



# SANTOSH CHANDE & ASSOCIATES

CHARTERED ACCOUNTANTS

61/2699, Ground Floor, Bandra Tarang CHSL., Gandhi Nagar, Bandra (East), Mumbai - 400 051.  
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The Chief Financial Officer  
Ion Exchange (India) Limited  
ION House, 4<sup>th</sup> floor,  
Dr. E. Moses Road,  
Mahalaxmi,  
Mumbai 400 011

and

The Auditors of Ion Exchange (India) Limited ('the Holding Company')

We have performed the audit of the accompanying Fit For Consolidation (FFC) accounts of **ION EXCHANGE EUROPE, LDA** ("the Company") for the year ended 31 March 2024 in accordance with the accounting principles/policies followed by the Holding Company, which are in compliance with Indian Accounting Standards (IndAS) 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 relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

- 1 The FFC accounts have been prepared by and are responsibility of the Company's management. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.
- 2 We are informed by the Company's management that the FFC accounts have been prepared solely to enable the Holding Company to prepare its consolidated financial statement for the year ended 31 March 2024.
- 3 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion for the year ended 31 March 2024.
- 4 In our opinion and to the best of our information and according to the explanations given to us, the said FFC accounts together with the notes thereon give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2024; its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.
- 5 This report is intended solely for the use of Statutory Auditors of Ion Exchange (India) Limited (holding company) in connection with the audit of consolidated financial statements of the Holding Company and should not be used for any other purpose.

**For Santosh Chande & Associates**

Chartered Accountants

Firm's Registration No: 126828W

**Santosh**

**Krishna Chande**

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**Santosh Chande**

Proprietor

Membership Number: 121365

UDIN: 24121365BKCTIR7007

Place: Mumbai

Date: 13.05.2024





### ***Auditor's Report***

To,

**The Directors of ION EXCHANGE EUROPE, LDA**

We have audited the accompanying financial statements of **ION EXCHANGE EUROPE, LDA** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2024, and the Statement of Profit and Loss and Other Comprehensive Income and Cash Flow Statement for the year ended on that date, and Notes to accounts forming part of the financial statements and other explanatory information.

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles, generally accepted in India, including the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 under Section 133 of the Act. This responsibility includes the design, implementation and maintenance of internal control 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles as per Indian Accounting Standards (IND AS):

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2024;
- b) in the case of the Statement of Profit and Loss Account and other comprehensive income, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For Santosh Chande & Associates  
Chartered Accountants**

Santosh  
Krishna  
Chande

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Date: 2024.05.13  
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**Santosh Chande**

**Proprietor**

**Membership no.: 121365**

**Firm registration number: 126828W**

**UDIN : 24121365BKCTIR7007**

**Place: Mumbai**

**Date: 13.05.2024**

## Balance sheet as at 31 st March 2024

	Notes	As at 31 st March 2024 Currency EUR	As at 31 st March 2023 Currency EUR
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment		-	-
(b) Capital work-in-progress		-	-
(c) Other intangible assets		-	-
(d) Financial assets			
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Loans		-	-
(e) Deferred tax assets (Net)		-	-
(f) Other non current assets		-	-
(g) Non current tax assets		-	-
<b>Total non-current assets</b>		-	-
<b>Current assets</b>			
(a) Inventories	2	-	37,260
(b) Financial assets			
(i) Investments		-	-
(ii) Trade receivables	3	-	144,345
(iii) Cash and cash equivalents	4	320,426	503,323
(iv) Bank balances other than (iii) above		-	-
(v) Loans		-	-
(vi) Other financial assets		-	-
(c) Other current assets	5	5,048	1,375
(d) current tax assets	6	3,933	-
(e) Forex Fluctuation			
<b>Total current assets</b>		<b>329,406</b>	<b>686,303</b>
<b>Total assets</b>		<b>329,406</b>	<b>686,303</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	7	5,000	5,000
(b) Other equity	8	233,277	117,159
<b>Total equity</b>		<b>238,277</b>	<b>122,159</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings		-	-
(ii) Other financial liabilities		-	-
(b) Provisions		-	-
(c) Deferred tax liabilities (Net)		-	-
(d) Other non-current liabilities		-	-
(e) Non current tax liabilities		-	-
<b>Total non-current liabilities</b>		-	-
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings		-	-
(ii) Trade payables			
- Due to micro and small enterprises		-	-
- Due to others	9	379	433,229
(iii) Other financial liabilities	10	-	3,040
(b) Other current liabilities	11	31,470	96,875
(c) Provisions		-	-
(d) Liabilities for current tax	12	59,280	31,000
(e) Forex Fluctuation			
<b>Total current liabilities</b>		<b>91,129</b>	<b>564,143</b>
<b>Total liabilities</b>		<b>91,129</b>	<b>564,143</b>
<b>Total equity and liabilities</b>		<b>329,406</b>	<b>686,303</b>
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For Santosh Chande &amp; Associates

Chartered Accountants

Firm's Registration No.: 126828W

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Krishna  
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Santosh Chande

Proprietor

Membership no.: 121365

on behalf of the Board of Directors

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MANOHAR RANADIVE  
Date: 2024.05.13  
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DirectorDINESH  
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SHARMA  
Date: 2024.05.13  
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Director

# Ion Exchange Europe, Lda

## Statement of profit or loss and other comprehensive income for the year ended 31 st March 2024

	Notes	Year ended 31 st March 2024 Currency EUR	Year ended 31 st March 2023 Currency EUR
<b>Income</b>			
Revenue from operations	13	2,037,837	1,423,021
Other income	14	680	23,749
<b>Total Income (I)</b>		<b>2,038,517</b>	<b>1,446,770</b>
<b>Expenses</b>			
Cost of materials and components consumed	15	-	-
Purchases of stock-in-trade	15	1,847,786	1,312,088
Change in inventories of finished goods, work-in-progress and stock-in-trade	15	-	(37,260)
Employee benefits expenses	16	19,983	14,639
Finance costs		-	-
Depreciation and amortization expenses		-	-
Other expenses	17	19,796	9,143
<b>Total expenses (II)</b>		<b>1,887,565</b>	<b>1,298,610</b>
<b>Profit before tax (I - II)</b>		<b>150,952</b>	<b>148,159</b>
<b>Tax expense</b>			
Current tax	18	34,834	31,000
Deferred tax		-	-
<b>Total tax expense</b>		<b>34,834</b>	<b>31,000</b>
<b>Profit after tax (III)</b>		<b>116,118</b>	<b>117,159</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
(a) Remeasurement benefit of defined benefit plans		-	-
(b) Income tax expense on remeasurement benefit of defined benefit plans		-	-
<b>Total other comprehensive income (IV)</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income (III + IV)</b>		<b>116,118</b>	<b>117,159</b>
<b>Earnings per equity share:</b>			
Basic		23	23
Diluted		23	23

Significant accounting policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Santosh Chande & Associates

Chartered Accountants

Firm's Registration No.: 126828W

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Krishna Chande**

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Santosh Krishna Chande  
Date: 2024.05.13  
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Santosh Chande  
Proprietor

Membership no.: 121365

on behalf of the Board of Directors

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RANADIVE**

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Nandkumar Manohar Ranadive  
Director

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Dinesh Sharma  
Director

Place : Mumbai

Date : 13.05.2024

**Ion Exchange Europe, Lda**  
**Statement of changes in Equity for the year ended 31 st March 2024**

**A. Equity share capital**

	2023-24		2022-23	
	Number of shares	Currency EUR	Number of shares	Currency EUR
Issued, subscribed and fully paid up equity shares outstanding at	5,000	5,000	5,000	5,000
Add: Shares issued on exercise of employee stock options during the year	-	-	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	5,000	5,000	5,000	5,000

**B. Other equity**

	Reserves and Surplus		Total other equity
	Retained earnings		
	Currency EUR	Currency EUR	Currency EUR
<b>Balance as at 1st April 2022</b>		-	-
Profit for the year (a)	-	117,159	117,159
Other Comprehensive Income (b)	-	-	-
Total comprehensive income for the year (a+b)	-	117,159	117,159
Issue of equity shares	-	-	-
Gross compensation granted during the year	-	-	-
Transferred to securities premium account on exercise of options	-	-	-
Fair Valuation of Financial Guarantee	-	-	-
Dividend paid	-	-	-
Tax on Dividend paid	-	-	-
<b>Balance as at 31st March 2023</b>	-	117,159	117,159
Profit for the year (c)	-	116,118	116,118
Transferred to capital reserve	-	-	-
Other Comprehensive Income (d)	-	-	-
Total comprehensive income for the year (c+d)	-	116,118	116,118
Fair Valuation of Financial Guarantee	-	-	-
Tax on Dividend paid	-	-	-
<b>Balance as at 31 st March 2024</b>	-	233,277	233,277

As per our report of even date

For Santosh Chande & Associates  
Chartered Accountants  
Firm's Registration No.: 126828W

**Santosh  
Krishna  
Chande**  
Santosh Chande  
Proprietor  
Membership no.: 121365

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on behalf of the Board of Directors

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Nandkumar Manohar Ranadive  
Director

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Dinesh Sharma  
Director

Place : Mumbai  
Date : 13.05.2024



**Ion Exchange Europe, Lda**

**Cash flow statement for the year ended 31 st March 2024**

	Year ended 31 st March 2024 Currency EUR	Year ended 31 st March 2023 Currency EUR
<b>A. Cash flow from operating activities:</b>		
<b>Profit before tax</b>	<b>150,952</b>	<b>148,159</b>
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	-	-
Interest received	-	-
<b>Operating profit before working capital changes</b>	<b>150,952</b>	<b>148,159</b>
Movements in working capital:		
(Increase) / Decrease in inventories	37,260	(37,260)
(Increase) / Decrease in trade receivables	144,345	(144,345)
(Increase) / Decrease in loans	-	-
(Increase) / Decrease in other current assets	(7,606)	(1,375)
(Decrease) / Increase in trade payables	(432,850)	433,229
(Decrease) / Increase in other financial liabilities	(3,040)	3,040
(Decrease) / Increase in other current liabilities	(65,405)	96,875
<b>Cash generated from operations</b>	<b>(176,344)</b>	<b>498,323</b>
Taxes paid	(6,554)	-
<b>Net cash generated from operating activities (A)</b>	<b>(182,898)</b>	<b>498,323</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant and equipment	-	-
Proceeds from sale of property, plant and equipment	-	-
Interest received	-	-
<b>Net cash used in investing activities (B)</b>	<b>-</b>	<b>-</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from issuance of share capital on exercise of options	-	5,000
<b>Net cash generated / (used) in financing activities (C)</b>	<b>-</b>	<b>5,000</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>(182,898)</b>	<b>503,323</b>
<b>Effect of exchange difference on cash and cash equivalent held in foreign</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>503,323</b>	<b>-</b>
<b>Cash and cash equivalents as at the end of the year</b>	<b>320,426</b>	<b>503,323</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.

- Cash and cash equivalents excludes the following balances with bank:

	Year ended 31 st March 2024 Currency EUR	Year ended 31 st March 2023 Currency EUR
Cash and cash equivalents disclosed under current assets [Note 4]	320,426	503,323
Other bank balances disclosed under current assets	-	-
<b>Total cash and cash equivalents as per Balance Sheet</b>	<b>320,426</b>	<b>503,323</b>
<b>Total cash and cash equivalents as per Statement of Cash Flows</b>	<b>320,426</b>	<b>503,323</b>

- Previous year's figures have been regrouped/reclassified wherever applicable

As per our report of even date

For Santosh Chande & Associates  
Chartered Accountants  
Firm's Registration No.: 126828W

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Santosh Chande  
Proprietor  
Membership no.: 121365

Place : Mumbai  
Date : 13.05.2024

on behalf of the Board of Directors

**NANDKUMA  
R MANOHAR  
RANADIVE**  
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NANDKUMAR  
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Nandkumar Manohar Ranadive  
Director

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Dinesh Sharma  
Director

**Ion Exchange Europe, Lda**  
**Notes to financial statements for the year ended 31 st March 2024 (contd.)**

**2. Inventories**

(valued at lower of cost and net realizable value)

	31 st March 2024	31 st March 2023
	Currency EUR	Currency EUR
Raw materials and components	-	-
Work-in-progress	-	-
Finished goods	-	-
Traded goods	-	37,260
Stores and spares	-	-
Contract work-in-progress	-	-
	-	37,260

**3. Trade receivables**

	Non-current		Current	
	As at 31 st March 2024 Currency EUR	As at 31 st March 2023 Currency EUR	As at 31 st March 2024 Currency EUR	As at 31 st March 2023 Currency EUR
Trade receivables				
(a) Unsecured, considered good	-		-	144,345
(b) Unsecured, have significant increase in credit risk				
(c) Unsecured, credit impaired				
	-	-	-	144,345
Less: Provision for unsecured doubtful debts	-		-	-
	-	-	-	144,345

**Trade receivables ageing schedule**

**As at 31 March 2024**

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
	Currency EUR	Currency EUR	Currency EUR	Currency EUR	Currency EUR	Currency EUR	Currency EUR
Undisputed trade receivables - considered good							-
Undisputed Trade Receivables - which have significant increase in credit risk							-
Undisputed Trade receivable - credit impaired							-
Disputed Trade receivables - considered good							-
Disputed Trade receivables - which have significant increase in credit risk							-
Disputed Trade receivables - credit impaired							-

**As at 31 March 2023**

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
	Currency EUR	Currency EUR	Currency EUR	Currency EUR	Currency EUR	Currency EUR	Currency EUR
Undisputed trade receivables - considered good		144,345					144,345
Undisputed Trade Receivables - which have significant increase in credit risk							-
Undisputed Trade receivable - credit impaired							-
Disputed Trade receivables - considered good							-
Disputed Trade receivables - which have significant increase in credit risk							-
Disputed Trade receivables - credit impaired							-

**4. Cash and cash equivalents**

	As at 31 st March 2024 Currency EUR	As at 31 st March 2023 Currency EUR
Balances with banks		
On current accounts	320,426	503,323
On Exchange Earner's Foreign Currency accounts	-	-
Cash on hand	-	-
	320,426	503,323



# Ion Exchange Europe Lda

## Notes to Financial Statements for the year ended 31st March 2024

### Company Overview

ION EXCHANGE EUROPE, LDA is a Private Limited Company registered in Portugal having its registered office in RUA DOS QUARAIS, 186 NOGUEIRA ,4475357 MAIA. It is a 99.98% subsidiary of Ion Exchange (India) Ltd .The Company operates in the field of water treatment.

### 1. Significant Accounting Policies

#### 1.1 Statement of compliance

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

#### 1.2 Basis of preparation

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

#### 1.3 Functional and presentation currency

The standalone financial statements are presented in Euro, which is also the company's functional currency. All amounts have been rounded off to two decimal places to the nearest Euro, unless otherwise indicated.

#### 1.4 Basis of measurement

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

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- net defined benefit (asset)/ liability that are measured at fair value of plan assets less present value of defined benefit obligations.

#### 1.5 Use of estimates

The preparation of the standalone financial statements in accordance with Ind AS requires use of 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 2024 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 categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

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

**1.7 Property, plant and equipment and depreciation**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost includes taxes, duties, freight and other incidental expenses directly related to acquisition/construction and installation of the assets. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation is provided on straight line basis based on life assigned to each asset in accordance with Schedule II of the Act or as per life estimated by the Management, whichever is lower, as stated below.

Assets	Useful lives
Furniture and fixtures	5 years
Office equipments – Computers/Laptops	5 years

Leasehold assets are depreciated over the period of lease.

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

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

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

#### **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. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

#### **1.11 Inventories**

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

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

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

Contract cost that has been incurred and relates to the future activity of the contract are 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. Cost is computed on weighted average basis.

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

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

#### **1.12 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.

##### **(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 profit or loss, even on sale of investment.

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

Impairment of investments in subsidiaries:

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

(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 profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

- Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are

subsequently re-measured at fair value at each reporting period. Any changes therein are generally recognised in the profit and loss account.

(iii) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the statement of profit and loss.

**1.13 Retirement and other employee benefits**

- (i) Retirement benefit in the form of Portugal Pension Plan (CPP) and Employment Insurance (EI) are defined contribution scheme and the contribution is charged to the statement of profit and loss of the year when the contribution to the respective fund is due. There is no other obligation other than the contribution payable.

**1.14 Revenue recognition**

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 is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of 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 subsidiaries is recognised based on transaction price which is at arm's length.

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

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

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

In accordance with Ind AS 37, the 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 judgements 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 identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The 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 judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgement 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 judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.
- Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

#### **1.15 Taxation**

- (i) Provision for current taxation has been made in accordance with the tax laws of Portugal for the relevant tax period.

**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**

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 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.

**1.19 Leases**

Where the company is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets given on operating leases 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

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. However, finance charges pertaining to the period up to date of commissioning of assets are capitalised. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

In case of profit on sale and lease back arrangements resulting in operating leases, where the sale price is above fair value, the excess over the fair value is deferred and amortized over the period for which the asset is expected to be used.



**Ion Exchange Europe, Lda**

**Notes to financial statements for the year ended 31 st March 2024 (contd.)**

**5. Other assets**

	Non-current		Current	
	As at 31 st March 2024 Currency EUR	As at 31 st March 2023 Currency EUR	As at 31 st March 2024 Currency EUR	As at 31 st March 2023 Currency EUR
Capital advances	-	-	-	-
Balance with statutory authorities	-	-	5,048	1,375
Advance to suppliers				
Unsecured, considered good	-	-	-	-
Unsecured, considered good - related parties	-	-	-	-
Unsecured, considered doubtful				-
	-	-	-	-
Less: Provision for doubtful advances				-
	-	-	-	-
Prepaid expenses	-	-	-	-
	-	-	5,048	1,375

**6. Tax assets**

	Non-current		Current	
	As at 31 st March 2024 Currency EUR	As at 31 st March 2023 Currency EUR	As at 31 st March 2024 Currency EUR	As at 31 st March 2023 Currency EUR
Balance with statutory authorities	-	-	3,933	-
	-	-	3,933	-

## 7. Equity share capital

	As at 31 st March 2024		As at 31 st March 2023	
	No of shares	Currency EUR	No of shares	Currency EUR
<b>Authorised capital</b>				
5000 Equity shares of EUR 1 each.	5,000	5,000	5,000	5,000
<b>Issued, subscribed and fully paid-up capital</b>				
5000 Equity shares of EUR 1 each.	5,000	5,000	5,000	5,000
		<b>5,000</b>		<b>5,000</b>

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

	As at 31 st March 2024		As at 31 st March 2023	
	No of shares	Currency EUR	No of shares	Currency EUR
At the beginning of the year	5,000	5,000	5,000	5,000
Add: Additional paid in capital				-
At the end of the year	5,000	5,000	5,000	5,000

## (b) Details of shareholders holding more than 5% shares in the company

	As at 31 st March 2024		As at 31 st March 2023	
	No of shares	% holding	No of shares	% holding
Ion Exchange (India) Ltd	4,999	99.98%	4,999	99.98%
Dinesh Sharma	1	0.02%	1	0.02%
	<b>5,000</b>	<b>100%</b>		

Ion Exchange Europe, Lda

Notes to financial statements for the year ended 31 st March 2024 (contd.)

8. Other equity

	As at 31 st March 2024 Currency EUR	As at 31 st March 2023 Currency EUR
<b>Capital reserve</b>		
Balance as at 1st April	-	-
<b>(A)</b>	<b>-</b>	<b>-</b>
<b>Retained earnings</b>		
Balance as at 1st April	117,159	-
Profit for the year	116,118	117,159
Other comprehensive income	-	-
Appropriations		
- Dividend	-	-
- Tax on dividend	-	-
<b>(B)</b>	<b>233,277</b>	<b>117,159.47</b>
<b>(A+B)</b>	<b>233,277</b>	<b>117,159</b>

**Ion Exchange Europe, Lda**
**Notes to financial statements for the year ended 31 st March 2024 (contd.)**
**9. Trade payables**

	As at 31 st March 2024 Currency EUR	As at 31 st March 2023 Currency EUR
Trade payables (including acceptances)		
- Due to micro and small enterprises		
- Due to others (Refer note no 20 )	379	433,229
	<b>379</b>	<b>433,229</b>

**Trade Payables ageing schedule**
**As at 31 March 2024**

	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
	Currency EUR	Currency EUR	Currency EUR	Currency EUR	Currency EUR
Total outstanding dues of micro enterprises and					-
Total outstanding dues of creditors other than micro enterprises and small enterprises	379			-	379
Disputed dues of micro enterprises and small					-
Disputed dues of creditors other than micro enterprises and small enterprises					-
Unbilled trade payables					-
Not due trade payables					-

**As at 31 March 2023**

	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
	Currency EUR	Currency EUR	Currency EUR	Currency EUR	Currency EUR
Total outstanding dues of micro enterprises and					-
Total outstanding dues of creditors other than micro enterprises and small enterprises	433,229			-	433,229
Disputed dues of micro enterprises and small					-
Disputed dues of creditors other than micro enterprises and small enterprises					-
Unbilled trade payables					-
Not due trade payables					-

**10. Other financial liabilities - Current**

	As at 31 st March 2024 Currency EUR	As at 31 st March 2023 Currency EUR
Employee benefits payable	-	3,040
	-	<b>3,040</b>

**11. Other current liabilities**

	As at 31 st March 2024 Currency EUR	As at 31 st March 2023 Currency EUR
Advance from customers	31,470	96,875
Statutory dues	-	-
Others liabilities	-	-
	<b>31,470</b>	<b>96,875</b>

**12. Tax liabilities**

	Non-current		Current	
	As at 31 st March 2024 Currency EUR	As at 31 st March 2023 Currency EUR	As at 31 st March 2024 Currency EUR	As at 31 st March 2023 Currency EUR
Provision for income tax	-	-	59,280	31,000
	-	-	59,280	31,000



## 13. Revenue from operations

	Year ended 31 st March 2024 Currency EUR	Year ended 31 st March 2023 Currency EUR
<b>Revenue from operations</b>		
<b>Sale of products</b>		
Finished goods	2,037,837	1,423,021
Traded goods	-	-
<b>Sale of services</b>	-	-
<b>Others operating revenue</b>		
Scrap sale	-	-
Management fees	-	-
Other operating income	-	-
	<b>2,037,837</b>	<b>1,423,021</b>

## 14. Other income

	Year ended 31 st March 2024 Currency EUR	Year ended 31 st March 2023 Currency EUR
Exchange gain (Net)	680	23,749
	<b>680</b>	<b>23,749</b>

## 15. Cost of raw material and components consumed

	Year ended 31 st March 2024 Currency EUR	Year ended 31 st March 2023 Currency EUR
Inventory at the beginning of the year	-	-
Add: Purchases	-	-
Less: Inventory at the end of the year	-	-
Cost of raw material and components consumed	-	-

## Purchases of Traded Goods

	Year ended 31 st March 2024 Currency EUR	Year ended 31 st March 2023 Currency EUR
Consumer products		
Traded Goods-Resin	1,847,786.03	1,312,088.29
Others		
	1,847,786.03	1,312,088.29

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

	Year ended 31 st March 2024 Currency EUR	Year ended 31 st March 2023 Currency EUR
<b>Inventories at the end of the year</b>		
Traded goods	37,260.00	37,260.00
Work-in-progress		
Finished goods		
Contract work-in-progress		-
	37,260.00	37,260.00
<b>Inventories at the beginning of the year</b>		
Traded goods	37,260.00	-
Work-in-progress		
Finished goods		
Contract work-in-progress	-	
	37,260.00	-
	-	(37,260.00)

## 16. Employee benefits expense

	Year ended 31 st March 2024 Currency EUR	Year ended 31 st March 2023 Currency EUR
Salaries, wages and bonus	19,983	14,639
Contribution to provident and other funds	-	-
Employee compensation expense	-	-
Staff welfare expense	-	-
	19,983	14,639

17. Other expenses

	Year ended 31 st March 2024 Currency EUR	Year ended 31 st March 2023 Currency EUR
Rates and taxes	116	-
Legal and professional charges	16,584	6,703
Bank charges	3,096	2,440
Exchange loss (Net)	-	-
Establishment and other miscellaneous expenses	-	-
	<b>19,796</b>	<b>9,143</b>

**IEI Total Water Management, Lda**  
**Notes to financial statements for the year ended 31 st March 2024 (contd.)**

**Note 18**

**Earnings per share (EPS)**

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) 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.

<b>i. Profit attributable to Equity holders of parent</b>	<b>(Currency : EUR)</b>	
	<b>31 st March 2024</b>	<b>31 st March 2023</b>
	<b>EUR</b>	<b>EUR</b>
<b>Profit attributable to equity holders of the parent:</b>		
Net Profit as per statement of profit and loss available for equity shareholders	116,118	117,159
<b>Profit attributable to equity holders</b>	<b>116,118</b>	<b>117,159</b>
<b>ii. Weighted average number of ordinary shares</b>		
	<b>31 st March 2024</b>	<b>31 st March 2023</b>
Basic outstanding shares	5,000	5,000
Less : weighted average shares held with the shareholding trust		
<b>Weighted average number of shares at March 31 for basic and diluted EPS</b>	<b>5,000</b>	<b>5,000</b>
<b>Earnings per share in Rupees (Weighted average)</b>		
	<b>31 st March 2024</b>	<b>31 st March 2023</b>
Basic earnings per share	23	23
Diluted earnings per share	23	23

IEI Total Water Management, Lda						
19. Financial instruments						
Financial instruments – Fair values and risk management						
A. Accounting classification and fair values						
The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels. It does not include the fair value information for current financial assets and current financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.						
						Currency EUR
	As at 31st March 2024			As at 31st March 2023		
	Carrying Amount	Fair value		Carrying Amount	Fair value	
		Level of input used in			Level of input used in	
		Level 1	Level 2		Level 1	Level 2
Financial assets - Non-current						
At amortised cost						
Trade receivables	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Investments	-	-	-		-	-
At FVTPL						
Investments		-	-		-	-
Financial assets - Current *						
At amortised cost						
Trade receivables	-			144,345		
Cash and cash equivalents	320,426			503,323		
Bank balances other than above	-			-		
Loans	-			-		
Others	-			-		
At FVTPL						
Investments	-	-	-	-	-	-
Financial liabilities - Non-current						
At amortised cost						
Borrowings	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
Financial liabilities - Current *						
Borrowings	-			-		
Trade payables	379			433,229		
Other financial liabilities	-			3,040		

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

## Ion Exchange Europe, Lda

### Notes to financial statements for the year ended 31 st March 2024 (contd.)

#### 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 and liabilities measured at amortised cost	Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate.
Investments in unquoted preference shares and debentures	Discounted cash flow: The fair value is estimated considering net present value calculated using long term growth rate and discount rate.
Investments in unquoted equity shares	Discounted cash flow: Using long term growth rate.

#### C. 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.

##### (ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

Trade receivables

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. In respect of trade receivables, the company is not exposed to any significant credit risk exposure to any single counter party or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. The company assesses the credit quality of the trade receivables based on market intelligence, customers payment history and defaults.

Cash and cash equivalents

The Company held cash and cash equivalents of EURO 320,426 as at 31st March 2024 (as at 31st March 2023: EURO 5,03,323 ). The cash and cash equivalents are held with banks with good credit ratings.



**Ion Exchange Europe, Lda**  
**Notes to financial statements for the year ended 31 st March 2024 (contd.)**

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

**iii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks. The Company monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

**Exposure to liquidity risk**

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

**Exposure to liquidity risk**

Currency EUR						
31 st March 2024	Contractual cash flows					
	Carrying Amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
(i) Borrowings	-	-				
(ii) Other Non current financial liabilities	-	-				
(iii) Issued financial guarantee contract on behalf of related parties*	-	-				
<b>Current Financial liabilities</b>						
(i) Short term borrowings	-	-	-	-	-	-
(ii) Trade payables	379	379	379	-	-	-
(iii) Other financial liabilities	-	-	-	-	-	-
	<b>379</b>	<b>379</b>	<b>379</b>	-	-	-

Currency EUR						
31 st March 2023	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
<b>a) Non-derivative financial liabilities</b>						
(i) Borrowings	-	-				
(ii) Other Non current financial liabilities	-	-				
(iii) Issued financial guarantee contract on behalf of related parties*	-	-				
<b>Current Financial liabilities</b>						
(i) Short term borrowings	-	-	-			
(ii) Trade payables	433,229	433,229	433,229			
(iii) Other financial liabilities	3,040	3,040	3,040			
	<b>436,268</b>	<b>436,268</b>	<b>436,268</b>	-	-	-

**Ion Exchange Europe, Lda**  
**Notes to financial statements for the year ended 31 st March 2024 (contd.)**

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

**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.

**Exposure to interest rate risk**

The Company's is not exposure to interest rate risk as there is no borrowings.

		Currency EUR	
	Note Reference	31 st March 2024	31 st March 2023
<b><u>Fixed rate instruments</u></b>			
<b>Financial assets - measured at amortised cost</b>			
Loans to related parties		-	-
Other bank balances - On deposit account		-	-
Other bank balances - On margin money account		-	-
		-	-
<b><u>Fixed rate loan</u></b>			
<b>Financial liabilities - measured at amortised cost</b>			
Long term Borrowing		-	-
Short term borrowings		-	-
		-	-
<b><u>Variable rate loan</u></b>			
<b>Financial liabilities - measured at amortised cost</b>			
Long term Borrowing		-	-
Short term borrowings		-	-
		-	-

**Fair value sensitivity analysis for fixed-rate instruments**

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

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

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

	31-Mar-24		31-Mar-23	
	Increase	Decrease	Increase	Decrease
	(-)	+	(-)	+
1% Movement	-	-	-	-

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

**iv. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, 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 foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

**Currency risk**

The Company is exposed to currency risk on account of its operations in other countries. The functional currency of the Company is SAR. The exchange rate between the EURO and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The Company has no significant transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company.

**Exposure to currency risk**

The currency profile of financial assets and financial liabilities as at 31 st March 2024 & 31 st March 2023 are as below:

	31-Mar-24 EURO
<b>Financial assets</b>	
Cash and cash equivalents	-
Trade and other receivables	-
	-
<b>Financial liabilities</b>	
Trade and other payables	-
Borrowings	-
	-
Net statement of financial position exposure	-
Next 18 months forecast sales	-
Forward exchange contracts	-
Net exposure	-
	31-Mar-23 EURO
<b>Financial assets</b>	
Advance to Related parties	
Cash and cash equivalents	
Trade and other receivables	-
	-
<b>Financial liabilities</b>	
Trade and other payables	432,850
Borrowings	-
	432,850
Net statement of financial position exposure	(432,850)
Next 18 months forecast sales	-
Forward exchange contracts	
Net exposure	(432,850)

**20. Related party disclosures****Names of related parties and related party relationship****Related parties where control exists**

Holding company	Ion Exchange (India) Ltd
Ultimate holding company	
Subsidiaries	

**Related parties with whom transactions have taken place during the year**

Holding Company	Ion Exchange (India) Ltd
Associates	
Jointly controlled entity	
Key management personnel	Dinesh Sharma

Relatives of key management personnel

Enterprises owned or significantly influenced by key management personnel or their relatives

**Related party transactions**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

**a. Sale/ purchase of goods and services****(`EUR)**

	Year ended	Sale of goods	Purchase of traded goods	Amount owed by related parties*	Amount owed to related parties*
Holding and ultimate holding companies					
Ion Exchange (India) Ltd	31-Mar-24	-	1,810,508	-	-
	31-Mar-23	-	1,312,089	-	432,850

**b. Loans & Advance taken and repayment thereof****(EUR)**

	Year ended	Loans taken	Repayment	Interest	Amount owed by related parties*	Amount owed to related parties*
Subsidiaries, Associates and jointly controlled entities						
Ion Exchange (India) Ltd	31-Mar-24	-			-	
	31-Mar-23	-			-	

Loans given/taken from related parties are repayable on demand.

**C. Remuneration to Director****(EUR)**

	Year ended	Remuneration	
Dinesh Sharma	31-Mar-24	16,148	-
	31-Mar-23	11,830	-

Ion Exchange Europe, Lda  
Notes to financial statements for the year ended 31 st March 2024  
**Note. 21**  
Currency EUR  
Ratio Analysis and its elements

Ratio	Numerator	Denominator	31-Mar-24	31-Mar-23	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	3.61	1.22	197%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.38	4.62	-92%	
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	23.22	23.43	-1%	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	-	9.86	-	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	8.55	11.65	-27%	
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.06	0.08	-31%	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.63	1.21	-48%	

As per our report of even date  
For Santosh Chande & Associates  
Chartered Accountants  
Firm's Registration No.: 126828W

Santosh Krishna Chande  
Digitally signed by Santosh Krishna Chande  
Date: 2024.05.13 18:35:35 +05'30'

Santosh Chande  
Proprietor  
Membership no.: 121365

on behalf of the Board of Directors

NANDKUMAR MANOHAR RANADIVE  
Digitally signed by NANDKUMAR MANOHAR RANADIVE  
Date: 2024.05.13 18:07:02 +05'30'

Nandkumar Manohar Ranadive  
Director

DINESH SHARMA  
Digitally signed by DINESH SHARMA  
Date: 2024.05.13 18:07:35 +05'30'

Dinesh Sharma  
Director

Place : Mumbai  
Date : 13.05.2024