b>
<b>Depreciation / Amortisation</b>									
As at 1st April 2022	-	60.61	469.97	729.64	5,413.16	323.79	252.92	911.38	8,161.47
Depreciation during the year	-	18.19	129.21	161.88	1,189.60	73.25	40.55	377.17	1,989.85
Deduction during the year	-	-	-	-	38.99	0.48	9.44	4.37	53.28
<b>As at 31st March 2023</b>	<b>-</b>	<b>78.80</b>	<b>599.18</b>	<b>891.52</b>	<b>6,563.77</b>	<b>396.56</b>	<b>284.03</b>	<b>1,284.18</b>	<b>10,098.04</b>
<b>Net carrying value As at 31st March 2023</b>	<b>204.29</b>	<b>128.60</b>	<b>3,646.77</b>	<b>2,888.52</b>	<b>8,404.46</b>	<b>451.79</b>	<b>132.96</b>	<b>589.56</b>	<b>16,446.95</b>
<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>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (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 (2021-22: INR 27.44 Lacs)
- b) Buildings on freehold land includes residential flats, the cost of which includes:
- INR 250 (2021-22: 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 (2021-22: 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 (2021-22: INR 41.15 Lacs)  
Net book value INR 33.88 Lacs (2021-22: INR 34.92 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 (2021-22: INR Nil)  
Net book value INR Nil (2021-22: INR Nil)
- e) Buildings on freehold land includes office premises given on operating lease :  
Deemed gross book value INR 168.96 Lacs (2021-22: INR 144.44 Lacs)  
Accumulated depreciation INR 44.52 Lacs (2021-22: INR 38.61 Lacs)  
Depreciation for the year INR 5.91 Lacs (2021-22: INR 5.84 Lacs)  
Net book value INR 124.43 Lacs (2021-22: INR 105.83 Lacs)
- f) Addition to Property, plant and equipment includes amount of INR 157.09 Lacs (2021-22: INR 219.76 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 2023 (contd...)

## 3. Capital work-in-progress

INR in Lacs

	Year ended 31st March 2023	Year ended 31st March 2022
<b>As at 1st April</b>	2,003.57	1,459.82
Addition during the year	5,687.79	2,461.07
Capitalisation / deductions during the year	3,496.71	1,917.32
<b>As at 31st March</b>	<b>4,194.65</b>	<b>2,003.57</b>

## Capital work in progress ageing schedule

## As at 31 March 2023

	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	2,912.89	1,118.28	150.33	13.15	4,194.65
Projects temporarily suspended	-	-	-	-	-
	<b>2,912.89</b>	<b>1,118.28</b>	<b>150.33</b>	<b>13.15</b>	<b>4,194.65</b>

## 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	-	-	-	-	-
	<b>1,762.87</b>	<b>227.55</b>	<b>13.15</b>	<b>-</b>	<b>2,003.57</b>



NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (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 2022	1,481.46	578.42	3,157.76	9.18	291.73	5,518.55
Addition during the year	42.34	468.27	-	-	-	510.61
Disposal during the year	-	92.20	-	-	41.00	133.20
<b>As at 31st March 2023</b>	<b>1,523.80</b>	<b>954.49</b>	<b>3,157.76</b>	<b>9.18</b>	<b>250.73</b>	<b>5,895.96</b>
<b>Depreciation / Amortisation</b>						
As at 1st April 2022	30.39	271.73	1,330.48	1.63	243.60	1,877.83
Depreciation during the year	33.08	214.65	472.49	1.15	20.72	742.09
Deduction during the year	-	88.26	-	-	41.00	129.26
<b>As at 31st March 2023</b>	<b>63.47</b>	<b>398.12</b>	<b>1,802.97</b>	<b>2.78</b>	<b>223.32</b>	<b>2,490.66</b>
<b>Net carrying value as at 31st March 2023</b>	<b>1,460.33</b>	<b>556.37</b>	<b>1,354.79</b>	<b>6.40</b>	<b>27.41</b>	<b>3,405.30</b>
<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>

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.
- b) All the leases are registered in the name of the company

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 5. Intangible assets

	INR in Lacs	
	Computer Software	Total
<b>Gross block</b>		
As at 1st April 2022	502.08	502.08
Addition during the year	50.25	50.25
Disposal during the year	-	-
<b>As at 31st March 2023</b>	<b>552.33</b>	<b>552.33</b>
<b>Depreciation / Amortisation</b>		
As at 1st April 2022	309.96	309.96
Depreciation during the year	64.58	64.58
Deduction during the year	-	-
<b>As at 31st March 2023</b>	<b>374.54</b>	<b>374.54</b>
<b>Net carrying value As at 31st March 2023</b>	<b>177.79</b>	<b>177.79</b>
<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
Amortised 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>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**
**6. Non-current investments**

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
<b>Measured at cost in equity shares of subsidiaries</b>		
<b>Unquoted, fully paid-up</b>		
1,760,000 (31st March 2022: 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 2022: 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 2022: 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 2022: 2,603,211) equity shares of SGD 1 each, fully paid-up in Ion Exchange Asia Pacific Pte. Ltd.	1,131.12	1,127.33
250,000 (31st March 2022: 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 2022: 700,000) equity shares of USD 1 each, fully paid-up in Ion Exchange LLC	372.01	372.01
153,000 (31st March 2022: 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 2022: 55,862) equity shares of BDT 100 each, fully paid-up in Ion Exchange Environment Management (BD) Limited	46.89	41.49
27,469 (31st March 2022: 27,469) equity shares of BDT 100 each, fully paid-up in Ion Exchange WTS (Bangladesh) Limited	2.45	2.45
2,935,500 (31st March 2022: 2,170,000) equity shares of INR 10 each, fully paid-up in Global Composite And Structural Limited	386.24	319.25
15,151,594 (31st March 2022: 13,968,634) equity shares of INR 10 each, fully paid-up in Ion Exchange Projects And Engineering Limited	1,550.12	1,460.21
1,200 (31st March 2022: 1,200) equity shares of ZAR 1 each, fully paid-up in Ion Exchange Safic Pty Ltd.	198.48	190.24
1,200 (31st March 2022: 300) equity shares of SAR 1,000 each, fully paid-up in Ion Exchange Arabia for Water	262.93	58.18
65,618 (31st March 2022: 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 2022: 10,000) equity shares of INR 10 each, fully paid-up in Ion Exchange Purified Drinking Water Private Limited	39.01	39.01
4,999 (31st March 2022: Nil) equity shares of Euro 1 each, fully paid-up in Ion Exchange Europe, LDA	4.16	-
5,000,000 (31st March 2022: 5,000,000) equity shares of INR 10 each, fully paid-up in Ion Exchange Environment Management Limited (Formerly known as Ion Exchange Waterleau Limited)	501.28	501.28
	<b>(A) 5,101.24</b>	<b>4,718.00</b>
<b>Measured at cost in equity shares of associates</b>		
<b>Unquoted, fully paid-up</b>		
460,000 (31st March 2022: 460,000) equity shares of INR 10 each, fully paid-up in Aquanomics Systems Limited	123.00	112.00
	<b>(B) 123.00</b>	<b>112.00</b>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

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

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 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 2022: 6,000) equity shares of INR 10 each, fully paid-up in IEK Plastics Limited	-	-
113 (31st March 2022: 113) equity shares of INR 10 each, fully paid-up in Patancheru Enviro-tech Limited	0.01	0.01
10,500 (31st March 2022: 10,500) equity shares of INR 10 each, fully paid-up in Bharuch Enviro Infrastructure Limited	1.05	1.05
352,500 (31st March 2022: 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 2022: 71,518) equity shares of INR 10 each, fully paid-up in GPCL Consulting Services Limited	27.46	27.46
1,000 (31st March 2022: 1,000) equity shares of INR 10 each, fully paid-up in Ion Foundation	0.10	0.10
7,143 (31st March 2022: 7,143) equity shares of INR 10 each, fully paid-up in Water Quality India Association	0.71	0.71
22,000 (31st March 2022: 11,000) equity shares of INR 10 each, fully paid-up in Haldia Water Services Pvt. Ltd. [Refer note below]	2.20	1.10
100 (31st March 2022: Nil) equity shares of INR 25 each, fully paid-up in The Zoroastrian Co-operative Bank Ltd.	0.03	-
<b>(C)</b>	<b>66.81</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 2022: 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 2022: 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) 6,791.55</b>	<b>6,396.18</b>
Aggregate amount of quoted Investments	-	-
Aggregate amount of unquoted Investments	6,791.55	6,396.18
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 2023 (contd...)**

**7. Trade receivables**

	Non-current		Current	
	As at	As at	As at	As at
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs
Trade receivables				
(a) Unsecured, considered good	-	-	69,900.77	50,883.70
(b) Unsecured, have significant increase in credit risk	121.53	123.50	2,816.28	2,816.28
(c) Unsecured, credit impaired	59.62	59.62	-	-
	181.15	183.12	72,717.05	53,699.98
Less: Provision for credit impaired	59.62	59.62	2,816.28	2,816.28
	<b>121.53</b>	<b>123.50</b>	<b>69,900.77</b>	<b>50,883.70</b>

**Trade receivables ageing schedule**

**As at 31 March 2023**

	Outstanding for following periods from due date of payment					Total
	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	62,851.71	5,151.90	942.80	802.39	151.97	69,900.77
Undisputed trade receivables - have significant increase in credit risk	292.43	179.97	79.21	90.92	2,173.75	2,816.28
Disputed trade receivables - have significant increase in credit risk	-	0.25	0.03	-	121.25	121.53
Disputed trade receivables - credit impaired	-	-	-	-	59.62	59.62
	63,144.14	5,332.12	1,022.04	893.31	2,506.59	72,898.20
Less : Provision for credit impaired	292.43	179.97	79.21	90.92	2,233.37	2,875.90
<b>Total</b>	<b>62,851.71</b>	<b>5,152.15</b>	<b>942.83</b>	<b>802.39</b>	<b>273.22</b>	<b>70,022.30</b>

**As at 31 March 2022**

	Outstanding for following periods from due date of payment					Total
	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 - have significant increase in credit risk	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>Total</b>	<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>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 8. Loans

	Non-current		Current	
	As at	As at	As at	As at
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs
Loans and advances to related parties (Refer note 42)				
(a) Unsecured, considered good	2,200.00	2,200.00	4,761.61	6,085.72
(b) Unsecured, credit impaired	9.00	12.50	-	-
	2,209.00	2,212.50	4,761.61	6,085.72
Less: Provision for credit impaired	9.00	12.50	-	-
(A)	2,200.00	2,200.00	4,761.61	6,085.72
Claims receivables	(B) -	-	973.88	1,516.78
Loans and advance to employees	(C) -	-	40.46	25.82
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>2,200.00</b>	<b>5,775.95</b>	<b>7,628.32</b>

## 9. Other financial assets

	Non-current		Current	
	As at	As at	As at	As at
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs
Tender, security and other deposits				
(a) Unsecured, considered good	762.63	857.84	21.14	25.20
(b) Unsecured, credit impaired	24.24	20.74	-	-
	786.87	878.58	21.14	25.20
Less: Provision for credit impaired	24.24	20.74	-	-
(A)	762.63	857.84	21.14	25.20
Interest accrued on deposits and margin money	(B) -	-	1,273.76	1,127.04
<b>(A+B)</b>	<b>762.63</b>	<b>857.84</b>	<b>1,294.90</b>	<b>1,152.24</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**

**10. Deferred tax assets (Net)**

**As at 31st March 2023**

**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	(777.39)	236.59	-	(540.80)	-	(540.80)
Trade receivables	723.86	-	-	723.86	723.86	-
Loans and borrowings	122.84	(3.37)	-	119.47	119.47	-
Retention money	63.28	(2.22)	-	61.06	61.06	-
Other items	691.21	(93.14)	79.16	677.23	677.23	-
<b>Tax assets/(liabilities)</b>	<b>823.80</b>	<b>137.86</b>	<b>79.16</b>	<b>1,040.82</b>	<b>1,581.62</b>	<b>(540.80)</b>

**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 assets	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>

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.

**11. Other assets**

		Non-current		Current	
		As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Capital advances (Refer note 51)	(A)	143.03	1,401.06	-	-
Balance with statutory authorities	(B)	249.03	237.33	5,792.10	4,556.24
Advance to suppliers					
Unsecured, considered good - Others		-	-	1,698.27	2,866.42
Unsecured, considered good - related parties [Refer note 42]		-	-	1,235.55	893.25
Unsecured, credit impaired		14.20	14.20	-	-
		14.20	14.20	2,933.82	3,759.67
Less: Provision for credit impaired		14.20	14.20	-	-
	(C)	-	-	2,933.82	3,759.67
Prepaid expenses	(D)	-	-	1,058.49	1,017.30
Unbilled Revenue	(E)	-	-	3,975.98	-
	<b>(A+B+C+D+E)</b>	<b>392.06</b>	<b>1,638.39</b>	<b>13,760.39</b>	<b>9,333.21</b>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 12. Inventories

(valued at lower of cost and net realisable value)

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Raw materials and components (includes in transit INR 375.10 Lacs, 31st March 2022: INR 325.22 Lacs)	9,160.09	6,329.89
Work-in-progress	2,329.62	1,831.76
Finished goods (includes in transit INR 112.14 Lacs, 31st March 2022: INR 62.38 Lacs)	3,532.34	4,146.52
Traded goods	1,641.41	1,134.08
Stores and spares	1,214.15	864.22
Contract work-in-progress	591.89	310.48
	<b>18,469.50</b>	<b>14,616.95</b>

## 13. Investments

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
<b>Investments measured at fair value through profit and loss</b>		
<b>Quoted, fully paid-up</b>		
5,875 (31st March 2022: 5,875) equity shares of INR 2 each, fully paid-up in Sterlite Technologies Limited	8.65	13.20
70 (31st March 2022: 70) equity shares of INR 2 each, fully paid-up in Jain Irrigation Systems Limited	0.02	0.02
8,100 (31st March 2022: 8,100) equity shares of INR 10 each, fully paid-up in Canara Bank	23.04	18.44
	<b>31.71</b>	<b>31.66</b>
Aggregate amount of quoted investments	31.71	31.66
Aggregate amount of unquoted investments	-	-

## 14. Cash and cash equivalents

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Balances with banks		
On current accounts [Refer note below]	4,022.90	7,660.00
On Exchange Earner's Foreign Currency accounts	13.73	17.15
On deposit account with original maturity period of three months or less	11,600.00	7,614.00
Cash on hand	219.85	64.68
	<b>15,856.48</b>	<b>15,355.83</b>

## Note

Includes balance of INR 140.31 Lacs (31st March 2022: INR 4,309.03 Lacs) in escrow accounts for utilisation in the execution of a specific EPC contract.



**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**

**15. Bank balances other than cash and cash equivalents**

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Balances with banks		
On Unclaimed dividend account	69.85	67.48
On Unclaimed interest on fixed deposits	0.16	0.30
Other bank balances:		
On deposit account	15,937.52	16,883.84
On margin money account [Refer note below]	19,827.10	18,948.14
	<b>35,834.63</b>	<b>35,899.76</b>

Note

Margin money deposits with a carrying amount of INR 19,827.10 Lacs (31st March 2022: INR 18,948.14 Lacs ) are subject to first charge to secure bank guarantees issued by banks on our behalf.

**16. Equity share capital**

	As at 31st March 2023		As at 31st March 2022	
	No of shares	INR in Lacs	No of shares	INR in Lacs
<b>Authorised capital</b>				
17,000,000 (31st March 2022: 17,000,000) equity shares of Rs. 10 each.	17,000,000	1,700.00	17,000,000	1,700.00
<b>Issued, subscribed and fully paid-up capital</b>				
14,666,659 (31st March 2022: 14,666,659) equity shares of Rs. 10 each.	14,666,659	1,466.67	14,666,659	1,466.67
	<b>14,666,659</b>	<b>1,466.67</b>	<b>14,666,659</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 2023		As at 31st March 2022	
	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 2023		As at 31st March 2022	
	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 2023: Nil (Previous period of five years ended 31st March 2022: Nil)

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (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 2023

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%
Aankur Patni	295,293	2.01%	0.00%
Bimal Jain	417,223	2.84%	0.00%
Poonam Sharma	49,650	0.34%	0.00%
Aruna Sharma	107,895	0.74%	0.00%
Uma Ranganathan	179,037	1.22%	-1.32%
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%
Vishnu Gopal Ranganathan	185,537	1.27%	1.27%
Ion Exchange Financial Products Pvt. Ltd.	50,422	0.34%	0.00%
Aqua Investments (India) Ltd.	253,803	1.73%	0.00%
Watercare Investments (India) Ltd.	184,071	1.26%	0.00%
	<b>3,952,513</b>	<b>26.95%</b>	<b>-0.06%</b>

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%
Aankur Patni	295,293	2.01%	0.00%
Bimal Jain	417,223	2.84%	0.00%
Poonam Sharma	49,650	0.34%	0.00%
Aruna Sharma	107,895	0.74%	0.00%
Uma Ranganathan	373,174	2.54%	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	0.34%	0.00%
Aqua Investments (India) Ltd.	253,803	1.73%	0.00%
Watercare Investments (India) Ltd.	184,071	1.26%	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 2023 (contd...)

17. Other equity

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
<b>Security premium account</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 (As per section 45 - IC of the Reserve Bank of India Act, 1934)	16.00	16.00
(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	67,150.83	53,106.61
Profit for the year	18,471.68	15,420.85
Other comprehensive income	(235.38)	(147.33)
Appropriations		
- Dividend	(1,229.30)	(1,229.30)
(D)	84,157.83	67,150.83
<b>Treasury shares</b>		
Balance as at 1st April	(2,812.64)	(2,812.64)
(E)	(2,812.64)	(2,812.64)
<b>(A+B+C+D+E)</b>	<b>92,281.94</b>	<b>75,274.94</b>

Notes

(a) Description of nature and purpose of each reserve

**Security premium account:** Securities premium account 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 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
Dividend [INR 10.00 per equity share (2021-22: INR 10.00 per equity share)]	1,466.67	1,466.67
Less: Dividend on treasury shares	(237.37)	(237.37)
	1,229.30	1,229.30

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 18. Borrowings

	Non-current		Current	
	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Term loans (Secured)				
Indian rupee loan from financial institution [Refer note (a) and (b) below]	889.00	-	375.00	313.83
Indian rupee loan from a bank [Refer note (c) and (d) below]	612.50	1,135.89	523.44	581.25
Indian rupee vehicle loan from banks and finance companies [Refer note (e) below]	66.06	36.19	33.75	51.29
	<b>1,567.56</b>	<b>1,172.08</b>	<b>932.19</b>	<b>946.37</b>
The above amount includes				
Secured borrowings	1,567.56	1,172.08	932.19	946.37
Unsecured borrowings	-	-	-	-
Amount included under the head "Borrowings Current" (Refer note 21)	-	-	(932.19)	(946.37)
	<b>1,567.56</b>	<b>1,172.08</b>	-	-

## Notes

- (a) Indian rupees loan from financial institution for capital expenditure carries interest @ 10.05% 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 from financial institution for capital expenditure carries interest @ 8% 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 20 equal quarterly instalments with moratorium of 6 months from the date of actual commercial operation date.
- (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 10.95% 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% to 9.35% 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 @ 7.50% to 9.00% p.a. The loans are repayable within a period of 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 2023 (contd...)**

**19. Other financial liabilities - Non Current**

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Deposits	872.50	890.98
	<b>872.50</b>	<b>890.98</b>

**20. Provisions**

	Non-current		Current	
	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Provision for employee benefits (Refer note 38)	2,109.55	1,664.34	528.31	604.16
Provision for warranties	-	-	39.91	32.68
	<b>2,109.55</b>	<b>1,664.34</b>	<b>568.22</b>	<b>636.84</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 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
At the beginning of the year	32.68	27.13
Arising during the year	39.91	32.68
Utilised during the year	32.68	27.13
Unused amounts reversed	-	-
At the end of the year	<b>39.91</b>	<b>32.68</b>

**21. Borrowings - Current**

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Working capital loan from banks (Secured) [Refer note (a) below]	15.31	31.51
Purchase Bill Discounting (Unsecured) [Refer note (b) below]	-	571.01
Inter-corporate deposits (Unsecured) [Refer note (c) below]		
- from related parties [Refer note 42]	-	414.50
Current maturities of borrowings (Secured) [Refer note 18]	932.19	946.37
	<b>947.50</b>	<b>1,963.39</b>
The above amount includes		
Secured borrowings	947.50	977.88
Unsecured borrowings	-	985.51
	<b>947.50</b>	<b>1,963.39</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 @ 7.90% to 10.70% 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 2023 (contd...)

## 22. Trade payables

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Trade payables (including acceptances)		
- Total outstanding dues of micro and small enterprises (Refer note 50)	6,081.59	3,031.67
- Total outstanding dues of creditors other than Micro and Small Enterprises	45,964.65	45,557.07
	<b>52,046.24</b>	<b>48,588.74</b>

## Trade payables ageing schedule

## As at 31 March 2023

	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	6,048.50	19.63	4.18	9.28	6,081.59
Total outstanding dues of creditors other than micro enterprises and small enterprises	45,275.29	79.20	39.90	341.15	45,735.54
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	229.11	-	-	-	229.11
	<b>51,552.90</b>	<b>98.83</b>	<b>44.08</b>	<b>350.43</b>	<b>52,046.24</b>

## 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>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**

**23. Other financial liabilities - Current**

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Interest accrued but not due	8.84	11.59
Employee benefits payable	2,777.33	2,204.73
Creditors for capital goods	757.08	503.16
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
- Unpaid dividend	69.85	67.48
- Unclaimed interest on fixed deposit	0.16	0.30
- Unclaimed matured deposit	0.65	1.40
	<b>3,613.91</b>	<b>2,788.66</b>

**24. Other current liabilities**

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Advance from customers	19,151.56	21,195.61
Unearned revenue on Construction contracts	17,607.30	6,680.87
Unearned revenue on AMC services	802.26	603.28
Statutory dues	1,920.59	1,301.84
Other liabilities	360.00	360.00
	<b>39,841.71</b>	<b>30,141.60</b>

**25. Tax liabilities**

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Provision for income tax (Net of advance tax)	487.73	1,421.78
	<b>487.73</b>	<b>1,421.78</b>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 26. Revenue from operations

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
<b>Revenue from operations</b>		
<b>Sale of products</b>		
Finished goods	113,540.70	105,751.80
Traded goods	13,557.02	8,443.32
<b>Sale of services</b>	60,959.45	35,557.13
<b>Other operating revenue</b>		
Scrap sale	498.10	369.89
Management fees	138.27	83.52
Other operating income	523.05	730.57
	<b>189,216.59</b>	<b>150,936.23</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 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
Interest income on financial instruments measured at amortised cost		
- From banks	2,222.17	1,772.81
- From subsidiaries and joint venture	950.00	966.72
- From others	339.58	322.82
Guarantee commission	46.44	44.77
Rent	227.72	220.75
Dividend income on		
- Investment in subsidiaries	48.78	30.12
- Long-term investments	10.63	1.45
Exchange gain (Net)	733.50	764.72
Profit on fixed assets sold/discarded (Net)	-	21.56
Other non operating Income	100.98	459.07
Change in fair value of investments classified at FVTPL	0.05	7.91
	<b>4,679.85</b>	<b>4,612.70</b>



**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**
**28. Cost of raw material consumed**

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
Inventory at the beginning of the year	6,329.89	3,819.23
Add: Purchases*	119,234.63	93,780.90
Less: Inventory at the end of the year	9,160.09	6,329.89
<b>Cost of raw material and components consumed **</b>	<b>116,404.43</b>	<b>91,270.24</b>

\* Includes direct expenses incurred on contracts INR 6,953.89 Lacs (2021-2022: INR 5,794.84 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 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
Consumer products	6,234.21	3,522.52
Spares	701.77	751.20
Others	117.56	45.21
	<b>7,053.54</b>	<b>4,318.93</b>

**30. Changes in inventories of finished goods, stock-in-trade and work-in-progress**

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
<b>Inventories at the end of the year</b>		
Traded goods	1,641.41	1,134.08
Work-in-progress	2,329.62	1,831.76
Finished goods	3,532.34	4,146.52
Contract work-in-progress	591.89	310.48
	<b>(A) 8,095.26</b>	<b>7,422.84</b>
<b>Inventories at the beginning 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>(B) 7,422.84</b>	<b>5,800.24</b>
	<b>(B) - (A)</b>	<b>(1,622.60)</b>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 31. Employee benefits expense

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
Salaries, wages and bonus	17,604.53	14,725.58
Contribution to provident and other funds (Refer note 38)	1,209.67	1,028.73
Staff welfare expense	776.44	614.58
	<b>19,590.64</b>	<b>16,368.89</b>

## 32. Finance costs

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
Interest expense on financial liabilities measured at amortised cost	347.96	476.29
Interest on lease liabilities	140.51	157.60
Other borrowing costs	147.91	123.37
	<b>636.38</b>	<b>757.26</b>

## 33. Depreciation and amortisation expense

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
Depreciation of property, plant and equipment (Refer note 2)	1,989.85	1,869.12
Depreciation of ROU Assets (Refer note 4)	742.09	745.43
Amortization of intangible assets (Refer note 5)	64.58	63.68
	<b>2,796.52</b>	<b>2,678.23</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**

**34. Other expenses**

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
Stores and spare parts consumed	71.03	65.93
Power and fuel	2,363.12	2,038.98
Repairs and Maintenance - Buildings	123.82	121.94
- Plant and machinery	660.72	583.35
- Others	418.59	301.75
Rent (Net of recoveries)	300.90	280.29
Rates and taxes	691.86	444.83
Insurance (Net of recoveries)	281.94	266.28
Travelling and conveyance	3,334.21	2,382.99
Freight (Net of recoveries)	4,026.70	4,168.02
Packing (Net of recoveries)	2,056.31	1,995.41
Advertisement and publicity	1,161.93	722.66
Commission	266.23	234.45
Legal and professional charges	1,987.41	1,665.12
Telephone and telex	194.25	188.17
Bad debts written off	352.11	122.69
Provision for doubtful debts	-	1,109.00
Doubtful advances/Claim written off	104.22	-
Auditors' remuneration (Refer note 34.1)	65.73	47.64
Directors' fees (Refer note 42)	31.95	29.20
Directors' commission	256.00	175.00
Bank charges	247.64	228.33
Loss on fixed assets sold/discarded (Net)	30.38	-
Establishment and other miscellaneous expenses*	4,522.50	3,732.38
	<b>23,549.55</b>	<b>20,904.41</b>

\* includes CSR expenditure of INR 356.06 Lacs (2021-22 : INR 284.78 Lacs) Refer note 52

**34.1 Auditors' remuneration (excluding taxes)**

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
As auditor:		
- Audit fees	38.75	19.75
- Tax audit fees	4.00	4.00
- Limited review	8.25	8.25
In other capacity:		
- Other services (Certification fees)	6.90	8.60
Reimbursement of expenses	3.33	2.79
Branch auditor		
- Audit fees	2.75	2.75
- Other services (Certification fees)	1.20	1.20
- Reimbursement of expenses	0.55	0.30
	<b>65.73</b>	<b>47.64</b>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 35. Tax expense

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
Current tax	6,203.98	5,807.03
Deferred tax	(137.86)	(354.31)
	<b>6,066.12</b>	<b>5,452.72</b>
<b>Reconciliation of tax expense</b>		
Profit before tax	24,537.80	20,873.57
Applicable tax rate	25.17%	25.17%
<b>Computed tax expense</b>	<b>(A) 6,176.16</b>	<b>5,253.88</b>
Adjustments for:		
Non-deductible tax expenses	45.31	75.15
Tax-exempt income	(14.95)	(7.95)
Corporate social responsibility expenditure	89.62	71.68
Deduction under house property	(19.88)	(17.82)
Others	(210.14)	77.78
<b>Net adjustments</b>	<b>(B) (110.04)</b>	<b>198.84</b>
<b>Tax expense</b>	<b>(A+B) 6,066.12</b>	<b>5,452.72</b>

## 36. Other comprehensive income

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
<b>Items that will not be reclassified to profit or loss</b>		
Re-measurements of defined benefit plans	(314.54)	(196.89)
Income tax relating to items that will not be reclassified to profit or loss	79.16	49.56
	<b>(235.38)</b>	<b>(147.33)</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**

**37. Earnings per share (EPS)**

	Particulars	31st March 2023	31st March 2022
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)	18,471.68	15,420.85
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)	150.26	125.44
	Diluted (INR)	150.26	125.44

**38. Employee benefits**

**A. Gratuity**

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	2022-23	2021-22
<b>I</b>	<b>Change in defined benefit obligation</b>		
	Defined benefit obligation, Beginning of period	2,522.41	2,164.52
	Interest cost	150.25	122.50
	Service cost	186.49	166.15
	Liability transferred in / acquisitions	-	-
	Actual plan participants' contributions	-	-
	Total actuarial (gains)/losses	319.53	205.52
	a. Effect of change in financial assumptions	80.31	18.81
	b. Effect of change in demographic assumptions	33.60	(38.54)
	c. Experience (gains) / losses	205.62	225.25
	Changes in foreign currency exchange rates	-	-
	Acquisition / Business combination/divestiture	-	-
	Benefits paid	(179.90)	(136.28)
	Past service cost	-	-
	Losses / (gains) on curtailments / settlements	-	-
	Defined benefit obligation, end of period	2,998.78	2,522.41

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 38. Employee benefits (contd...)

INR in Lacs

	Particulars	2022-23	2021-22
<b>II</b>	<b>Change in the fair value of plan assets</b>		
	Fair value of plan assets at the beginning of the period	2,193.25	1,958.14
	Interest income	141.27	118.85
	Contributions by the employer	459.06	205.98
	Expected contributions by the employees	-	-
	Assets transferred in / acquisitions	-	-
	(Assets transferred out / divestments)	-	-
	(Benefit paid from the fund)	(178.43)	(98.35)
	(Assets distributed on settlements)	-	-
	Effects of asset ceiling	-	-
	The effect of changes in foreign exchange rates	-	-
	Return on plan assets, excluding interest income	4.99	8.63
	Fair value of plan assets at the end of the period	2,620.14	2,193.25
<b>III</b>	<b>Expenses recognised in the statement of profit or loss for current period</b>		
	Current service cost	186.49	166.15
	Net interest cost	8.98	3.63
	Past service cost	-	-
	(Expected contributions by the employees)	-	-
	(Gains) / Losses on curtailments and settlements	-	-
	Net effect of changes in foreign exchange rates	-	-
	Expenses recognised	195.47	169.78
<b>IV</b>	<b>Expenses recognised in the other comprehensive income (OCI) for current period</b>		
	Actuarial (gains) / losses on obligation for the period	318.87	205.52
	Return on plan assets, excluding interest income	(4.33)	(8.63)
	Change in asset ceiling	-	-
	Net (income) / expense for the period recognised in OCI	314.54	196.89
<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	495.74	569.16
	2nd following year	381.98	315.30
	3rd following year	435.79	351.82
	4th following year	301.21	286.84
	5th following year	314.85	238.15
	Sum of years 6 to 10	1,532.81	990.56
	Sum of years 11 and above	753.37	324.01
<b>VI</b>	<b>Sensitivity analysis</b>		
	Projected benefit obligation on current assumptions	2,998.78	2,522.41
	Delta effect of +0.5% change in rate of discounting	(70.74)	(49.22)
	Delta effect of -0.5% change in rate of discounting	74.46	52.09
	Delta effect of +0.5% change in rate of salary increase	74.23	52.69
	Delta effect of -0.5% change in rate of salary increase	(29.77)	(49.47)
	Delta effect of +0.5% change in rate of employee turnover	(8.63)	(3.59)
	Delta effect of -0.5% change in rate of employee turnover	8.94	3.69

The company expects to contribute INR 176.84 Lacs (2022-23: INR 138.06 Lacs) to gratuity in 2023-24.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (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	
		2022-23	2021-22
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 555.54 Lacs (2021-22: INR 357.85 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 74.56 Lacs in the fund as on 31st March 2023 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 2023	As at 31st March 2022
Present value of benefit obligation at period end	7,806.22	6,847.88

**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 776.46 Lacs (2021-22: INR 677.06 Lacs).

**D. Other employee benefits**

Amounts recognised as an expense and included in note 31

Leave encashment in "Salaries, wages and bonus" INR 566.59 Lacs (2021-22: INR 433.92 Lacs)

**E. The net provision for leave encashment liability upto 31st March 2023 is INR 2,218.61 Lacs (31st March 2022: INR 1,928.43 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 2023 (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 2023				As at 31st March 2022			
	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	121.53	-	121.53	-	123.50	-	123.50	-
Loans	2,200.00	-	2,200.00	-	2,200.00	-	2,200.00	-
Other financial assets	762.63	-	762.63	-	857.84	-	857.84	-
Investments *	0.50	-	0.50	-	0.50	-	0.50	-
<b>At FVTPL</b>								
Investments *	66.81	-	-	66.81	65.68	-	-	65.68
<b>Financial assets - Current **</b>								
<b>At amortised cost</b>								
Trade receivables	69,900.77				50,883.70			
Cash and cash equivalents	15,856.48				15,355.83			
Bank balances other than above	35,834.63				35,899.76			
Loans	5,775.95				7,628.32			
Other financial assets	1,294.90				1,152.24			
<b>At FVTPL</b>								
Investments	31.71	31.71	-	-	31.66	31.66	-	-
<b>Financial liabilities - Non-current</b>								
<b>At amortised cost</b>								
Borrowings	1,567.56	-	1,567.56	-	1,172.08	-	1,172.08	-
Lease liabilities	341.48	-	341.48	-	256.24	-	256.24	-
Other financial liabilities	872.50	-	872.50	-	890.98	-	890.98	-
<b>Financial liabilities - Current **</b>								
Borrowings	947.50				1,963.39			
Lease liabilities	312.60				401.02			
Trade payables	52,046.24				48,588.74			
Other financial liabilities	3,613.91				2,788.66			

\* 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 2023 (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 2023 (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 2021	1,766.90
Provision recognised	1,109.00
Amount utilized	-
Balance as at 31st March 2022	2,875.90
Provision recognised	-
Amount utilized	-
Balance as at 31st March 2023	2,875.90

**Cash and cash equivalents**

The company held cash and cash equivalents of INR 15,856.48 Lacs as at 31st March 2023 (as at 31st March 2022: INR 15,355.83 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 35,834.63 Lacs as at 31st March 2023 (as at 31st March 2022: INR 35,899.76 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 2023 (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 2023**

**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 **	2,499.75	2,791.12	1,103.69	1,662.56	24.87	-
(ii) Lease liabilities **	654.08	906.14	219.97	394.88	112.23	179.06
(iii) Other Non-current financial liabilities	872.50	872.50	-	-	-	872.50
(iv) Issued financial guarantee contract on behalf of related parties***	-	-	-	-	-	-
<b>Current Financial liabilities</b>						
(i) Short term borrowings	15.31	15.31	15.31	-	-	-
(ii) Trade payables	52,046.24	52,046.24	52,046.24	-	-	-
(iii) Other financial liabilities	3,613.91	3,613.91	3,613.91	-	-	-
	<b>59,701.79</b>	<b>60,245.22</b>	<b>56,999.12</b>	<b>2,057.44</b>	<b>137.10</b>	<b>1,051.56</b>

**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>

\* 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 2023 (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 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
<b><u>Fixed rate instruments</u></b>		
<b>Financial assets - measured at amortised cost</b>		
Loans to related parties	6,961.61	8,285.72
Balances with banks - On deposit account with original maturing less than 3 months	11,600.00	7,614.00
Other bank balances - On deposit account	15,937.52	16,883.84
Other bank balances - On margin money account	19,827.10	18,948.14
	<b>54,326.23</b>	<b>51,731.70</b>
<b>Financial liabilities - measured at amortised cost</b>		
Long term borrowings *	1,235.75	1,804.62
Short term borrowings	-	985.51
	<b>1,235.75</b>	<b>2,790.13</b>
<b><u>Variable rate loan</u></b>		
<b>Financial liabilities - measured at amortised cost</b>		
Long term borrowings *	1,264.00	313.83
Short term borrowings	15.31	31.51
	<b>1,279.31</b>	<b>345.34</b>

\* Including current maturity of long term borrowings

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (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 2023		31st March 2022	
	Increase (-) INR in Lacs	Decrease + INR in Lacs	Increase (-) INR in Lacs	Decrease + INR in Lacs
1% Movement	(12.79)	12.79	(3.45)	3.45

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 2023 and 31st March 2022 are as below:

As at 31st March 2023	INR in Lacs					
	USD	EUR	SAR	AED	Others	Total
<b>Financial assets</b>						
Loans to subsidiaries	333.09	-	-	-	-	333.09
Cash and cash equivalents	313.95	-	-	333.44	276.02	923.41
Trade and other receivables	20,252.54	311.34	228.15	657.03	464.55	21,913.60
	<b>20,899.58</b>	<b>311.34</b>	<b>228.15</b>	<b>990.47</b>	<b>740.57</b>	<b>23,170.10</b>
Less: Forward exchange contracts	(2,848.82)	-	-	-	-	(2,848.82)
Less: Natural hedge	(2,421.75)	(140.99)	-	(990.47)	(461.96)	(4,015.17)
<b>Net exposure on financial assets</b>	<b>15,629.01</b>	<b>170.35</b>	<b>228.15</b>	<b>-</b>	<b>278.61</b>	<b>16,306.11</b>
<b>Financial liabilities</b>						
Trade and other payables	2,421.75	140.99	-	1,131.70	2,364.12	6,058.56
	<b>2,421.75</b>	<b>140.99</b>	<b>-</b>	<b>1,131.70</b>	<b>2,364.12</b>	<b>6,058.56</b>
Less: Forward exchange contracts	-	-	-	-	-	-
Less: Natural hedge	(2,421.75)	(140.99)	-	(990.47)	(461.96)	(4,015.17)
<b>Net exposure on financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>141.23</b>	<b>1,902.16</b>	<b>2,043.39</b>
<b>Total net exposure</b>	<b>15,629.01</b>	<b>170.35</b>	<b>228.15</b>	<b>141.23</b>	<b>2,180.77</b>	<b>18,349.50</b>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 39. Financial instruments (contd...)

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>

## 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 2023		31st March 2022	
	(Strengthening)	Weakening	(Strengthening)	Weakening
<b>1% movement</b>				
USD	(156.29)	156.29	(176.00)	176.00
EUR	(1.70)	1.70	(3.15)	3.15
SAR	(2.28)	2.28	(0.04)	0.04
AED	(1.41)	1.41	(20.66)	20.66
Others	(21.81)	21.81	(31.22)	31.22
	<b>(183.49)</b>	<b>183.49</b>	<b>(231.07)</b>	<b>231.07</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (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**

<b>Particulars</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Receivables which are included in trade and other receivables	48,111.79	29,575.88
Contract assets		
- Accrued value of work done	3,975.98	Nil
Contract liabilities		
- Unearned revenue on construction contracts	17,607.30	6,680.87
- Advance from customers	14,608.12	16,554.08

- (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**

	<b>31st March 2023</b>	<b>31st March 2022</b>
Amount of revenue expected to be recognised for contracts having original expected duration of more than one year in progress as at reporting date	289,111.00	221,613.00

- (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 2023 (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:

Particulars	INR in Lacs	
	2022-23	2021-22
Revenue	189,919.46	151,248.28
Less: Reduction towards variable consideration component *	702.87	312.05
<b>Revenue recognised in the statement of profit and loss</b>	<b>189,216.59</b>	<b>150,936.23</b>

\* Reduction towards variable consideration component includes discount etc.



**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**
**41. Segment**
**I. Information about business segments**
**INR in Lacs**

	Engineering		Chemicals		Consumer Products		Unallocated		Total	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
<b>Revenue</b>										
External sales	114,905.48	86,767.27	54,867.92	50,426.65	19,304.38	13,655.64	138.81	86.67	189,216.59	150,936.23
Inter-segmental Sales	2,981.42	3,227.75	3,481.95	2,135.02	-	-	-	-	6,463.37	5,362.77
Total revenue	117,886.90	89,995.02	58,349.87	52,561.67	19,304.38	13,655.64	138.81	86.67	195,679.96	156,299.00
Less: Eliminations									(6,463.37)	(5,362.77)
Add : Interest income									3,062.35	3,062.35
Add : Other income	689.68	663.92	157.47	372.20	0.07	40.62	320.88	473.61	1,168.10	1,550.35
Total enterprise revenue									193,896.44	155,548.93
<b>Result</b>										
Segment results	10,103.36	9,391.58	14,266.41	11,251.81	(271.43)	(404.22)	-	-	24,098.34	20,239.17
Unallocated expenditure net of unallocated income							(2,435.91)	(1,670.69)	(2,435.91)	(1,670.69)
Finance cost							(636.38)	(757.26)	(636.38)	(757.26)
Interest income							3,511.75	3,062.35	3,511.75	3,062.35
Profit before taxation							439.46	634.40	24,537.80	20,873.57
<b>Other Information</b>										
Segment assets	130,577.12	106,593.93	27,340.00	28,567.59	4,770.74	4,139.52	33,769.75	27,366.24	196,457.61	166,667.28
Segment liabilities	78,791.84	66,291.26	13,145.67	12,692.87	4,666.66	3,987.57	6,104.83	6,953.97	102,709.00	89,925.67
Capital expenditure	3,514.66	635.00	1,066.79	1,983.17	100.12	192.93	489.55	190.23	5,171.12	3,001.33
Depreciation	747.94	717.48	1,551.05	1,498.31	57.41	50.49	440.12	411.95	2,796.52	2,678.23
Non cash expenditure other than depreciation	338.11	1,114.57	672.89	530.05	181.20	141.81	(331.32)	(242.39)	860.88	1,544.04

**II. Information about geographical segments**
**INR in Lacs**

	India		Outside India		Total	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
External revenue	149,775.09	109,024.43	39,441.50	41,911.80	189,216.59	150,936.23
Carrying amount of segment assets	171,935.21	136,863.49	24,522.40	29,813.79	196,457.61	166,667.28
Additions to property, plant and equipment	5,171.12	2,995.37	-	5.96	5,171.12	3,001.33

**III. Notes:**

- The company's operations are organised 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 2023.

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (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  Ion Exchange Europe LDA, Portugal</p>
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Others

b) Associates	<p>Aquanomics Systems Ltd.  IEI Water-Tech (M) Sdn. Bhd., Malaysia ** (Till 31st March 2022)  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  Mr. David Paul Rasquinha</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  Mrs Anita Jain - Wife of Mr. Bimal Jain  Mrs. Rajkumari Nambiar - Wife of Mr. T. M. M. Nambiar</p>
f) Enterprise owned or significantly influenced by key managerial personnel or their relatives	<p>Ion Foundation  Rockmen Merchants Ltd.</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 2023 (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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Sale of goods *</b>								
Global Composites And Structural Ltd.	-	134.92	-	-	-	-	-	134.92
Ion Exchange And Company LLC, Oman	5.50	4.73	-	-	-	-	5.50	4.73
Ion Exchange Arabia For Water, Saudi Arabia	458.07	-	-	-	-	-	458.07	-
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	133.70	384.93	-	-	-	-	133.70	384.93
Ion Exchange Asia Pacific Pte. Ltd., Singapore	553.60	3,606.56	-	-	-	-	553.60	3,606.56
Ion Exchange Environment Management (BD) Ltd., Bangladesh	125.54	250.24	-	-	-	-	125.54	250.24
Ion Exchange Europe LDA	1,112.91	-	-	-	-	-	1,112.91	-
Ion Exchange LLC, USA	3,501.31	4,080.30	-	-	-	-	3,501.31	4,080.30
Ion Exchange Projects And Engineering Ltd.	2.88	-	-	-	-	-	2.88	-
Ion Exchange Purified Drinking Water Pvt. Ltd.	5.95	-	-	-	-	-	5.95	-
Ion Exchange Safic Pty. Ltd., South Africa	857.67	641.24	-	-	-	-	857.67	641.24
PT Ion Exchange Asia Pacific, Indonesia	299.27	71.76	-	-	-	-	299.27	71.76
Aquanomics Systems Ltd.	-	-	10,935.30	6,145.87	-	-	10,935.30	6,145.87
Ion Exchange PSS Co. Ltd., Thailand	-	-	106.97	98.90	-	-	106.97	98.90
Ion Foundation	-	-	-	-	-	1.47	-	1.47
<b>Total</b>	<b>7,056.40</b>	<b>9,174.68</b>	<b>11,042.27</b>	<b>6,244.77</b>	<b>-</b>	<b>1.47</b>	<b>18,098.67</b>	<b>15,420.92</b>
<b>Services rendered</b>								
Ion Exchange Projects And Engineering Ltd.	85.91	34.86	-	-	-	-	85.91	34.86
Total Water Management Services (India) Ltd.	11.98	55.58	-	-	-	-	11.98	55.58
<b>Total</b>	<b>97.89</b>	<b>90.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97.89</b>	<b>90.44</b>
<b>Rental income</b>								
Ion Exchange Projects And Engineering Ltd.	83.79	81.25	-	-	-	-	83.79	81.25
Ion Exchange Environment Management Ltd.	18.00	18.00	-	-	-	-	18.00	18.00
<b>Total</b>	<b>101.79</b>	<b>99.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101.79</b>	<b>99.25</b>
<b>Interest income on loan and advances</b>								
IEI Environmental Management (M) Sdn. Bhd., Malaysia	4.99	4.21	-	-	-	-	4.99	4.21
Ion Exchange Arabia For Water, Saudi Arabia	2.93	2.47	-	-	-	-	2.93	2.47
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	1.96	1.65	-	-	-	-	1.96	1.65

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Interest income on loan and advances (contd..)</b>								
Ion Exchange Asia Pacific Pte. Ltd., Singapore	19.76	16.65	-	-	-	-	19.76	16.65
Ion Exchange Enviro Farms Ltd.	501.30	458.13	-	-	-	-	501.30	458.13
Ion Exchange Environment Management Ltd.	177.22	188.23	-	-	-	-	177.22	188.23
Ion Exchange Projects And Engineering Ltd.	154.95	195.11	-	-	-	-	154.95	195.11
Ion Exchange Purified Drinking Water Pvt. Ltd.	76.61	90.60	-	-	-	-	76.61	90.60
Ion Exchange Safic Pty. Ltd., South Africa	10.28	9.66	-	-	-	-	10.28	9.66
Total Water Management Services (India) Ltd.	-	0.01	-	-	-	-	-	0.01
<b>Total</b>	<b>950.00</b>	<b>966.72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>950.00</b>	<b>966.72</b>
<b>Management fees</b>								
Aquanomics Systems Ltd.	-	-	138.27	83.52	-	-	138.27	83.52
<b>Total</b>	<b>-</b>	<b>-</b>	<b>138.27</b>	<b>83.52</b>	<b>-</b>	<b>-</b>	<b>138.27</b>	<b>83.52</b>
<b>Purchase of goods *</b>								
Global Composites And Structural Ltd.	71.01	407.47	-	-	-	-	71.01	407.47
Ion Exchange Projects And Engineering Ltd.	0.44	-	-	-	-	-	0.44	-
Ion Exchange Safic Pty. Ltd., South Africa	4.08	-	-	-	-	-	4.08	-
Aquanomics Systems Ltd.	-	-	211.29	139.92	-	-	211.29	139.92
Ion Exchange PSS Co. Ltd., Thailand	-	-	-	18.01	-	-	-	18.01
<b>Total</b>	<b>75.53</b>	<b>407.47</b>	<b>211.29</b>	<b>157.93</b>	<b>-</b>	<b>-</b>	<b>286.82</b>	<b>565.40</b>
<b>Services received</b>								
Global Composites And Structural Ltd.	377.51	357.36	-	-	-	-	377.51	357.36
Ion Exchange Projects And Engineering Ltd.	3,361.08	2,414.94	-	-	-	-	3,361.08	2,414.94
Ion Exchange Environment Management (BD) Ltd., Bangladesh	14.12	93.32	-	-	-	-	14.12	93.32
Ion Exchange Environment Management Ltd.	1,266.78	363.31	-	-	-	-	1,266.78	363.31
Ion Exchange Safic Pty. Ltd., South Africa	28.62	-	-	-	-	-	28.62	-
PT Ion Exchange Asia Pacific, Indonesia	-	12.17	-	-	-	-	-	12.17
Aquanomics Systems Ltd.	-	-	0.16	-	-	-	0.16	-
Ion Exchange PSS Co. Ltd., Thailand	-	-	-	45.67	-	-	-	45.67
<b>Total</b>	<b>5,048.11</b>	<b>3,241.10</b>	<b>0.16</b>	<b>45.67</b>	<b>-</b>	<b>-</b>	<b>5,048.27</b>	<b>3,286.77</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 2023 (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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Miscellaneous expenses</b>								
Ion Exchange Enviro Farms Ltd.	65.86	-	-	-	-	-	65.86	-
<b>Total</b>	<b>65.86</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65.86</b>	<b>-</b>
<b>Interest paid on inter corporate deposits</b>								
Aqua Investments (India) Ltd.	15.40	18.18	-	-	-	-	15.40	18.18
Total Water Management Services (India) Ltd.	0.69	0.23	-	-	-	-	0.69	0.23
Watercare Investments (India) Ltd.	12.35	14.51	-	-	-	-	12.35	14.51
<b>Total</b>	<b>28.44</b>	<b>32.92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28.44</b>	<b>32.92</b>
<b>Provision for doubtful debts</b>								
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>-</b>	<b>643.70</b>	<b>-</b>	<b>309.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>953.46</b>
<b>Bad debts written off</b>								
PT Ion Exchange Asia Pacific	89.05	-	-	-	-	-	89.05	-
Ion Exchange PSS Co. Ltd., Thailand	-	-	254.72	-	-	-	254.72	-
<b>Total</b>	<b>89.05</b>	<b>-</b>	<b>254.72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>343.77</b>	<b>-</b>
<b>Loans and advances given</b>								
Ion Exchange Enviro Farms Ltd.	508.83	452.53	-	-	-	-	508.83	452.53
Ion Exchange Projects And Engineering Ltd.	2,814.56	2,073.94	-	-	-	-	2,814.56	2,073.94
Ion Exchange Purified Drinking Water Pvt. Ltd.	226.08	149.15	-	-	-	-	226.08	149.15
Ion Exchange Safic Pty. Ltd., South Africa	153.90	31.83	-	-	-	-	153.90	31.83
Total Water Management Services (India) Ltd.	7.02	8.92	-	-	-	-	7.02	8.92
Ion Exchange Environment Management Ltd.	530.84	151.65	-	-	-	-	530.84	151.65
<b>Total</b>	<b>4,241.23</b>	<b>2,868.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,241.23</b>	<b>2,868.02</b>
<b>Loans and advances repaid</b>								
Ion Exchange Enviro Farms Ltd.	75.11	31.72	-	-	-	-	75.11	31.72
Ion Exchange Projects And Engineering Ltd.	4,007.23	1,750.90	-	-	-	-	4,007.23	1,750.90
Ion Exchange Safic Pty. Ltd., South Africa	123.60	122.46	-	-	-	-	123.60	122.46
Ion Exchange Purified Drinking Water Pvt. Ltd.	577.00	164.46	-	-	-	-	577.00	164.46
Total Water Management Services (India) Ltd.	26.20	10.00	-	-	-	-	26.20	10.00
Ion Exchange Environment Management Ltd.	896.04	267.66	-	-	-	-	896.04	267.66
Ion Exchange Financial Product Pvt. Ltd.	-	-	3.50	7.00	-	-	3.50	7.00
<b>Total</b>	<b>5,705.18</b>	<b>2,347.20</b>	<b>3.50</b>	<b>7.00</b>	<b>-</b>	<b>-</b>	<b>5,708.68</b>	<b>2,354.20</b>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Inter corporate deposits received</b>								
Aqua Investments (India) Ltd.	-	30.00	-	-	-	-	-	30.00
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>65.00</b>
<b>Inter corporate deposits repaid</b>								
Aqua Investments (India) Ltd.	224.50	-	-	-	-	-	224.50	-
Total Water Management Services (India) Ltd.	10.00	-	-	-	-	-	10.00	-
Watercare Investments (India) Ltd.	180.00	-	-	-	-	-	180.00	-
<b>Total</b>	<b>414.50</b>	-	-	-	-	-	<b>414.50</b>	-
<b>Dividend received</b>								
Ion Exchange And Company LLC, Oman	48.78	30.12	-	-	-	-	48.78	30.12
Aquanomics Systems Ltd.	-	-	9.20	-	-	-	9.20	-
<b>Total</b>	<b>48.78</b>	<b>30.12</b>	<b>9.20</b>	-	-	-	<b>57.98</b>	<b>30.12</b>
<b>Dividend paid</b>								
Aqua Investments (India) Ltd.	25.38	25.38	-	-	-	-	25.38	25.38
Watercare Investments (India) Ltd.	18.41	18.41	-	-	-	-	18.41	18.41
Aquanomics Systems Ltd.	-	-	0.10	0.10	-	-	0.10	0.10
Ion Exchange Financial Products Pvt. Ltd.	-	-	5.04	5.04	-	-	5.04	5.04
Mr. Rajesh Sharma	-	-	-	-	82.50	82.50	82.50	82.50
Mr. Dinesh Sharma	-	-	-	-	63.23	63.23	63.23	63.23
Mr. Aankur Patni	-	-	-	-	29.53	29.53	29.53	29.53
Mr. M. P. Patni	-	-	-	-	75.55	75.55	75.55	75.55
Dr. V. N. Gupchup	-	-	-	-	11.11	11.11	11.11	11.11
Mr. Abhiram Seth	-	-	-	-	15.48	15.48	15.48	15.48
Mr. T. M. M. Nambiar	-	-	-	-	8.32	8.32	8.32	8.32
Mr. P. Sampath Kumar	-	-	-	-	5.82	5.82	5.82	5.82
Mr. Shishir Tamotia	-	-	-	-	0.23	0.23	0.23	0.23
Mrs. Kishori Udeshi	-	-	-	-	0.36	0.36	0.36	0.36
Relatives of Key Management Personnel	-	-	-	-	58.61	58.61	58.61	58.61
<b>Total</b>	<b>43.79</b>	<b>43.79</b>	<b>5.14</b>	<b>5.14</b>	<b>350.74</b>	<b>350.74</b>	<b>399.67</b>	<b>399.67</b>
<b>Remuneration</b>								
Mr. Rajesh Sharma	-	-	-	-	514.92	513.86	514.92	513.86
Mr. Dinesh Sharma	-	-	-	-	223.77	223.96	223.77	223.96
Mr. Aankur Patni	-	-	-	-	223.80	226.54	223.80	226.54
<b>Total</b>	-	-	-	-	<b>962.49</b>	<b>964.36</b>	<b>962.49</b>	<b>964.36</b>
<b>Commission to executive directors</b>								
Mr. Rajesh Sharma	-	-	-	-	300.00	150.00	300.00	150.00
Mr. Dinesh Sharma	-	-	-	-	150.00	75.00	150.00	75.00
Mr. Aankur Patni	-	-	-	-	150.00	75.00	150.00	75.00
<b>Total</b>	-	-	-	-	<b>600.00</b>	<b>300.00</b>	<b>600.00</b>	<b>300.00</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Director sitting fees</b>								
Mr. M. P. Patni	-	-	-	-	4.00	3.75	4.00	3.75
Dr. V. N. Gupchup	-	-	-	-	5.60	5.35	5.60	5.35
Mr. T. M. M. Nambiar	-	-	-	-	4.50	4.50	4.50	4.50
Mr. P. Sampath Kumar	-	-	-	-	3.25	3.25	3.25	3.25
Mr. Abhiram Seth	-	-	-	-	5.25	4.75	5.25	4.75
Mr. Shishir Tamotia	-	-	-	-	3.25	3.25	3.25	3.25
Mrs. Kishori Udeshi	-	-	-	-	3.35	4.35	3.35	4.35
Mr. David Paul Rasquinha	-	-	-	-	2.75	-	2.75	-
<b>Total</b>	-	-	-	-	<b>31.95</b>	<b>29.20</b>	<b>31.95</b>	<b>29.20</b>
<b>Directors commission</b>								
Mr. M. P. Patni	-	-	-	-	32.00	25.00	32.00	25.00
Dr. V. N. Gupchup	-	-	-	-	32.00	25.00	32.00	25.00
Mr. T. M. M. Nambiar	-	-	-	-	32.00	25.00	32.00	25.00
Mr. P. Sampath Kumar	-	-	-	-	32.00	25.00	32.00	25.00
Mr. Abhiram Seth	-	-	-	-	32.00	25.00	32.00	25.00
Mr. Shishir Tamotia	-	-	-	-	32.00	25.00	32.00	25.00
Mrs. Kishori Udeshi	-	-	-	-	32.00	25.00	32.00	25.00
Mr. David Paul Rasquinha	-	-	-	-	32.00	-	32.00	-
<b>Total</b>	-	-	-	-	<b>256.00</b>	<b>175.00</b>	<b>256.00</b>	<b>175.00</b>
<b>CSR expenses</b>								
Ion Foundation	-	-	-	-	350.58	279.59	350.58	279.59
<b>Total</b>	-	-	-	-	<b>350.58</b>	<b>279.59</b>	<b>350.58</b>	<b>279.59</b>
<b>Investments made during the year</b>								
Ion Exchange Arabia For Water, Saudi Arabia	204.75	-	-	-	-	-	204.75	-
Ion Exchange Safic Pty. Ltd., South Africa	-	104.53	-	-	-	-	-	104.53
Ion Exchange Europe LDA, Portugal	4.16	-	-	-	-	-	4.16	-
<b>Total</b>	<b>208.91</b>	<b>104.53</b>	-	-	-	-	<b>208.91</b>	<b>104.53</b>
<b>Purchase of group companies shares during the year</b>								
Mr. Rajesh Sharma	-	-	-	-	2.27	-	2.27	-
Mr. Dinesh Sharma	-	-	-	-	3.61	-	3.61	-
Rockmen Merchants Limited	-	-	-	-	108.74	-	108.74	-
Mr. Mahabir Prasad Patni	-	-	-	-	2.27	-	2.27	-
Mr. Aankur Patni	-	-	-	-	2.91	-	2.91	-
Mrs. Nirmala Patni	-	-	-	-	1.00	-	1.00	-
Mrs. Nidhi Patni	-	-	-	-	0.84	-	0.84	-
Mrs. Poonam Sharma	-	-	-	-	0.91	-	0.91	-
Mrs. Aruna Sharma	-	-	-	-	0.91	-	0.91	-
Mrs. Anita Jain	-	-	-	-	0.61	-	0.61	-
Dr. V. N. Gupchup	-	-	-	-	2.27	-	2.27	-
Mr. T. M. M. Nambiar	-	-	-	-	0.91	-	0.91	-
Mrs. Rajkumari Nambiar	-	-	-	-	1.36	-	1.36	-
Mr. P. Sampat Kumar	-	-	-	-	2.27	-	2.27	-
Mr. Bimal Jain	-	-	-	-	0.80	-	0.80	-
<b>Total</b>	-	-	-	-	<b>131.68</b>	-	<b>131.68</b>	-

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Corporate guarantees commission</b>								
Global Composites And Structurals Ltd.	18.00	18.00	-	-	-	-	18.00	18.00
Ion Exchange Asia Pacific Pte. Ltd., Singapore	3.79	3.68	-	-	-	-	3.79	3.68
Ion Exchange Environment Management (BD) Ltd., Bangladesh	5.42	2.26	-	-	-	-	5.42	2.26
Ion Exchange Safic Pty. Ltd., South Africa	8.23	9.83	-	-	-	-	8.23	9.83
Aquanomics Systems Ltd.	-	-	11.00	11.00	-	-	11.00	11.00
<b>Total</b>	<b>35.44</b>	<b>33.77</b>	<b>11.00</b>	<b>11.00</b>	<b>-</b>	<b>-</b>	<b>46.44</b>	<b>44.77</b>
<b>Corporate guarantees issued</b>								
Ion Exchange Environment Management (BD) Ltd., Bangladesh	-	418.48	-	-	-	-	-	418.48
Ion Exchange Safic Pty. Ltd., South Africa	41.11	-	-	-	-	-	41.11	-
<b>Total</b>	<b>41.11</b>	<b>418.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41.11</b>	<b>418.48</b>
<b>Corporate guarantees discharged</b>								
Global Composites And Structurals Ltd.	-	100.00	-	-	-	-	-	100.00
Ion Exchange Projects And Engineering Ltd.	-	1,093.00	-	-	-	-	-	1,093.00
Ion Exchange Safic Pty. Ltd., South Africa	259.48	-	-	-	-	-	259.48	-
<b>Total</b>	<b>259.48</b>	<b>1,193.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>259.48</b>	<b>1,193.00</b>
<b>Contribution to post-employment benefit plans</b>								
Ion Exchange (India) Ltd.'s Provident Institution	-	-	-	-	267.53	230.38	267.53	230.38
Ion Exchange (India) Ltd.'s Management Staff Gratuity Fund	-	-	-	-	439.43	173.49	439.43	173.49
Ion Exchange Staff Superannuation Scheme	-	-	-	-	135.77	134.14	135.77	134.14
Ion Exchange India Ltd. – Gratuity Fund Trust	-	-	-	-	19.63	32.49	19.63	32.49
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>862.36</b>	<b>570.50</b>	<b>862.36</b>	<b>570.50</b>
<b>Inter corporate deposits (Outstanding)</b>								
Aqua Investments (India) Ltd.	-	224.50	-	-	-	-	-	224.50
Total Water Management Services (India) Ltd.	-	10.00	-	-	-	-	-	10.00
Watercare Investments (India) Ltd.	-	180.00	-	-	-	-	-	180.00
<b>Total</b>	<b>-</b>	<b>414.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>414.50</b>



**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Outstanding loans and advances ****</b>								
IEI Environmental Management (M) Sdn. Bhd., Malaysia	56.13	47.15	-	-	-	-	56.13	47.15
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	21.97	18.45	-	-	-	-	21.97	18.45
Ion Exchange Asia Pacific Pte. Ltd., Singapore	222.06	186.53	-	-	-	-	222.06	186.53
Ion Exchange Enviro Farms Ltd.	4,236.49	3,802.78	-	-	-	-	4,236.49	3,802.78
Ion Exchange Projects And Engineering Ltd.	499.83	1,603.84	-	-	-	-	499.83	1,603.84
Ion Exchange Purified Drinking Water Pvt. Ltd.	548.04	898.96	-	-	-	-	548.04	898.96
Ion Exchange Safic Pty. Ltd., South Africa	-	-	-	-	-	-	-	-
Total Water Management Services (India) Ltd.	1.45	8.64	-	-	-	-	1.45	8.64
Ion Exchange Environment Management Ltd.	1,342.71	1,691.71	-	-	-	-	1,342.71	1,691.71
Ion Exchange Arabia For Water, Saudi Arabia	32.93	27.66	-	-	-	-	32.93	27.66
Ion Exchange Financial Products Pvt. Ltd.	-	-	9.00**	12.50**	-	-	9.00**	12.50**
<b>Total</b>	<b>6,961.61</b>	<b>8,285.72</b>	<b>9.00</b>	<b>12.50</b>	<b>-</b>	<b>-</b>	<b>6,970.61</b>	<b>8,298.22</b>
<b>Advance to suppliers</b>								
Global Composites And Structurals Ltd.	1,235.55	883.87	-	-	-	-	1,235.55	883.87
Ion Exchange Environment Management (BD) Ltd., Bangladesh	-	9.38	-	-	-	-	-	9.38
<b>Total</b>	<b>1,235.55</b>	<b>893.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,235.55</b>	<b>893.25</b>
<b>Advance from customer</b>								
Ion Exchange Arabia For Water	42.53	-	-	-	-	-	42.53	-
Ion Exchange And Company LLC, Oman	6.31	10.58	-	-	-	-	6.31	10.58
Ion Exchange Safic Pty. Ltd., South Africa	0.49	0.49	-	-	-	-	0.49	0.49
Aquanomics Systems Ltd.	-	-	247.47	11.64	-	-	247.47	11.64
Ion Exchange PSS Co. Ltd., Thailand	-	-	-	0.85	-	-	-	0.85
<b>Total</b>	<b>49.33</b>	<b>11.07</b>	<b>247.47</b>	<b>12.49</b>	<b>-</b>	<b>-</b>	<b>296.80</b>	<b>23.56</b>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Outstanding receivables (Net of payables) excluding loans and advances</b>								
Global Composites And Structural Ltd.	3.24	3.24	-	-	-	-	3.24	3.24
IEI Environmental Management (M) Sdn. Bhd., Malaysia	221.77**	221.77**	-	-	-	-	221.77**	221.77**
Ion Exchange And Company LLC, Oman	29.47	27.67	-	-	-	-	29.47	27.67
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	814.99 @	922.83 @	-	-	-	-	814.99 @	922.83 @
Ion Exchange Asia Pacific Pte. Ltd., Singapore	1,631.09	1,875.69	-	-	-	-	1,631.09	1,875.69
Ion Exchange Arabia For Water, Saudi Arabia	317.84	-	-	-	-	-	317.84	-
Ion Exchange Europe LDA, Portugal	397.44	-	-	-	-	-	397.44	-
Ion Exchange Environment Management (BD) Ltd., Bangladesh	14.36	120.94	-	-	-	-	14.36	120.94
Ion Exchange Environment Management Ltd.	246.51**	246.51**	-	-	-	-	246.51**	246.51**
Ion Exchange LLC, USA	2,125.84	1,933.58	-	-	-	-	2,125.84	1,933.58
Ion Exchange Safic Pty. Ltd., South Africa	171.30	563.95	-	-	-	-	171.30	563.95
PT Ion Exchange Asia Pacific, Indonesia	434.07	262.19	-	-	-	-	434.07	262.19
Aquanomics Systems Ltd.	-	-	5,510.11	2,189.83	-	-	5,510.11	2,189.83
IEI Water Tech (M) Sdn. Bhd., Malaysia	-	-	-	3.54	-	-	-	3.54
Ion Exchange PSS Co. Ltd., Thailand	-	-	358.31 #	618.29 #	-	-	358.31 #	618.29 #
<b>Total</b>	<b>6,407.92</b>	<b>6,178.37</b>	<b>5,868.42</b>	<b>2,811.66</b>	<b>-</b>	<b>-</b>	<b>12,276.34</b>	<b>8,990.03</b>
<b>Outstanding payables (Net of receivables) excluding loans and advances</b>								
Total Water Management Services (India) Ltd.	2.79	2.91	-	-	-	-	2.79	2.91
<b>Total</b>	<b>2.79</b>	<b>2.91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.79</b>	<b>2.91</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Investment in equity shares / debentures</b>								
Aqua Investments (India) Ltd.	176.00	176.00	-	-	-	-	176.00	176.00
Global Composites And Structural Ltd.	386.24	319.25	-	-	-	-	386.24	319.25
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	262.93	58.18	-	-	-	-	262.93	58.18
Ion Exchange Asia Pacific Pte. Ltd., Singapore	1,131.12	1,127.33	-	-	-	-	1,131.12	1,127.33
Ion Exchange Enviro Farms Ltd. ***	1,554.70	1,554.70	-	-	-	-	1,554.70	1,554.70
Ion Exchange Environment Management (BD) Ltd., Bangladesh	46.89	41.49	-	-	-	-	46.89	41.49
Ion Exchange Environment Management Ltd.	501.28	501.28	-	-	-	-	501.28	501.28
Ion Exchange Europe, LDA, Portugal	4.16	-	-	-	-	-	4.16	-
Ion Exchange LLC, USA	372.01	372.01	-	-	-	-	372.01	372.01
Ion Exchange Projects And Engineering Ltd.	1,550.12	1,460.21	-	-	-	-	1,550.12	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	198.48	190.24	-	-	-	-	198.48	190.24
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.	-	-	123.00	112.00	-	-	123.00	112.00
Ion Foundation	-	-	-	-	0.10	0.10	0.10	0.10
<b>Total</b>	<b>6,619.34</b>	<b>6,236.10</b>	<b>123.00</b>	<b>112.00</b>	<b>0.10</b>	<b>0.10</b>	<b>6,742.44</b>	<b>6,348.20</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Corporate guarantees (Outstanding)</b>								
Global Composites And Structurals Ltd.	1,800.00	1,800.00	-	-	-	-	1,800.00	1,800.00
Ion Exchange Asia Pacific Pte. Ltd., Singapore	411.08	379.03	-	-	-	-	411.08	379.03
Ion Exchange Environment Management (BD) Ltd., Bangladesh	505.00	542.03	-	-	-	-	505.00	542.03
Ion Exchange Safic Pty. Ltd., South Africa	863.28	1,017.55	-	-	-	-	863.28	1,017.55
Aquanomics Systems Ltd.	-	-	1,100.00	1,100.00	-	-	1,100.00	1,100.00
<b>Total</b>	<b>3,579.36</b>	<b>3,738.61</b>	<b>1,100.00</b>	<b>1,100.00</b>	-	-	<b>4,679.36</b>	<b>4,838.61</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-imbursement of expenses.

@ Provision for impairment / expected credit loss for INR 643.70 Lacs (Previous year INR 643.70 Lacs)

# Provision for impairment / expected credit loss for INR 201.93 Lacs (Previous year 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 Structurals 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 2023 INR in Lacs	Maximum balance in 2022-23 INR in Lacs	As at 31st March 2022 INR in Lacs	Maximum balance in 2021-22 INR in Lacs
IEI Environmental Management (M) Sdn. Bhd., Malaysia	100% Subsidiary	56.13	56.13	47.15	47.15
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	100% Subsidiary	21.97	21.97	18.45	18.45
Ion Exchange Asia Pacific Pte. Ltd, Singapore	100% Subsidiary	222.06	222.06	186.53	186.53
Ion Exchange Enviro Farms Ltd.	Subsidiary	4,236.49	4,236.49	3,802.78	3,802.78
Ion Exchange Projects And Engineering Ltd.	Subsidiary	499.83	2,357.35	1,603.84	2,532.85
Ion Exchange Purified Drinking Water Pvt. Ltd.	100% Subsidiary	548.04	898.96	898.96	935.81
Ion Exchange Safic Pty. Ltd., South Africa	Subsidiary	-	153.90	-	166.17
Total Water Management Services (India) Ltd.	Subsidiary	1.45	9.66	8.64	8.64
Ion Exchange Environment Management Ltd.	100% Subsidiary	1,342.71	1,955.93	1,691.71	1,953.41
Ion Exchange Arabia For Water, Saudi Arabia	Subsidiary	32.93	32.93	27.66	27.66

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 2023 (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 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
IEI Environmental Management (M) Sdn. Bhd., Malaysia	100% Subsidiary	For business purpose	56.13	47.15
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	100% Subsidiary		21.97	18.45
Ion Exchange Asia Pacific Pte. Ltd, Singapore	100% Subsidiary		222.06	186.53
Ion Exchange Enviro Farms Ltd.	Subsidiary		4,236.49	3,802.78
Ion Exchange Projects And Engineering Ltd.	Subsidiary		499.83	1,603.84
Ion Exchange Purified Drinking Water Pvt. Ltd.	100% Subsidiary		548.04	898.96
Ion Exchange Safic Pty. Ltd., South Africa	Subsidiary		-	-
Total Water Management Services (India) Ltd.	Subsidiary		1.45	8.64
Ion Exchange Environment Management Ltd.	100% Subsidiary		1,342.71	1,691.71
Ion Exchange Arabia For Water, Saudi Arabia	Subsidiary		32.93	27.66

- (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 2023 INR in Lacs	As at 31st March 2022 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	1,800.00
Ion Exchange Asia Pacific Pte. Ltd., Singapore	100% Subsidiary		411.08	379.03
Ion Exchange Environment Management (BD) Ltd., Bangladesh	100% Subsidiary		505.00	542.03
Ion Exchange Safic Pty. Ltd., South Africa	Subsidiary		863.28	1,017.55
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-2023		As at 31-Mar-2022	
	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	6,961.61	100.00%	8,285.72	100.00%

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**

44. (a) The company has an investment of INR 54.70 Lacs (31st March 2022: INR 54.70 Lacs) in equity shares and INR 1,500.00 Lacs (31st March 2022: 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 2023 and it has also granted loans and advances as at 31st March 2023 aggregating INR 4,236.49 Lacs (31st March 2022: INR 3,802.78 Lacs) to IEEFL. As at 31st March 2023, 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 closer 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 has requested permission to wind up the scheme in terms of rule 73(1) to (9) of CIS Regulation as it has completed all obligations towards the investors, i.e., sale of lands and development and maintain the lands then after as per the agreements.

As SEBI refused to accede to IEEFL's request has preferred a fresh appeal at Securities Appellate Tribunal (SAT) on 9th February 2017 no (1) 40 Of 2017 - citing practical difficulties in execution of the SEBI order to 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. The 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 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, which were submitted through their advocate vide letter dated 12th July 2022. Thereafter SEBI has appointed forensic auditor who is examining the documents and records of the IEEFL in order to submit his report to SEBI. Further the queries of the said auditor have been addressed by IEEFL's counsel.

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 4,032.62 Lacs (31st March 2022: INR 3,658.94 Lacs) are lower than its cost. The company has also granted loans and advances to these subsidiaries as at 31st March 2023 aggregating INR 2,153.66 Lacs (31st March 2022: INR 3,556.89Lacs). 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.

45. Capital expenditure incurred on research and development during the year is INR 157.09 Lacs (2021-22: INR 219.76 Lacs). Revenue expenditure of INR 987.23 Lacs (2021-22: INR 901.32 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	2022-23			2021-22		
	Location		Total	Location		Total
	Patancheru	Vashi		Patancheru	Vashi	
Capital expenditure	116.86	40.23	157.09	122.04	97.72	219.76
Revenue expenditure	503.14	484.09	987.23	426.28	475.04	901.32

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**

**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:

	<b>31st March 2023</b> INR in Lacs	<b>31st March 2022</b> INR in Lacs
Within one year	176.55	212.20
After one year but not more than five years	23.93	200.49
More than five years	-	-

**47. Right-of-use assets**

The break-up of lease expenses during the year are as follows

<b>Particulars</b>	<b>Year ended</b> <b>31st March 2023</b> INR in Lacs	<b>Year ended</b> <b>31st March 2022</b> INR in Lacs
Short-term lease expense	300.90	280.29
Low value lease expense	-	-
<b>Total lease expenses</b>	<b>300.90</b>	<b>280.29</b>

The break-up of Cash outflow on leases during the year are as follows

<b>Particulars</b>	<b>Year ended</b> <b>31st March 2023</b> INR in Lacs	<b>Year ended</b> <b>31st March 2022</b> INR in Lacs
Repayment of lease liabilities	467.84	642.77
Interest on lease liabilities	140.51	157.60
Short-term lease expense	300.90	280.29
Low value lease expense	-	-
<b>Total cash outflow on leases</b>	<b>909.25</b>	<b>1,080.66</b>

The break-up of current and non-current lease liabilities are as follows

<b>Particulars</b>	<b>As at</b> <b>31st March 2023</b> INR in Lacs	<b>As at</b> <b>31st March 2022</b> INR in Lacs
Current lease liabilities	312.60	401.02
Non-current lease liabilities	341.48	256.24
<b>Total</b>	<b>654.08</b>	<b>657.26</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)****47. Right-of-use assets (contd...)**

The movement in lease liabilities during the year

Particulars	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
Balance at the beginning	657.26	1,041.28
Additions	468.27	261.79
Finance cost accrued during the period	140.51	157.60
Deletions	(3.61)	(3.04)
Payment of lease liabilities	(608.35)	(800.37)
Transition impact	-	-
Balance at the end	<b>654.08</b>	<b>657.26</b>

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows

Particulars	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Less than one year	219.97	90.13
One to five year	507.11	733.76
More than five year	179.06	138.84
<b>Total</b>	<b>906.14</b>	<b>962.73</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 525.72 Lacs (31st March 2022: INR 662.58 Lacs).

**49. Contingent liabilities**

Contingent liabilities not provided for:

- (a) Guarantee given by the company on behalf of:
  - i) Subsidiaries – INR 3,579.36 Lacs (31st March 2022: INR 3,738.61 Lacs)
  - ii) Associates – INR 1,100.00 Lacs (31st March 2022: INR 1,100.00 Lacs)
  - iii) Others – INR 38.88 Lacs (31st March 2022: INR 38.88 Lacs)
- (b) Demand raised by authorities against which the company has filed an appeal.
  - i) Income tax – INR Nil (31st March 2022: INR Nil)
  - ii) Excise duty – INR 24.58 Lacs (31st March 2022: INR 24.58 Lacs)
  - iii) Service tax – INR 474.88 Lacs (31st March 2022: INR 236.91 Lacs)
  - iv) Sales tax / VAT – INR 665.01 Lacs (31st March 2022: INR 904.12 Lacs)
- (c) Claims against the company arising in the course of business not acknowledged as debts (to the extent ascertainable) INR 3,808.66 Lacs (31st March 2022: INR 2,918.21 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 2023 (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 2023 INR in Lacs	31st March 2022 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	5,942.78	2,920.39
Interest due on above	27.53	30.99
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.	138.81	111.28
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 2022: 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 356.06 Lacs (2021-22: INR 284.78 Lacs).

B. Amount approved by the board to spent during the year INR 356.06 Lacs (2021-22: INR 284.78 Lacs).

C. Amount spent during the year ending 31st March 2023:

INR in Lacs

		In cash	Yet to be paid in cash	Total
(i)	Construction / Acquisition of any assets	-	-	-
(ii)	Purpose other than (i) above	356.06	-	356.06
	<b>Total</b>	<b>356.06</b>	-	<b>356.06</b>

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
	<b>Total</b>	<b>284.78</b>	-	<b>284.78</b>

D. Shortfall at the end of the year: INR Nil (31st March 2022 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 350.58 Lacs (2021-22: INR 279.58 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 (2021-22: INR Nil)

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 53. Ratio Analysis and its elements

Ratio	Numerator	Denominator	31 March 2023	31 March 2022	% change	Explanation to variance in ratio
Current ratio	Current Assets	Current Liabilities	1.65	1.57	5.10%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.03	0.04	25.00%	Decrease in debts
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	7.16	6.69	7.03%	
Return on Equity ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	21.67%	22.12%	(2.03%)	
Inventory Turnover ratio	Cost of goods sold	Average Inventory	7.42	7.56	(1.85%)	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	3.13	3.13	0.00%	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	2.51	1.98	26.77%	Reduction in trade payable compared to increase in turnover.
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	3.00	3.08	(2.60%)	
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	9.76%	10.22%	(4.50%)	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	26.20%	27.15%	(3.50%)	
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	4.89%	4.21%	16.15%	

## 54. Details of transactions with companies struck off

Name of Struck off Company	Nature of Transaction with Struck off Company	Balance Outstanding		Relationship with the Struck off company, if any to be disclosed
		As at 31 March 2023 INR in Lacs	As at 31 March 2022 INR in Lacs	
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	5.13	Not applicable
Samay Tiles Ltd.	Receivables	0.63	0.63	Not applicable
Sea-Bird Engineers Pvt. Ltd.	Payables	-	0.05	Not applicable
Siemac Controls Pvt. Ltd.	Payables	0.37	0.37	Not applicable
Steelmen Infratech Pvt. Ltd.	Payables	7.20	7.20	Not applicable
Mahi Techno Systems Pvt. Ltd.	Payable	-	-	Not applicable

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2023 (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 58, 59 and 60.

57. 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.

**58. Dividends**

	31st March 2023 INR in Lacs	31st March 2022 INR in Lacs
Proposed dividends on equity shares		
For the year 2022-23 - INR 12.50 per share having face value of INR 10 each	1,833.33	-
For the year 2021-22 - INR 10.00 per share having face value of INR 10 each	-	1,466.67
Less: Dividend on treasury shares	(296.70)	(237.36)
	<b>1,536.63</b>	<b>1,229.31</b>

Proposed dividends on equity shares are subject to the approval at the annual general meeting and are not recognised as a liability as at 31st March.

**59. Split of shares**

The board of directors and the shareholders of the company has approved the sub-division / stock split of 1 equity share of face value of INR 10.00 each into 10 equity Shares of face value of INR 1.00 each. The record date has been fixed as 12th June 2023.

**60. Amalgamation**

- (a) The board of directors has on 3rd February 2023, approved a scheme of amalgamation between Global Composites And Structurals Limited and Ion Exchange Environment Management Limited with Ion Exchange (India) Limited with appointed date as 1st April 2023, subject to approval from regulatory or administrative authority.
- (b) The board of directors has on 23rd March 2023, approved a scheme of amalgamation between Ion Exchange Projects And Engineering Limited with Ion Exchange (India) Limited with appointed date as 1st April 2023, subject to approval from regulatory or administrative authority.

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

GLENN D'SOUZA  
Partner  
Membership no.: 112554

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 26th May 2023

VASANT NAIK  
Chief Financial Officer

Place : Mumbai  
Date : 26th May 2023

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## 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 auditor 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 2023, 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 in which are included the Return for the year ended on that date audited by the branch auditor of the Holding Company's branch at Bengaluru (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 2023, 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, which were submitted through their advocate vide letter dated 12th July 2022. Thereafter SEBI has appointed forensic auditor who is examining the documents and records of the company in order to submit his report to SEBI. Further the queries of the said auditor have been addressed by the company's counsel.

- (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) Maintenance expenses recoverable aggregating Rs. 64.46 Lacs (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 this matter.

### 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.

Revenue recognition	
See note 3.6, note 31 and note 45 to 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>	<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>Tested 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>Observed the approval of percentage of completion workings.</li> <li>For selected samples, tested the Company's forecasted cost to completion, through comparison of costs incurred with project budgets, and executed purchase orders and agreements. Identified significant variations and tested variations resulting into re-estimating the remaining costs to complete the contract</li> <li>Compared, 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>Performed 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 Board report, but does not include the financial statements and auditor's report thereon. The Board report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the Board report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

## **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 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 and Board of Directors of the companies/ branch and 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/trust 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 the 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 and Board of Directors 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 assessing the ability of each company/trust 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 Board of Directors 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 reflects total assets (before consolidation adjustments) of Rs. 4,903.95 Lacs as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 13,066.08 Lacs, total net profit after tax (before consolidation adjustment) of Rs. 968.96 Lacs and net cash outflows amounting to Rs.65.83 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by branch auditor and other auditor 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 the branch 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 branch and trusts, is based solely on the reports of the branch auditor and other auditor.

We did not audit the financial statements of 14 subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 30,605.12 Lacs as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 16,690.19 Lacs, net profit after tax (before consolidation adjustments) of Rs. 140.56 Lacs and net cash inflows amounting to Rs. 266.58 Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Holding Company's share of net profit (and other comprehensive income) of Rs. 93.43 Lacs for the year ended 31 March 2023, in respect of 3 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.



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 auditor and other auditor.

- b. The financial statements of 1 subsidiary, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 253.18 Lacs as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 721.54 Lacs, total net loss after tax (before consolidation adjustments) of Rs. 233.35 Lacs and net cash inflows amounting to Rs. 19.96 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 this subsidiary, and our report in terms of sub-section (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 this matter with respect to 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, 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 by 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 the 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 2023 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 incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31 March 2023 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 Auditors) 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 2023 on the consolidated financial position of the Group. Refer Note 48 and 56 to the consolidated financial statements.
  - b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts.
  - 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 incorporated in India during the year ended 31 March 2023.

- d (i) The management of the Holding Company and its subsidiary companies, and associate companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies and associate companies respectively that, to the best of their knowledge and belief, as disclosed in the Note 67(iv) to the consolidated financial statements, 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 person(s) or entity(ies), 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 by or on behalf of the Holding Company or its subsidiary companies and associate companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management of the Holding Company and its subsidiary companies, and associate companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies and associate companies respectively that, to the best of their knowledge and belief, as disclosed in the Note 67(v) to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies and associate companies incorporated in India from any person(s) or entity(ies), 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 by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous years, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- As stated in Note 70 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- The subsidiary companies and associate companies incorporated in India have neither declared nor paid any dividend during the year.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or its subsidiary companies and associate companies incorporated in India only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- 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

**Glenn D'souza**

Partner

Membership No. 112554

ICAI UDIN:23112554BGWSAP3699

Place : Mumbai  
Date : 26 May 2023

**Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Ion Exchange (India) Limited for the year ended 31 March 2023**  
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date))

(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, qualification 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 which is unfavourable or qualified or adverse
1	Ion Exchange (India) Limited	L74999MH1964PL C014258	Holding	3(i)(c); 3(iii)(a); 3(iii)(c); 3(iii)(f); 3(vii-b)
2	Ion Exchange Enviro Farms Ltd	U01110MH1995P LC091478	Subsidiary	3(xvii); 3(xix)
3	IonExchange Projects And Engineering Limited	U74200MH2011P LC216024	Subsidiary	3(vii-b); 3(ix-d)
4	Ion Exchange Environment Management Limited	U45204MH2005P LC157554	Subsidiary	3(vii-b); 3(ix-d); 3(xvii)
5	Global Composites and Structurals Limited	U26102MH2006P LC161108	Subsidiary	3(vii-b); 3(xvii); 3(xix)
6	Aquanomics Systems Limited	U67120MH1994P LC080387	Associate	3(ii-b); 3(vii-a); 3(vii-b);

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

**Glenn D'souza**

Partner

Membership No. 112554

ICAI UDIN:23112554BGWSAP3699

Place : Mumbai

Date : 26 May 2023

## **Annexure B to the Independent Auditor's Report on the consolidated financial statements of Ion Exchange (India) Limited for the year ended 31 March 2023**

**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 Act**

**(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 Ion Exchange (India) Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies and its associate companies, as of that date.

In our opinion and based on the consideration of report of the branch auditor and other auditors on internal financial controls with reference to financial statements of branch, subsidiary companies and associate companies, as were audited by the branch auditor and other auditors, 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 financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to 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 and Board of Directors' Responsibility for Internal Financial Controls**

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the 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 Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 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 financial statements.

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

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

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

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

### **Other Matters**

Our aforesaid report 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 one branch, eight subsidiary companies and two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of above matters.

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

**Glenn D'souza**

Partner

Membership No. 112554  
ICAI UDIN:23112554BGWSAP3699

Place : Mumbai  
Date : 26 May 2023

## CONSOLIDATED BALANCE SHEET as at 31st March 2023

	Notes	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	17,071.25	14,460.05
(b) Capital work-in-progress	5	4,194.65	2,003.57
(c) Right-of-use assets	6	3,428.84	3,694.66
(d) Goodwill	62	863.10	863.10
(e) Other intangible assets	7	178.27	192.66
(f) Investment accounted using equity method	8	481.94	397.71
(g) Financial assets			
(i) Investments	9	469.90	436.73
(ii) Trade receivables	10	451.99	453.96
(iii) Loans	11	-	-
(iv) Other financial assets	12	1,544.39	1,706.66
(h) Deferred tax assets (Net)	13	1,159.83	934.04
(i) Other non current assets	14	1,195.60	2,569.81
(j) Non current tax assets (Net)	15	184.00	140.78
<b>Total non-current assets</b>		<b>31,223.76</b>	<b>27,853.73</b>
<b>Current assets</b>			
(a) Inventories	16	22,225.87	18,095.99
(b) Financial assets			
(i) Investments	17	31.71	31.66
(ii) Trade receivables	10	69,679.25	50,770.05
(iii) Cash and cash equivalents	18	17,535.55	16,907.74
(iv) Bank balances other than (iii) above	19	37,261.33	36,681.83
(v) Loans	11	1,523.46	2,012.10
(vi) Other financial assets	12	1,510.26	1,372.56
(c) Current tax assets (Net)	15	3.61	31.15
(d) Other current assets	14	13,019.70	8,784.43
<b>Total current assets</b>		<b>162,790.74</b>	<b>134,687.51</b>
<b>Total assets</b>		<b>194,014.50</b>	<b>162,541.24</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	20	1,422.88	1,422.88
(b) Other equity	21	81,926.23	64,143.21
<b>Equity attributable to owners</b>		<b>83,349.11</b>	<b>65,566.09</b>
<b>Non controlling interests</b>		<b>230.90</b>	<b>(82.70)</b>
<b>Total equity</b>		<b>83,580.01</b>	<b>65,483.39</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	22	1,567.56	1,172.08
(ii) Lease liabilities		341.48	290.22
(iii) Other financial liabilities	23	872.50	890.98
(b) Provisions	24	2,389.45	1,898.43
(c) Deferred tax liabilities (Net)	13	77.36	24.00
(d) Other non-current liabilities	25	50.75	50.75
<b>Total non-current liabilities</b>		<b>5,299.10</b>	<b>4,326.46</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	27	3,680.88	3,636.25
(ii) Lease liabilities		333.42	423.60
(iii) Trade payables	28		
- Total outstanding dues of micro and small enterprises		6,087.26	3,035.98
- Total outstanding dues of creditors other than micro and small enterprises		49,038.04	49,312.89
(iv) Other financial liabilities	29	4,034.56	3,238.61
(b) Other current liabilities	30	40,707.01	30,849.18
(c) Provisions	24	662.52	733.60
(d) Current tax liabilities (Net)	26	591.70	1,501.28
<b>Total current liabilities</b>		<b>105,135.39</b>	<b>92,731.39</b>
<b>Total liabilities</b>		<b>110,434.49</b>	<b>97,057.85</b>
<b>Total equity and liabilities</b>		<b>194,014.50</b>	<b>162,541.24</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

Glenn D'souza  
Partner  
Membership no.: 112554

Place : Mumbai  
Date : 26th May 2023

For and on behalf of the board of directors of  
ION EXCHANGE (INDIA) LIMITED  
CIN - L74999MH1964PLC014258

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

VASANT NAIK  
Chief Financial Officer

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 26th May 2023

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS for the year ended 31st March 2023**

	Notes	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
<b>Income</b>			
Revenue from operations	31	198,960.93	157,686.77
Other income	32	4,106.84	4,169.58
<b>Total Income (I)</b>		<b>203,067.77</b>	<b>161,856.35</b>
<b>Expenses</b>			
Cost of materials consumed	33	118,152.66	92,792.02
Purchases of stock-in-trade	34	7,053.54	4,318.93
Change in inventories of finished goods, work-in-progress and stock-in-trade	35	(949.54)	(2,537.28)
Employee benefits expense	36	23,626.37	19,903.52
Finance costs	37	919.98	994.66
Depreciation and amortisation expenses	38	2,908.67	2,804.27
Other expenses	39	25,579.22	21,888.85
<b>Total expenses (II)</b>		<b>177,290.90</b>	<b>140,164.97</b>
<b>Profit before tax, before share of profit / (loss) of equity accounted investee (I - II)</b>		<b>25,776.87</b>	<b>21,691.38</b>
Share of profit / (loss) of equity accounted investee (net of income tax)		93.43	41.67
<b>Profit from operations before income tax</b>		<b>25,870.30</b>	<b>21,733.05</b>
<b>Tax expense</b>	40		
Current tax		6,467.63	5,887.47
Deferred tax	13	(93.96)	(323.19)
<b>Total tax expense</b>		<b>6,373.67</b>	<b>5,564.28</b>
<b>Profit after tax (III)</b>		<b>19,496.63</b>	<b>16,168.77</b>
<b>Other Comprehensive Income</b>	41		
Items that will not be reclassified to profit or loss			
(a) Remeasurement benefit of defined benefit plans		(336.03)	(208.80)
(b) Income tax expense on remeasurement benefit of defined benefit plans		79.17	49.56
Items that will be reclassified to profit or loss			
Movement in foreign currency translation reserve		90.57	58.91
<b>Total Other Comprehensive Income (IV)</b>		<b>(166.29)</b>	<b>(100.33)</b>
<b>Total Comprehensive Income (III + IV)</b>		<b>19,330.34</b>	<b>16,068.44</b>
<b>Profit attributable to:</b>			
Owners of the company		19,674.18	16,277.46
Non-controlling interests		(177.55)	(108.69)
<b>Profit for the year</b>		<b>19,496.63</b>	<b>16,168.77</b>
<b>Other Comprehensive Income attributable to :</b>			
Owners of the company		(208.87)	(109.79)
Non-controlling interests		42.58	9.46
<b>Other Comprehensive Income for the year</b>		<b>(166.29)</b>	<b>(100.33)</b>
<b>Total Comprehensive Income attributable to :</b>			
Owners of the company		19,465.31	16,167.67
Non-controlling interests		(134.97)	(99.23)
<b>Total Comprehensive Income for the year</b>		<b>19,330.34</b>	<b>16,068.44</b>
<b>Earnings per equity share:</b> [Nominal value of shares INR 10 (2021-22: INR 10)]	42		
Basic (in INR)		165.95	137.30
Diluted (in INR)		165.95	137.30
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

Glenn D'souza  
Partner  
Membership no.: 112554

Place : Mumbai  
Date : 26th May 2023

For and on behalf of the board of directors of  
ION EXCHANGE (INDIA) LIMITED  
CIN - L74999MH1964PLC014258

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

VASANT NAIK  
Chief Financial Officer

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 26th May 2023

**STATEMENT OF CONSOLIDATED CHANGES IN EQUITY for the year ended 31st March 2023****A. Equity share capital**

	As at 31st March 2023		As at 31st March 2022	
	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	14,228,785	1,422.88	14,228,785	1,422.88
Add: Shares issued during the year	-	-	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	14,228,785	1,422.88	14,228,785	1,422.88

**B. Other equity (Refer note 21)**

	Attributable to owners										Attributable to Non-controlling interest	Total	
	Reserves and Surplus					Treasury Shares (Refer note 21)							
	Security premium	Special reserve	General reserve	Legal reserve	Capital reserve on consolidation	Foreign currency translation reserve	Retained earnings	Shares	Total attributable to owners	Total			
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs
<b>Balance as at 1st April 2021</b>	8,334.84	22.17	2,719.79	151.54	257.48	221.00	40,266.88	(2,812.64)	49,161.06	(12.45)	49,148.61		
Profit for the year (a)	-	-	-	-	-	-	16,277.46	-	16,277.46	(108.69)	16,168.77		
Other Comprehensive Income (b)	-	-	-	-	-	49.45	(159.24)	-	(109.79)	9.46	(100.33)		
Total comprehensive income for the year (a+b)	-	-	-	-	-	49.45	16,118.22	-	16,167.67	(99.23)	16,068.44		
Dividend paid	-	-	-	-	-	-	(1,185.52)	-	(1,185.52)	(28.32)	(1,213.84)		
Additional investments	-	-	-	-	-	-	-	-	-	57.30	57.30		
<b>Balance as at 31st March 2022</b>	8,334.84	22.17	2,719.79	151.54	257.48	270.45	55,199.58	(2,812.64)	64,143.21	(82.70)	64,060.51		
<b>Balance as at 1st April 2022</b>	8,334.84	22.17	2,719.79	151.54	257.48	270.45	55,199.58	(2,812.64)	64,143.21	(82.70)	64,060.51		
Profit / (Loss) for the year (c)	-	-	-	-	-	-	19,674.18	-	19,674.18	(177.55)	19,496.63		
Other Comprehensive Income (d)	-	-	-	-	-	47.76	(256.86)	-	(209.10)	42.81	(166.29)		
Total comprehensive income for the year (c+d)	-	-	-	-	-	47.76	19,417.32	-	19,465.08	(134.74)	19,330.34		
Adjustment on change in investment in subsidiaries	-	-	-	-	-	-	(496.54)	-	(496.54)	357.64	(138.90)		
Additional investments	-	-	-	-	-	-	-	-	-	136.50	136.50		
Dividend paid	-	-	-	-	-	-	(1,185.52)	-	(1,185.52)	(45.80)	(1,231.32)		
<b>Balance as at 31st March 2023</b>	8,334.84	22.17	2,719.79	151.54	257.48	318.21	72,934.84	(2,812.64)	81,926.23	230.90	82,157.13		

As per our report of even date attached

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

Glenn Dsouza  
Partner  
Membership no.: 112554

Place : Mumbai  
Date : 26th May 2023

For and on behalf of the board of directors of  
ION EXCHANGE (INDIA) LIMITED  
CIN - L74999MH1964PLC014258

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

VASANT NAIK  
Chief Financial Officer

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 26th May 2023



**CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March 2023**

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 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>25,776.87</b>	<b>21,691.38</b>
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	2,908.67	2,804.27
(Profit) / Loss on assets sold / discarded (Net)	30.38	(21.49)
Finance cost	919.98	994.66
Dividend income	(2.33)	(2.20)
Interest income	(2,815.71)	(2,215.09)
Provision for Doubtful debts / Bad debts written off	332.06	329.69
Doubtful advances/Claims written off	170.22	66.00
Change in fair value of investments	(0.05)	(7.91)
Unrealised exchange loss / (gain)	(142.74)	212.41
<b>Operating profit before working capital changes</b>	<b>27,177.35</b>	<b>23,851.72</b>
Movements in working capital:		
(Increase) / Decrease in inventories	(4,129.88)	(5,336.53)
(Increase) / Decrease in trade receivables	(18,929.28)	(6,418.78)
(Increase) / Decrease in loans	318.42	(653.77)
(Increase) / Decrease in other current assets	(3,935.36)	(160.40)
(Decrease) / Increase in trade payables	2,780.78	(1,042.85)
(Decrease) / Increase in other financial liabilities	516.91	176.97
(Decrease) / Increase in other current liabilities	9,857.83	5,664.92
(Decrease) / Increase in provisions	83.91	193.52
<b>Cash generated from operations</b>	<b>13,740.68</b>	<b>16,274.80</b>
Taxes paid (Net)	(7,467.89)	(7,136.71)
<b>Net cash generated from operating activities</b>	<b>(A) 6,272.79</b>	<b>9,138.09</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant and equipment	(5,984.50)	(5,002.31)
Proceeds from sale of property, plant and equipment	34.23	26.26
Investments made in others	(33.17)	(365.55)
Non-controlling interest acquired	(138.90)	-
Bank deposit made during the year (with maturity more than three months)	(13,559.08)	(9,173.24)
Bank deposit matured during the year (with maturity more than three months)	12,981.81	3,319.16
Dividend received	2.33	2.20
Interest received	2,656.69	1,993.69
<b>Net cash used in investing activities</b>	<b>(B) (4,040.59)</b>	<b>(9,199.79)</b>
<b>C. Cash flow from financing activities:</b>		
Repayment of borrowings	(1,560.57)	(1,878.92)
Proceeds from borrowings	2,605.10	2,002.55
Payment of lease liability	(642.87)	(818.26)
Equity contribution from non-controlling interest	136.50	57.30
Dividend paid	(1,231.32)	(1,213.84)
Finance cost	(837.94)	(835.15)
<b>Net cash generated used in financing activities</b>	<b>(C) (1,531.10)</b>	<b>(2,686.32)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>(A)+(B)+(C) 701.10</b>	<b>(2,748.02)</b>
<b>Effect of exchange difference on cash and cash equivalent held in foreign currency</b>	<b>(73.29)</b>	<b>(66.97)</b>
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>16,907.74</b>	<b>19,722.73</b>
<b>Cash and cash equivalents as at the end of the year</b>	<b>17,535.55</b>	<b>16,907.74</b>

**CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March 2023 (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 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Cash and cash equivalents disclosed under current assets [Note 18]	17,535.55	16,907.74
Other bank balances disclosed under current assets [Note 19]	37,261.33	36,681.83
<b>Total cash and cash equivalents as per Balance Sheet</b>	<b>54,796.88</b>	<b>53,589.57</b>
Less: Other bank balances disclosed under current assets		
On unclaimed dividend account	69.85	67.48
On unclaimed interest on fixed deposits	0.16	0.30
On deposit account	16,433.68	16,885.15
On margin money account	20,757.64	19,728.90
	<b>37,261.33</b>	<b>36,681.83</b>
<b>Total cash and cash equivalents as per Statement of Cash Flows</b>	<b>17,535.55</b>	<b>16,907.74</b>

## 4. Changes in liabilities arising from financing activities

	As at	2022-23		As at
	1st Apr 2022	Net Cash inflow / (outflow)	Others *	31st Mar 2023
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs
Borrowings (Non current and current)	4,808.33	1,044.53	(604.42)	5,248.44
	<b>4,808.33</b>	<b>1,044.53</b>	<b>(604.42)</b>	<b>5,248.44</b>
	As at	2021-22		As at
	1st Apr 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>

\* 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

Glenn D'souza  
Partner  
Membership no.: 112554

Place : Mumbai  
Date : 26th May 2023

For and on behalf of the board of directors of  
ION EXCHANGE (INDIA) LIMITED  
CIN - L74999MH1964PLC014258

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

VASANT NAIK  
Chief Financial Officer

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 26th May 2023

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023

### 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 2023.

### 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 2023	31st March 2022
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 2023 (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 2023	31st March 2022
Ion Exchange Projects And Engineering Limited [see note (a)]	India	99.58	91.81
Global Composites And Structural Limited [see note (b)]	India	100.00	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
Ion Exchange Europe LDA [see note (c)]	Portugal	99.98	-

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 2023	31st March 2022
IEI Water-Tech (M) Sdn. Bhd. *	Malaysia	-	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.

**Note**

- (a) The group has made additional investments in Ion Exchange Projects And Engineering Limited on 1st July 2022. After the additional investments the group now holds 99.58% of shareholding of Ion Exchange Projects And Engineering Limited.
- (b) The group has made additional investments in Global Composites And Structural Limited on 1st July 2022. After the additional investments the group now holds 100.00% shareholding of Global Composites and Structural Limited.
- (c) The group has incorporated a new subsidiary in Portugal - Ion Exchange Europe LDA on 13th May 2022.

**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 26th May 2023.

**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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

### 3. Significant accounting policies (contd...)

#### 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.

#### 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 2023 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).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)****3. Significant accounting policies (contd...)****3.6 Measurement of fair values (contd...)**

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.

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 amortisation and impairment.

Intangible assets are amortised on a straight-line basis over the estimated useful economic life. The amortisation period and the amortisation method are reviewed at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation 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 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

### 3. Significant accounting policies (contd...)

#### 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.

#### 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)****3. Significant accounting policies (contd...)****3.13 Financial instruments (contd...)**

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

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

(iii) Equity investments

All equity investments in the scope of Ind AS 109 are measured at fair value except in case of investment in 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.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

### 3. Significant accounting policies (contd...)

#### 3.13 Financial instruments (contd...)

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 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 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 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)****3. Significant accounting policies (contd...)****3.16 Revenue recognition (contd...)**

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.

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 2023 (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 realised.

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 (2021-22: 2,368,939) equity shares and 4,675 (2021-22: 4,675) equity shares are being excluded on consolidation of equity shares held by IEI Shareholding (Staff Welfare) Trusts and HMLL 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 2023 (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 capitalised 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (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 2022	342.64	111.60	4,166.49	3,680.35	12,116.44	790.41	549.99	1,562.88	23,320.80
Addition during the year	25.16	95.80	357.49	113.53	3,385.50	117.61	102.65	549.10	4,746.84
Disposal during the year	-	-	-	-	100.27	0.82	9.44	5.70	116.23
Exchange gain / (loss)	-	-	-	(1.91)	2.01	(0.41)	23.33	0.02	23.04
<b>As at 31st March 2023</b>	<b>367.80</b>	<b>207.40</b>	<b>4,523.98</b>	<b>3,791.97</b>	<b>15,403.68</b>	<b>906.79</b>	<b>666.53</b>	<b>2,106.30</b>	<b>27,974.45</b>
<b>Depreciation / Amortisation</b>									
As at 1st April 2022	-	60.61	527.72	732.23	5,696.08	371.91	436.57	1,035.63	8,860.75
Depreciation during the year	-	18.19	139.06	162.49	1,214.90	75.10	56.82	406.67	2,073.23
Deduction during the year	-	-	-	-	38.99	0.48	9.44	4.37	53.28
Exchange gain / (loss)	-	-	-	(1.08)	1.74	(0.12)	20.96	1.00	22.50
<b>As at 31st March 2023</b>	<b>-</b>	<b>78.80</b>	<b>666.78</b>	<b>893.64</b>	<b>6,873.73</b>	<b>446.41</b>	<b>504.91</b>	<b>1,438.93</b>	<b>10,903.20</b>
<b>Net carrying value as at 31st March 2023</b>	<b>367.80</b>	<b>128.60</b>	<b>3,857.20</b>	<b>2,898.33</b>	<b>8,529.95</b>	<b>460.38</b>	<b>161.62</b>	<b>667.37</b>	<b>17,071.25</b>
<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>

**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 2022: INR 27.44 Lacs)
- b) Buildings on freehold land includes residential flats, the cost of which includes:
  - INR 250 (31st March 2022: 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 2022: 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 2023 (contd...)

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

- 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 2022: INR 41.15 Lacs)  
Net book value INR 33.89 Lacs (31st March 2022: INR 34.92 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 2022: INR Nil)  
Net book value INR Nil (31st March 2022: INR Nil)
- e) Buildings on freehold land includes office premises given on operating lease :  
Deemed gross book value INR 104.74 Lacs (31st March 2022: INR 104.74 Lacs)  
Accumulated depreciation INR 16.11 Lacs (31st March 2022: INR 13.81 Lacs)  
Depreciation for the year INR 2.30 Lacs (31st March 2022: INR 2.30 Lacs)  
Net book value INR 88.63 Lacs (31st March 2022: INR 90.93 Lacs)
- f) Addition to Property, plant and equipment includes amount of INR 157.09 Lacs (2021-22: INR 219.76 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 2023	Year ended 31st March 2022
As at 1st April	2,003.57	1,459.82
Addition during the year	5,687.79	2,461.07
Capitalisation / deductions during the year	3,496.71	1,917.32
As at 31st March	<b>4,194.65</b>	<b>2,003.57</b>

## Capital work in progress ageing schedule

## As at 31 March 2023

	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	2,912.89	1,118.28	150.33	13.15	4,194.65
Projects temporarily suspended	-	-	-	-	-
	<b>2,912.89</b>	<b>1,118.28</b>	<b>150.33</b>	<b>13.15</b>	<b>4,194.65</b>

## 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>-</b>	<b>2,003.57</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (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 2022	1,481.46	696.76	3,163.52	9.18	291.73	5,642.65
Addition during the year	42.34	471.67	-	-	-	514.01
Disposal during the year	-	92.20	-	-	41.00	133.20
Exchange gain / (loss)	-	(13.45)	(0.63)	-	-	(14.08)
<b>As at 31st March 2023</b>	<b>1,523.80</b>	<b>1,062.78</b>	<b>3,162.89</b>	<b>9.18</b>	<b>250.73</b>	<b>6,009.38</b>
<b>Depreciation / Amortisation</b>						
As at 1st April 2022	30.39	336.14	1,336.23	1.63	243.60	1,947.99
Depreciation during the year	33.08	243.27	472.49	1.15	20.72	770.71
Deduction during the year	-	88.26	-	-	41.00	129.26
Exchange gain / (loss)	-	(8.27)	(0.63)	-	-	(8.90)
<b>As at 31st March 2023</b>	<b>63.47</b>	<b>482.88</b>	<b>1,808.09</b>	<b>2.78</b>	<b>223.32</b>	<b>2,580.54</b>
<b>Net carrying value as at 31st March 2023</b>	<b>1,460.33</b>	<b>579.90</b>	<b>1,354.80</b>	<b>6.40</b>	<b>27.41</b>	<b>3,428.84</b>
<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>

**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.
- b) All the leases are registered in the name of the company / group.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 7. Other intangible assets

	INR in Lacs	
	Computer Software	Total
<b>Gross block</b>		
As at 1st April 2022	507.61	507.61
Addition during the year	50.40	50.40
Disposal during the year	-	-
Exchange gain / (loss)	(0.13)	(0.13)
<b>As at 31st March 2023</b>	<b>557.88</b>	<b>557.88</b>
<b>Amortisation</b>		
As at 1st April 2022	314.95	314.95
Amortised during the year	64.73	64.73
Deduction during the year	-	-
Exchange gain / (loss)	(0.07)	(0.07)
<b>As at 31st March 2023</b>	<b>379.61</b>	<b>379.61</b>
<b>Net carrying value as at 31st March 2023</b>	<b>178.27</b>	<b>178.27</b>
<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>

## 8. Investment accounted using equity method

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
<b>At cost in equity shares of associates</b>		
<b>Unquoted, fully paid-up</b>		
460,000 (31st March 2022: 460,000) equity shares of INR 10 each, fully paid-up in Aquanomics Systems Limited	481.94	397.71
Nil (31st March 2022: 300,000) equity shares of MYR 1 each, fully paid-up in IEI Water-Tech (M) Sdn. Bhd.	-	-
2,450 (31st March 2022: 2,450) equity shares of INR 10 each, fully paid-up in Ion Exchange Financials Products Private Limited	-	-
14,700 (31st March 2022: 14,700) equity shares of THB 100 each, fully paid-up in Ion Exchange PSS Co. Limited	-	-
	<b>481.94</b>	<b>397.71</b>
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	481.94	397.71



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**
**9. Non-current investments**

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 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 2022: 6,000) equity shares of INR 10 each, fully paid-up in IEK Plastics Limited	-	-
113 (31st March 2022: 113) equity shares of INR 10 each, fully paid-up in Patancheru Enviro-tech Limited	0.01	0.01
10,500 (31st March 2022: 10,500) equity shares of INR 10 each, fully paid-up in Bharuch Enviro Infrastructure Limited	1.05	1.05
352,500 (31st March 2022: 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 2022: 71,518) equity shares of INR 10 each, fully paid-up in GPCL Consulting Services Limited	27.46	27.46
1,000 (31st March 2022: 1,000) equity shares of INR 10 each, fully paid-up in Ion Foundation	0.10	0.10
22,000 (31st March 2022: 11,000) equity shares of INR 10 each, fully paid-up in Haldia Water Services Pvt. Ltd. [Refer note (a) below]	2.20	1.10
7,143 (31st March 2022: 7,143) equity shares of INR 10 each, fully paid-up in Water Quality India Association	0.71	0.71
750 (31st March 2022: 750) equity shares of INR 10 each, fully paid-up in Process Automation Engineering	-	-
100 (31st March 2022: Nil) equity shares of INR 25 each, fully paid-up in The Zoroastrian Co-operative Bank Ltd.	0.03	-
9,999 (31st March 2022: 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>71.81</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 2022: 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)	397.59	365.55
<b>(C)</b>	<b>397.59</b>	<b>365.55</b>
<b>Total non current investments</b>	<b>(A+B+C) 469.90</b>	<b>436.73</b>
Aggregate amount of quoted Investments	-	-
Aggregate amount of unquoted Investments	469.90	436.73

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 2023 (contd...)

## 10. Trade receivables

	Non-current		Current	
	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Trade receivables				
(a) Unsecured, considered good	-	-	69,589.61	50,631.35
(b) Unsecured, have significant increase in credit risk	451.99	453.96	2,029.94	2,079.00
(c) Unsecured, credit impaired	68.88	68.88	-	-
	520.87	522.84	71,619.55	52,710.35
Less: Provision for credit impaired	68.88	68.88	1,940.30	1,940.30
	<b>451.99</b>	<b>453.96</b>	<b>69,679.25</b>	<b>50,770.05</b>

Trade receivables ageing schedule  
As at 31 March 2023

	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	62,293.81	4,654.43	793.68	1,342.77	504.92	69,589.61
Undisputed trade receivables - considered good have significant increase in credit risk	292.43	179.97	79.21	90.92	1,387.41	2,029.94
Disputed Trade receivables - have significant increase in credit risk	-	0.25	0.03	-	451.71	451.99
Disputed Trade receivables - credit impaired	-	-	-	-	68.88	68.88
	62,586.24	4,834.65	872.92	1,433.69	2,412.92	72,140.42
Less: Provision for credit impaired	292.43	179.97	79.21	90.92	1,366.65	2,009.18
<b>Total</b>	<b>62,293.81</b>	<b>4,654.68</b>	<b>793.71</b>	<b>1,342.77</b>	<b>1,046.27</b>	<b>70,131.24</b>

## 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	79.63	684.88	463.05	129.49	721.95	2,079.00
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>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**
**11. Loans**

	Non-current		Current	
	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Loans and advances to related parties (Refer note 47)				
(a) Unsecured, considered good	-	-	321.23	282.88
(b) Unsecured, credit impaired	9.00	12.50	-	-
	9.00	12.50	321.23	282.88
Less: Provision for credit impaired	9.00	12.50	-	-
(A)	-	-	321.23	282.88
Claims receivables and others	(B)	-	1,085.78	1,623.91
Loans and advance to employees	(C)	-	116.45	105.31
Rent receivable (Unsecured, credit impaired)		17.05	-	-
Less: Provision for credit impaired		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>-</b>	<b>-</b>	<b>1,523.46</b>	<b>2,012.10</b>

**12. Other financial assets**

	Non-current		Current	
	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Tender, security and other deposits				
(a) Unsecured, considered good	1,083.07	1,178.13	69.80	91.12
(b) Unsecured, credit impaired	24.24	20.74	-	-
	1,107.31	1,198.87	69.80	91.12
Less: Provision for credit impaired	24.24	20.74	-	-
(A)	1,083.07	1,178.13	69.80	91.12
Receivable from concession agreement (Refer note 61)	(B)	461.32	528.53	115.52
Interest accrued on fixed deposits and margin money	(C)	-	-	1,324.94
			1,324.94	1,165.92
<b>(A+B+C)</b>	<b>1,544.39</b>	<b>1,706.66</b>	<b>1,510.26</b>	<b>1,372.56</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 13. Deferred tax assets / liabilities

As at 31st March 2023

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	(907.14)	231.21	-	-	(675.93)
Trade Receivables and retention money	832.58	6.98	-	-	839.56
Loans and borrowings	127.11	(3.37)	-	-	123.74
Other items	857.49	(140.86)	79.17	(0.70)	795.10
<b>Tax assets/(liabilities)</b>	<b>910.04</b>	<b>93.96</b>	<b>79.17</b>	<b>(0.70)</b>	<b>1,082.47</b>

Disclosed as under

<b>Deferred tax assets (Net)</b>	<b>934.04</b>				<b>1,159.83</b>
<b>Deferred tax liabilities (Net)</b>	<b>24.00</b>				<b>77.36</b>
<b>Tax assets/(liabilities)</b>	<b>910.04</b>				<b>1,082.47</b>

\* Other adjustments includes currency fluctuation on conversion of foreign subsidiaries.

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>

Disclosed as under

<b>Deferred tax assets (Net)</b>	<b>534.94</b>				<b>934.04</b>
<b>Deferred tax liabilities (Net)</b>	<b>-</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.

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 CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**
**14. Other assets**

		Non-current		Current	
		As at	As at	As at	As at
		31st March 2023	31st March 2022	31st March 2023	31st March 2022
		INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs
Capital advances (Refer note 58)	(A)	144.10	1,401.99	-	-
Balance with statutory authorities	(B)	425.50	474.80	5,916.20	4,719.31
Advance to suppliers					
(a) Unsecured, considered good		-	-	1,784.89	2,919.20
(b) Unsecured, considered good - related parties		-	-	-	-
(c) Unsecured, credit impaired		30.90	30.90	-	-
		30.90	30.90	1,784.89	2,919.20
Less: Provision for credit impaired		30.90	30.90	-	-
	(C)	-	-	1,784.89	2,919.20
Security Deposit for Land and other loans and advances (Refer note 49, 50 and 51)					
(a) Unsecured, considered good		626.00	693.02	-	-
(b) Unsecured, credit impaired		186.78	186.78	-	-
		812.78	879.80	-	-
Less: Provision for credit impaired		186.78	186.78	-	-
	(D)	626.00	693.02	-	-
Prepaid expenses	(E)	-	-	1,286.16	1,145.92
Unbilled Revenue		-	-	4,032.45	-
	<b>(A+B+C+D+E)</b>	<b>1,195.60</b>	<b>2,569.81</b>	<b>13,019.70</b>	<b>8,784.43</b>

**15. Tax assets**

	Non-current		Current	
	As at	As at	As at	As at
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs
Income tax paid	184.00	140.78	3.61	31.15
(Net of provision for tax)				
	<b>184.00</b>	<b>140.78</b>	<b>3.61</b>	<b>31.15</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 16. Inventories

(valued at lower of cost and net realizable value)

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Raw materials and components	9,297.01	6,465.24
Work-in-progress	2,981.96	1,906.84
Finished goods	6,483.00	7,397.32
Traded goods	1,641.41	1,134.08
Stores and spares	1,230.60	882.03
Contract work-in-progress	591.89	310.48
	<b>22,225.87</b>	<b>18,095.99</b>

## 17. Current investments

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
<b>Investments measured at fair value through profit and loss</b>		
<b>Quoted, fully paid-up</b>		
5,875 (31st March 2022: 5,875) equity shares of INR 2 each, fully paid-up in Sterlite Technologies Limited	8.65	13.20
70 (31st March 2022: 70) equity shares of INR 2 each, fully paid-up in Jain Irrigation Systems Limited	0.02	0.02
8,100 (31st March 2022: 8,100) equity shares of INR 10 each, fully paid-up in Canara Bank	23.04	18.44
	<b>31.71</b>	<b>31.66</b>
Aggregate amount of quoted Investments	31.71	31.66
Market value of quoted Investments	31.71	31.66

## 18. Cash and cash equivalents

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Balances with banks		
On current accounts [Refer note below]	5,691.11	9,202.36
On Exchange Earner's Foreign Currency accounts	13.73	17.15
On deposit account with original maturity period of three months or less	11,600.00	7,614.00
Cash on hand	230.71	74.23
	<b>17,535.55</b>	<b>16,907.74</b>

## Note

Includes balance of INR 140.31 Lacs (31st March 2022: INR 4,309.03 Lacs) in escrow accounts for utilisation in the execution of a specific EPC contract.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**
**19. Bank balances other than cash and cash equivalents**

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Balances with banks		
On Unclaimed dividend account	69.85	67.48
On Unclaimed interest on fixed deposits	0.16	0.30
Other bank balances:		
On deposit account	16,433.68	16,885.15
On margin money account [Refer note below]	20,757.64	19,728.90
	<b>37,261.33</b>	<b>36,681.83</b>

**Note**

Margin money deposits with a carrying amount of INR 20,757.64 Lacs (31st March 2022: INR 19,728.90 Lacs) are subject to first charge to secure bank guarantees issued by banks on our behalf.

**20. Equity share capital**

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
<b>Authorised capital</b>		
17,000,000 (31st March 2022: 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 2022: 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 2023		As at 31st March 2022	
	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 2023		As at 31st March 2022	
	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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 20. Equity share capital (contd...)

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

Nil shares (Previous period of five years ended 31st March 2022: Nil 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 2023**

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%
Aankur Patni	295,293	2.08%	0.00%
Bimal Jain	417,223	2.93%	0.00%
Poonam Sharma	49,650	0.35%	0.00%
Aruna Sharma	107,895	0.76%	0.00%
Uma Ranganathan	179,037	1.26%	-1.36%
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%
Vishnu Gopal Ranganathan	185,537	1.30%	1.30%
Ion Exchange Financial Products Pvt. Ltd.	50,422	0.36%	0.00%
	<b>3,514,639</b>	<b>24.71%</b>	<b>-0.06%</b>

**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%
Aankur Patni	295,293	2.08%	0.00%
Bimal Jain	417,223	2.93%	0.00%
Poonam Sharma	49,650	0.35%	0.00%
Aruna Sharma	107,895	0.76%	0.00%
Uma Ranganathan	373,174	2.62%	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>3,523,239</b>	<b>24.77%</b>	<b>0.00%</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**
**21. Other equity**

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 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
<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	270.45	221.00
Add: Foreign currency translation profit during the year	47.76	49.45
(F)	318.21	270.45
<b>Retained earnings</b>		
Balance as at 1st April	55,199.58	40,266.88
Adjustment on change in investment in subsidiaries	(496.54)	-
Profit for the year	19,674.18	16,277.46
Other Comprehensive Income (OCI)	(256.86)	(159.24)
Appropriations		
- Dividend	(1,185.52)	(1,185.52)
(G)	72,934.84	55,199.58
<b>Treasury shares</b>		
Balance as at 1st April	(2,812.64)	(2,812.64)
(H)	(2,812.64)	(2,812.64)
<b>(A+B+C+D+E+F+G+H)</b>	<b>81,926.23</b>	<b>64,143.21</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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 21. Other equity (contd...)

**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 HML Shareholding (Staff Welfare) Trusts.

## b) Dividend on equity shares paid during the year (excluding for shares held by subsidiaries)

	31st March 2023 INR in Lacs	31st March 2022 INR in Lacs
Dividend [INR 10.00 per equity share (2021-22: INR 10.00 per equity share)]	1,422.88	1,422.88
Less: Dividend on treasury shares	(237.36)	(237.36)
	<b>1,185.52</b>	<b>1,185.52</b>

## 22. Borrowings

	Non-current		Current	
	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Term loans (Secured)				
Indian rupee loan from financial institution [Refer note (a) and (b) below]	889.00	-	375.00	313.83
Indian rupee loan from a bank [Refer note (c) and (d) below]	612.50	1,135.89	523.44	581.25
Indian rupee vehicle loan from banks and finance companies [Refer note (e) below]	66.06	36.19	33.75	51.29
	<b>1,567.56</b>	<b>1,172.08</b>	<b>932.19</b>	<b>946.37</b>
The above amount includes				
Secured borrowings	1,567.56	1,172.08	932.19	946.37
Unsecured borrowings	-	-	-	-
Amount included under the head Current liabilities - Borrowings (Refer note 27)	-	-	(932.19)	(946.37)
	<b>1,567.56</b>	<b>1,172.08</b>	<b>-</b>	<b>-</b>

## Notes

- (a) Indian rupees loan from financial institution for capital expenditure carries interest @ 10.05% 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 from financial institution for capital expenditure carries interest @ 8% 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 20 equal quarterly instalments with moratorium of 6 months from the date of actual commercial operation date.
- (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 10.95% 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% to 9.35% 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 @ 7.50% to 9.00% p.a. The loans are repayable within a period of 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 2023 (contd...)**

**23. Other financial liabilities - Non Current**

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Deposits	872.50	890.98
	<b>872.50</b>	<b>890.98</b>

**24. Provisions**

	Non-current		Current	
	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
	Provision for employee benefits (Refer note 43)	2,389.45	1,898.43	618.21
Provision for warranties	-	-	44.31	39.61
	<b>2,389.45</b>	<b>1,898.43</b>	<b>662.52</b>	<b>733.60</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 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
At the beginning of the year	39.61	27.13
Arising during the year	44.31	39.61
Utilised during the year	39.61	27.13
Unused amounts reversed	-	-
At the end of the year	44.31	39.61

**25. Other non-current liabilities**

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Others	50.75	50.75
	<b>50.75</b>	<b>50.75</b>

**26. Tax liabilities**

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Provision for income tax (Net)	591.70	1,501.28
	<b>591.70</b>	<b>1,501.28</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 27. Borrowings - Current

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Working capital loan from banks (Secured) [Refer notes (a) to (e) below]	1,876.65	2,078.43
Buyers credit with a financial institution (Secured) [Refer note (f) below]	814.02	15.67
Purchase Bill Discounting (Unsecured) [Refer note (g) below]	-	571.01
Inter-corporate deposits (Unsecured) [Refer note (h) below]	58.02	24.77
Current maturities of long term borrowings (Secured) (Refer note 22)	932.19	946.37
	<b>3,680.88</b>	<b>3,636.25</b>
The above amount includes		
Secured borrowings	3,622.86	3,040.47
Unsecured borrowings	58.02	595.78
	<b>3,680.88</b>	<b>3,636.25</b>

## Notes:

- (a) Includes working capital loan of INR 15.31 Lacs (31st March 2022: INR 31.51 Lacs) 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 @ 7.90% to 10.70% p.a.
- (b) Includes working capital loan of INR Nil (31st March 2022: 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 Nil (31st March 2022: INR 259.33 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 1,762.09 Lacs (31st March 2022: INR 1,787.59 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 99.24 Lacs (31st March 2022: INR Nil) 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 @ 8% to 9% p.a.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**

**28. Trade payables**

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Trade payables (including acceptances)		
- Total outstanding dues of micro and small enterprises (Refer note 57)	6,087.26	3,035.98
- Total outstanding dues of creditors other than micro and small enterprises	49,038.04	49,312.89
	<b>55,125.30</b>	<b>52,348.87</b>

**Trade payables ageing schedule**

**As at 31 March 2023**

	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	6,054.17	19.63	4.18	9.28	6,087.26
Total outstanding dues of creditors other than micro enterprises and small enterprises	47,059.08	131.41	623.93	674.06	48,488.48
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	231.66	0.23	4.44	15.98	252.31
Unbilled trade payables	297.25	-	-	-	297.25
	<b>53,642.16</b>	<b>151.27</b>	<b>632.55</b>	<b>699.32</b>	<b>55,125.30</b>

**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	1.62	3,035.98
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>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 29. Other financial liabilities - Current

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Interest accrued but not due	16.76	18.23
Employee benefits payable	3,095.37	2,559.37
Creditors for capital goods	851.77	591.83
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
- Unpaid dividend	69.85	67.48
- Unclaimed interest on fixed deposit	0.16	0.30
- Unclaimed matured deposit	0.65	1.40
	<b>4,034.56</b>	<b>3,238.61</b>

## 30. Other current liabilities

	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Advance from customers	19,534.57	21,515.27
Unearned revenue on construction contracts (Refer note 45)	17,607.30	6,680.87
Unearned revenue on AMC services	802.26	603.28
Statutory dues	2,254.90	1,549.44
Other liabilities	456.97	489.27
Deposits	51.01	11.05
	<b>40,707.01</b>	<b>30,849.18</b>

## 31. Revenue from operations

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
<b>Sale of products</b>		
Finished goods	120,980.57	110,677.76
Traded goods	13,557.02	8,443.32
<b>Sale of services</b>	63,322.25	37,380.19
<b>Other operating revenue</b>		
Scrap sale	499.83	371.41
Management fees	138.27	83.52
Other operating income	462.99	730.57
	<b>198,960.93</b>	<b>157,686.77</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 2023 (contd...)**

**32. Other income**

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
Interest income at amortised cost		
- From banks	2,245.28	1,790.41
- From others	570.43	424.68
Rent	182.77	153.91
Dividend income on investments	2.33	2.20
Exchange gain (Net)	646.58	697.21
Profit on fixed assets sold/discarded (Net)	-	21.49
Other non operating Income	459.40	1,071.77
Change in fair value of investments - Investments classified at FVTPL	0.05	7.91
	<b>4,106.84</b>	<b>4,169.58</b>

**33. Cost of materials consumed**

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
Inventory at the beginning of the year	6,465.24	3,909.00
Add: Purchases *	120,984.43	95,348.26
Less: Inventory at the end of the year	9,297.01	6,465.24
Cost of raw material and components consumed **	<b>118,152.66</b>	<b>92,792.02</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 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
Consumer products	6,234.21	3,522.52
Spares	701.77	751.20
Others	117.56	45.21
	<b>7,053.54</b>	<b>4,318.93</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 35. Change in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
<b>Inventories at the end of the year</b>		
Traded goods	1,641.41	1,134.08
Work-in-progress	2,981.96	1,906.84
Finished goods	6,483.00	7,397.32
Contract work-in-progress	591.89	310.48
(A)	<b>11,698.26</b>	<b>10,748.72</b>
<b>Inventories at the beginning 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)	<b>10,748.72</b>	<b>8,211.44</b>
(B)-(A)	<b>(949.54)</b>	<b>(2,537.28)</b>

## 36. Employee benefits expense

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
Salaries, wages and bonus	21,291.24	17,999.50
Contribution to provident and other funds (Refer note 43)	1,350.19	1,145.41
Staff welfare expense	984.94	758.61
	<b>23,626.37</b>	<b>19,903.52</b>

## 37. Finance costs

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
Interest expense financial liabilities measured at amortised cost	626.70	709.55
Interest on lease liabilities	145.37	161.74
Other borrowing costs	147.91	123.37
	<b>919.98</b>	<b>994.66</b>

## 38. Depreciation and amortisation expense

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
Depreciation of property, plant and equipment (Refer note 4)	2,073.23	1,980.81
Depreciation on right-of-use assets (Refer note 6)	770.71	759.66
Amortisation of intangible assets (Refer note 7)	64.73	63.80
	<b>2,908.67</b>	<b>2,804.27</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**
**39. Other expenses**

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
Stores and spare parts consumed	87.40	77.93
Power and fuel	2,493.62	2,145.50
Repairs and Maintenance - Buildings	123.82	121.94
- Plant and machinery	661.47	583.40
- Others	482.88	355.08
Rent (Net of recoveries)	456.57	422.95
Rates and taxes	821.29	510.74
Insurance (Net of recoveries)	344.57	320.37
Travelling and conveyance	3,924.18	2,760.24
Freight (Net of recoveries)	4,168.66	4,232.30
Packing (Net of recoveries)	2,056.31	1,995.41
Advertisement and publicity	1,194.96	733.26
Commission	444.86	350.34
Legal and professional charges	1,887.33	1,957.53
Telephone and telex	264.51	226.23
Bad debts written off	332.06	268.42
Less: Provision for doubtful debts utilised	-	80.14
	332.06	188.28
Provision for doubtful debts	-	141.41
Doubtful advances/Claims written off	170.22	66.00
Auditors' remuneration (Refer note 39.1)	75.38	56.94
Directors' fees	42.00	38.65
Directors' commission	256.00	175.00
Bank charges	285.15	272.31
Loss on fixed assets sold/discarded (Net)	30.38	-
Establishment and other miscellaneous expenses *	4,975.60	4,157.04
	<b>25,579.22</b>	<b>21,888.85</b>

\* Includes CSR expenditure of INR 356.06 Lacs (2021-22: INR 284.78 Lacs). Refer note 64.

**39.1 Auditors' remuneration (excluding taxes)**

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
As auditor:		
- Audit fees	47.75	28.75
- Tax audit fees	4.00	4.00
- Limited review	8.25	8.25
In other capacity:		
- Other services (Certification fees)	6.90	8.60
Reimbursement of expenses	3.98	3.09
Branch auditor		
- Audit fees	2.75	2.75
- Other services (Certification fees)	1.20	1.20
- Reimbursement of expenses	0.55	0.30
	<b>75.38</b>	<b>56.94</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 40. Tax expense

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
Current tax	6,467.63	5,887.47
Deferred tax	(93.96)	(323.19)
	6,373.67	5,564.28
<b>Reconciliation of tax expense</b>		
Profit before tax	25,776.87	21,691.38
Applicable tax rate	25.17%	25.17%
<b>Computed tax expense</b>	<b>(A) 6,488.04</b>	<b>5,459.72</b>
Adjustments for:		
Non-deductible tax expenses	45.31	75.15
Tax-exempt income	(14.95)	(7.95)
Corporate social responsibility expenditure	89.62	71.68
Deduction under house property	(19.88)	(17.82)
Subsidiaries chargeable at different rates	(9.53)	81.48
Deferred tax not recognised on losses and others	(204.94)	(97.98)
<b>Net adjustments</b>	<b>(B) (114.37)</b>	<b>104.56</b>
<b>Tax expense</b>	<b>(A+B) 6,373.67</b>	<b>5,564.28</b>

## 41. Other comprehensive income

	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
<b>Items that will not be reclassified to profit or loss</b>		
(a) Remeasurement benefit of defined benefit plans	(336.03)	(208.80)
(b) Income tax expense on remeasurement benefit of defined benefit plans	79.17	49.56
<b>Items that will be reclassified to profit or loss</b>		
(a) Movement in foreign currency translation reserve	90.57	58.91
	<b>(166.29)</b>	<b>(100.33)</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**
**42. Earnings per share (EPS)**

	Particulars	31st March 2023	31st March 2022
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)	19,674.18	16,277.46
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 Less: Treasury shares held by IEI Shareholding (Staff Welfare) Trusts and HMIL Shareholding (Staff Welfare) Trusts (Weighted average) No. of shares for basic earnings per share  B) For diluted earnings per share No. of shares for basic EPS Add: Weighted average outstanding employee stock options deemed to be issued for no consideration No. of shares for diluted earnings per share	14,228,785 2,373,614 11,855,171  11,855,171 - 11,855,171	14,228,785 2,373,614 11,855,171  11,855,171 - 11,855,171
III	Earnings per share in Rupees Basic (INR) Diluted (INR)	165.95 165.95	137.30 137.30

**43. Employee benefits**
**A. Gratuity**

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	2022-23	2021-22
I	<b>Change in defined benefit obligation</b>		
	Defined benefit obligation, Beginning of period	2,732.04	2,337.91
	Interest cost	163.68	133.07
	Service cost	204.99	183.33
	Liability transferred in / acquisitions	-	-
	Actual plan participants' contributions	-	-
	Total actuarial (gains)/losses	342.40	216.33
	a. Effect of change in financial assumptions	89.34	15.63
	b. Effect of change in demographic assumptions	37.55	(38.51)
	c. Experience (gains) / losses	215.51	239.21
	Changes in foreign currency exchange rates	-	-
	Acquisition / Business combination/divestiture	-	-
	Benefits paid	(195.92)	(138.59)
	Past service cost	-	-
	Losses / (gains) on curtailments / settlements	-	-
	Defined benefit obligation, end of period	3,247.19	2,732.04

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 43. Employee benefits (contd...)

INR in Lacs

	Particulars	2022-23	2021-22
<b>II</b>	<b>Change in the fair value of plan assets</b>		
	Fair value of plan assets at the beginning of the period	2,386.17	2,116.46
	Interest income	153.65	128.46
	Contributions by the employer	500.36	233.70
	Expected contributions by the employees	-	-
	Assets transferred in / acquisitions	-	-
	(Assets transferred out / divestments)	-	-
	(Benefit paid from the fund)	(193.98)	(99.97)
	(Assets distributed on settlements)	-	-
	Effects of asset ceiling	-	-
	The effect of changes in foreign exchange rates	-	-
	Return on plan assets, excluding interest income	6.37	7.53
	Fair value of plan assets at the end of the period	2,852.57	2,386.17
<b>III</b>	<b>Expenses recognised in the statement of profit or loss for current period</b>		
	Current service cost	204.99	183.33
	Net interest cost	10.03	4.61
	Past service cost	-	-
	(Expected contributions by the employees)	-	-
	(Gains) / Losses on curtailments and settlements	-	-
	Net effect of changes in foreign exchange rates	-	-
	Expenses recognised	215.01	187.93
<b>IV</b>	<b>Expenses recognised in the other comprehensive income (OCI) for current period</b>		
	Actuarial (gains) / losses on obligation for the period	341.73	216.33
	Return on plan assets, excluding interest income	(5.70)	(7.53)
	Change in asset ceiling	-	-
	Net (income) / expense for the period recognised in OCI	336.03	208.80
<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	558.64	634.27
	2nd following year	408.78	341.11
	3rd following year	459.86	371.15
	4th following year	322.40	306.98
	5th following year	331.78	255.54
	Sum of years 6 to 10	1,633.02	1,059.79
	Sum of years 11 and above	906.21	395.39
<b>VI</b>	<b>Sensitivity analysis</b>		
	Projected benefit obligation on current assumptions	3,247.19	2,732.04
	Delta effect of +0.5% change in rate of discounting	(77.02)	(53.64)
	Delta effect of -0.5% change in rate of discounting	81.15	56.79
	Delta effect of +0.5% change in rate of salary increase	80.76	57.31
	Delta effect of -0.5% change in rate of salary increase	(25.05)	(53.86)
	Delta effect of +0.5% change in rate of employee turnover	(9.71)	(4.16)
	Delta effect of -0.5% change in rate of employee turnover	10.07	4.28

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**

**43. Employee benefits (contd...)**

The group expects to contribute INR 201.71 Lacs (2022-23: INR 156.13 Lacs) to gratuity in 2023-24.

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	
		2022-23	2021-22
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 74.56 Lacs in the fund as on 31st March 2023 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	As at
	31st March 2023	31st March 2022
Present value of benefit obligation at period end	7,806.22	6,847.88

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 2023 (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 2023				As at 31st March 2022			
	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	451.99	-	451.99	-	453.96	-	453.96	-
Loans	-	-	-	-	-	-	-	-
Others	1,544.39	-	1,544.39	-	1,706.66	-	1,706.66	-
<b>At FVTPL</b>								
Investments *	469.90	-	469.90	-	436.73	-	436.73	-
<b>Financial assets - Current **</b>								
<b>At amortised cost</b>								
Trade receivables	69,679.25				50,770.05			
Cash and cash equivalents	17,535.55				16,907.74			
Bank balances other than above	37,261.33				36,681.83			
Loans	1,523.46				2,012.10			
Others	1,510.26				1,372.56			
<b>At FVTPL</b>								
Investments	31.71	31.71	-	-	31.66	31.66	-	-
<b>Financial liabilities - Non-current</b>								
<b>At amortised cost</b>								
Borrowings	1,567.56	-	1,567.56	-	1,172.08	-	1,172.08	-
Lease liabilities	341.48	-	341.48	-	290.22	-	290.22	-
Other financial liabilities	872.50	-	872.50	-	890.98	-	890.98	-
<b>Financial liabilities - Current **</b>								
Borrowings	3,680.88				3,636.25			
Lease liabilities	333.42				423.60			
Trade payables	55,125.30				52,348.87			
Other financial liabilities	4,034.56				3,238.61			

\* Excludes investments in associates amounting to INR 481.94 Lacs (31st March 2022: INR 397.71 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 2023 (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 maximise 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 2023 (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%.

<b>Particulars</b>	<b>Trade receivables INR in Lacs</b>
Balance as at 1st April 2021	1,947.91
Provision recognised	141.41
Amount utilised	80.14
Balance as at 31st March 2022	2,009.18
Provision recognised	-
Amount utilised	-
Balance as at 31st March 2023	2,009.18

**Cash and cash equivalents**

The group held cash and cash equivalents of INR 17,535.55 Lacs as at 31st March 2023 (as at 31st March 2022: INR 16,907.74 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 37,261.33 Lacs as at 31st March 2023 (as at 31st March 2022: INR 36,681.83 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 2023 (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 2023**

**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 **	2,499.75	2,791.12	1,103.69	1,662.56	24.87	-
(ii) Lease liabilities **	674.90	926.96	240.79	394.88	112.23	179.06
(iii) Other non current financial liabilities	872.50	872.50	-	-	-	872.50
<b>Current financial liabilities</b>						
(i) Short term borrowings	2,748.69	2,748.69	2,748.69	-	-	-
(ii) Trade payables	55,125.30	55,125.30	55,125.30	-	-	-
(iii) Other financial liabilities	4,034.56	4,034.56	4,034.56	-	-	-
	<b>65,955.70</b>	<b>66,499.13</b>	<b>63,253.03</b>	<b>2,057.44</b>	<b>137.10</b>	<b>1,051.56</b>

**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>

\* 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 2023 (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 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
<b>Fixed rate instruments</b>		
<b>Financial assets – measured at amortised cost</b>		
Loans to related parties	321.23	282.88
Balances with banks - On deposit account with original maturity less than 3 months	11,600.00	7,614.00
Other bank balances – On deposit account	16,433.68	16,885.15
Other bank balances – On margin money account	20,757.64	19,728.90
	<b>49,112.55</b>	<b>44,510.93</b>
<b>Financial liabilities – measured at amortised cost</b>		
Long term borrowing *	1,235.75	1,804.62
Short term borrowings	58.02	595.78
	<b>1,293.77</b>	<b>2,400.40</b>
<b>Variable rate loan</b>		
<b>Financial liabilities – measured at amortised cost</b>		
Long term borrowings *	1,264.00	313.83
Short term borrowings	2,690.67	2,094.10
	<b>3,954.67</b>	<b>2,407.93</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 2023		31st March 2022	
	Increase	Decrease	Increase	Decrease
	(-)	+	(-)	+
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs
1% Movement	(39.55)	39.55	(24.08)	24.08

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 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 2023 (contd...)**
**44. Financial instruments (contd...)**
Exposure to currency risk:

The currency profile of financial assets and financial liabilities as at 31st March 2023 and 31st March 2022 are as below:

**As at 31st March 2023**
**INR in Lacs**

	USD	EUR	SAR	AED	Others	Total
<b>Financial assets</b>						
Loans to subsidiaries	333.09	-	-	-	-	333.09
Cash and cash equivalents	313.95	-	-	333.44	276.02	923.41
Trade and other receivables	20,281.32	311.34	228.15	657.03	464.55	21,942.38
	<b>20,928.36</b>	<b>311.34</b>	<b>228.15</b>	<b>990.47</b>	<b>740.57</b>	<b>23,198.88</b>
Less: Forward exchange contracts	(2,848.82)	-	-	-	-	(2,848.82)
Less: Natural hedge	(5,919.01)	-	-	(990.47)	(461.96)	(7,371.44)
<b>Net exposure on financial assets</b>	<b>12,160.53</b>	<b>311.34</b>	<b>228.15</b>	<b>-</b>	<b>278.61</b>	<b>12,978.62</b>
<b>Financial liabilities</b>						
Trade and other payables	5,576.72	528.85	-	1,131.70	2,364.12	9,601.39
Borrowings	342.29	-	-	-	-	342.29
	<b>5,919.01</b>	<b>528.85</b>	<b>-</b>	<b>1,131.70</b>	<b>2,364.12</b>	<b>9,943.68</b>
Less: Forward exchange contracts	-	-	-	-	-	-
Less: Natural hedge	(5,919.01)	-	-	(990.47)	(461.96)	(7,371.44)
<b>Net exposure on Financial liabilities</b>	<b>-</b>	<b>528.85</b>	<b>-</b>	<b>141.23</b>	<b>1,902.16</b>	<b>2,572.24</b>
<b>Total net exposure</b>	<b>12,160.53</b>	<b>840.19</b>	<b>228.15</b>	<b>141.23</b>	<b>2,180.77</b>	<b>15,550.86</b>

**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>

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 2023		31st March 2022	
	(Strengthening)	Weakening	(Strengthening)	Weakening
<b>1% movement</b>				
USD	(121.61)	121.61	(151.58)	151.58
EUR	(8.40)	8.40	(5.58)	5.58
SAR	(2.28)	2.28	(0.04)	0.04
AED	(1.41)	1.41	(20.66)	20.66
Others	(21.81)	21.81	(31.22)	31.22
	<b>(155.51)</b>	<b>155.51</b>	<b>(209.08)</b>	<b>209.08</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (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:

Particulars	INR in Lacs	
	As at 31st March 2023	As at 31st March 2022
Receivables which are included in trade and other receivables	48,111.79	28,311.67
Contract assets		
- Accrued value of work done	4,032.45	Nil
Contract liabilities		
- Unearned revenue on construction contracts	17,607.30	6,680.87
- Advance from customers	14,608.12	16,554.08

- (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 2023	31st March 2022
Amount of Revenue expected to be recognised for contracts having original expected duration of more than one year in progress as at reporting date	289,111.00	221,613.00

- (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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**

**45. Disclosure as per Ind AS 115 (contd...)**

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.

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>2022-23</b>	<b>2021-22</b>
Revenue recognised	199,663.80	157,998.82
Less: Reduction towards variable consideration component *	702.87	312.05
<b>Revenue recognised in the statement of profit and loss</b>	<b>198,960.93</b>	<b>157,686.77</b>

\* Reduction towards variable consideration component includes discount etc.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 46. Segment

## I. Information about business segments

INR in Lacs

	Engineering		Chemicals		Consumer Products		Other Business		Unallocated		Total	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
<b>Revenue</b>												
External sales	120,916.75	90,285.11	58,597.51	53,659.35	19,307.87	13,655.64	-	-	138.80	86.67	198,960.93	157,686.77
Inter-segment sales	2,981.42	3,227.75	3,481.95	2,135.02	-	-	-	-	-	-	6,463.37	5,362.77
Total revenue	123,898.17	93,512.86	62,079.46	55,794.37	19,307.87	13,655.64	-	-	138.80	86.67	205,424.30	163,049.54
Less: Eliminations											(6,463.37)	(5,362.77)
Add : Interest income									2,815.71	2,215.09	2,815.71	2,215.09
Other income	963.99	1,187.05	154.06	380.26	0.06	40.62	57.28	46.45	115.74	300.11	1,291.13	1,954.49
Total enterprise revenue											203,067.77	161,856.35
<b>Result</b>												
Segment results	11,319.47	10,675.32	15,505.23	12,080.24	(230.71)	(361.69)	(132.38)	(76.63)	-	-	26,461.61	22,317.24
Unallocated expenditure net of unallocated income									(2,580.47)	(1,846.29)	(2,580.47)	(1,846.29)
Finance cost									(919.98)	(994.66)	(919.98)	(994.66)
Interest income									2,815.71	2,215.09	2,815.71	2,215.09
Profit before tax, before share of profit / (loss) of equity accounted investee									(684.74)	(625.86)	25,776.87	21,691.38
<b>Other Information</b>												
Segment assets	136,748.31	111,830.67	29,931.10	30,283.31	4,775.91	4,142.52	1,530.28	1,147.41	21,028.90	15,137.33	194,014.50	162,541.24
Segment liabilities	84,778.10	72,179.97	14,689.22	14,156.02	4,668.09	3,987.57	238.68	215.65	6,060.40	6,518.64	110,434.49	97,057.85
Capital expenditure	3,646.38	677.38	1,075.20	2,035.16	100.12	192.93	-	0.44	489.55	190.24	5,311.25	3,096.15
Depreciation	830.74	824.52	1,574.75	1,511.83	57.44	50.49	5.62	5.48	440.12	411.95	2,908.67	2,804.27
Non cash expenditure other than depreciation	381.86	1,209.50	737.24	537.21	181.20	141.81	67.61	67.26	(331.32)	(242.39)	1,036.59	1,713.39

## II. Information about geographical segments

INR in Lacs

	India		Outside India		Total	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
External revenue	152,453.78	110,082.97	46,507.15	47,603.80	198,960.93	157,686.77
Carrying amount of segment assets	166,528.60	130,526.06	27,485.90	32,015.18	194,014.50	162,541.24
Additions to property, plant and equipment	5,278.14	3,023.28	33.11	72.87	5,311.25	3,096.15

## III. Notes:

(a) The group's operations are organised 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 2023.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**

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

- |  |  |
|--|--|
| a) Associates  | Aquanomics Systems Ltd.<br>IEI Water-Tech (M) Sdn. Bhd., Malaysia * (Till 31st March 2022)<br>Ion Exchange PSS Co. Ltd., Thailand *<br>Ion Exchange Financial Products Pvt. Ltd. *   |
| b) Key management personnel  | Mr. Rajesh Sharma - Chairman & Managing Director<br>Mr. Dinesh Sharma - Executive Director<br>Mr. Aankur Patni - Executive Director  |
| c) Non-executive directors   | Dr. V. N. Gupchup<br>Mr. M. P. Patni<br>Mr. T. M. M. Nambiar<br>Mr. P. Sampathkumar<br>Mr. Abhiram Seth<br>Mr. Shishir Tamotia<br>Mrs. Kishori Udeshi<br>Mr. David Paul Rasquinha  |
| d) Relatives of key management personnel   | Mr. M. P. Patni - Father of Mr. Aankur Patni<br>Mr. Bimal Jain - Brother of Mr. M. P. Patni<br>Mrs. Nirmala Patni - Mother of Mr. Aankur Patni<br>Mrs. Aruna Sharma - Wife of Mr. Rajesh Sharma<br>Mrs. Poonam Sharma - Wife of Mr. Dinesh Sharma<br>Mrs. Nidhi Patni - Wife of Mr. Aankur Patni<br>Ms. Pallavi Sharma - Daughter of Mr. Rajesh Sharma<br>Mrs Anita Jain - Wife of Mr. Bimal Jain<br>Mrs. Rajkumari Nambiar - Wife of Mr. T. M. M. Nambiar |
| e) Enterprise owned or significantly influenced by key management personnel or their relatives | Ion Foundation<br>Ultrafresh Modular Solutions Ltd.<br>Ultrapure Envirocare Pvt. Ltd.<br>Rockmen Merchants Ltd.  |
| f) Post-employment benefit plans   | Ion Exchange (India) Ltd.'s Provident Institution<br>Ion Exchange (India) Ltd.'s Management Staff Gratuity Fund<br>Ion Exchange Staff Superannuation Scheme<br>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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Sale of goods *</b>						
Aquanomics Systems Ltd.	10,935.30	6,145.87	-	-	10,935.30	6,145.87
Ion Exchange PSS Co. Ltd., Thailand	106.97	99.58	-	-	106.97	99.58
Ion Foundation	-	-	-	1.47	-	1.47
<b>Total</b>	<b>11,042.27</b>	<b>6,245.45</b>	<b>-</b>	<b>1.47</b>	<b>11,042.27</b>	<b>6,246.92</b>
<b>Management fees</b>						
Aquanomics Systems Ltd.	138.27	83.52	-	-	138.27	83.52
<b>Total</b>	<b>138.27</b>	<b>83.52</b>	<b>-</b>	<b>-</b>	<b>138.27</b>	<b>83.52</b>
<b>Purchase of goods *</b>						
Aquanomics Systems Ltd.	211.29	139.92	-	-	211.29	139.92
Ion Exchange PSS Co. Ltd., Thailand	-	21.55	-	-	-	21.55
<b>Total</b>	<b>211.29</b>	<b>161.47</b>	<b>-</b>	<b>-</b>	<b>211.29</b>	<b>161.47</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Rental income</b>						
Ultrafresh Modular Solutions Ltd.	-	-	50.10	32.42	50.10	32.42
Ultrapure Envirocare Pvt. Ltd.	-	-	6.75	-	6.75	-
<b>Total</b>	-	-	<b>56.85</b>	<b>32.42</b>	<b>56.85</b>	<b>32.42</b>
<b>Loans and advances given</b>						
Ion Exchange PSS Co. Ltd., Thailand	96.14	135.94	-	-	96.14	135.94
<b>Total</b>	<b>96.14</b>	<b>135.94</b>	-	-	<b>96.14</b>	<b>135.94</b>
<b>Loans and advances repaid</b>						
Ion Exchange PSS Co. Ltd., Thailand	60.76	77.42	-	-	60.76	77.42
Ion Exchange Financial Product Pvt Ltd	3.50	7.00	-	-	3.50	7.00
<b>Total</b>	<b>64.26</b>	<b>84.42</b>	-	-	<b>64.26</b>	<b>84.42</b>
<b>Dividend paid</b>						
Aquanomics Systems Ltd.	0.10	0.10	-	-	0.10	0.10
Ion Exchange Financial Products Pvt. Ltd.	5.04	5.04	-	-	5.04	5.04
Mr. Rajesh Sharma	-	-	82.50	82.50	82.50	82.50
Mr. Dinesh Sharma	-	-	63.23	63.23	63.23	63.23
Mr. Aankur Patni	-	-	29.53	29.53	29.53	29.53
Mr. M. P. Patni	-	-	75.55	75.55	75.55	75.55
Dr. V. N. Gupchup	-	-	11.11	11.11	11.11	11.11
Mr. Abhiram Seth	-	-	15.48	15.48	15.48	15.48
Mr. T. M. M. Nambiar	-	-	8.32	8.32	8.32	8.32
Mr. P. Sampath Kumar	-	-	5.82	5.82	5.82	5.82
Mr. Shishir Tamotia	-	-	0.23	0.23	0.23	0.23
Mrs. Kishori Udeshi	-	-	0.36	0.36	0.36	0.36
Relatives of Key Management Personnel	-	-	58.61	58.61	58.61	58.61
<b>Total</b>	<b>5.14</b>	<b>5.14</b>	<b>350.74</b>	<b>350.74</b>	<b>355.88</b>	<b>355.88</b>
<b>Remuneration to directors</b>						
Mr. Rajesh Sharma	-	-	514.92	513.86	514.92	513.86
Mr. Dinesh Sharma	-	-	223.77	223.96	223.77	223.96
Mr. M. P. Patni	-	-	104.54	99.71	104.54	99.71
Mr. Aankur Patni	-	-	223.80	226.54	223.80	226.54
<b>Total</b>	-	-	<b>1,067.03</b>	<b>1,064.07</b>	<b>1,067.03</b>	<b>1,064.07</b>
<b>Commission to executive directors</b>						
Mr. Rajesh Sharma	-	-	300.00	150.00	300.00	150.00
Mr. Dinesh Sharma	-	-	150.00	75.00	150.00	75.00
Mr. Aankur Patni	-	-	150.00	75.00	150.00	75.00
<b>Total</b>	-	-	<b>600.00</b>	<b>300.00</b>	<b>600.00</b>	<b>300.00</b>
<b>Director sitting fees</b>						
Mr. Rajesh Sharma	-	-	1.35	1.25	1.35	1.25
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	-	-	4.00	3.75	4.00	3.75
Dr. V. N. Gupchup	-	-	7.25	6.80	7.25	6.80
Mr. T. M. M. Nambiar	-	-	5.85	5.85	5.85	5.85
Mr. P. Sampath Kumar	-	-	3.25	3.25	3.25	3.25
Mr. Abhiram Seth	-	-	6.90	6.20	6.90	6.20
Mr. Shishir Tamotia	-	-	3.25	3.25	3.25	3.25
Mrs. Kishori Udeshi	-	-	3.35	4.35	3.35	4.35
Mr. David Paul Rasquinha	-	-	2.75	-	2.75	-
<b>Total</b>	-	-	<b>40.45</b>	<b>37.20</b>	<b>40.45</b>	<b>37.20</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Directors commission</b>						
Mr. Mahabir Prasad Patni	-	-	32.00	25.00	32.00	25.00
Dr. V. N. Gupchup	-	-	32.00	25.00	32.00	25.00
Mr. T. M. M. Nambiar	-	-	32.00	25.00	32.00	25.00
Mr. P. Sampath Kumar	-	-	32.00	25.00	32.00	25.00
Mr. Abhiram Seth	-	-	32.00	25.00	32.00	25.00
Mr. Shishir Tamotia	-	-	32.00	25.00	32.00	25.00
Mrs. Kishori Udeshi	-	-	32.00	25.00	32.00	25.00
Mr. David Paul Rasquinha	-	-	32.00	-	32.00	-
<b>Total</b>	-	-	<b>256.00</b>	<b>175.00</b>	<b>256.00</b>	<b>175.00</b>
<b>CSR expenses</b>						
Ion Foundation	-	-	350.58	279.58	350.58	279.58
<b>Total</b>	-	-	<b>350.58</b>	<b>279.58</b>	<b>350.58</b>	<b>279.58</b>
<b>Purchase of group companies shares during the year</b>						
Mr. Rajesh Sharma	-	-	2.27	-	2.27	-
Mr. Dinesh Sharma	-	-	3.61	-	3.61	-
Rockmen Merchants Limited	-	-	108.74	-	108.74	-
Mr. Mahabir Prasad Patni	-	-	2.27	-	2.27	-
Mr. Aankur Patni	-	-	2.91	-	2.91	-
Mrs. Nirmala Patni	-	-	1.00	-	1.00	-
Mrs. Nidhi Patni	-	-	0.84	-	0.84	-
Mrs. Poonam Sharma	-	-	0.91	-	0.91	-
Mrs. Aruna Sharma	-	-	0.91	-	0.91	-
Mrs. Anita Jain	-	-	0.61	-	0.61	-
Dr. V. N. Gupchup	-	-	2.27	-	2.27	-
Mr. T. M. M. Nambiar	-	-	0.91	-	0.91	-
Mrs. Rajkumari Nambiar	-	-	1.36	-	1.36	-
Mr. P. Sampat Kumar	-	-	2.27	-	2.27	-
Mr. Bimal Jain	-	-	0.80	-	0.80	-
<b>Total</b>	-	-	<b>131.68</b>	-	<b>131.68</b>	-
<b>Contribution to post-employment benefit plans</b>						
Ion Exchange (India) Ltd.'s Provident Institution	-	-	267.53	230.38	267.53	230.38
Ion Exchange (India) Ltd.'s Management Staff Gratuity Fund	-	-	439.43	173.49	439.43	173.49
Ion Exchange Staff Superannuation Scheme	-	-	135.77	134.14	135.77	134.14
Ion Exchange India Ltd. – Gratuity Fund Trust	-	-	19.63	32.49	19.63	32.49
<b>Total</b>	-	-	<b>862.36</b>	<b>570.50</b>	<b>862.36</b>	<b>570.50</b>
<b>Outstanding loans and advances</b>						
Ion Exchange Financial Products Pvt. Ltd.**	9.00	12.50	-	-	9.00	12.50
Ion Exchange PSS Co. Ltd.	321.23	282.88	-	-	321.23	282.88
<b>Total</b>	<b>330.23</b>	<b>295.38</b>	-	-	<b>330.23</b>	<b>295.38</b>
<b>Outstanding receivables (Net of payables) excluding loans and advances</b>						
Aquanomics Systems Ltd.	5,510.11	2,209.58	-	-	5,510.11	2,209.58
IEI Water Tech (M) Sdn. Bhd., Malaysia	-	3.54	-	-	-	3.54
Ion Exchange PSS Co. Ltd., Thailand	-	235.71	-	-	-	235.71
<b>Total</b>	<b>5,510.11</b>	<b>2,448.83</b>	-	-	<b>5,510.11</b>	<b>2,448.83</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Outstanding payables (Net of receivables) excluding loans and advances</b>						
Ion Exchange PSS Co. Ltd., Thailand	47.43	-	-	-	47.43	-
<b>Total</b>	<b>47.43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47.43</b>	<b>-</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>-</b>	<b>-</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.

## 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 the 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 had dismissed IEEFL's appeal on 26th February 2013. IEEFL in order to comply with SAT order dated 5th May 2006 has 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 & letters submitted to SEBI.

Subsequent to SEBI order of 30th December 2015, for closer 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 has requested permission to wind up the scheme in terms of rule 73(1) to (9) of CIS Regulation as it has completed all obligations towards the investors, i.e., sale of lands and development and maintain the lands then after as per the agreements.

As SEBI refused to accede to IEEFL's request has preferred a fresh appeal at Securities Appellate Tribunal (SAT) on 9th February 2017 no (1) 40 Of 2017 - citing practical difficulties in execution of the SEBI order to 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. The 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 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, which were submitted through their advocate vide letter dated 12th July 2022. Thereafter SEBI has appointed forensic auditor who is examining the documents and records of the IEEFL in order to submit his report to SEBI. Further the queries of the said auditor have been addressed by IEEFL's counsel.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**

**48. (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 (Quepam) of IEEFL and Recovering the Dues however 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 64.46 Lacs (31st March 2022: INR 131.48 Lacs) as future returns from crop sales and sale of land will be available to recover the same.

**50. Security deposit for land INR 237.63 Lacs (31st March 2022: 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 2023. 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 2022: 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 157.09 Lacs (2021-22: INR 219.76 Lacs). Revenue expenditure of INR 987.23 Lacs (2021-22: INR 901.32 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:

	<b>31st March 2023</b> <b>INR in Lacs</b>	<b>31st March 2022</b> <b>INR in Lacs</b>
Within one year	138.60	167.79
After one year but not more than five years	53.60	130.62
More than five years	Nil	Nil

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 54. Right-of-use assets

The break-up of lease expenses are as follows

Particulars	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
Short-term lease expense	322.65	318.18
Low value lease expense	-	-
<b>Total lease expenses</b>	<b>322.65</b>	<b>318.18</b>

The break-up of cash outflow on leases are as follows

Particulars	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
Repayment of lease liabilities	497.50	656.52
Interest on lease liabilities	145.37	161.74
Short-term lease expense	322.65	318.18
Low value lease expense	-	-
<b>Total cash outflow on leases</b>	<b>965.52</b>	<b>1,136.44</b>

The break-up of current and non-current lease liabilities are as follows

Particulars	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Current lease liabilities	333.42	423.60
Non-current lease liabilities	341.48	290.22
<b>Total</b>	<b>674.90</b>	<b>713.82</b>

The movement in lease liabilities

Particulars	Year ended 31st March 2023 INR in Lacs	Year ended 31st March 2022 INR in Lacs
Balance at the beginning	713.82	1,094.22
Additions	471.67	315.14
Finance cost accrued during the period	145.37	161.74
Deletions	(3.61)	(38.03)
Payment of lease liabilities	(642.87)	(818.26)
Translation difference	(9.48)	(0.99)
Balance at the end	<b>674.90</b>	<b>713.82</b>

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows

Particulars	As at 31st March 2023 INR in Lacs	As at 31st March 2022 INR in Lacs
Less than one year	240.79	116.50
One to five year	507.11	763.95
More than five year	179.06	138.84
<b>Total</b>	<b>926.96</b>	<b>1,019.29</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 525.72 Lacs (31st March 2022: INR 662.58 Lacs).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**

**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 2022: INR 1,100.00 Lacs)
  - ii) Others – INR 38.88 Lacs (31st March 2022: 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 2022: INR 7.66 Lacs)
  - ii) Excise duty – INR 24.58 Lacs (31st March 2022: INR 24.58 Lacs)
  - iii) Service tax – INR 474.88 Lacs (31st March 2022: INR 236.91 Lacs)
  - iv) Sales tax / VAT – INR 974.46 Lacs (31st March 2022: INR 1,480.57 Lacs)
- (c) Claims against the group arising in the course of business not acknowledged as debts (to the extent ascertainable) INR 3,808.66 Lacs (31st March 2022: INR 2,918.21 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.

**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)**

	<b>31st March 2023</b> INR in Lacs	<b>31st March 2022</b> 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>5,946.42</b>	<b>2,920.39</b>
Interest due on above	27.53	30.99
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.	0.34	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	<b>140.84</b>	<b>115.59</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.	-	-

- 58.** Capital advance includes amount of INR 25.33 Lacs (31st March 2022: 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 59. Equity accounted Investees

Information of interest of the group in its equity accounted investees:

	Note reference	Carrying cost	
		31st March 2023 INR in Lacs	31st March 2022 INR in Lacs
Interest in Associates	See Note (A) below	481.94	397.71

**[A] Interest in associates**

(I) List of material associates of the group

Sr No	Name	Country of Incorporation	31st March 2023	31st March 2022
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 2023 INR in Lacs	31st March 2022 INR in Lacs
Percentage ownership interest	48.42%	48.42%
<b>Summarised financial information (Net of consolidated adjustments)</b>		
Non-current assets	267.28	227.19
Current assets (Excluding cash and cash equivalent)	6,385.24	2,977.09
Cash and cash equivalent	592.40	532.56
Non Current liabilities	(125.36)	(161.80)
Current liabilities (Current liabilities other than trade payables and other current liabilities)	(67.57)	(169.37)
Trade payables and other current liabilities	(6,056.69)	(2,584.32)
<b>Net assets</b>	<b>995.30</b>	<b>821.35</b>
<b>Groups share of net assets</b>	<b>481.94</b>	<b>397.71</b>
<b>Carrying amount of interest in associates</b>	<b>481.94</b>	<b>397.71</b>

	Aquanomics Systems Limited	
	2022-23 INR in Lacs	2021-22 INR in Lacs
Revenue	13,982.28	8,663.14
Depreciation and amortisation	63.47	66.95
Interest expense	27.41	24.69
Income tax expense	61.53	23.24
Other Comprehensive Income	0.87	0.40
<b>Total comprehensive income</b>	<b>173.94</b>	<b>77.48</b>
<b>Groups share of profit / (loss)</b>	<b>84.23</b>	<b>37.52</b>
<b>Consolidated adjustments / Prior period adjustments</b>	<b>9.20</b>	<b>4.15</b>
<b>Groups share of OCI</b>	<b>-</b>	<b>-</b>
<b>Groups share of total comprehensive Income</b>	<b>93.43</b>	<b>41.67</b>
<b>Dividend received from the associate</b>	<b>9.20</b>	<b>-</b>

Contingent liabilities in respect of associates

	2022-23 INR in Lacs	2021-22 INR in Lacs
Contingent liabilities – VAT / Central sales tax	51.19	615.48
Contingent liabilities – Income tax	26.86	26.86

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

### 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 2023	31st March 2022
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%
4	Ion Exchange Enviro Farms Ltd.	India	20.40%	20.40%
5	Ion Exchange Projects and Engineering Ltd.	India	0.42%	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%
11	Ion Exchange Europe LDA	Portugal	0.02%	-

The following table comprises the information relating to each of the groups subsidiaries that has material NCI, before any intra group eliminations.

31st March 2023

INR in Lacs

Particulars	Ion Exchange And Co LLC - Oman *	Ion Exchange Safic Pty Ltd. *	Ion Exchange Enviro Farms Ltd.	Ion Exchange Arabia For Water
NCI percentage	49.00%	40.00%	20.40%	40.00%
Non current assets	434.55	53.14	1,022.87	5.17
Current assets	1,382.77	957.05	13.20	248.01
Non current liabilities	(77.49)	-	(4,156.05)	-
Current liabilities	(534.63)	(1,136.88)	(1,817.63)	(384.97)
Net assets	1,205.20	(126.69)	(4,937.61)	(131.78)
<b>Net assets attributable to NCI</b>	<b>590.55</b>	<b>(50.68)</b>	<b>(1,007.27)</b>	<b>(52.71)</b>
Revenue	2,302.45	2,043.24	157.17	721.54
Profit/(Loss)	60.74	58.34	(532.45)	(233.35)
Other comprehensive income	99.07	22.18	(0.40)	(36.57)
Total comprehensive income	<b>159.80</b>	<b>80.52</b>	<b>(532.85)</b>	<b>(269.92)</b>
<b>Profit / (Loss) allocated to NCI</b>	<b>29.76</b>	<b>23.34</b>	<b>(108.70)</b>	<b>(93.34)</b>
<b>OCI allocated to NCI</b>	<b>48.54</b>	<b>8.88</b>	<b>(0.08)</b>	<b>(14.63)</b>
<b>Total comprehensive income allocated to NCI</b>	<b>78.30</b>	<b>32.22</b>	<b>(108.78)</b>	<b>(107.77)</b>
Cash flow from operating activities	(148.90)	(527.63)	67.59	(347.18)
Cash flow from investing activities	(82.13)	(2.77)	-	5.60
Cash flow from financing activities	(99.05)	499.69	(67.59)	359.25
<b>Net increase /(decrease) in cash and cash equivalents</b>	<b>(330.08)</b>	<b>(30.71)</b>	<b>-</b>	<b>17.67</b>
<b>Dividends paid to Non-controlling interest</b>	<b>45.80</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Adapted as per Ind AS for consolidation.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

## 60. Non-controlling interests (contd....)

31st March 2022

INR in Lacs

Particulars	Ion Exchange And Co LLC - Oman *	Ion Exchange Safic Pty Ltd. *	Global Composites And Structurals 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>	(180.46)	<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>	<b>28.32</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Adapted as per Ind AS for consolidation

Aggregate carrying amount of individually immaterial

INR in Lacs

	31st March 2023	31st March 2022
Aggregate amount of NCI's share of profits/loss	(28.50)	(64.19)
Aggregate amount of NCI's share of other comprehensive income	0.10	(2.35)
Aggregate amount of NCI's share of total comprehensive income	(28.40)	(66.54)

## 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 2023 (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-2023		As at 31-Mar-2022	
	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	321.23	100%	282.88	100%

### 64. Corporate Social Responsibility expenses (CSR):

- A. Gross amount required to be spent by the group during the year INR 356.06 Lacs (2021-22: INR 284.78 Lacs)  
 B. Amount approved by the board to spent during the year INR 356.06 Lacs (2021-22: INR 284.78 Lacs)  
 C. Amount spent during the year ending 31st March 2023:

		INR in Lacs		
		In cash	Yet to be paid in cash	Total
(i)	Construction / Acquisition of any assets	-	-	-
(ii)	Purpose other than (i) above	356.06	-	356.06
	<b>Total</b>	<b>356.06</b>	<b>-</b>	<b>356.06</b>

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
	<b>Total</b>	<b>284.78</b>	<b>-</b>	<b>284.78</b>

- D. Shortfall at the end of the year: INR Nil (31st March 2022 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 350.58 Lacs (2021-22: INR 279.58 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 (2021-22: INR Nil)

## 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 2023

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 consolidated total comprehensive income	Amount INR in Lacs
Ion Exchange (India) Limited	India	93.15	93,748.61	95.15	18,471.67	(3.56)	(235.37)	70.10	18,236.30
<b>Subsidiaries</b>									
1 Ion Exchange Enviro Farms Ltd.	India	(4.91)	(4,937.61)	(2.74)	(532.45)	(0.01)	(0.40)	(2.05)	(532.85)
2 Watercare Investments (India) Ltd.	India	5.86	5,897.72	0.12	24.05	43.67	2,883.46	11.18	2,907.51
3 Aqua Investments (India) Ltd.	India	8.06	8,109.19	0.17	31.99	60.22	3,975.81	15.41	4,007.80
4 Ion Exchange Asia Pacific Pte. Ltd.	Singapore	0.29	293.20	0.06	10.59	-	-	0.04	10.59
5 Ion Exchange Asia Pacific (Thailand) Ltd.	Thailand	(0.66)	(660.18)	0.02	4.52	-	-	0.02	4.52
6 PT Ion Exchange Asia Pacific	Indonesia	-	3.29	-	0.35	-	-	-	0.35
7 IEI Environmental Management (M) Sdn. Bhd.	Malaysia	(0.36)	(365.26)	(0.40)	(76.80)	-	-	(0.30)	(76.80)
8 Ion Exchange Environment Management (BD) Ltd.	Bangladesh	0.33	329.81	0.22	42.30	-	-	0.16	42.30
9 Ion Exchange WTS (Bangladesh) Ltd.	Bangladesh	(0.01)	(5.26)	-	(0.37)	-	-	-	(0.37)
10 Ion Exchange LLC	USA	1.27	1,281.16	2.02	392.58	-	-	1.51	392.58
11 Ion Exchange And Company LLC *	Oman	1.20	1,205.20	0.31	60.74	-	-	0.23	60.74
12 Ion Exchange Projects And Engineering Ltd.	India	(0.37)	(369.95)	3.93	761.90	(0.34)	(22.16)	2.84	739.74
13 Global Composites And Structural Ltd.	India	(2.45)	(2,465.66)	(1.10)	(212.78)	-	-	(0.82)	(212.78)
14 Total Water Management Services (India) Ltd.	India	0.08	82.65	0.05	9.50	-	-	0.04	9.50
15 Ion Exchange Safic Pty. Ltd.	South Africa	(0.13)	(126.69)	0.34	66.77	-	-	0.26	66.77
16 Ion Exchange Purified Drinking Water Pvt. Ltd.	India	0.39	389.06	1.23	238.53	-	-	0.92	238.53
17 Ion Exchange Environment Management Ltd.	India	(1.72)	(1,744.85)	1.31	254.72	0.02	1.07	0.98	255.79
18 Ion Exchange Arabia For Water	Saudi Arabia	(0.13)	(131.78)	(1.20)	(233.35)	-	-	(0.90)	(233.35)
19 Ion Exchange Europe LDA	Portugal	0.11	109.46	0.51	97.87	-	-	0.38	97.87
		<b>100.00</b>	<b>100,642.11</b>	<b>100.00</b>	<b>19,412.33</b>	<b>100.00</b>	<b>6,602.41</b>	<b>100.00</b>	<b>26,014.74</b>
a) Adjustment arising out of consolidation			(17,062.10)		(9.13)		(6,859.27)		(6,868.40)
b) Movement in foreign currency translation reserve							90.57		90.57
c) Share in profit / (loss) of associates					93.43		-		93.43
<b>Total</b>			<b>83,580.01</b>		<b>19,496.63</b>		<b>(166.29)</b>		<b>19,330.34</b>

\* Adapted as per Ind AS for Consolidation

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)**

**66. Details of transactions with companies struck off**

Name of Struck off Company	Nature of Transaction with Struck off Company	Balance Outstanding		Relationship with the Struck off company, if any to be disclosed
		As at 31 March 2023 INR in Lacs	As at 31 March 2022 INR in Lacs	
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	5.13	Not applicable
Samay Tiles Ltd.	Receivables	0.63	0.63	Not applicable
Sea-Bird Engineers Pvt. Ltd.	Payables	-	0.05	Not applicable
Siemac Controls Pvt. Ltd.	Payables	0.37	0.37	Not applicable
Steelmen Infratech Pvt. Ltd.	Payables	7.20	7.20	Not applicable
Mahi Techno Systems Pvt. Ltd.	Payable	-	-	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 70, 71 and 72.

**69.** 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.

**70. Dividends**

	31st March 2023 INR in Lacs	31st March 2022 INR in Lacs
Proposed dividends on equity shares (excluding for shares held by subsidiaries)		
For the year 2022-23 - INR 12.50 per share having face value of INR 10 each	1,778.60	-
For the year 2021-22 - INR 10.00 per share having face value of INR 10 each	-	1,422.88
Less: Dividend on treasury shares	(296.70)	(237.36)
	<b>1,481.90</b>	<b>1,185.52</b>

Proposed dividends on equity shares are subject to the approval at the annual general meeting and are not recognised as a liability as at 31st March.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2023 (contd...)

**71. Split of shares**

The board of directors and the shareholders of the company has approved the sub-division / stock split of 1 equity share of face value of INR 10.00 each into 10 equity Shares of face value of INR 1.00 each. The record date has been fixed as 12th June 2023.

**72. Amalgamation**

- (a) The board of directors has on 3rd February 2023, approved a scheme of amalgamation between Global Composites And Structural Limited and Ion Exchange Environment Management Limited with Ion Exchange (India) Limited with appointed date as 1st April 2023, subject to approval from regulatory or administrative authority.
- (b) The board of directors has on 23rd March 2023, approved a scheme of amalgamation between Ion Exchange Projects And Engineering Limited with Ion Exchange (India) Limited with appointed date as 1st April 2023, subject to approval from regulatory or administrative authority.

As per our report of even date attached

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

Glenn D'souza  
Partner  
Membership no.: 112554

Place : Mumbai  
Date : 26th May 2023

For and on behalf of the board of directors of  
ION EXCHANGE (INDIA) LIMITED  
CIN - L74999MH1964PLC014258

RAJESH SHARMA  
Chairman & Managing Director  
DIN - 00515486

VASANT NAIK  
Chief Financial Officer

M. P. PATNI  
Director  
DIN - 00515553

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 26th May 2023

**FORM AOC - 1**  
[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rule, 2014]  
**Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures**

**Part A : Subsidiaries**

Sr. no.	Name of the subsidiary	The date since when subsidiary	Financial year ending on	Country of incorporation	Reporting currency	Exchange rate as at 31.03.2023	Equity Share capital	Other Equity	Total assets	Total liabilities	Investments (including investments in holding company, subsidiaries and associates)	Total income (including other income)	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Other comprehensive income	Total comprehensive income	Proposed dividend (including dividend already paid, if any)	% of share-holding
1	Ion Exchange Enviro Farms Ltd.	21.08.1997	31.03.2023	India	INR	1.00	69.47	(5,007.08)	1,036.07	5,973.68	-	157.17	(532.45)	-	(532.45)	(0.40)	(532.85)	-	79.60
2	Watercare Investments (India) Ltd.	01.04.1999	31.03.2023	India	INR	1.00	178.02	5,719.70	6,498.93	601.21	6,281.66	32.71	32.08	8.03	24.05	2,883.46	2,907.51	-	99.43
3	Aqua Investments (India) Ltd.	01.04.1999	31.03.2023	India	INR	1.00	177.02	7,932.17	8,938.14	828.95	8,661.19	43.38	42.64	10.65	31.99	3,975.81	4,007.80	-	99.42
4	Ion Exchange Asia Pacific Pte. Ltd.	12.08.2004	31.03.2023	Singapore	USD	82.21690	1,625.46	(1,332.26)	2,747.87	2,454.67	141.82	953.73	10.59	-	10.59	-	10.59	-	100.00
5	Ion Exchange Asia Pacific (Thailand) Ltd. *	12.04.2007	31.03.2023	Thailand	THB	2.40352	96.14	(756.32)	823.16	1,483.34	-	289.10	4.52	-	4.52	-	4.52	-	100.00
6	PT Ion Exchange Asia Pacific *	01.08.2017	31.03.2023	Indonesia	IDR	0.00548	137.07	(133.78)	691.94	688.65	-	603.50	0.35	-	0.35	-	0.35	-	95.00
7	IEI Environmental Management (M) Sdn. Bhd.	11.03.2004	31.03.2023	Malaysia	MYR	18.60563	46.51	(411.77)	67.29	432.55	-	38.31	(92.05)	(15.25)	(76.80)	-	(76.80)	-	100.00
8	Ion Exchange Environment Management (BD) Ltd.	01.04.2006	31.03.2023	Bangladesh	BDT	0.75820	42.35	287.46	819.52	489.71	-	1,213.83	76.62	34.32	42.30	-	42.30	-	100.00
9	Ion Exchange WTS (Bangladesh) Ltd.	31.01.2010	31.03.2023	Bangladesh	BDT	0.75820	20.83	(26.09)	-	5.26	-	-	(0.37)	-	(0.37)	-	(0.37)	-	100.00
10	Ion Exchange LLC	01.03.2007	31.03.2023	USA	USD	82.21690	575.52	705.64	3,589.19	2,308.03	-	5,361.17	520.10	127.52	392.58	-	392.58	-	100.00
11	Ion Exchange And Company LLC	01.08.2006	31.03.2023	Oman	OMR	212.71711	638.15	567.05	1,810.91	605.71	397.60	2,302.45	38.57	5.27	33.30	-	33.30	93.48	51.00
12	Ion Exchange Projects And Engineering Ltd.	11.04.2011	31.03.2023	India	INR	1.00	1,521.52	(1,891.47)	1,300.57	1,670.52	9.84	4,198.24	761.90	-	761.90	(22.16)	739.74	-	99.58
13	Global Composites And Structural Ltd.	29.03.2012	31.03.2023	India	INR	1.00	293.55	(2,759.21)	641.45	3,107.11	5.00	487.98	(212.82)	(0.04)	(212.78)	-	(212.78)	-	100.00
14	Total Water Management Services (India) Ltd.	01.04.2012	31.03.2023	India	INR	1.00	10.89	71.76	86.40	3.75	-	32.13	16.41	6.91	9.50	-	9.50	-	70.19
15	Ion Exchange Safic Ply. Ltd.	01.07.2012	31.03.2023	South Africa	ZAR	4.61536	0.09	(126.78)	1,010.19	1,136.88	-	2,040.42	66.32	(0.45)	66.77	-	66.77	-	60.00
16	Ion Exchange Purified Drinking Water Pvt. Ltd.	25.09.2013	31.03.2023	India	INR	1.00	1.00	388.06	1,357.48	968.42	-	1,922.95	343.91	105.38	238.53	-	238.53	-	100.00
17	Ion Exchange Environment Management Ltd.	20.08.2018	31.03.2023	India	INR	1.00	500.00	(2,244.85)	60.83	1,805.68	-	1,267.55	254.72	-	254.72	1.07	255.79	-	100.00
18	Ion Exchange Arabia For Water	20.11.2019	31.03.2023	Saudi Arabia	SAR	21.87858	437.57	(569.35)	253.18	384.96	-	721.54	(233.35)	-	(233.35)	-	(233.35)	-	60.00
19	Ion Exchange Europe LDA	13.05.2022	31.03.2023	Portugal	EUR	89.60760	4.48	104.98	614.98	505.52	-	1,208.52	123.76	25.89	97.87	-	97.87	-	99.98

\* Holding through subsidiary company – Ion Exchange Asia Pacific Pte. 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		
		Aquanomics Systems Ltd	Ion Exchange Financial Products Pvt. Ltd.*	Ion Exchange PSS Co. Ltd.**
1	Latest audited Balance Sheet Date	31.03.2023	31.03.2023	31.03.2023
2	Date on which the Associate or Joint Venture was associated or acquired	31.03.2006	01.04.1999	30.09.2011
3	Share of Associate / Joint Ventures held by company on year end			
	- Number of shares	460,000	2,450	14,700
	- Amount of Investment (net of impairment, if any) (INR in Lacs)	79.00	0.25	26.65
	- Extent of holding %	48.42%	24.02%	49.00%
4	Description of how there is significant influence			
5	Reason why the Associate / Joint Ventures is not considered	N.A.	N.A.	N.A.
6	Net worth attributable to shareholding as per latest audited balance sheet (INR in Lacs)	481.94	372.01	(180.14)
7	Total Comprehensive income			
	i. Considered in consolidation # (INR in Lacs)	181.94	3.45	(31.78)
	ii. Not considered in consolidation (INR in Lacs)	-	789.86	-

**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 : IEI Water-Tech Sdn. Bhd.

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

VASANT NAIK  
Chief Financial Officer

Place : Mumbai  
Date : 26<sup>th</sup> May 2023

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## Shareholder's Privilege Offer 20% Off\* on ZeroB Range of Products

Customer Name .....

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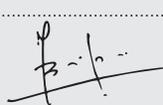
Folio No. ....

DP ID No. ....

Client ID No .....

Purchaser's Signature

\*Valid up to 31.03.2024

  
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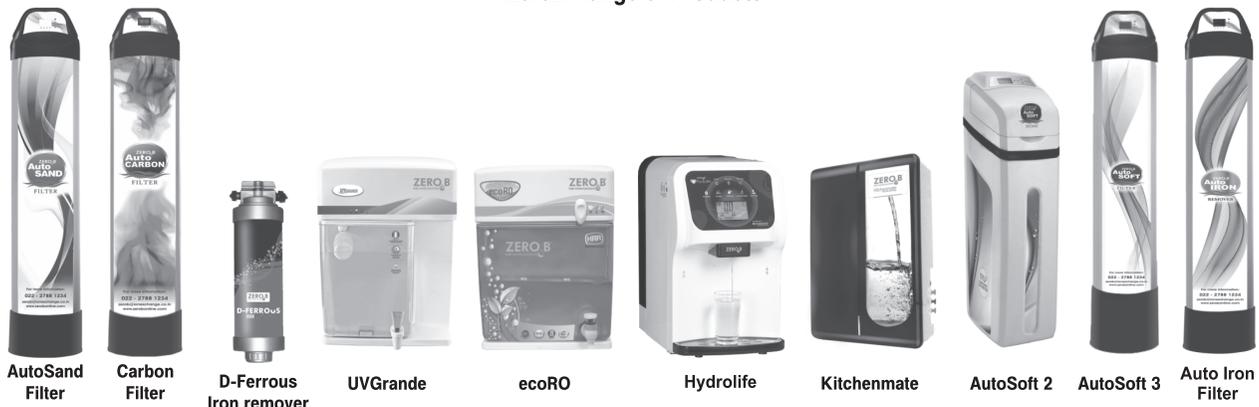
**Note:**

- This offer is valid only for ZeroB Products
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- No other offer or discount can be clubbed with this offer
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- **Bengaluru - Mahadevpura:** 080-2204 2888 • **Bengaluru - R.T.Nagar:** 080-4128 3534 / 41 • **Mysore:** 0821-424 6767 • **Hyderabad:** 040-3066 3101

**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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Providing Art and Play Therapy to children at Palna, Delhi Council for Child Welfare, Delhi



Providing Eco Chill RO Water Filter, Kubereshwar Prathamik Shala, Gujarat



Supporting Solar Powered Farming and Irrigation Systems, Maharashtra



Tree Plantation Drive, Maharashtra



Science on Wheels, Vasundhara Science Centre, Maharashtra



Supporting Indian Red Cross Society's Blood Centre, Maharashtra

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