

# B S R & Co. LLP

Chartered Accountants

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## Independent Auditor's Report

To the Members of Ion Exchange Environment Management Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Ion Exchange Environment Management Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

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## Independent Auditor's Report (Continued)

### Ion Exchange Environment Management Limited

to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (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.



**Independent Auditor's Report (Continued)**

**Ion Exchange Environment Management Limited**

2 A. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. 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.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the 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 financial statements - Refer Note 30 to the financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were 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 its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the 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 its knowledge and belief, 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has 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 Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.



**Independent Auditor's Report (Continued)**

**Ion Exchange Environment Management Limited**

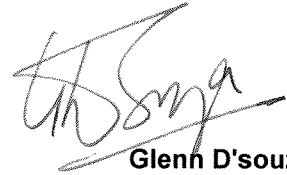
C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. 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*

Place: Mumbai

Date: 25 May 2023

Membership No.: 112554

ICAI UDIN:23112554BGWSAM1349

**Annexure A to the Independent Auditor's Report on the Financial Statements of Ion Exchange Environment Management 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.
- (i) (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 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) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (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, has been physically verified by the management during the year. 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 not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to 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 not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is 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) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products

**Annexure A to the Independent Auditor's Report on the Financial Statements of Ion Exchange Environment Management Limited for the year ended 31 March 2023 (Continued)**

manufactured by it (and services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise 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, though there have been slight delays in a few cases of Provident fund and Professional Tax.

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 lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central Sales Tax Act, 1956	Central Sales Tax and Interest/Penalty	128.93	2012-23	Deputy Commissioner of Sales Tax	
Central Sales Tax Act, 1956	Central Sales Tax and Interest/Penalty	34.33	2013-14	Deputy Commissioner of Sales Tax	

- (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.

**Annexure A to the Independent Auditor's Report on the Financial Statements of Ion Exchange Environment Management Limited for the year ended 31 March 2023 (Continued)**

- (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 the Company has not used funds raised on short-term basis for long-term purposes except in the case of funds raised from related parties amounting to Rs. 1,342.71 lakhs which is repayable on demand from the date of their acceptance. The Company has invested the money for working capital requirements for its operations.
- (e) According to the information and explanations given to us and on an overall examination of the 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, associates or joint ventures 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) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (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 financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.
- (b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- (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.

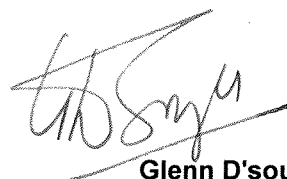
**Annexure A to the Independent Auditor's Report on the Financial Statements of Ion Exchange Environment Management Limited for the year ended 31 March 2023 (Continued)**

- (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 incurred cash losses of Rs Nil in the current financial year and Rs. 19.24 lakhs 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, 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) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. 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*

Place: Mumbai

Date: 25 May 2023

Membership No.: 112554

ICAI UDIN:23112554BGWSAM1349



**Annexure B to the Independent Auditor's Report on the financial statements of Ion Exchange Environment Management Limited for the year ended 31 March 2023**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the 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 Environment Management Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 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.

**Auditor's 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

**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



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

provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

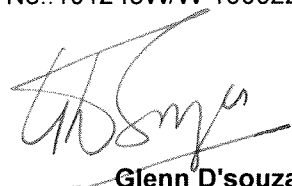
**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

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

*Chartered Accountants*

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



**Glenn D'souza**

*Partner*

Place: Mumbai

Date: 25 May 2023

Membership No.: 112554

ICAI UDIN:23112554BGWSAM1349

**Ion Exchange Environment Management Limited**

**Balance sheet as at 31st March 2023**

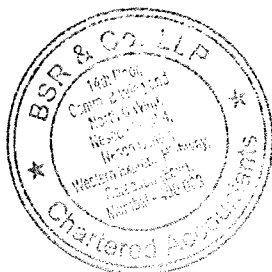
	Notes	As at 31st March 2023 INR in Lakhs	As at 31st March 2022 INR in Lakhs
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2	0.22	0.71
(b) Right of use assets	2(a)	-	17.50
(c) Other intangible assets	3	-	-
(d) Financial assets			
(i) Other Financial assets	4	1.04	1.04
(e) Deferred tax assets (Net)	38		
(f) Other non current assets	7	30.33	30.33
(g) Non current tax assets (Net)	8	23.96	10.63
<b>Total non-current assets</b>		<b>55.55</b>	<b>60.21</b>
<b>Current assets</b>			
(a) Inventories	5	-	0.75
(b) Financial assets			
(i) Cash and cash equivalents	6	4.63	9.72
(c) Other current assets	7	0.65	0.46
<b>Total current assets</b>		<b>5.28</b>	<b>10.93</b>
<b>TOTAL ASSETS</b>		<b>60.83</b>	<b>71.14</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	9	500.00	500.00
(b) Other equity	10	(2,244.85)	(2,500.64)
<b>Total equity</b>		<b>(1,744.85)</b>	<b>(2,000.64)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease Liabilities	11	-	0.94
(b) Provisions	12	10.02	11.01
<b>Total non-current liabilities</b>		<b>10.02</b>	<b>11.96</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	1,342.71	1,693.03
(ii) Lease Liabilities	11	-	18.15
(iii) Trade payables	14		
-Total outstanding dues to micro and small enterprises			
-Total outstanding dues to creditors other than micro and small enterprises		408.96	296.82
(iv) Other financial liabilities	15	7.70	8.24
(b) Other current liabilities	16	34.40	41.45
(c) Provisions	12	1.89	2.14
<b>Total current liabilities</b>		<b>1,795.66</b>	<b>2,059.83</b>
<b>Total liabilities</b>		<b>1,805.68</b>	<b>2,071.78</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>60.83</b>	<b>71.14</b>
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

Glenn D'Souza  
Partner  
Membership no.: 112554



Place : Mumbai  
Date : 25 May 2023

For and on behalf of the Board of Directors of  
Ion Exchange Environment Management Limited

CIN - U45204MH2005PLC157554

Rajesh Sharma  
Director  
DIN - 00515486

Milind Puranik  
Company Secretary  
Place : Mumbai  
Date : 25 May 2023

Ajay Popat  
Director  
DIN - 00274602

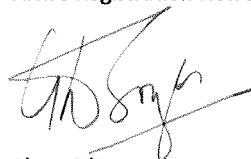


**Ion Exchange Environment Management Limited**  
**Statement of profit and loss for year ended 31st March 2023**

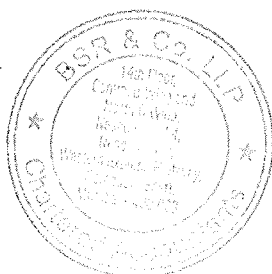
	Notes	Year ended 31st March 2023 INR in Lakhs	Year ended 31st March 2022 INR in Lakhs
<b>Income</b>			
Revenue from operations	17	1,266.77	363.32
Other income	18	0.78	0.34
<b>Total Income (I)</b>		<b>1,267.55</b>	<b>363.66</b>
<b>Expenses</b>			
Cost of materials consumed	19	736.34	98.44
Employee Benefits Expenses	20	52.30	59.55
Finance costs	21	178.23	191.34
Depreciation and Amortisation Expenses	22	15.89	16.00
Other Expenses	23	30.08	18.67
<b>Total expenses (II)</b>		<b>1,012.83</b>	<b>384.00</b>
Profit /( Loss) before Exceptional Items and Tax		254.72	(20.34)
<b>Profit /( Loss) before Tax (I-II)</b>		<b>254.72</b>	<b>(20.34)</b>
<b>Tax expense</b>	38		
Current Tax			-
<b>Profit /( Loss) after tax (III)</b>		<b>254.72</b>	<b>(20.34)</b>
<b>Other comprehensive income</b>			
Items that will be reclassified to profit or loss	25	1.07	(0.38)
<b>Total other comprehensive income (IV)</b>		<b>1.07</b>	<b>(0.38)</b>
<b>Total comprehensive income (III + IV)</b>		<b>255.79</b>	<b>(20.71)</b>
<b>Earnings per equity share:</b>			
Basic (INR)		5.09	(0.41)
Diluted (INR)		5.09	(0.41)
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

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




Glenn D'Souza  
Partner  
Membership no.: 112554



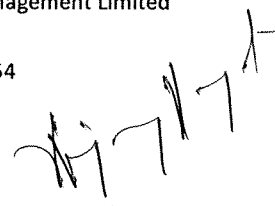
Place : Mumbai  
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Rajesh Sharma  
Director  
DIN - 00515486



Ajay Popat  
Director  
DIN - 00274602

  
Milind Puranik  
Company Secretary

Place : Mumbai  
Date : 25 May 2023



**Ion Exchange Environment Management Limited**  
**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 Lakhs	Number of shares	INR in Lakhs
Balance at the beginning of the year	50,00,000	500.00	50,00,000	500.00
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	50,00,000	500.00	50,00,000	500.00

**B. Other equity**

Particulars	Reserves & Surplus		Total
	Capital Reserve	Retained Earnings	
Balance at April 1, 2021	0.75	(2,480.67)	(2,479.92)
Loss for the year(a)	-	(20.34)	(20.34)
Other comprehensive income for the year(b)	-	(0.38)	(0.38)
Total comprehensive income for the year(a+b)	-	(20.71)	(20.71)
Ind AS 116 Lease transition impact.	-	-	-
Balance at March 31, 2022	0.75	(2,501.39)	(2,500.64)
Profit for the year (c)	-	254.72	254.72
Other comprehensive Income for the year (d)	-	1.07	1.07
Total comprehensive Income for the year (c+d)	-	255.79	255.79
Balance at March 31, 2023	0.75	(2,245.60)	(2,244.85)

As per our report of even date

For B S R & Co. LLP

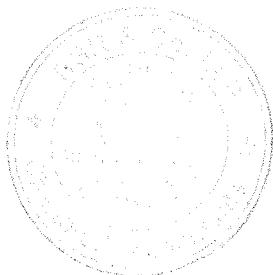
Chartered Accountants

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



Glenn D'Souza  
Partner

Membership no.: 112554



Place : Mumbai  
Date : 25 May 2023

For and on behalf of the Board of Directors of  
Ion Exchange Environment Management Limited

CIN - U45204MH2005PLC157554



Rajesh Sharma  
Director  
DIN - 00515486



Ajay Popat  
Director  
DIN - 00274602



Milind Puranik  
Company Secretary

Place : Mumbai  
Date : 25 May 2023



**Ion Exchange Environment Management Limited**

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

	Year ended 31st March 2023 INR in Lakhs	Year ended 31st March 2022 INR in Lakhs
<b>A. Cash flow from operating activities:</b>		
Profit / (Loss) before tax	254.72	(20.34)
Adjustments to reconcile profit before tax to net cash used in operating		
Depreciation and amortisation expense	15.89	16.00
Interest paid	178.23	191.34
Interest Income	(0.78)	(0.34)
Provisions for employee benefits	(0.17)	0.49
<b>Operating profit before working capital changes</b>	<b>447.90</b>	<b>187.15</b>
Movements in working capital:		
(Increase)/ Decrease in Inventory	0.75	-
(Increase)/ Decrease in loans and advances	(0.19)	(0.02)
(Decrease) / Increase in trade payables	112.14	82.03
(Decrease) / Increase in other liabilities	(7.59)	27.58
<b>Cash (used in)/ generated from operations</b>	<b>553.01</b>	<b>296.74</b>
Taxes paid (net of refund)	(12.56)	(4.65)
<b>Net cash generated from operating activities (A)</b>	<b>540.45</b>	<b>292.09</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of fixed assets	-	(0.30)
<b>Net cash generated from investing activities (B)</b>	<b>-</b>	<b>(0.30)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from borrowings	392.49	169.17
Repayment of borrowings	(742.81)	(267.32)
Payment towards lease liability	(18.00)	(18.00)
Interest paid	(177.22)	(188.23)
<b>Net cash used in financing activities (C)</b>	<b>(545.54)</b>	<b>(304.38)</b>
<b>Net Increase in cash and cash equivalents (A)+(B)+(C)</b>	<b>(5.09)</b>	<b>(12.59)</b>
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>9.72</b>	<b>22.31</b>
<b>Cash and cash equivalents as at the end of the year</b>	<b>4.63</b>	<b>9.72</b>
<b>Reconciliation of Cash and Cash equivalents with the Balance Sheet</b>		
Cash and cash equivalent comprises of :		
Cash in hand	0.07	0.32
Balance with banks	4.56	9.40
<b>Total</b>	<b>4.63</b>	<b>9.72</b>

**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.

As per our report of even date

For B S R & Co. LLP

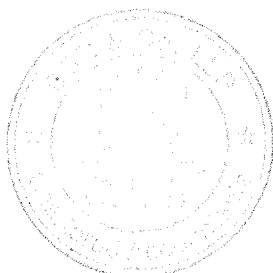
Chartered Accountants

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

Glenn D'Souza

Partner

Membership no.: 112554



Place : Mumbai

Date : 25 May 2023

For and on behalf of the Board of Directors of  
Ion Exchange Environment Management Limited

CIN - U45204MH2005PLC157554

*Rajesh Sharma*

Rajesh Sharma

Director

DIN - 00515486

*Milind Puranik*

Milind Puranik  
Company Secretary

Place : Mumbai

Date : 25 May 2023

*Ajay Popat*

Ajay Popat

Director

DIN - 00274602



## Ion Exchange Environment Management Limited

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

#### 3 Changes in Liabilities arising from financing activities

	As at 31st March 2022	2022-23	As at 31st March 2023
		Net Cash Inflow / (Outflow)	
	INR in Lakhs	INR in Lakhs	INR in Lakhs
Borrowings ( Non Current and Current)	1,693.03	(350.32)	1,342.71

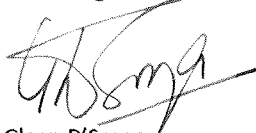
	As at 31st March 2021	2021-22	As at 31st March 2022
		Net Cash Inflow / (Outflow)	
	INR in Lakhs	INR in Lakhs	INR in Lakhs
Borrowings ( Non Current and Current )	1,791.18	(98.15)	1,693.03

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

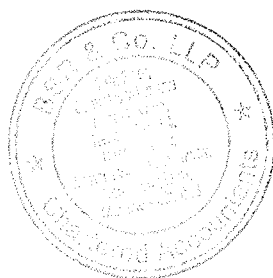
Firm's Registration No.: 101248W/W-100022



Glenn D'Souza

Partner

Membership no.: 112554



Place : Mumbai

Date : 25 May 2023

For and on behalf of the Board of Directors of

Ion Exchange Environment Management Limited

CIN - U45204MH2005PLC157554



Rajesh Sharma

Director

DIN - 00515486



Milind Puranik

Company Secretary

Place : Mumbai

Date : 25 May 2023



Ajay Popat

Director

DIN - 00274602



**Ion Exchange Environment Management Limited**  
**Notes to Financial statement for the year ended 31st March 2023**

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**Company Overview**

Ion Exchange Environment Management Limited ('the Company') is a Public Limited Company registered under the Companies Act, 1956. It was a joint venture between Ion Exchange (India) Limited and Waterleau Group of Belgium. During the year 2018-19 Ion Exchange (India) Limited acquired entire share holding of Waterleau Group of Belgium with effect from 20<sup>th</sup> August, 2018 and accordingly the Company is a wholly owned subsidiary of Ion Exchange (India) Ltd.

The Company operates in the field of Water and Waste Water Treatment Plants. The Company provides single point responsibility of total environmental solutions for industrial and municipal needs for waste water and sewage treatment, solid waste treatment and disposal, hazardous waste management, air pollution control and renewable energy generation. For optimum utilisation of the available resources, the company also executes Effluent Treatment Plants and Sewage Treatment Plants for others on project management charges (PMC) as subcontractor.

**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 25 May, 2023.

**1.2 Basis of preparation**

The 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 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.

**1.3 Functional and presentation currency**

The 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**

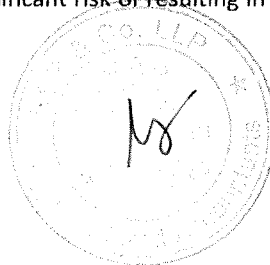
The financial statements have been prepared on a historical cost convention, except for the following:

- 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 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 recognized 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.

c) Recognition and measurement of defined benefit obligations

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

## **1.6 Measurement of fair values**

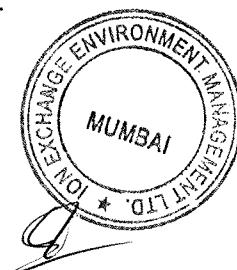
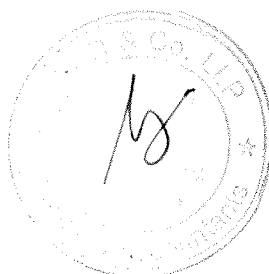
The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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 categorized 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 categorized 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.



## Ion Exchange Environment Management Limited

### Notes to Financial statement for the year ended 31st March 2023 (contd...)

#### 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, whichever is lower, as stated below.

Assets	Useful lives
Computers	3 years
Furniture and fixtures	10 years
Vehicles	4 – 8 years
Office equipments	3 – 5 years

Site equipments are depreciated over 3 years.

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

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

#### 1.8 Intangible assets

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

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

Computer software is amortized on a straight-line basis over the period of 5 years.

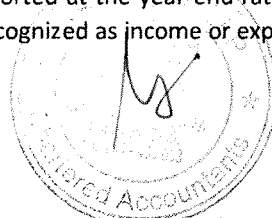
An intangible asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal are recognised in the Statement of Profit and Loss.

#### 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.

#### 1.10 Foreign currency transactions

Transactions in foreign currencies are recognized at exchange rates prevailing on the transaction dates. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise. Foreign currency monetary items are reported at the year-end rates. Exchange differences arising on reinstatement of foreign currency monetary items are recognized as income or expense in the Statement of Profit and Loss.



**Ion Exchange Environment Management Limited**  
**Notes to Financial statement for the year ended 31st March 2023 (contd...)**

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

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.

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 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,**

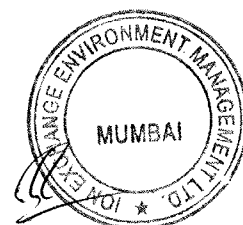
A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest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



**Ion Exchange Environment Management Limited**  
**Notes to Financial statement for the year ended 31st March 2023 (contd...)**

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(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 recognized in profit or loss. The Company may make an irrevocable election to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

(iv) Impairment of financial assets

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

(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:

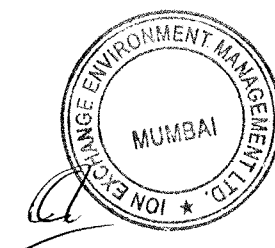
- a) Financial liabilities excluding derivative financial instruments at amortised cost, and
- b) Derivative financial instruments at fair value through profit or loss (FVTPL) .

- 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 statement of profit and 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



## Ion Exchange Environment Management Limited

### Notes to Financial statement for the year ended 31st March 2023 (contd...)

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 statement of profit and loss.

#### (iii) De-recognition

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

### 1.13 Retirement and other employee benefits

#### Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences from annual leave including sickness leave. No leave encashment payable except at the time of retirement / resignation. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period.

#### Post employment benefits

##### Defined contribution plans

The Company's approved provident fund scheme is a defined contribution plan which are administered through Government of India. The Company's contribution paid / payable under the schemes is recognised as expense in the statement of profit and loss during the year in which the employee renders the related service. The Company makes specified monthly contributions towards employee provident fund. There are no other obligations other than the contribution payable to the respective fund.

##### Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

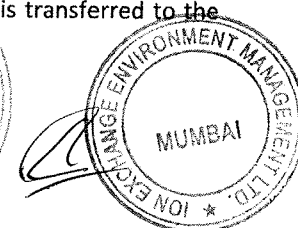
#### Other long-term employee benefits

##### Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value the defined benefit obligation at the balance sheet date. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the balance sheet date.

### 1.14 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.



## Ion Exchange Environment Management Limited

### Notes to Financial statement for the year ended 31st March 2023 (contd...)

- Revenue related to fixed price maintenance and support services contracts where the company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts and incentives, if any, as specified in the contract with the customer.

Revenue also excludes taxes collected from customers.

Revenue from holding company is recognised based on transaction price which is at arm's length.

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

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

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

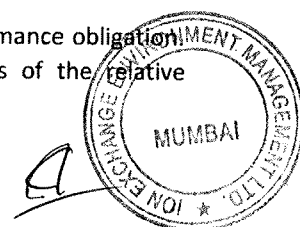
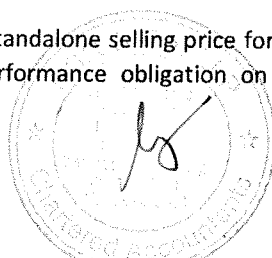
In accordance with Ind AS 37, the company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

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

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

#### Use of significant judgments in revenue recognition

- The company's contracts with customers could include promises to transfer multiple products and services to a customer. The company assesses the products / services promised in a contract and identify distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The company uses judgment to determine an appropriate standalone selling price for a performance obligation. The company allocates the transaction price to each performance obligation on the basis of the relative



## Ion Exchange Environment Management Limited

### Notes to Financial statement for the year ended 31st March 2023 (contd...)

standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

- The company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contract is recognised using percentage-of-completion method. The company uses judgment to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

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

#### 1.15 Taxation

- (i) Provision for current taxation has been made in accordance with the Indian Income tax laws prevailing for the relevant assessment years.
- (ii) Deferred tax is recognized, subject to the consideration of prudence, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Un-recognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss are recognised in correlation to the underlying transaction either in Other Comprehensive Income (OCI) or directly in equity.

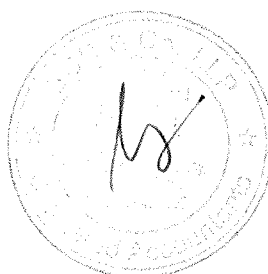
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation.

#### 1.16 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.

#### 1.17 Earnings per share



## Ion Exchange Environment Management Limited

### Notes to Financial statement for the year ended 31st March 2023 (contd...)

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 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.

#### 1.18 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.

##### 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.

#### 1.19 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.

#### 1.20 Leases

Leases are accounted as per Ind AS 116 which has become mandatory from April 1, 2019.

##### Where the Company is the lessor

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

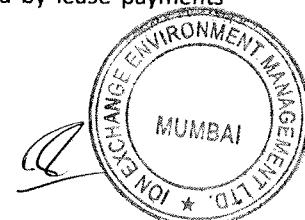
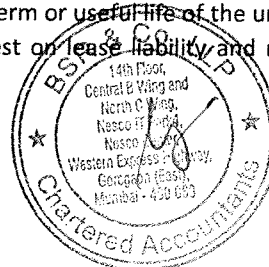
##### Where the Company is the lessee

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

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

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.





## Ion Exchange Environment Management Limited

### Notes to Financial statement for the year ended 31st March 2023 (contd...)

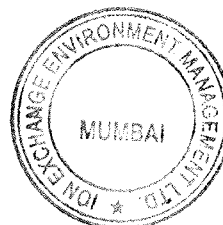
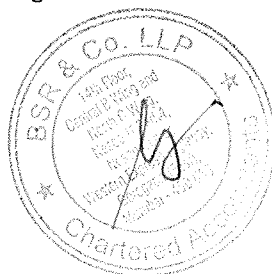
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Lease payments associated with following leases are recognised as expense on straight-line basis:

- (i) Low value leases; and
- (ii) Leases which are short-term.

#### 1.21 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset till such time that it is required to complete and prepare the assets to get ready for its intended use. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.



**Ion Exchange Environment Management Limited**
**Notes to financial statements for the year ended March 31st, 2023 (contd.)**
**2 Property, plant and equipment**

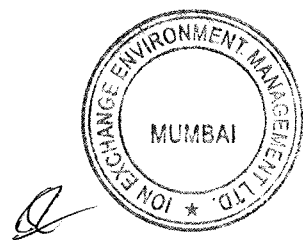
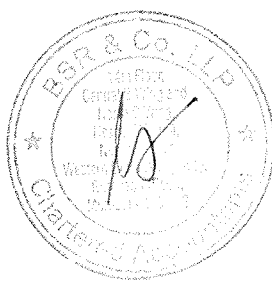
Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2023

	INR in Lakhs				
	Computers	Furniture and fixtures	Vehicles	Office Equipments	Total
					Total
Cost as at April 1, 2022	2.71	7.20	0.40	1.01	11.32
Additions	-	-	-	-	-
Deletions	-	-	-	-	-
Cost as at March 31, 2023 (A)	2.71	7.20	0.40	1.01	11.32
Accumulated depreciation as at April 1, 2022	2.70	6.82	0.33	0.73	10.61
Depreciation for the current period	-	0.34	0.06	0.10	0.50
Accumulated depreciation as at March 2023 (B)	2.70	7.17	0.40	0.84	11.11
Net carrying amount as at March 31, 2023 (A) - (B)	0.01	0.03	0.00	0.17	0.22

**2 Property, plant and equipment**

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2022

	INR in Lakhs				
	Computers	Furniture and fixtures	Vehicles	Office Equipments	Total
					Total
Cost as at April 1, 2021	2.71	7.20	0.40	0.71	11.02
Additions	-	-	-	0.30	0.30
Deletions	-	-	-	-	-
Cost as at March 31, 2022 (A)	2.71	7.20	0.40	1.01	11.32
Accumulated depreciation as at April 1, 2021	2.70	6.31	0.28	0.71	10.00
Depreciation for the current period	-	0.52	0.06	0.03	0.61
Accumulated depreciation as at March 2022 (B)	2.70	6.83	0.33	0.73	10.61
Net carrying amount as at March 31, 2022 (A) - (B)	0.01	0.37	0.07	0.27	0.71



**Ion Exchange Environment Management Limited**  
**Notes to financial statements for the year ended March 31st, 2023 (contd.)**

**2(a) Right-of-use assets**

**Right-of-use assets for the year ended March 31,2023**

	INR in Lakhs
	Building
<b>Gross block</b>	
As at 1st April 2022	62.05
On account of transition provisions of Ind AS 116 (Refer note 29)	-
Addition during the year	-
Disposal during the year	(2.11)
<b>As at 31st March 2023(A)</b>	<b>59.94</b>
<b>Amortisation</b>	
As at 1st April 2022	44.55
Amortisation during the year	15.39
Deduction during the year	-
<b>As at 31st March 2023 (B)</b>	<b>59.94</b>
<b>Net carrying value as at 31st March 2023(A) - (B)</b>	<b>-</b>

**2(a) Right-of-use assets**

**Right-of-use assets for the year ended March 31,2022**

	INR in Lakhs
	Building
<b>Gross block</b>	
As at 1st April 2021	62.05
On account of transition provisions of Ind AS 116 (Refer note 29)	-
Addition during the year	-
Disposal during the year	-
<b>As at 31st March 2022 (A)</b>	<b>62.05</b>
<b>Amortisation</b>	
As at 1st April 2021	29.16
Amortisation during the year	15.39
Deduction during the year	-
<b>As at 31st March 2022 (B)</b>	<b>44.55</b>
<b>Net carrying value as at 31st March 2022(A) - (B)</b>	<b>17.50</b>



# Ion Exchange Environment Management Limited

## Notes to financial statements for the year ended March 31st, 2023 (contd.)

### 3 Other Intangible Assets

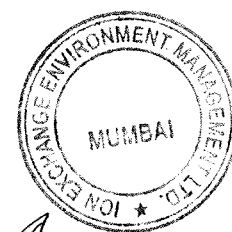
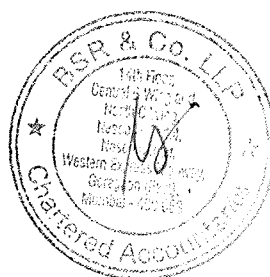
Following are the changes in the carrying value of intangible assets for year ended March 31, 2023

	INR in Lakhs
	Computer software
Cost as at April 1, 2022	3.08
Additions	-
Deletions	-
<b>Cost as at March 31 2023 (A)</b>	<b>3.08</b>
Accumulated amortisation as at April 1, 2022	3.08
Amortisation for the year	-
Impairment	-
Deletions	-
<b>Accumulated amortisation and Impairment as at March 31, 2023 (B)</b>	<b>3.08</b>
<b>Net carrying amount as at March 31, 2023 (A) - (B)</b>	<b>-</b>

### 3 Other Intangible Assets

Following are the changes in the carrying value of intangible assets for year ended March 31, 2022

	INR in Lakhs
	Computer software
Cost as at April 1, 2021	3.08
Additions	-
Deletions	-
<b>Cost as at March 31, 2022 (A)</b>	<b>3.08</b>
Accumulated amortisation as at April 1, 2021	3.08
Amortisation for the year	-
Impairment	-
Deletions	-
<b>Accumulated amortisation and Impairment as at March 31, 2022 (B)</b>	<b>3.08</b>
<b>Net carrying amount as at March 31, 2022 (A) - (B)</b>	<b>-</b>



# Ion Exchange Environment Management Limited

## Notes to financial statements for the year ended March 31st, 2023 (contd.)

### 4 Financial assets - Other financial assets

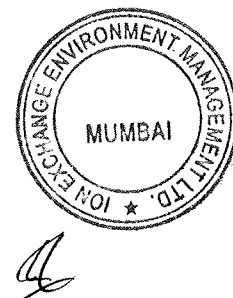
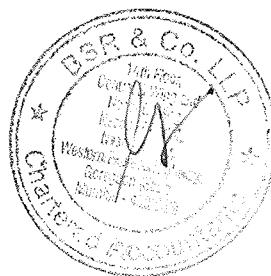
	As at 31st March 2023 INR in Lakhs	As at 31st March 2022 INR in Lakhs
Unsecured, considered good (Security deposit)	1.04	1.04
<b>Total</b>	<b>1.04</b>	<b>1.04</b>

### 5 Inventories

	As at 31st March 2023 INR in Lakhs	As at 31st March 2022 INR in Lakhs
Raw Materials and components (Valued at lower of cost and net realisable value)	-	0.75
<b>Total</b>	<b>-</b>	<b>0.75</b>

### 6 Cash and cash equivalents

	As at 31st March 2023 INR in Lakhs	As at 31st March 2022 INR in Lakhs
<b>a) Balances with banks:</b>		
On current accounts	4.56	9.40
<b>b) Cash on Hand</b>	<b>0.07</b>	<b>0.32</b>
<b>Total</b>	<b>4.63</b>	<b>9.72</b>



**Ion Exchange Environment Management Limited**  
**Notes to financial statements for the year ended March 31st, 2023 (contd.)**

**7 Other assets**

	Non Current		Current	
	As at 31st March 2023 INR in Lakhs	As at 31st March 2022 INR in Lakhs	As at 31st March 2023 INR in Lakhs	As at 31st March 2022 INR in Lakhs
Balances with statutory authorities	30.33	30.33	-	-
Prepaid expenses	-	-	0.65	0.46
<b>Total</b>	<b>30.33</b>	<b>30.33</b>	<b>0.65</b>	<b>0.46</b>

**8 Tax assets**

	Non Current		Current	
	As at 31st March 2023 INR in Lakhs	As at 31st March 2022 INR in Lakhs	As at 31st March 2023 INR in Lakhs	As at 31st March 2022 INR in Lakhs
Income tax paid (Net)	23.96	10.63	-	-
<b>Total</b>	<b>23.96</b>	<b>10.63</b>		

**9 Equity Share Capital**

	As at 31st March 2023 INR in Lakhs	As at 31st March 2022 INR in Lakhs
<b>a Authorised :</b>		
Equity Shares of Rs.10 each		
50,00,000(2021-2022 : 50,00,000) equity shares of Rs. 10 each.	500.00	500.00
<b>Total</b>	<b>500.00</b>	<b>500.00</b>
<b>b Issued and Subscribed and Paid up:</b>		
50,00,000(2021-2022 : 50,00,000) equity shares of Rs. 10 each.	500.00	500.00
<b>Total</b>	<b>500.00</b>	<b>500.00</b>

**c Reconciliation of number of shares outstanding at the beginning and end of the year :** There is no movement in the shares outstanding at the beginning and at the end of the reporting period.

**d Terms / Rights attached to each classes of shares**

The Company has only one class of equity shares having par value of Rs. 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, except in case of interim dividend.

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.

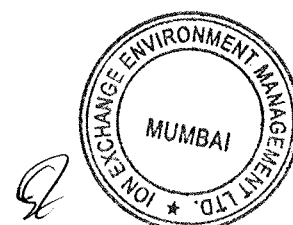
**e Shareholders holding more than 5% shares in the company is set out below:**

**Equity share**

	As at 31st March 2023		As at 31st March 2022	
	No. of Shares	No. of Shares	No. of Shares	No. of Shares
		%		%
Ion Exchange ( India) Limited	50,00,000	100%	50,00,000	100%

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.

100% of the shares are held by Ion Exchange (India) Ltd. There is no change in the promoter holding of the company from 31 March 2022



**Ion Exchange Environment Management Limited**  
**Notes to financial statements for the year ended March 31st, 2023 (contd.)**

**10 Other Equity**

	As at 31st March 2023 INR in Lakhs	As at 31st March 2022 INR in Lakhs
Capital Reserves	0.75	0.75
	<b>0.75</b>	<b>0.75</b>
Deficit in the statement of profit and loss		
Balance as at 1st April	(2,501.38)	(2,480.67)
Profit / ( Loss) for the year	254.72	(20.34)
Ind AS 116- Lease Transition Impact		-
Other comprehensive Income / ( Loss)	1.07	(0.38)
Net deficit in the statement of profit and loss	(2,245.60)	(2,501.38)
<b>Total</b>	<b>(2,244.85)</b>	<b>(2,500.64)</b>

**Notes**

**a) Description of nature and purpose of each reserve**

Capital Reserve: The capital reserve is on account of notional guarantee charges, on Corporate Guarantee issued by the holding company, capitalised.

**11 Financial liabilities**

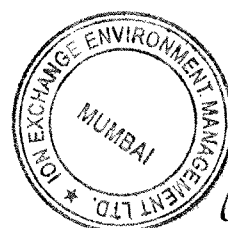
	Non Current		Current	
	As at 31st March 2023 INR in Lakhs	As at 31st March 2022 INR in Lakhs	As at 31st March 2023 INR in Lakhs	As at 31st March 2022 INR in Lakhs
Lease Liability	-	0.94	-	18.15

**12 Provisions**

	Non Current		Current	
	As at 31st March 2023 INR in Lakhs	As at 31st March 2022 INR in Lakhs	As at 31st March 2023 INR in Lakhs	As at 31st March 2022 INR in Lakhs
Provision for employee benefits				
Gratuity ( Refer note 27)	6.87	7.32	1.37	1.23
Leave encashment ( Refer note 27)	3.15	3.69	0.52	0.91
<b>Total</b>	<b>10.02</b>	<b>11.01</b>	<b>1.89</b>	<b>2.14</b>

**13 Borrowings : Current**

	As at 31st March 2023 INR in Lakhs	As at 31st March 2022 INR in Lakhs
Loan repayable on demand (Unsecured) [Refer note (a) below]		
from related parties (Refer note 32)	1,342.71	1,693.03
<b>Total</b>	<b>1,342.71</b>	<b>1,693.03</b>



**Ion Exchange Environment Management Limited**
**Notes to financial statements for the year ended March 31st, 2023 (contd.)**
**14 Trade payables**

	As at 31st March 2023 INR in Lakhs	As at 31st March 2022 INR in Lakhs
<b>Trade payables</b>		
Total outstanding dues to micro and small enterprises		
Total outstanding dues to creditors other than micro and small enterprises	408.96	296.82
<b>Total</b>	<b>408.96</b>	<b>296.82</b>

**Trade payables ageing schedule**
**As at 31st March 2023**

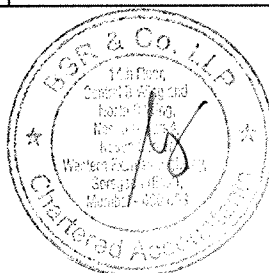
	Outstanding for following periods from due date of payment				Total INR in Lakhs
	Less than 1 year INR in Lacs	1-2 years INR in Lacs	2-3 years INR in Lacs	More than 3 years INR in Lacs	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	158.56	5.76		244.65	408.96
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Unbilled trade payables	-	-	-	-	-
<b>Not due trade payables</b>	<b>158.56</b>	<b>5.76</b>	<b>-</b>	<b>244.65</b>	<b>408.96</b>

**15 Other financial liabilities : Current**

	As at 31st March 2023 INR in Lakhs	As at 31st March 2022 INR in Lakhs
Employee benefits payable	7.70	8.24
<b>Total</b>	<b>7.70</b>	<b>8.24</b>

**16 Other current liabilities**

	As at 31st March 2023 INR in Lakhs	As at 31st March 2022 INR in Lakhs
Statutory dues ( TDS, GST, PF, PT)	28.86	35.99
Others liabilities	5.54	5.46
<b>Total</b>	<b>34.40</b>	<b>41.45</b>





**Ion Exchange Environment Management Limited**  
**Notes to financial statements for the year ended March 31st, 2023 (contd.)**

**17 Revenue from Operations**

	Year ended 31st March 2023 INR in Lakhs	Year ended 31st March 2022 INR in Lakhs
Sale of services	792.46	105.74
<b>Revenue from Operations</b>		
Project Management Fees (Refer Note 33)	474.31	257.58
<b>Total</b>	<b>1,266.77</b>	<b>363.32</b>

**18 Other Income**

	Year ended 31st March 2023 INR in Lakhs	Year ended 31st March 2022 INR in Lakhs
<b>Interest :</b>		
- From others	0.43	0.34
- Excess Provision of Leave Encashment	0.35	-
<b>Total</b>	<b>0.78</b>	<b>0.34</b>

**19 Cost of materials consumed**

	Year ended 31st March 2023 INR in Lakhs	Year ended 31st March 2022 INR in Lakhs
Inventory at the beginning of the year	8.06	8.06
Add: Purchases	736.34	98.44
Less: Inventory at the end of the year	8.06	8.06
<b>Total</b>	<b>736.34</b>	<b>98.44</b>

**20 Employee benefit expense**

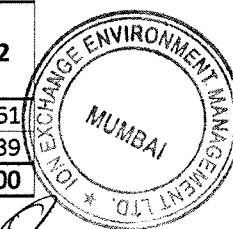
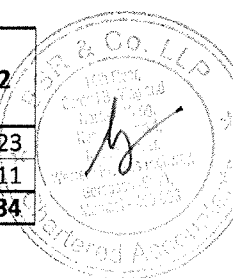
	Year ended 31st March 2023 INR in Lakhs	Year ended 31st March 2022 INR in Lakhs
Salaries and wages	46.97	54.88
Contributions to provident and other funds	1.89	2.49
Gratuity	1.22	1.22
Staff welfare expenses	2.22	0.96
<b>Total</b>	<b>52.30</b>	<b>59.55</b>

**21 Finance Costs**

	Year ended 31st March 2023 INR in Lakhs	Year ended 31st March 2022 INR in Lakhs
Interest on Loan from related party	177.22	188.23
Interest on finance lease	1.01	3.11
<b>Total</b>	<b>178.23</b>	<b>191.34</b>

**22 Depreciation and Amortisation Expenses**

	Year ended 31st March 2023 INR in Lakhs	Year ended 31st March 2022 INR in Lakhs
Depreciation on Tangible assets (Refer Note 2)	0.50	0.61
Amortisation on Right of use assets (Refer Note 2a)	15.39	15.39
<b>Total</b>	<b>15.89</b>	<b>16.00</b>



# Ion Exchange Environment Management Limited

## Notes to financial statements for the year ended March 31st, 2023 (contd.)

### 23 Other Expenses

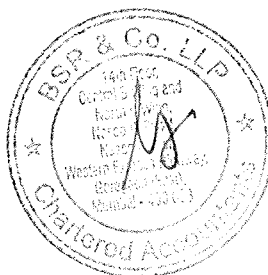
	Year ended 31st March 2023 INR in Lakhs	Year ended 31st March 2022 INR in Lakhs
Power and fuel	13.06	9.79
Rates and taxes	0.02	0.07
Insurance (Net of recoveries)	0.05	0.05
Travelling and conveyance	0.29	0.56
Legal and professional charges	10.59	1.44
Telephone and telex	0.46	0.53
Auditors' remuneration (Refer Note. 24)	5.35	5.15
Printing & stationery	0.00	0.01
Bank charges	0.02	0.03
Establishment and other miscellaneous expenses	0.24	1.04
<b>Total</b>	<b>30.08</b>	<b>18.67</b>

### 24 Auditors' Remuneration

	Year ended 31st March 2023 INR in Lakhs	Year ended 31st March 2022 INR in Lakhs
As auditor:		
Audit fees	5.00	5.00
Reimbursement of expenses	0.35	0.15
<b>Total</b>	<b>5.35</b>	<b>5.15</b>

### 25 Other Comprehensive Income

	Year ended 31st March 2023 INR in Lakhs	Year ended 31st March 2022 INR in Lakhs
Items that will not be reclassified to profit or loss		
Re-measurements of defined benefit plans ( Refer Note.27)	1.07	(0.38)
Income tax relating to items that will not be reclassified to profit or loss		-
<b>Total</b>	<b>1.07</b>	<b>(0.38)</b>



# Ion Exchange Environment Management Limited

## Notes to financial statements for the year ended March 31st, 2023 (contd.)

### 26 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the net profit for the year attributable to equity shareholders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the net profit for the year attributable to equity shareholders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

#### i. Profit / (Loss) attributable to Equity shareholders

	31st March 2023 INR in Lakhs	31st March 2022 INR in Lakhs
Profit / (Loss) attributable to equity shareholders:		
Net Profit / (Loss) as per statement of profit and loss available for equity shareholders (in Rupees)	254.72	(20.34)
Profit / (Loss) attributable to equity shareholders	254.72	(20.34)

#### ii. Weighted average number of ordinary shares

	31st March 2023 INR in Lakhs	31st March 2022 Nos in Lakhs
Basic outstanding shares	50.00	50.00
Less : weighted average shares held with the shareholding trust		
Weighted average number of shares at March 31 for basic and diluted EPS	50.00	50.00

#### Earnings per share in Rupees (Weighted average)

	31st March 2023 INR in Lakhs	31st March 2022 INR
Basic earnings per share	5.09	(0.41)
Diluted earnings per share	5.09	(0.41)

### 27 Employee benefits

- A The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service.

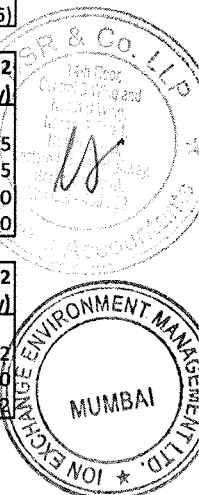
The following table summarises the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Particulars	2022-23 (Gratuity)	2021-22 (Gratuity)
<b>I Change in defined benefit obligation</b>		
Defined benefit obligation, Beginning of period	8.56	7.65
Interest cost	0.56	0.50
Service cost	0.66	0.72
Benefits paid directly by the employer	(0.47)	(0.69)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	0.00
Actuarial(Gains)/ Losses on Obligation - due to change in financial Assumptions	(0.28)	(0.20)
Actuarial(Gains)/ Losses on Obligation - due to Experience	(0.79)	0.58
Present Value of Benefit Obligation at the End of the Period	8.24	8.56

Particulars	2022-23 (Gratuity)	2021-22 (Gratuity)
<b>II Amount recognised in the Balancesheet</b>		
Present Value of Benefit Obligation at the End of the Period	(8.24)	(8.56)
Funded Status (Deficit)	(8.24)	(8.56)
Net liability Recognised in the Balance Sheet	(8.24)	(8.56)

Particulars	2022-23 (Gratuity)	2021-22 (Gratuity)
<b>III Net Interest Cost for Current Period</b>		
Present Value of Benefit Obligation at the Beginning of the Period	8.56	7.65
Net Liability/(Asset) at the Beginning	8.56	7.65
Interest Cost	0.56	0.50
Net Interest Cost for Current Period	0.56	0.50

Particulars	2022-23 (Gratuity)	2021-22 (Gratuity)
<b>IV Expenses Recognized in the Statement of Profit or Loss for Current Period</b>		
Current Service Cost	0.66	0.72
Net Interest Cost	0.56	0.50
Expenses Recognized	1.22	1.22



**Ion Exchange Environment Management Limited**  
**Notes to financial statements for the year ended March 31st, 2023 (contd.)**

**27 Employee benefits**

Particulars	2022-23 (Gratuity)	2021-22 (Gratuity)
<b>V Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period</b>		
Actuarial (Gains)/Losses on Obligation For the Period	(1.07)	0.38
Net (Income)/Expense For the Period Recognized in OCI	(1.07)	0.38

Particulars	2022-23 (Gratuity)	2021-22 (Gratuity)
<b>VI Net Interest Cost for Next Year</b>		
Present Value of Benefit Obligation at the End of the Period	8.24	8.56
Net Liability at the End of the Period	8.24	8.56
Interest Cost	0.56	0.56
Net Interest Cost for Next Year	0.56	0.56

Particulars	2022-23 (Gratuity)	2021-22 (Gratuity)
<b>VII Expenses Recognized in the Statement of Profit or Loss for Next Year</b>		
Current Service Cost	0.55	0.66
Net Interest Cost	0.56	0.56
Expenses Recognized	1.11	1.22

Particulars	2022-23 (Gratuity)	2021-22 (Gratuity)
<b>VIII Maturity Analysis of the Benefit Payments: From the Employer</b>		
1st Following Year	1.37	1.23
2nd Following Year	0.72	0.74
3rd Following Year	0.70	0.72
4th Following Year	0.68	0.70
5th Following Year	0.66	0.68
Sum of Years 6 To 10	3.05	3.11
Sum of Years 11 and above	7.77	8.17

Particulars	2022-23 (Gratuity)	2021-22 (Gratuity)
<b>VIII Sensitivity Analysis</b>		
Projected Benefit Obligation on Current Assumptions	8.24	8.56
Delta Effect of +1% Change in Rate of Discounting	(0.50)	(0.55)
Delta Effect of -1% Change in Rate of Discounting	0.56	0.63
Delta Effect of +1% Change in Rate of Salary Increase	0.56	0.62
Delta Effect of -1% Change in Rate of Salary Increase	(0.50)	(0.55)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.02)	(0.04)
Delta Effect of -1% Change in Rate of Employee Turnover	0.02	0.05

**Note**

a) Amounts recognized as an expense and included in note 20 :

Gratuity Rs. 1.22 Lakhs (2021-2022: Rs. 1.22 Lakhs) are recognised as an expense and included in "Employee Benefit Expenses" in the statement of profit and loss.

b) The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

**B Defined contribution plans**

Contribution to Provident fund Rs.1.89 Lakhs (31 March 2022: Rs.2.49 Lakhs) are recognised as an expense and included in "Employee Benefit Expenses" (Refer note 20) in the statement of profit and loss.

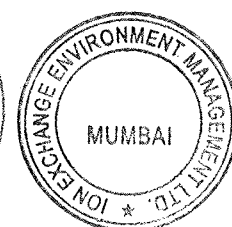
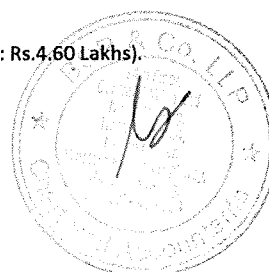
**C Compensated absences**

The leave wages are payable to all eligible employees at the rate of daily basic salary for each day of accumulated leave (upto 84 days) on death or on resignation or upon retirement on attaining superannuation age.

Amounts recognized as an expense and included in note 20:

Leave encashment in "Salaries, wages and bonus" INR Nil (2021-22: INR 0.76 Lakhs)

The liability for compensated absences as at year end is Rs. 3.68 Lakhs (31 March 2022 : Rs.4.60 Lakhs).



**Ion Exchange Environment Management Limited**  
**Notes to financial statements for the year ended March 31st, 2023 (contd.)**

**28 Right-of-use assets Assets**

In the Statement of Profit and Loss for the current year, the nature of expenses in respect of operating leases has changed from lease rent to depreciation on right of use assets and finance cost for interest accrued on lease liability using the effective interest method

The break-up of lease expenses during the year ended 31st March 2023 is as follows

The break-up of Cash outflow on leases during the year ended 31st March 2023 is as follows

Particulars	2022-23	2021-22
Repayment of lease liabilities	18.00	18.00
Interest on lease liabilities	1.01	3.11
Total cash outflow on leases	19.01	21.11

The break-up of current and non-current lease liabilities as at 31st March 2023 is as follows

Particulars	2022-23	2021-22
Current lease liabilities	-	18.15
Non-current lease liabilities	-	0.94
Total	-	19.10

The movement in lease liabilities during the year ended 31st March 2023

Particulars	2022-23	2021-22
Balance at the beginning	19.10	33.98
Additions	-	-
Finance cost accrued during the period	1.01	3.11
Transition impact		
Deletions	(2.11)	-
Payment of lease liabilities	(18.00)	(18.00)
Translation difference		
Balance at the end	0.00	19.10

The details of the contractual maturities of lease liabilities as at 31st March 2023 on an undiscounted basis are as follows

Particulars	2022-23	2021-22
Less than one year	-	18.00
One to five year	-	2.47
More than five year	-	-
Total	-	20.47



# Ion Exchange Environment Management Limited

## Notes to financial statements for the year ended 31st March 2023 (contd.)

### 29 Financial Instruments

#### 1. Financial instruments – Fair values and risk management

##### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value

As at 31st March 2023

(INR in Lakhs)

	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortized Cost	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
						(Level 1)	(Level 2)	(Level 3)	
<b>Financial assets</b>									
Deposite	4	-	-	1.04	1.04	-	-	-	-
Cash and cash equivalents**	6	-	-	4.63	4.63	-	-	-	-
<b>Total</b>		-	-	<b>5.67</b>	<b>5.67</b>	-	-	-	-
<b>Financial liabilities</b>									
Borrowings**	13	-	-	1,342.71	1,342.71	-	-	-	-
Trade payables**	14	-	-	408.96	408.96	-	-	-	-
Lease Liabilities	11	-	-	-	-	-	-	-	-
Other financial liabilities**	15	-	-	7.70	7.70	-	-	-	-
<b>Total</b>		-	-	<b>1,759.37</b>	<b>1,759.37</b>	-	-	-	-

As at 31st March 2022

(INR in Lakhs)

	Note No.	Carrying amount				Fair value			
		FVTPL	FVTOCI	Amortized Cost	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
						(Level 1)	(Level 2)	(Level 3)	
<b>Financial assets</b>									
Deposite	4	-	-	1.04	1.04	-	-	-	-
Cash and cash equivalents**	6	-	-	9.72	9.72	-	-	-	-
<b>Total</b>		-	-	<b>10.76</b>	<b>10.76</b>	-	-	-	-
<b>Financial liabilities</b>									
Borrowings**	13	-	-	1,693.03	1,693.03	-	-	-	-
Trade payables**	14	-	-	296.82	296.82	-	-	-	-
Lease Liabilities	11	-	-	19.10	19.10	-	-	-	-
Other financial liabilities**	15	-	-	8.24	8.24	-	-	-	-
<b>Total</b>		-	-	<b>2,017.18</b>	<b>2,017.18</b>	-	-	-	-

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

##### B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

##### Financial instruments measured at fair value

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

##### C. Financial risk management

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

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

##### I. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The board of Directors oversees how management monitors compliance with the company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.





**Ion Exchange Environment Management Limited**  
**Notes to financial statements for the year ended 31st March 2023 (contd.)**

**29. Financial instruments (contd...)**

**Financial instruments – Fair values and risk management (continued)**

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date.

**As at 31st March 2023**

**INR in Lakhs**

	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
<b>Current Financial liabilities</b>						
(i) Borrowings	1,342.71	1,342.71	1,342.71	-	-	-
(ii) Trade payables	408.96	408.96	408.96	-	-	-
(iii) Other financial liabilities	7.70	7.70	7.70	-	-	-
	<b>1,759.37</b>	<b>1,759.37</b>	<b>1,759.37</b>	-	-	-

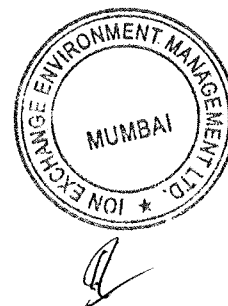
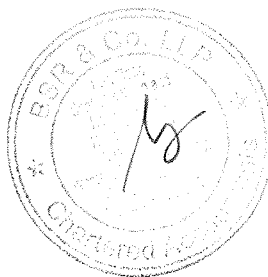
**As at 31st March 2022**

**INR in Lakhs**

	Carrying amount	Contractual cash flows				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
<b>Current Financial liabilities</b>						
(i) Borrowings	1,693.03	1,693.03	1,693.03	-	-	-
(ii) Lease Liabilities	19.10	19.10	18.00	1.10	-	-
(iii) Trade payables	296.82	296.82	296.82	-	-	-
(iv) Other financial liabilities	8.24	8.24	8.24	-	-	-
	<b>2,017.18</b>	<b>2,017.18</b>	<b>2,016.09</b>	<b>1.10</b>	-	-

**Interest rate risk**

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





**Ion Exchange Environment Management Limited**  
**Notes to financial statements for the year ended 31st March 2023 (contd.)**

**29. Financial instruments (contd...)**

**Financial instruments – Fair values and risk management (continued)**

**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.

	March 31, 2023 INR in Lakhs	March 31, 2022 INR in Lakhs
<b>Variable rate loan</b>		
Short term borrowings	1,342.71	1,693.03
	<b>1,342.71</b>	<b>1,693.03</b>

**Cash flow sensitivity analysis for variable-rate instruments**

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

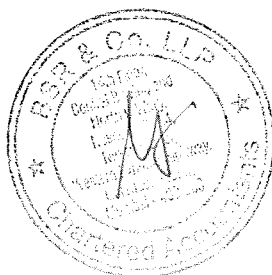
	31-Mar-23		31-Mar-22	
	Increase (-) INR in Lakhs	Decrease (+) INR in Lakhs	Increase (-) INR in Lakhs	Decrease (+) INR in Lakhs
1% Movement	(13.43)	13.43	(16.93)	16.93

**iv. Market risk**

Market risk is the risk that changes in market prices – such as interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including long term debt.

**Exposure to currency risk**

The Company is not exposed to any currency risk as there are no financial assets and financial liabilities in foreign currencies as at 31st March, 2023.



## Ion Exchange Environment Management Limited

### Notes to financial statements for the year ended 31st March 2023 (contd.)

#### 30 Contingent liabilities

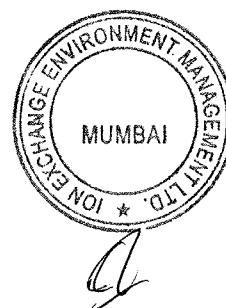
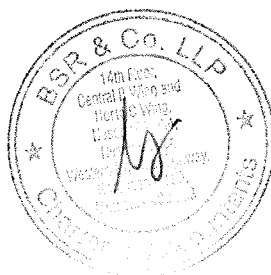
	31-Mar-23 INR in Lakhs	31-Mar-22 INR in Lakhs
Demand raised by Maharashtra Sales authorities against which the Company has filed an appeal.		
Central Sales Tax ( CST)	163.26	439.38

**Note:** Future cash outflows/uncertainties, if any, in respect of above are determinable only on receipt of judgments/decisions pending with various forums/authorities.

#### 31 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The Company's objective is to maximise the shareholders' value by maintaining an optimum capital structure. Management monitors the return on capital as well as the debt equity ratio and make necessary adjustments in the capital structure for the development of the business.

In view of the present financial position of the company, the holding company has confirmed to provide and maintain sufficient financial support and assistance as may be needed to enable the business activities of the company to continue in normal course.



**Ion Exchange Environment Management Limited**  
**Notes to financial statements for the year ended 31st March 2023 (contd.)**

**32 Related party disclosures (As identified by the management):**

**(a) Names of related parties**

Names of the related parties where control exists:

Holding Company -

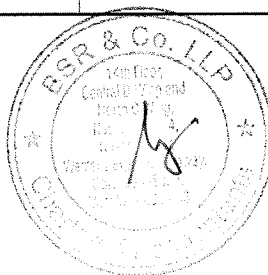
- Ion Exchange (India) Limited

Fellow subsidiary -

- Ion Exchange Projects and Engineering Ltd.

**(b) Transactions with related parties during the year and closing balances**

	31-Mar-23	31-Mar-22
<b>Ion Exchange (India) Limited</b>		
Sale of services	1,266.77	363.32
Services received		-
Lease Charges	18.00	18.00
Loan received	394.29	169.17
Loan repaid	742.81	265.52
Interest paid	177.22	188.23
<b>Outstanding balance</b>		
<b>Ion Exchange (India) Limited</b>		
Outstanding payable	222.32	222.32
Outstanding loans (payable)	1,342.71	1,693.03
<b>Ion Exchange Projects and Engineering Ltd.</b>		
Outstanding payable	22.33	22.33



# Ion Exchange Environment Management Limited

## Notes to financial statements for the year ended 31st March 2023 (contd.)

### 33 Disclosure as per Ind AS 115

- (a) The Company provides single point responsibility of total environmental solutions for industrial and municipal needs for waste water and sewage treatment, solid waste treatment and disposal, hazardous waste management, air pollution control and renewable energy generation. For optimum utilisation of the available resources, the Company also executes Effluent Treatment Plants and Sewage Treatment Plants for others on project management charges (PMC) as subcontractor. The effect of initially applying Ind AS 115 on the Company's revenue from contracts with customers is described in Note 1.15.

- (b) Disaggregation of revenue from contracts with customers - Refer Note 36.

- (c) Contract balances

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

Particulars	31 March 2023	31 March 2022
Receivables which are included in Trade and other receivables		
Contract assets		
- Amount due from customers on construction contract	-	-
- Accrued value of work done net off provision	-	-
Contract liabilities		
- Amount due to customers under construction contracts	-	-
- Advance from customers (contract liability)		

As on 31 March 2023, revenue recognised in the current year from performance obligations satisfied/ partially satisfied in the previous year is INR 1266.77Lakhs.

- (d) Performance obligation

The Company provides single point responsibility of total environmental solutions for industrial and municipal needs for waste water and sewage treatment, solid waste treatment and disposal, hazardous waste management, air pollution control and renewable energy generation. For optimum utilisation of the available resources, the company also executes Effluent Treatment Plants and Sewage Treatment Plants for others on project management charges (PMC) as subcontractor.

The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Company provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the Company enters into multiple contracts with the same customer, the Company evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

The Company recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs. Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

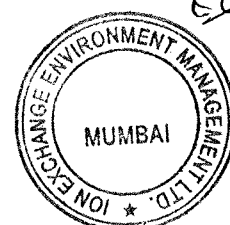
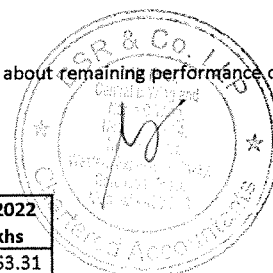
If estimated incremental costs on any contract, are greater than the net contract revenues, the Company recognises the entire estimated loss in the period the loss becomes known. Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured. Interest income is recognised using the effective interest method. Revenue from sale of goods is recognizes at the point in time when control of the assets is transferred to the customer, generally on delivery of the goods. Revenue related to fixed price maintenance and support services contracts where the company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

The Company applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

- (e) Reconciliation of revenue recognised in the Statement of Profit and Loss

The following table discloses the reconciliation of amount of revenue recognised as :

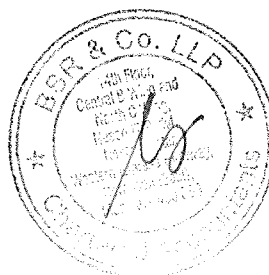
Particulars	31 March 2023 INR in Lakhs	31 March 2022 INR in Lakhs
Contract price of the revenue recognised	1,266.77	363.31
Add: Performance bonus	-	-
Add: Incentives	-	-
Less: Liquidated damages	-	-
<b>Revenue recognised in the Statement of Profit and Loss</b>	<b>1,266.77</b>	<b>363.31</b>



**Ion Exchange Environment Management Limited**  
**Notes to financial statements for the year ended 31st March 2023 (contd.)**

**34 Ratio Analysis and its elements**

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	0.00	0.01	-45%	Due to decrease in Cash & Bank Balance (Current Assets) and increase in Trade Payable and other current liabilities (Current Liability) in current year. Decrease in current Assets by Rs.5.65 lacs and Increase in current liability by Rs.264.17 lacs.
Debt- Equity Ratio	Total Debt	Shareholder's Equity	(1.03)	(1.04)	0%	
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	2.52	0.89	182%	Due to profit in current year.
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	(0.14)	0.01	-1431%	Due to reduced loss in current year by Rs.234.38 lacs (Profit in Current Year Rs. 254.72lacs, loss in Previous year Rs.20.34lacs).
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	1.80	0.33	443%	Due to increased Net purchase by Rs.637.89 lacs in current year.
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	(0.71)	(0.18)	299%	Due to increased Net sales by Rs.903.46 lacs in current year and Decreased current Assets & increased Current Liability in current year.
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.20	(0.06)	-459%	Due to reduced loss in current year by Rs.234.38 lacs (Profit in Current Year Rs. 254.72lacs, loss in Previous year Rs.20.34lacs). and increased Net sales by Rs.903.46 in current year.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	(0.25)	(0.09)	190%	Due to decrease in Loss in current year by Rs.234.38 lacs (Profit in Current Year Rs. 254.72lacs, loss in Previous year Rs.20.34lacs)
Return on Investment	Interest (Finance Income)	Investment	-	-	-	



**Ion Exchange Environment Management Limited**  
**Notes to financial statements for the year ended 31st March 2023 (contd.)**

**35 Going concern basis**

Total equity of the Company as at 31 March 2023 is negative Rs. 1744.85 Lakhs (31 March 2022: Rs.2000.64 Lakhs negative). The Company has incurred profit after tax of Rs. 254.72 Lakhs during the current year, incurred losses during earlier years and has resultant accumulated losses of Rs. 2244.85 Lakhs as at 31 March 2023. Also, the Company's current liabilities have exceeded its current assets by Rs. 1790.38 Lakhs as at 31 March 2023. These conditions cast significant doubt on the Company's ability to continue as a going concern. However, management has assessed that the Company will be able to continue operations on a going concern basis and meet all its liabilities as they fall due for payment in the foreseeable future. In making such assessment, the management has considered the confirmed sales orders received by Holding Company from which revenue will be earned by the Company in FY 2023-24 as project management charges. The Company has also received commitment of financial support from the Holding Company. Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that may be necessary if the Company is unable to continue as a going concern.

**36 Segment reporting**

In accordance with Accounting Standard (Ind AS) 108 "Segment Reporting" notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 of the Companies Act, 2013, the Company has determined its business segments as "engineering of effluent treatment plants" and it operates in single geographical location i.e India. Hence, has no other primary reportable segments for the year ended 31 March 2023. Revenue includes Sales to Ion Exchange India Ltd is Rs.1266.77 Lakhs ( Previous year : Rs.363.31 Lakhs).

**37** Based on the information available with the Company, there are no suppliers who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 in the current year or in the previous year. Hence, the information as required under the Micro Small and Medium Enterprises Development Act, 2006 is Nil.

**38 Tax Disclosures**

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

Particulars	31-Mar-23	31-Mar-22
Deferred Tax assets	-	-
Deferred Tax liabilities	-	-
<b>Net Deferred Tax (Liability) / Assets</b>		

Note:

a. The Company has restricted the recognition of deferred tax asset to the extent of deferred tax liability and not recorded deferred tax asset of Rs.288.70lacs on carry forward losses in the absence of convincing evidence of taxable profits in the foreseeable years.

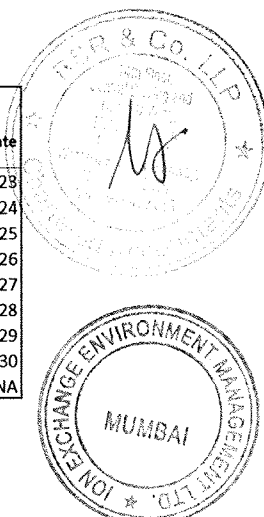
b. The Company has not shown tax reconciliations as they have no tax profits due to carried forward losses on account specified business and unabsorbed depreciation.

c. Unrecognised deductible temporary differences, unused tax losses and unused tax credits:

Particulars	31-Mar-23	31-Mar-22
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
- tax losses	156.51	275.76
- deductible temporary differences Employee benefits	3.86	3.42
- depreciation of fixed assets	1.89	2.08
	162.26	281.27

d Deferred tax assets have not been recognised in respect of the following items as they are not reasonably certain of realization.

	31 March 2023		31 March 2022	
	Gross Amount	Expiry date	Gross Amount	Expiry date
Unabsorbed business loss	178.05	2023-2024	240.61	2022-2028
Unabsorbed business loss	122.22	2024-2025	178.05	2023-2024
Unabsorbed business loss	130.57	2025-2026	122.22	2024-2025
Unabsorbed business loss	122.79	2026-2027	130.57	2025-2026
Unabsorbed business loss	93.05	2027-2028	122.79	2026-2027
Unabsorbed business loss	154.41	2028-2029	93.05	2027-2028
Unabsorbed business loss	18.91	2029-2030	154.41	2028-2029
Unabsorbed business loss	-	-	18.91	2029-2030
Unabsorbed Depreciation	50.01	NA	49.02	NA



**Ion Exchange Environment Management Ltd**  
**Notes to financial statements for the year ended 31st March 2023 (contd.)**

**39 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.

**40** 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.

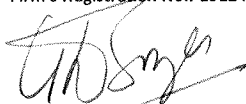
**41 Other Statutory Information**

- (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.)

**42** The Board of Directors of the Company at its meeting held on February 2, 2023, accorded their approval to the Composite Scheme of Amalgamation between the company and the Ion Exchange (India) Limited in terms of the draft scheme of amalgamation. The Scheme is subject to receipt of requisite approvals of statutory authorities as required under applicable laws. The Holding company has filed the scheme of amalgamation with Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench on 19th May, 2023 and appointed date for the proposed Scheme of amalgamation is April 1, 2023.

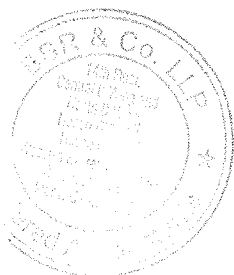
As per our report of even date attached

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



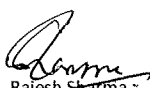
Glenn D'Souza  
Partner  
Membership no.: 112554

Place : Mumbai  
Date : 25 May 2023



For and on behalf of the Board of Directors of  
Ion Exchange Environment Management Limited

CIN - U45204MH2005PLC157554




Rajesh Sharma  
Director  
DIN - 00515486



Milind Puranik  
Company Secretary

Place : Mumbai  
Date : 25 May 2023



Ajay Popat  
Director  
DIN - 00274602

