



August 27, 2020

To,
BSE Limited
The Corporate Relationship Dept.
P.J. Towers,
Dalai Street,
Mumbai-400 001

BSE Company Code: 500214

Dear Sir/Madam,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report for the year ended 31st March, 2020 containing Notice of the 56th Annual General Meeting scheduled to be held on Tuesday, 22nd September, 2020 at 11.00 a.m. through Video Conference/ Other Audio Visual Means (OAVM), in accordance, with various circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Kindly note that the soft copies of Annual Report containing Notice of Annual general meeting is being uploaded on the website of Company at www.ionindia.com.

Kindly take the same on your record.

**Yours Faithfully,
For Ion Exchange (India) Limited**

MILIND
DATTATRAYA
PURANIK
Milind Puranik
Company secretary

Digitally signed by MILIND DATTATRAYA
PURANIK
DN: cn=Milind Puranik,
o=Personal,
pseudoym=3e3c3e0a43f89c479d4497b29bba
58f6c1e11c4b49089f6a4b615f3d8e1044,
postalCode=400057, st=MAHARASHTRA,
serialNumber=09d44a943c6a27b3cc118918be
da279208a77966d18e4a68999a2c,
cn=MILIND DATTATRAYA PURANIK
Date: 2020.08.27 17:58:39 +05'30'

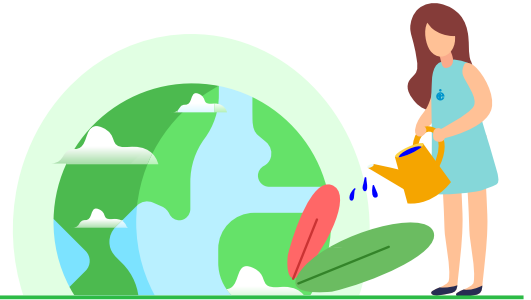
ION EXCHANGE (INDIA) LTD. | CIN: L74999MH1964PLC014258

Regd. Office: Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011, India.

Board: +91 22 6231 2000 | Fax: +91 22 2493 8737 | E-mail: ieil@ionexchange.co.in | Web: www.ionindia.com

Offices: Bengaluru | Bhubaneswar | Chandigarh | Chennai | Hyderabad | Kolkata | Lucknow | New Delhi | Pune | Vadodara | Vashi | Visakhapatnam

NEW R&D CENTRE AT PATANCHERU, TELANGANA



Ion Exchange's new R&D centre was inaugurated in August 2019. The new R&D centre is certified by Department of Science and Industrial Research (DSIR). Operated by competent scientists, it will accelerate development of newer chemistries related to synthesis of ion exchange resins, membranes, polymers and speciality chemicals for water, waste water treatment, process separation and purification, speciality process application and catalysis to name a few. The new products developed will ensure we remain technology and market leaders in India. Many of these products will be import substitutes with large potential for enhancing the Company's exports.



ION EXCHANGE...

... LEADING INNOVATIONS



Growing population and economic development is putting enormous pressure on the finite water resources, making India one of the most severely water stressed nations. Global climate change is further aggravating the situation. The need of the hour is sustainable and efficient management of water resources.

Your Company has led the innovation curve for more than five decades, providing state-of-the-art sustainable technologies and solutions for total water and environment management to industries, institutions, homes and communities. Innovation is aimed at developing technically feasible, economically viable, environmentally and ecologically sound and socially acceptable solutions. From the early sixties, we introduced ion exchange resins, reverse osmosis membranes, specialty chemicals for process and utility application and home water solutions. We pioneered the concept of alternate sources of water using sea water desalination; sewage and effluent recycle and complete range of products and solutions for rural and urban drinking water in India.

Having remained at the forefront of most cutting edge technologies your Company's innovations have benefitted customers across segments and geographies. This has been made possible by its firm belief in nurturing sustained innovation through the Research and Development Center, recognized by Department of Science and Technology, almost since inception. The Company's investment in the newly inaugurated R&D centre at Patancheru in Aug 2019, is testament of its commitment to innovation. The new R&D centre will accelerate development of newer chemistries and formulations with the objective of remaining self reliant, serving global markets with 'Make in India' products and reducing dependence on imports. This also ensures that Ion Exchange remains the technology and market leader in India while strengthening its position in the global market.

All this is complemented by your Company's strong customer reach. Close relationship with customers helps Ion Exchange understand their needs and requirements which forms the basis for product development and innovation.

As we step into a new paradigm shift that the pandemic has brought upon us, your Company will cautiously continue to evolve its portfolio, strengthen its capabilities, grow in-house talent and reduce its cost structure. With a strong foundation and great opportunities to serve customers, your Company is geared up and excited about the prospects that the future holds in store.

BOARD OF DIRECTORS

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

REGISTERED OFFICE

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

BANKERS

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

SENIOR MANAGEMENT

Mr. Rajesh Sharma	Chairman & Managing Director
Mr. Aankur Patni	Executive Director
Mr. Dinesh Sharma	Executive Director
Mr. Ajay A. Popat	President - Corporate Diversification, Technology & Marketing
Mr. N. M. Ranadive	Executive Vice President - Finance
Mr. Dinesh Sadasivan	Executive Vice President - Standard Systems, CSD & Services
Mr. S. V. Mehendale	Executive Vice President - Resin & Membrane Division
Mr. S. N. Iyengar	Executive Vice President - Medium Industry Segment
Mr. Anil Khera	Executive Vice President - Industrial Chemical Division

AUDITORS

M/s. BSR & Co. LLP

ADVOCATE & SOLICITORS

Crawford Bayley & Co.

COMPANY SECRETARY

Mr. Milind Puranik

REGISTRAR & SHARE TRANSFER AGENT & REGISTRAR FOR FIXED DEPOSITS

M/s. TSR Darashaw Consulants Private Limited
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011.
Tel. No.: 6656 8484/94
E-mail: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

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NOTICE

NOTICE is hereby given that the Fifty Sixth Annual General Meeting of the members of Ion Exchange (India) Limited will be held on Tuesday, 22nd September, 2020 at 11:00 a.m. through Video Conferencing (“VC”) Other Audio Video Means (“OAVM”) to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company at Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai- 400011.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statement and Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2020, and the Reports of the Board of Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividend on Equity Shares and to declare a Final Dividend on equity shares for the Financial Year 2019-2020.
3. To appoint a Director in place of Mr. M.P. Patni (DIN: 00515553) who retires by rotation and being eligible, offers himself for re-appointment.

4. **Re-appointment of Statutory Auditors**

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

“RESOLVED THAT pursuant to provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and rule made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. B S R & Co. LLP, Chartered Accountants (Reg. No. 101248W/W-100022), be and are hereby re-appointed as the Statutory Auditor of the Company from the conclusion of this Annual General Meeting (AGM) till the Conclusion of the Sixtieth Annual General Meeting (AGM) to be held in the year 2024 at such remuneration as may be mutually agreed between the Board and Auditors.”

SPECIAL BUSINESS

5. **Appointment of Branch Auditors**

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

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

6. **Approval of Cost Auditors Remuneration**

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

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021, at a remuneration amounting to INR 350,000 (Rupees Three Lakhs Fifty Thousand only) plus applicable taxes and out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.”

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

By Order of the Board

Milind Puranik
Company Secretary

Mumbai, 25th June, 2020

NOTES :

- In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 14th September, 2020 to Tuesday, 22nd September, 2020 (both days inclusive).
- Details of Director seeking appointment/re-appointment as required under Regulation 36 (3) of Listing Regulations and Secretarial Standards on General Meetings:

Name	Mr. M. P. Patni
Designation	Non-Executive Director
Date of Birth	25.09.1945
Date of Appointment	28.09.2001
Qualification	B.E. (Mechanical)
Expertise	Mr. M P Patni has wide range of experience in the marketing of heavy and medium engineering equipments, water treatment plants and allied items since last 52 years. He has considerable exposure in handling large projects of national importance.
Terms and Conditions of Appointment	Not Applicable
Details of Remuneration sought to be paid	Not Applicable
Remuneration last drawn	Not Applicable
Number of shares held in the Company	755,497
Relationship with other Directors, Manager and other key managerial personnel of the Company	Mr. M.P. Patni is related to Mr. Aankur Patni who is an Executive Director.
Chairman/Director of Other Companies	1. Aartus & Associates Pvt. Ltd. 2. Labhda Properties Pvt. Ltd. 3. IEI Water Tech (M) Sdn. BHD. 4. IEI Environmental Management (M) SDN.BHD. 5. Ion Exchange Environmental Management (BD) Ltd. 6. Ion Exchange Asia Pacific Pte. Ltd.(Singapore) 7. Ion Exchange Asia Pacific (Thailand) Ltd. 8. Ion Exchange Projects & Engineering Ltd. 9. Ion Exchange PSS Ltd. (Thailand) 10. Ion Exchange Safic (Pty.) Ltd. (South Africa)
Chairman/Member of the committees of the Company and other Company(s)	Member of the following committees of Ion Exchange (India) Ltd. 1. Employee Stock Option Compensation Committee (Chairman) 2. Nomination and Remuneration Committee 3. Corporate Social Responsibility Committee Member of the following committees of Ion Exchange Projects and Engineering Limited. 1. Audit Committee
No. of Board Meetings attended	Eight out of Eight

5. Final Dividend, if declared at the meeting will be paid subject to deduction of tax at source on or before 27th September, 2020 to those members (holding shares in physical form) whose names appear on the Register of members as on 22nd September, 2020 and to those beneficial owners (holding shares in electronic form) whose names appear in the Beneficiary report furnished by the depositories.
6. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, TSR Darashaw Consultants Private Limited (TSRDCPL) for assistance in this regard.
7. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, TSR Darashaw Consultants Private Limited (TSRDCPL) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to TSRDCPL.
8. Unclaimed Dividend for the period 2011-2012 has been transferred to Investors Education and Protection Fund, pursuant to Sections 125 of the Companies act, 2013. Shareholders who have not claimed Dividend for the period 2012-2013 and subsequent years are advised to write to our R&T.
9. Pursuant to the Provision of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") which came into effect from 7th September, 2016 and further amended "the Rules" vide notification dated 28th February 2017, the Company is mandated to transfer all shares in the name of the Investor Education and Protection Fund (IEPF) DEMAT Account of the Authority in respect of which dividend has not been paid or claimed for seven consecutive years or more. The Company has transferred 10,102 shares to the Investor Education and Protection Fund Authority during the year 2019-20.
10. Nomination form can be obtained from our R&T, M/s.TSRDCPL. This form will have to be used by only those shareholders, holding in physical form & the same should be submitted to our R&T for registration. For shareholders, holding in dematerialized form, the nomination form prescribed by the Depository will have to be used and submitted with the Depository Participant.
11. Members seeking any information with regard to the Accounts are requested to e-mail to the Company at investorhelp@ionexchange.co.in on or before 16th September, 2020. The same shall be replied by Company suitably.
12. The Company has been maintaining, inter alia, the following statutory registers at its registered office
 - i) Register of contracts or arrangements in which Directors are interested under section 189 of the Act.
 - ii) Register of Directors and Key Managerial Personnel and their shareholding under section 170 of the Act.The said registers will be made accessible for inspection through electronic mode and shall remain open and be accessible to any member during the continuance of the meeting.
13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.ionindia.com and on the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com.
14. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with TSRDCPL/Depositories.
16. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

The shareholders are requested to update their PAN with the Company/TSRDCL (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to csg-exemptformsto@tsrdarashaw.com

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to csg-exemptformsto@tsrdarashaw.com.

17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice

18. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI LODR the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The members who have cast their vote by remote e-voting (prior to the AGM) may also attend the AGM but shall not be entitled to cast their vote again.

III. The remote e-voting period commences on 18th September, 2020 (9:00 a.m.) and ends on 21st September, 2020 (5:00 p.m.). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15th September, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

IV. The process and manner for remote e-voting are as under:

(i) Open email and open PDF file viz; "IONEX e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

(iii) Click on 'Shareholders' - [Login](#)

(iv) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

(v) Your User ID details are given below

a) For Members who hold shares in demat account with NSDL - 8 Character DP ID followed by 8 Digit Client ID

b) For Members who hold shares in demat account with CDSL - 16 Digit Beneficiary ID

c) For Members holding shares in Physical Form - EVEN Number followed by Folio Number registered with the Company

(vi) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

(vii) How to retrieve your 'initial password'?

- a) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - b) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered.
- (viii) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (ix) Select "EVEN" of "Ion Exchange (India) Limited".
- a. Now you are ready for remote e-voting as Cast Vote page opens.
 - b. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - c. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - d. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - e. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizers' email ID: vvchakra@gmail.com with a copy marked to evoting@nsdl.co.in
- (x) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

Process for those shareholders whose E-mail IDs are not registered with the depositories for procuring User ID and Password and registration of E-mail IDs for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investorhelp@ionexchange.co.in

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investorhelp@ionexchange.co.in
 2. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned above, as the case may be.
- V. If you are already registered with NSDL for remote e-voting then you can use your existing User ID and Password/PIN for casting your vote.
- VI. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 15th September, 2020.
- VIII. Any person, who acquires shares of the Company and become member of the Company after sending of the notice and holding shares as of the cut-off date i.e. 15th Septembers, 2020 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to the Registrars M/s. TSR Darashaw Consultants Private Limited at csg-unit@tsrdarashaw.com.

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

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

19. Instructions for members for attending the AGM through VC/OAVM are as under:

- a. Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
- b. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
- c. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in or contact further, please find below details of NSDL officials for queries.

Mr. Amit Vishal, Senior Manager, NSDL, 022-2499 4360 or email at amitv@nsdl.co.in

Ms. Pallavi Mhatre, Manager, NSDL, 022-2499 4545 or email at pallavid@nsdl.co.in

- d. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investorhelp@ionexchange.co.in from September 16, 2020 (9:00 a.m. IST) to September 18, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Registered Office:

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

CIN: L74999MH1964PLC014258

By Order of the Board

Milind Puranik
Company Secretary

Mumbai, 25th June, 2020

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

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 6 of the accompanying Notice:

Item No. 4

M/s. B S R & Co. LLP, Chartered Accountants (Reg. No. 101248W/W-100022) had been appointed as the Statutory Auditors of the Company at Fifty First Annual General Meeting held on 16th September, 2015 for a period of 5 years till the conclusion of Fifty Sixth Annual General Meeting.

M/s. B S R & Co. LLP, Chartered Accountants (Reg. No. 101248W/W-100022) are eligible for re-appointment for a further period of 4 years. They have conveyed their consent to be re-appointed as the Statutory Auditors of the Company for next term of 4 years along with the confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

After considering the recommendation of Audit Committee, the Board at its meeting held on 25th June, 2020, proposed the re-appointment of M/s. B S R & Co. LLP as Statutory Auditors for a further period of 4 years from the conclusion of this Annual General Meeting till the Conclusion of Sixtieth Annual General Meeting to be held in the year 2024.

The board recommends the Resolution at item no. 4 for approvals of members.

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

Item No. 5

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

M/s. Angadi & Co., Chartered Accountants have given their consent to act as the Branch auditors, if appointed.

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

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 5 of the accompanying Notice.

Item No. 6

M/s. Kishore Bhatia & Associates, Cost Accountants, are appointed as Cost Auditors of the Company to audit the accounts relating to cost records for the financial year ending March 31, 2021.

Remuneration payable to M/s. Kishore Bhatia & Associates, Cost Auditors of the Company for the financial year ended March 31, 2021 was recommended by the Audit Committee to the Board and subsequently, was considered and approved by the Board of Directors at its meeting held on June 25, 2020.

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

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

None of the Directors or key managerial personnel (KMP) or relatives of Director or KMP is any way interested or concerned in the Resolution at Item No. 6 of the accompanying Notice.

Registered Office:

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

By Order of the Board

Milind Puranik
Company Secretary

Mumbai, 25th June, 2020



RESPONSE TO COVID-19

Letter from the Chairman & Managing Director to Customers & Partners.



10 April, 2020

Dear Customers and Partners,

We are in the midst of the most challenging times of our lives. We have not faced such an unprecedented situation before, where major part of the world is under lockdown. It is hard to imagine a business that has not been impacted.

These are difficult times for all of us. Our priority has to be the health and safety of our families, friends and colleagues. Our thoughts are especially with those who are unwell and we wish them a speedy recovery. I salute and thank all the paramedics, people managing essential services and logistic personnel for their dedication and selfless services to humanity.

This pandemic has forced us all to work from home. I greatly appreciate the efforts of our team in adapting to this new work environment and for continuing to provide seamless service to our customers through digital channels. I am proud of our operation and maintenance teams and service engineers who are working tirelessly, away from their families to ensure uninterrupted working of our customers' plants and facilities.

Our resins, chemicals and standard system plant facilities are partially operating in accordance with the permission granted by local authorities and are supplying products to customers who are working under the essential services category.

We are grateful to you for your continued support and on behalf of everyone at Ion Exchange, we are committed to remain your trusted partner, assuring you of our best services.

Please do take care and stay safe.

Warm regards,

Rajesh Sharma
Chairman & Managing Director
Ion Exchange (India) Ltd.

ION EXCHANGE (INDIA) LTD. | CN: L74999MH1964PLC014238
Regd. Office: Ion House, Dr. E. Ames Road, Andhwarani, Mumbai - 400 011, India.
Board: +91 22 6231 2000 | Fax: +91 22 2493 8737 | E-mail: ie@ionexchange.co.in | Web: www.ionindia.com
Offices: Bhubaneswar | Chandigarh | Chennai | Hyderabad | Kolkata | Lucknow | New Delhi | Pune | Vadodra | Vashi | Visakhapatnam

Continuing to do our best for protecting people's lives and the environment during the Covid-19 outbreak.



[Read more](#)

Our Customers' Affirmations

“ We appreciate your proficiency in timely supplies despite challenges faced by you in arranging sufficient resources like raw materials, manpower, transportation, etc., which helped us to produce essential chemicals. We would also like to appreciate you for fulfilling our requirement in timely manner. We look forward to your continuous support and association. ”

General Manager (Materials Management)
A leading Chemical Company

“ We appreciate your team of technical services experts for their knowledge and quality services provided to our water treatment plant. We are satisfied with the technical competency level and customer service orientation, which ensured optimum level running of our water treatment plant. We look forward to your continuous support and wish you success in all endeavours in future. ”

Senior Engineer - A large Sugar Mill

“ We wish to express our sincere appreciation for your commitment and supplying Applied Ion Exchange system including resins to API purification plant while the entire nation was put under lock down due to COVID 19 pandemic. We also express our appreciation to your R&D team for providing lab trials. We look forward to a continuous relation with you and wish good luck for your future projects. ”

Managing Director
A leading Drug Manufacturing Company

“ We would like to appreciate all the hard work and diligent efforts that your E&C team have put into under your co-operation to complete our Green Field project site for ETP & WTP erection and commissioning successfully even during the lock down period. We would like to thank you for your services since two decades and specially during this lock down and expect the same services in future. ”

Asst. General Manager (Project)
A large Chemical Intermediate Company

“ IEI is operating & maintaining the plant successfully. The scope of work includes turnkey job of operation & maintenance of New Drinking Water Treatment Plant of capacity 5760 m³/day at refinery township. You have been attentive towards work and have given innovative staff involved ideas, which resulted in following:

1. Savings of 100 m³/day (approx.) of treated water by optimizing frequency of DMFs and ACF backwash, resulting in cost saving of Rs. 33,000/- per month.
2. Utilization of backwash water in horticulture works.
3. Due to good and smooth operation, there were no leakages in the pipeline and no wastage of water during repairs.
4. Provided efficient resources like raw material, manpower etc. even during lock down period. Overall the performance has been good and satisfactory. ”

Chief Maintenance Manager (Civil) - A leading Refinery



DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the 56th Annual Report and Accounts for the year ended 31st March, 2020.

FINANCIAL RESULTS

The highlights of the financial results are as follows:

	Year ended March 2020 (INR in Lacs)	Year ended March 2019 (INR in Lacs)
Profit before taxation	13,418	10,110
Less: Provision for taxation:		
Current tax	3,642	3,506
Deferred tax	(136)	(55)
Profit after tax	9,912	6,659
Other comprehensive income/loss (Net of Taxes)	(92)	(53)
Total comprehensive income	9,820	6,606

OPERATIONS

During the financial year ended 31st March, 2020, the net profit after tax of the Company has increased to INR 9,912 Lacs, as compared to previous year's net profit after tax of INR 6,659 Lacs showing a mark improvement of 48.9% over the previous year. The turnover of the Company increased to INR 1,407 Crores as compared to INR 1,102 Crores of the previous year.

DIVIDEND

For the financial year 2019-20, based on the Company's performance, the Directors have declared an Interim Dividend of INR 4.50 per Equity Share. The Directors have also recommended a Final Dividend of INR 1.50 per Equity Share, bringing the total Dividend to INR 6 per Equity Share for the financial year ended 31st March, 2020.

FUTURE OUTLOOK

India's real GDP had decelerated to its lowest in over six years by the 3rd quarter of FY 2019-20. As the economy tried to revive its fortunes in the 4th quarter, it was impacted by the Covid-19 pandemic. Unlike the previous three quarters that were affected by recession in demand, Covid-19 had a unique negative impact on the economy due to supply, demand and market shock. Three major contributors to GDP namely; private consumption, investment and external trade have been severely affected. Preliminary analysis suggests nearly 5% degrowth of GDP in the year 2020-21.

It is remarkable that India as a nation has adopted quick and resilient steps to mitigate spread of Covid-19 with systematic lockdown and rollout of Government stimulus packages for the neediest in the social and industrial sectors. The country's economy which endured an irreversible loss of 2-4% of its GDP

in the last quarter of FY 2019-20 will probably show similar results in the 1st quarter of FY 2020-21.

The severe disruptive impact on demand recession in many sectors along with liquidity crunch is expected to create large cash flow gaps for corporates. The prevailing tight financial condition will make it difficult for them to fill this gap through market borrowing, thereby impairing Indian firms' debt servicing ability. The industrial GDP growth through new investment and capacity utilization in most impacted sectors will also be affected. The MSME sector which contributes to nearly 30% of GDP and 50% of exports and provides employment to nearly 11 crore people has been badly affected in the last quarter with only 25% operating in the manufacturing sector and only 30% in the service sector, thereby lowering nearly 40-50% value additions due to Covid-19. This sector looks forward to receiving an additional financial stimulus package to support their operations.

The scenarios that can emerge due to the Covid-19 pandemic can possibly be based on a general assumption which predicts further spread of Covid-19 in the 1st and 2nd quarters of FY 2020-21 along with global recessions. It is widely predicted that India's GDP will contract by over 5% under these scenarios, even assuming good monsoon, timely and adequate stimulus packages from the Indian government and low inflation due to expected depressed oil prices throughout the year.

The water industry has never received such increased recognition and public awareness as it has during the growing pandemic necessitating frequent handwashing in a country which is largely deficit in water resources. The Government's priority may (rightly) shift to investment in health care, stimulus packages to revive the economy and support the neediest. There may be short-term impact on the Government's spending on its ambitious social infrastructure projects that include water infrastructure thereby reducing the demand/opportunities for the water industry in the municipal sector. However, this

situation can also accelerate acceptance of PPP models like Hybrid Annuity Models promoted by the water ministry even during pre-Covid-19 times. Progressive municipal corporations and states not severely affected by the pandemic will pursue their planned investments. Demand recession in segments like hospitality, realty, automobiles, textiles, etc. is expected to affect the water industry which can be offset by good demand in industries like food & beverages, pharmaceutical, agro products, power, specialty chemicals, etc. In the medium run, sectors like steel and refinery are also expected to resume normalcy. There can also be renewed investments in several sectors not due to 'China Exclusive' but 'China Plus' strategy for investments in India under the Government's existing Make-in-India programme. Further, industries can also benefit through speedy adaption of digital water solutions and outsourced services as municipal corporations and industries reduce investments in capital projects to focus on operational efficiency.

Strategy to ensure Business Continuity:

Your Company will consciously evaluate the present economic, business and social scenario and its impact in FY 2020-21 by 'Rethinking' its planned business strategy. Thus, in order to maintain its business revenues it will devise strategies to retain existing businesses, revenue growth from new market/geographies and faster proliferation/acceptance of new products and technologies.

Your Company derives its business from various segments in the industrial sector, municipality, homes and communities. A significant portion of its revenue also comes from exports which in the recent years has registered a healthy growth despite global competition. Many of its business segments like realty, hospitality, paper, automobile, MSMEs which are adversely affected by the pandemic will overcome these challenges by evolving business strategies which are expected to revive their growth to pre-Covid times. Thus, revival of these affected segments and good demand from sectors like pharma, food & beverages, sugar, power etc will provide reasonably good opportunities for turnkey solutions in water and waste water management.

Apart from the turnkey EPC business your Company also supplies products, consumables and services to various business segments. It will continue to see good demand for these products and services. With a focused approach, sound competitive strategy and sustained efforts, your Company has positioned itself as a reliable quality supplier of solutions, products and services in the international market. Your Company will leverage its success in recent times in the growing economies of the Indian sub continent, South East Asia and Middle East where it is executing large projects and delivering its commitment to the utmost satisfaction of its international customers; in addition to, growth of its business in Africa, North America and Europe.

Your Company also continues to be a technology leader through its innovations and new product development in all product categories. Thus, the investment made by your Company in its R&D and Technology Centre operated by competent scientists and technologists has resulted in a large number of new products developed and successfully

commercialized over the years. This includes indigenous manufacture of a wide range of membranes, ion exchange resins, adsorbents which are import substitutes and now widely accepted for water treatment, separation and purification applications in India. These are also being exported to several countries including developed economies like US and Europe.

The other exciting new product developments include high purity water for dialysis applications, advanced anaerobic technologies to treat complex waste and cost-effective zero liquid discharge processes and a range of exciting consumer products. Your Company will soon commercialise these technologies using its established and robust network of offices, channel partners and service set-up in the Indian sub-continent, South East Asia, Middle East, Africa, Europe and North America.

While ensuring business continuity through above strategies, your Company will remain conscious to manage cash more efficiently while maintaining the same level of supply and services to its customers.

All this augurs well for your Company to retain its existing business in times to come. It remains cautiously optimistic about its future growth.

FINANCIAL RESOURCES

Fixed Deposits

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

Particulars of Loans, Guarantees or Investments

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

SUBSIDIARY COMPANIES

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

During the year ended 31st March, 2020, the Subsidiary companies M/s. Aqua Investments (India) Limited posted profit after tax of INR 29.18 Lacs compared to INR 15.62 Lacs of the previous year and M/s. Watercare Investments (India) Ltd. posted profit after tax of INR 22.54 Lacs compared to INR 13.08 Lacs of the previous year.

Ion Exchange Enviro Farms Limited (IEEFL)

During the year under review, Company clocked a turnover of INR 68.05 Lacs as against INR 68.07 Lacs in the previous year.

The Company's appeal at Securities Appellate Tribunal (SAT) was decided on 18th October, 2019 and a review petition was filed on 3rd December, 2019 for corrections of factual errors in the said order. Further, based on the legal advice, pending final order from SAT on the review petition an appeal has also been filed in the Supreme Court against the said SAT order on 18th February, 2020.

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

The Company achieved a consolidated turnover of INR 479.66 Lacs for the year under review.

The Company's initiatives of restructuring the operations have started yielding results. During the year under review Company received good orders from Indonesia and Thailand. The order book for current financial year is better. The Company has also started its own warehouse/assembly centre in Indonesia. However due to impact of Covid-19 in the last quarter of the year under review Company could not complete the orders under execution which impacted overall performance of the Company.

IEI Environmental Management [M] SDN.BHD, Malaysia

The Company's main activity is trading in water filtration equipments, water chemicals, resins and taking up projects of installing water filtration plants of any nature. The Company has been established with a view of facilitating operations in Malaysia and is a strategic investment. Company has initiated the process of restructuring its operations in this region.

Ion Exchange Environment Management (BD) Limited, Bangladesh

The Company achieved a turnover of INR 1,145.71 Lacs for the year under review.

The Company's main focus continues in the area of industrial water and waste water treatment and is poised for its foray into select larger projects.

Ion Exchange WTS (Bangladesh) Limited, Bangladesh

The Company achieved a turnover of INR Nil for the year under review.

The Company is currently not in operation.

Ion Exchange & Co. LLC, Oman

The Company achieved a turnover of INR 1,985.46 Lacs for the year under review as against INR 2,237.31 Lacs in the previous year. It registered a profit after tax of INR 205.53 Lacs as compared to INR 202.39 Lacs for the previous year.

During the year Company was able to maintain its competitiveness by rationalizing its operations and using its own chemicals in O&M operations which helped in maintaining margins in the O&M business. Company is now poised to make foray into engineering projects.

Ion Exchange LLC, USA

The Company achieved a turnover of INR 6,819 Lacs for the year under review as against INR 5,451 Lacs for the previous year showing an improvement of 25%.

The Company's continued focus on North American market with special focus on specialty resins helped it to maintain its growth momentum.

Ion Exchange Projects and Engineering Limited

The Company achieved a turnover of INR 2,860.01 Lacs for the year under review.

The Company has provided project Management services and design services to the parent Company for its ongoing contracts. However during the year under review due to lower design income, Company incurred loss of INR 159.40 Lacs as compared to profit after tax of INR 33.84 Lacs achieved during the previous year.

Global Composites and Structurals Limited

The Company achieved a turnover of INR 1,043.96 Lacs for the year under review and posted profit after tax of INR 27.62 Lacs

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

Ion Exchange Safic (Pty) Limited, South Africa

The Company achieved a turnover of INR 803.63 Lacs for the year under review.

The Company is a Joint venture Company set up in South Africa with Safic (Pty) Ltd. which is part of Accentuate Group.

South African economy continued to be under pressure affecting fresh investments which in turn had its impact on the performance of the Company.

Ion Exchange Arabia

During the year under review we started operations of Ion Exchange Arabia. However full fledged operations are not yet started. We expect the full fledged operations to start after lifting of lockdown restrictions post Covid-19 pandemic.

Total Water Management Services (India) Ltd.

The Company achieved a turnover of INR 45.92 Lacs for the year under review, as against INR 19.86 Lacs for the previous year. The Company turnaround its performance achieving net profit after tax of INR 17.94 Lacs as compared to the previous year's Loss of INR 10.83 Lacs.

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

Ion Exchange Purified Drinking Water Pvt. Ltd.

The Company achieved a turnover of INR 1,566.59 Lacs for the year under review.

The Company achieved Net Profit after Tax of INR 156.12 Lacs as compared to the previous year's Profit after Tax of INR 66.00 Lacs.

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

Ion Exchange Environment Management Limited

The Company achieved a turnover of INR 200.89 Lacs for the year under review. The Company is in the business of providing advanced environmental solutions and services for industrial, infrastructure and municipal applications.

ASSOCIATE AND JOINT VENTURE COMPANIES

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

DIRECTORS

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

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

BOARD PERFORMANCE EVALUATION

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts for the year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation given relating to material departures, if any;
- (ii) appropriate accounting policies have been selected and applied consistently and judgments and estimates were made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and

detecting fraud and other irregularities have been taken to the best of their knowledge;

- (iv) the annual accounts have been prepared for the financial year ended 31st March, 2020 on a going concern basis.
- (v) proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- (vi) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

KEY MANAGERIAL PERSONNEL

The Company has following persons as Key Managerial Personnel.

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

NUMBER OF MEETINGS OF THE BOARD

The details of number of meetings of the Board held during the financial year 2019-20 forms part of the Corporate Governance Report.

WHISTLE BLOWER POLICY

The Company has a whistle blower policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company (www.ionindia.com).

RELATED PARTY TRANSACTIONS

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

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

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

PARTICULARS OF EMPLOYEES

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

QUALITY INITIATIVES

Your Company has always placed quality at the forefront for all Products & Services that it offers in the Global Marketplace. All its manufacturing establishments and even support functions like technology; corporate communications are certified for ISO9001:2015 Quality Management System. The Chemical Manufacturing systems are also certified for Environmental Management System namely ISO14001:2015 and Occupational Health and Safety Management System namely OHSAS18001:2007.

The Ion Exchange Resins manufacturing facility in Ankleshwar has also obtained renewed WQA-Gold seal certificate from Water Quality Association- USA; Kosher Certificate from the Kashruth Council of Canada; Halal certificate from the Manjellis Ulama Indonesia; EU certificate from Central Drugs Standard Control Organisation, New Delhi; Canadian Health certificate from Health Canada Authority; WHOGMP, GMP (Good Manufacturing Practice) and GLP (Good Laboratory Practice) certificates from the Food and Drug Control Administration, Gujarat state.

The Chemical facility at Patancheru has obtained Kosher Certificate from London Beth Din Kashrut Division, UK; Halal Certificate from Halal India, recognized by IHI Malaysia and NSF/ANSI 60 certificate by UL India Pvt Limited, affiliated to UL International.

Another important recognition for the Company's quality initiatives came when Ion Exchange (India) Limited Services Division (IESD), Bangalore, a key strategic business unit of Ion Exchange (India) Ltd., was awarded the IMC RBNQ Certificate of Merit against the IMC Ramakrishna Bajaj National Quality Award Criteria 2018 in the Service Category.

Your Company believes that its commitment to quality initiatives in product manufacturing & support service offerings will continue to be a major differentiator to maintain its leadership position in the global markets it serves.

AUDITORS

Statutory Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, it is proposed to appoint M/s. B S R & Co. LLP, Chartered Accountants (Reg No. 101248W/W-100022), as statutory auditors of the Company for a further period of four years from the conclusion of forthcoming Annual General Meeting (AGM) of the Company till the conclusion of the Sixtieth AGM to be held in the year 2024.

Branch Auditors

At the Board Meeting held on 25th June, 2020, M/s. Angadi & Co., Chartered Accountants were appointed as Branch Auditor for conducting Audit of Ion Exchange Services [A division of Ion Exchange (India) Limited], Bangalore. The appointment of Branch Auditors is being proposed by resolution which forms part of Notice of Annual General Meeting. The Company has received letter from M/s. Angadi & Co., to the effect that their appointment, if made, would be within the limits specified under Section 139 of Companies Act, 2013.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its Chemicals Manufacturing activity is required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed M/s. Kishore Bhatia & Associates to audit the cost accounts of the Company for the financial year ending 31st March, 2021. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s. Kishore Bhatia & Associates, Cost Auditors is included in the Notice convening the Annual General Meeting.

CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Report on Management discussion and analysis as required under Regulation 34 of Listing Regulations read with schedule V (Part B) forms part of this annual report.

BUSINESS RESPONSIBILITY PREORT

Business Responsibility Report as Required under Regulation 34 of Listing Regulations forms part of this Annual Report.

ANNUAL RETURN

The annual return of the Company as required under the Companies Act, 2013 will be available on the website of the Company (www.ionindia.com).

SECRETARIAL AUDIT

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

CORPOARTE SOCIAL RESPONSIBILITY (CSR)

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

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

Information in accordance with Section 134 (3) (m) of the Companies Act 2013 read with the Companies (Accounts) Rules, 2014 and forming part of this Report for the year ended 31st March, 2020 is given in "Annexure III".

ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors

Rajesh Sharma
Chairman & Managing Director

Mumbai
Date: 25th June, 2020

Annexure I
FORM MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

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

To,

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions of the applicable Acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

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

- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable during the period of audit]**.
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations 2018; **[Not applicable during the period of audit]**.
- vi. We report that the Company operates in manufacturing of water treatment chemicals, water treatment products and water treatment plants and apart from Labour Laws and Environment, Pollution and safety related compliances no specific Acts were applicable to the Company.

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

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

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

We further report that -

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

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

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

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

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

For **GMJ & ASSOCIATES**

Company Secretaries

[CS PRABHAT MAHESHWARI]

PARTNER

M. NO. : FCS 2405

CP NO. : 1432

UDIN : F002405B000381696

PLACE: MUMBAI

DATE : 25th JUNE, 2020

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

ANNEXURE I

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

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

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

For **GMJ & ASSOCIATES**
Company Secretaries

[CS PRABHAT MAHESHWARI]

PARTNER
M. NO. : FCS 2405
CP NO. : 1432
UDIN : F002405B000381696

PLACE: MUMBAI
DATE : 25th JUNE, 2020

Annexure II

Corporate Social Responsibility (CSR)

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

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

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

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

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

The web link is: www.ionindia.com/pdf/ionindia/CSR%20Policy.pdf

2. The Composition of the CSR Committee:

Name	Chairman/ Member
Dr. V. N. Gupchup	Chairman
Ms. K. J. Udeshi	Member
Mr. M. P. Patni	Member
Mr. Rajesh Sharma	Member

3. Average net profit of the Company for last three financial years: INR 801,559,723/-

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): INR 16,031,194/-

5. Details of CSR spent during the financial year.

(a) Total amount spent during the financial year: INR 16,032,000/-

(b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below.

Sr. No.	CSR project or activity identified	Sector in which project covered	Projects or programs (1) Local area or other (2) Specify State & Dist. where project/ program was undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative exp upto reporting period	Amount spent: Direct / thru implementing agency
1	Salary of 2 Vidya Volunteers @Rs.7000/7500 pm from April - March 2020, Stationery & Drainage pipe connection & repair of washrooms: Chitkul Primary School (410 students)	Education, Sanitation	Medak, Telangana	414,000	333,059	333,059	Direct
	Additional: School painting: Chitkul Primary School	Education, Sanitation	Medak, Telangana	231,858	231,858	231,858	Direct

Sr. No.	CSR project or activity identified	Sector in which project covered	Projects or programs (1) Local area or other (2) Specify State & Dist. where project/ program was undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative exp upto reporting period	Amount spent: Direct / thru implementing agency
2	Salary of 1 IT cum Biology teacher @ Rs.8500 pm for April - March 2020, Sanitation: Construction of toilets & Repair & replacement of spares for 15 computers: Zilla Parishad School (380 students)	Education, Sanitation	Lakdaram, Telangana	522,000	331,348	331,348	Direct
3	Tree plantation = 90,000, Gardener salary @ Rs8,500 pm + 6,000 pa auto charges for 3 schools, R.O. Water plant and a Stabilizer (due to high Voltage), regular fencing: 200 mtrs; Rain Water Harvesting pits: New Gurukul Girls High School cum Jr. College (630 students)	Environment, Education & Water	Isnapur, Telangana	708,000	372,084	372,084	Direct
4	Tree plantation = 90,000 & R.O. Water plant: New Gurukul Girls High School cum Jr. College, Chitkul (640 students)	Environment, Water	Chitkul, Telangana	290,000	428,359	428,359	Direct
	C/F Borewell & Motor Pump	Education	Telangana	17,004	17,004	17,004	Direct
5	Construction of Compound wall (4 sides) Main Gate & painting: New Aanganwadi school (30 students)	Education	Telangana	410,000	268,680	268,680	Direct
6	Salary of 2 Vidya Volunteers @Rs.6,500 pm from April-March 2020; Stationery 58,000 & 1 Water filter 10,000 (only 1 teacher @Rs.7K from September 2019: Mucharala Primary School (82 students)	Education	Telangana	224,000	70,663	70,663	Direct
7	Provide Dustbins under Swachh Bharat Mission, Thru Telangana State Pollution Control Board by District Collector	Environment	Telangana	112,000	112,000	112,000	Direct
8	Educational assistance, Health & Hygiene & Sports: Timbaktu Collective (50 students)	Education, Health & Hygiene	Andhra Pradesh	250,000	250,000	250,000	through implementing agency
9	Education, Stationery, Health, Sports related assistance to Home of Faith Charitable Trust & Orphanage (45 students)	Education, Health	Kothanur, Bangalore, Karnataka	55,550	55,550	55,550	through implementing agency

Sr. No.	CSR project or activity identified	Sector in which project covered	Projects or programs (1) Local area or other (2) Specify State & Dist. where project/ program was undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative exp upto reporting period	Amount spent: Direct / thru implementing agency
10	Educational assistance: SoCare Ind (60 students)	Education	Bangalore, Karnataka	130,000	130,000	130,000	through implementing agency
11	Education, Stationery, Health & Sports related assistance & Health & Hygiene support to Shishu Mandir Orphanage & School (245 students)	Education, Health	Hella Nagar, Bangalore, Karnataka	150,000	150,000	150,000	through implementing agency
12	Therapy related support to special children at Tamahar Trust (60 beneficiaries)	Education	Malleswaram, Bangalore, Karnataka	200,000	200,000	200,000	Direct
13	Educational Assistance to Deaf & Dumb children at PADC (90 students)	Education	Mysore, Karnataka	200,000	200,000	200,000	through implementing agency
14	Health Check-up & Stationery to children in Sri Saradha Niketan (72 children)	Education & Health & Hygiene	Hosur, Tamil Nadu	30,941	30,941	30,941	Direct
15	Improving quality of teaching and behavioural changes relating to Water sanitation Hygiene (WASH) program to 16 Govt schools & Water purifiers to 14 schools: Thru Voice Foundation (800 students)	Education & Drinking Water	Tamil Nadu	500,160	213,680	213,680	through implementing agency
16	Educational assistance to Bethesda Life Centre (96 students)	Education	Santa Cruz, Goa	75,000	75,000	75,000	through implementing agency
17	Educational assistance- Laboratory Material: Perpetual Succour Convent High School (1,171 students)	Education	Navelim, Salcete, Goa	50,000	50,000	50,000	Direct
18	Educational Assistance: Stationery to Govt. Primary School (30 students)	Education	Malcornem, Goa	50,000	57,703	57,703	Direct
19	Educational assistance to St. Joseph's Convent (150 students)	Education	Verna, Goa	50,000	50,000	50,000	Direct
20	Educational assistance to Lokvishwas Pratistan (40 physically challenged students)	Education	Ponda, Goa	25,000	25,000	25,000	Direct
21	Teaching assistance, Stationery & Sports to Hind Education Society (Pre - Primary 27 students)	Education	Cuncolim, Salcete, Goa	350,000	350,000	350,000	Direct
22	Stationery to Balwadi school: Bogmalo (25 children)	Education	Bogmalo, Goa	45,506	45,506	45,506	Direct

Sr. No.	CSR project or activity identified	Sector in which project covered	Projects or programs (1) Local area or other (2) Specify State & Dist. where project/ program was undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative exp upto reporting period	Amount spent: Direct / thru implementing agency
23	Construction: False Ceiling & Tiles : For Tuition classes at Ramakrishna Vivekanand Trust	Education	Ankleshwar, Gujarat	311,279	311,279	311,279	through implementing agency
24	Teaching assistance: Kids Centre (April 2019 - December 2019), 55 students	Education	Ferns Road, Kolkata, West Bengal	215,000	215,000	215,000	through implementing agency
25	Teaching assistance: Kids Centre (70 students)	Education	Ferns Road, Kolkata, West Bengal	208,465	208,465	208,465	through implementing agency
26	Teaching assistance: Prayatna Foundation (55 students)	Education	Kolkata, West Bengal	384,000	384,000	384,000	through implementing agency
27	Drinking Water facilities: Geeta Shiksha Kendra (400 students)	Drinking Water	Delhi	221,480	221,480	221,480	through implementing agency
28	Educational & Skills training using Drama Therapy: Lions Club of Durg City (19 students)	Education	Chattisgarh	150,000	150,000	150,000	through implementing agency
29	Clinical Psychologist & Nurse salaries at Aapulki Sahyadri Shikshan Sanstha (60 students)	Education	Wai, Dist. Satara, Maharashtra	288,000	288,000	288,000	Direct
30	Teaching assistance to Vasundhara Public Charitable Trust, "Science on Wheels project", Sindhudurg (25,000 students)	Education	Sindhudurg, Maharashtra	408,000	408,000	408,000	through implementing agency
31	Educational assistance to educational 'Project Anando' of Light of Life Trust (35 students)	Education	Karjat, Raigad, Maharashtra	418,000	418,000	418,000	through implementing agency
32	E-Teach English prog in ZP schools thru: WINGS Foundation, Palghar (1,380 students)	Education	Palghar, Maharashtra	352,000	352,000	352,000	through implementing agency
33	E-Teach English to vernacular primary schools thru Learning Space Foundation, Wada (5,000 students)	Education	Wada, Dist. Palghar, Maharashtra	370,000	370,000	370,000	through implementing agency
34	Speech therapist & Occupational Therapist at Indian Council For Mental Health, Mulund (83 students)	Education	Nerul, Navi Mumbai, Maharashtra	548,400	548,400	548,400	through implementing agency
35	Educational Assistance & Teaching assistance to Shiksha Amrit Found. Navi Mumbai (45 students)	Education	Navi Mumbai, Maharashtra	440,840	440,840	440,840	through implementing agency

Sr. No.	CSR project or activity identified	Sector in which project covered	Projects or programs (1) Local area or other (2) Specify State & Dist. where project/ program was undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative exp upto reporting period	Amount spent: Direct / thru implementing agency
36	Educational assistance to Indian Association for Promotion of Adoption & Child Welfare (IAPA) (55 students)	Education	Mumbai Central, Maharashtra	324,000	324,000	324,000	through implementing agency
37	Running for a Cause' Tata Mumbai Marathon: Educational support to SMILE Foundation (75 students)	Education	Dharavi, Mumbai, Maharashtra	455,000	455,000	455,000	through implementing agency
38	Blood Collection Monitors and 1 blood pressure machine at Indian Red Cross Society (12,000)	Health & Hygiene	Mumbai, Maharashtra	350,000	350,000	350,000	through implementing agency
39	Educational assistance thru medium of sports: Magic Bus Foundation (150 students)	Education	Dharavi, Mumbai, Maharashtra	375,000	375,000	375,000	through implementing agency
40	Teaching assistance to The Anchorage (24 students)	Education	Mumbai, Maharashtra	252,600	252,600	252,600	through implementing agency
41	Remedial education + stationery: Chetna Learning Centre (100 students)	Education	Mumbai, Maharashtra	450,000	394,462	394,462	through implementing agency
42	1 therapist & one program manager + laptop &: Yash Charitable Trust (20 beneficiaries)	Education	Mumbai, Maharashtra	323,199	323,199	323,199	through implementing agency
43	2 special education teachers: MBA Foundation (16 students)	Education	Navi Mumbai, Maharashtra	386,100	386,100	386,100	through implementing agency
44	Stipend of trainees: National Association of Blind (5 trainees)	Education	Mumbai, Maharashtra	300,000	300,000	300,000	through implementing agency
45	2 therapist: Snehalaya Education Society: (60 students)	Education	Wagholi, Pune, Maharashtra	242,240	242,240	242,240	through implementing agency
46	Stationery in ZP schools: Nurturing the Future Foundation (10 schools, 334 students)	Education	Neral, Maharashtra	74,749	74,749	74,749	through implementing agency
47	Empowerment Skills, Education and Nutrition for children at MAD Foundation (Hostel for Tribal Children) - 5 children	Education & Health & Hygiene	Palghar, Maharashtra	150,000	150,000	150,000	through implementing agency
48	Support to children suffering from leukemia/blood disorders thru Cherish Life India Foundation, 3 beneficiaries	Health & Hygiene	Sion, Mumbai, Maharashtra	300,000	300,000	300,000	through implementing agency

Sr. No.	CSR project or activity identified	Sector in which project covered	Projects or programs (1) Local area or other (2) Specify State & Dist. where project/ program was undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative exp upto reporting period	Amount spent: Direct / thru implementing agency
49	Construction of toilets: Nandare Dongaripada - ZP Day school and provision of Bunk Beds thru NGO Anadacare Charitable Trust (670 beneficiaries)	Sanitation & Education	Dahanu, Maharashtra	450,000	450,000	450,000	through implementing agency
50	Remedial education: Build a Foundation Program at Sarthak Prayas Centre (40 students)	Education	Delhi	125,000	125,000	125,000	through implementing agency
51	Construction of toilets: Sharda Vidyalaya, Nehroli, Wada thru NGO Habitat for Humanity India Trust (437 beneficiaries)	Sanitation	Nehroli, Wada, Palghar, Maharashtra	1,428,215	856,929	856,929	through implementing agency
52	Vocational Training relating to Fitter Trade Course, Bhanudas Maniram Seva Shikshan Sanstha (80 beneficiaries)	Education	Dahanu, Maharashtra	282,771	282,771	282,771	through implementing agency
53	3 computers & color printer: Saraswati Vidya Mandir, Silgudi, (670 beneficiaries)	Education	Ankleshwar, Gujarat	122,219	122,219	122,219	Direct
54	Higher Education to needy children	Education	Mumbai, Maharashtra	500,000	405,449	405,449	Direct
	Administrative Overheads			24,140	24,140	24,140	
	Amount contributed for which activity is in progress				1,474,243	1,474,243	
					16,032,000	16,032,000	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report – Not Applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The implementation and monitoring of CSR projects are in line with the CSR objectives and Policy of the Company.

Sd/-

Rajesh Sharma

Chairman & Managing Director

Mumbai

Date : 25th June, 2020

Sd/-

Dr. V. N. Gupchup

Chairman of CSR Committee

Annexure III

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

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

(A) Conservation of energy

- (i) The steps taken or impact on conservation of energy:
 1. With the operation of ETP and RO water recycle, water consumption was lower by 16.7% than prior period norms at the manufacturing facility in Patancheru. Power consumption was marginally lower by 1.5% than last year. Availability of state electricity power was marginally good at 88.5% as compared to 88.3% in the previous year; there by the DG set operation and diesel consumption was comparatively lower.
 2. The electricity consumption in the utility area at Ankleshwar plant continued to be lower by 7.07% due to installation of VFD in utilities during the year 2016-17.
- (ii) The steps taken by the Company for utilizing alternate sources of energy; NIL
- (iii) The capital investment on energy conservation equipments; NIL

(B) Technology absorption:

- i) During the period under review, your Company has absorbed and commercialized following new products/ processes

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

- Non water resin applications: Applications/processes were developed in three application areas during the year - API purifications & isolations, Conc. HCl purification and high TDS softening of textile effluents using indigenous resins.
- New anion ion exchanger resin: Speciality and heavy metal removal applications.
- New polymeric adsorbent resin developed for colour removal of natural products.

Benefits derived as a result of the above include:

- **Non water resin applications:**
 - i) Commercial orders executed in the segment of purification and isolation of key APIs using our indigenous resins.
 - ii) Commercial order executed in the application area of Conc. HCl purification from contaminants using our indigenous resins.
 - iii) Commercial orders executed in the area of ion exchange process for the removal of high levels of TDS from textile effluents.
- **New Polymeric adsorbent resin:**

Tailor made polymeric adsorbent resin was developed for colour removal from natural products like chilli oil which will open up a new market opportunity.

Water treatment and process chemicals: Innovated products and process improvements

- Polyamine: High performance flocculent for ETP (Effluent Treatment Plant) and paper application.
- Algaecide product for water treatment applications.
- Surface sizing chemical for paper applications.
- Polymaleic acid homo polymer antiscalant for water treatment application.

Benefits derived as a result of the above include:

- **Polyamine:** High performance flocculant based on polyamine chemistry introduced in to wastewater treatment and paper applications. New market opportunity generated.
- **Algaecide:** High performance and cost effective algaecide product introduced in to water treatment applications. New market opportunity generated.
- **Surface sizing chemical:** Commercialized unique surface sizing chemical for paper process applications. New market opportunity generated.
- **Polymaleic acid homo polymer:** Key intermediate in specialty water treatment product formulations reducing external supply dependency. Benefits expected through further improvements in lead time for supply of end products.

Membrane materials: New product and process improvements:

- New chemistries introduced and improved process and product quality.

Benefits derived as a result of the above include:

- New improved processes/chemistries resulted in RMC saving and enhanced product quality of existing products.

R&D-Application Development Laboratory: Product and Processes for Resin Based Water and Wastewater Treatment:

- Technology/process for removal of Radionuclide like Uranium from ground water by speciality resin.
- Removal & recovery of Zinc from flash condensate water from textile Industry.
- Copper removal & recovery from metal plating wastewater.
- Successful consortium with Indian (DST/DBT) & European partners as under- EU-INDO, HORIZON 2020 project under "Pavitra Ganga-Unlocking wastewater treatment, reuse & resource recovery opportunities for Urban & Periurban in India".

Benefits derived as a result of above include:

- Increased market opportunities in speciality growth segment mentioned above.
- Import substitute.

R&D Engineering Department: Home and Commercial Water Purifiers:

- Kiosk based semi-automatic water bottling plant for the Hospitality industry, Reusable glass bottles are washed, sanitized and filled with purified drinking water and then capped for captive consumption. Purification processes incorporate environment friendly water saving, nonchemical methods.
- An Alkaline and Hydrogen Water making process that generates Alkaline water at different pH levels and also makes Antioxidant rich water. The process also makes Normal RO purified and Non-RO drinking water.

Benefits derived as a result of above include:

- A competitive product that does away with the use of plastic water bottles in the Hospitality industry by offering an in-house solution for making bottled water using recyclable glass bottles.
- A wellness product that makes Alkaline and Hydrogen water. This water is well known and accepted to combat life style diseases and promote general wellness.

- ii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
- (a) the details of technology imported : None
- (b) the year of import : NA
- (c) whether the technology been fully absorbed : NA
- (d) if not fully absorbed, areas where absorption has not taken place, and the reason thereof : NA
- iii) The expenditure incurred on Research and Development

Sr. No.		Location	
		Patancheru (INR in Lacs)	Vashi, New Mumbai (INR in Lacs)
a.	Capital Expenditure	1,509.32	7.42
b.	Revenue Expenditure	347.31	483.07
c.	Total	1,856.63	490.49
d.	Total R&D Expenditure as percentage of Turnover: 1.67%		

The new state-of-the-art R&D centre inaugurated at Patancheru and the Technology center in Vashi are certified by the **Department of Scientific and Industrial Research (DSIR)**. The R&D centre focuses on research and innovations related to the Company's **Chemicals, Resins and Membranes business**. Along with the Technology center in Vashi, Navi Mumbai it provides technical and scientific **support to the Company's existing technology and engineering segments** for designing **new processes and products**. The R&D and technology centers are equipped with the latest analytical instruments and manned by a team of highly qualified and experienced researchers.

(C) Foreign Exchange Earnings and Outgo

During the year under review foreign exchange earnings were INR 50,756.47 Lacs and foreign exchange outgo was INR 22,512.25 Lacs.

On behalf of the Board of Directors

Rajesh Sharma
Chairman & Managing Director

Mumbai
Date : 25th June, 2020

BUSINESS RESPONSIBILITY REPORT

SECTION A: General Information about the Company

1.	CIN	L74999MH1964PLC014258								
2.	Name of the Company	Ion Exchange (India) Limited								
3.	Registered address	Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai- 400011								
4.	Website	www.ionindia.com								
5.	E-mail ID	investorhelp@ionexchange.co.in								
6.	Financial Year reported	FY 2019-2020								
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	<table border="1"> <thead> <tr> <th>NIC Code</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>20131, 20119</td> <td>Ion Exchange Resins</td> </tr> <tr> <td>37003,36000</td> <td>Water Treatment Plant</td> </tr> <tr> <td>20119</td> <td>Chemical Additives</td> </tr> </tbody> </table>	NIC Code	Description	20131, 20119	Ion Exchange Resins	37003,36000	Water Treatment Plant	20119	Chemical Additives
NIC Code	Description									
20131, 20119	Ion Exchange Resins									
37003,36000	Water Treatment Plant									
20119	Chemical Additives									
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Water treatment and Environment management products in: i. Engineering segment ii. Chemicals segment iii. Consumer Products segment								
9.	Total number of locations where the Company undertakes business activity-									
	(a) Number of International Locations (Provide details of major 5)	Company has substantial operations across South East Asia, Middle East and North America. Company also has offices in SAARC Countries, Middle East and North America.								
	(b) Number of National Locations	Company serves Pan India Market at local and state level. The Company has manufacturing facilities at Hosur (Tamil Nadu), Patancheru (Hyderabad), Ankleshwar (Gujarat), Navi Mumbai (Maharashtra), Goa (Maharashtra). Refer Annual Report for details of manufacturing facilities.								
10.	Markets served by the Company – Local/State/ National/International	Company serves whole of the Indian Market. The International Market covered includes large parts of Asia, Europe, North America and African Continent.								

SECTION B: Financial Details of the Company

1.	Paid up Capital (INR)	1,467 Lacs
2.	Total Turnover (INR)	140,718 Lacs
3.	Total profit after taxes (INR)	9,912 Lacs
4.	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit before tax pursuant to Section 198 (%)	2%
5.	List of activities in which expenditure in 4 above has been incurred	Refer Annual Report on CSR activities annexed to Directors' Report

SECTION C: Other Details

1.	Does the Company have any Subsidiary Company/ Companies?	1. Yes, Ion Exchange (India) Limited has 18 subsidiary companies in India and abroad as on March 31, 2020. 2. For details of subsidiaries pls refer annual report.
2.	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	The Company positively influences and encourages its subsidiaries to adopt Business Responsibility (BR) initiatives. All the Company's subsidiaries are guided by Code of Conduct (CoC) to conduct their business in an ethical, transparent and accountable manner. It covers suppliers, customers and other stakeholders. It also addresses key BR issues like Quality and Customer value, Corruption and Bribery, Health and Safety, Environment, Human Rights and Employee well-being.
3.	Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Company encourages all its relevant stakeholders to adopt Business Responsibility policies. At present the number of entities participating in the above initiative is less than 30%.

SECTION D: BR Information

1. Details of Director/Directors responsible for BR

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

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

(b) Details of the BR head

1.	DIN (if applicable)	NA
2.	Name	Mr. Ajay Popat
3.	Designation	President
4.	Telephone Number	022-62312031
5.	E-mail ID	ajay.popat@ionexchange.co.in

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

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

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

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

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

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

3. Governance related to BR

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

SECTION E: Principle-wise Performance

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

At Ion Exchange, Corporate Governance is fundamental to the business and is the core of our existence. It is steered by your Company's policies on ethics, including the Code of Conduct (CoC) and the Whistle Blower Policy. Your Company's philosophy is based on transparent governance and disclosure practices, respect for human rights, individual dignity and adherence to norms of moral and professional conduct. Your Company is committed to total customer satisfaction and enhanced value creation. The CoC and Whistle Blower Policy are available on your Company's website <http://www.ionindia.com>. These policies are applicable to board members, senior management and employees. These are also applicable to all our subsidiaries and associate companies.

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

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

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

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

By the very nature and purpose of our business we provide state-of-the-art sustainable technology and solutions for managing liquid, solid and gaseous waste generated by industries, institutions, homes and communities. Examples of three such products and services are:



Multi Effect Evaporator at a large Synthetic Rubber manufacturer



Zero Liquid Discharge at a large Synthetic Rubber manufacturer

- (1) Complete Zero Liquid Discharge solutions that also cover water and by-products
- (2) Waste-to-Energy solutions that provide water, green energy and rich fertilizer
- (3) Ion exchange resins, membranes and chemicals that reduce pollutants and recover water
- (1) **Complete Zero Liquid Discharge Solution that also covers water and by-products**

Industries and communities today are facing two major issues with respect to water usage. Pollution and increased demand have made good quality water scarce and expensive. Meanwhile, disposal norms are getting tighter and enforcement stricter. Your Company has helped industries to effectively and economically solve both these problems through its innovative effluent recycle, product and water recovery solutions. Few examples where industries have gained excellent payback on their investments are described below.

- i. A Refinery in the western region of India installed a water treatment plant that is designed to contain and treat all internal process/utility/waste water and storm/fire water, with the objective of zero liquid discharge. In the process it saves 48 million litres of water per day.
- ii. Leading automobile companies have installed effluent recycle and zero liquid discharge plants for total water and environment management as part of their brownfield and greenfield expansion projects.
- iii. A specialty paper manufacturing Company invested INR 300 lakhs to recycle its white water effluent. Benefits include - uninterrupted and good quality water supply of 500 m³/h, recovery of fibres worth INR 6.3 lakhs a month and compliance with disposal regulations.



Zero Liquid Discharge System for a major Multinational Automobile manufacturer

(2) Waste-to-energy solution that provides water, green energy and rich fertilizer.

Your Company has developed an integrated state-of-the-art waste management solution to convert organic kitchen waste and sewage sludge generated by institutions, homes and communities into clean water, green energy and rich fertilizer. The first such plant has been installed to treat approx. 1000 kg of organic waste generated by a community kitchen and 2-6 m³ of sewage sludge per day. It is designed to produce 20 KW/h of electrical power and about 1.35 tonnes per day of organically rich fertilizer.

The installation is running successfully for more than a year. Your Company is in discussions with several customers and expects to meet their sustainability goals following the Circular Economy concept.



ANDICOS Waste to Energy Plant

(3) Ion exchange resins, membranes and chemicals that reduce pollutants and recover water.

Our state-of-the-art R&D and Technology Division engages highly qualified scientists to develop newer chemistries and formulations leading to a steady introduction of new products and technologies.

Your Company has developed import substitutes for ion exchange resins, adsorbents and membranes. These have been successfully commercialized thereby greatly benefitting our customers and helping them reduce dependence on imported products. Ion Exchange's application laboratories are equipped with modern instrumentation to test new products and technologies at lab and pilot scale before commercialization.

Whilst providing goods and services that are safe and contribute to sustainability indices of our customers, your Company also practices the concept of recovery, reuse and recycle of liquid and solid waste generated in its manufacturing processes. Example—Liquid waste generated in resin manufacturing process is internally recycled. Your Company also recycles solid waste generated in its manufacturing processes.

Your Company has sustainable practices with respect to transportation, where it uses railways wherever feasible to transport its bulk consignment. It also practices plastic waste minimization by supplying its products in returnable plastic containers which are then reused several times. It also supplies products in bulk containers e.g. jumbo bags (500/1000 kgs) instead of (25/50 kgs) plastic bags and tanker loads (5-10 tonnes) in place of 25/50/200 kgs barrel packaging.

Ion Exchange encourages its vendors and service providers (including MSMEs) to adapt sustainable and quality management practices.

Principle 3: Businesses should promote the wellbeing of all employees

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

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

Your Company regularly organizes a variety of programs for promoting health and well-being of its employees. To promote a healthy culture it participates in marathons and organises intra-Company sporting events. It encourages and facilitates regular medical check-ups of employees.

Your Company has adequately insured all its employees under the group medical insurance and accidental insurance policy.

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

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

Your Company does not employ child labour in its premises and did not receive any complaints relating to child labour, forced labour or involuntary labour in FY 2019-20. Your Company has not received any complaints of sexual harassment during the year. The subsidiaries have robust processes for investigating all complaints in line with recommended best practices.

Your Company has taken requisite steps to prevent the spread of Covid-19. At the outset it took various measures such as:

- (1) Cancellation of all national and international trips, in-person training and conferences.
- (2) Extensive precautionary measures were taken such as - sanitization of offices, availability of hand sanitizers, body temperature equipments, oximeters, downloading of the Aarogya Setu app, advisory regards home-cooked food and masks.
- (3) Rosters of a certain percentage of employees per day and multiple shifts to ensure adherence to social distancing norms.
- (4) During lockdown, work from home is being practised as per local guidelines.
- (5) To ensure safety of all employees, your Company has prepared its offices with additional health protocols such as continuous communication to employees on protection, social distancing and self-declaration survey of employees reporting to work with regards to their health status etc.

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

Your Company has mapped its internal and external stakeholders. It has identified all the key internal and external stakeholders impacted by its operations. It encourages continuous feedback from all stakeholders and has a structured mechanism to act upon them. Through your Company's CSR initiative, it organises projects which benefits the disadvantaged, vulnerable and marginalized stakeholders, thereby improving the quality of their lives. The initiatives include educational support, preventive healthcare and environment sustainability. More details can be found under section CSR.

Principle 5: Businesses should respect and promote human rights

Your Company stands against violation of human rights, child labour or violations of individual rights and sexual harassment. It follows the principle of equal opportunity, irrespective of religion, caste, creed and gender.

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

Your Company realizes that a clean environment is critical for human existence and it continues to invest in advanced technologies to replenish water used in its manufacturing process. Further, factories make all possible efforts to reduce water footprint by efficient water usage in non-product applications such as cleaning activities, gardening and for domestic purposes.

Your Company has a robust and innovative waste management strategy targeted to reduce, reuse and recycle water and all kinds of waste. Your Company has undertaken several initiatives on adaption of cleaner, efficient technologies for its waste management.

Systems and processes under ISO 14001 ensure systemic adherence to environmental protection guidelines and periodic reporting of compliance to the senior management. These systems also ensure relevant statutory compliances by your Company's manufacturing facilities. The emissions/waste generated by your Company are within the permissible limits given by CPCB/SPCB and the same is monitored on a continuous basis. There are no show cause/legal notices received from CPCB/SPCB during FY 2019-20. Further, your Company keeps itself abreast with all applicable regulations and its efforts are always to be ahead on the compliance curve.

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

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

Your Company is a member of many trade associations including:

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

Your Company's scientists participate actively in meetings with statutory agencies like Bureau of Indian Standards (BIS) in evolving new standards for finished products & components used in water purification and conditioners.

Principle 8: Businesses should support inclusive growth and equitable development

Your Company actively encourages inclusive growth and equitable development. It runs multiple programs and initiatives towards this end through its CSR arm, Ion Foundation. Ion Foundation is committed to support education of the underprivileged children, thereby improving their economic standing in the long run. Ion Foundation also works closely with several communities around its offices and factories on skill development and sustainable management practices. Programmes/Projects are implemented under Ion Foundation through its employees and partners. Periodic feedback is taken from the beneficiaries and implementation partners. Preferential employment opportunities are also provided to these up-skilled members.

Your Company's direct contribution to community development projects amounted to INR 16,032,000. For all such initiatives, your Company's employees are actively involved along with other stakeholders right from the start of the project till the development and building of community ownership for the project.

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

Your Company takes its responsibility towards customers and communities very seriously. It is our constant endeavour to make a positive contribution to people's lives and environment at large with the help of continually refreshed line of products and technologies. We have an extensive protocol/mechanism to test our products for their impact on the customers and the environment. An extended period of piloting of our products & services also validates their efficacy and value proposition. Health & Safety Policy ensures not just the well-being of our employees but also of our customers and their employees.

Ion Exchange has set up a robust infrastructure to receive customer feedback, suggestions, complaints, etc. through

multiple channels.

A dedicated in-house Customer Care Centre for inbound and outbound customer calls is manned by competent customer service agents. Further, Ion Exchange also has Customer Relationship Officers at its regional offices for both face-to-face and telephonic interactions.

A platform for receiving customer feedback and enquiries for products and services has been created on your Company's website. Thus, through a toll-free number +91-(0)22-28771234 and your Company's websites <http://www.zerobonline.com>; <http://www.ionindia.com> it is ensured that a customer or a prospect with access to phone/internet can engage with our customer service agents.

The above systems ensure that customer feedback is acknowledged and responded within the shortest time as defined in your Company's Quality Management System. Ion Exchange conducts annual customer experience surveys for all its products and services and measures their level of satisfaction.

Your Company's products display all information which is mandated by law. Product information and marketing collaterals are available on your Company's websites as well as it is available with its channel partners and employees who interact with customers.

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

On behalf of the Board of Directors

Rajesh Sharma
Chairman and Managing Director

Mumbai
Date: 25th June, 2020

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUCTURE AND DEVELOPMENT

Overview

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

Today more than ever, to meet the rising demand for water, it is imperative that water be effectively managed not just at the source but throughout its life cycle. Corporate leadership efforts are now focused on water and waste management contributing towards meeting the sustainable development goals. Ion Exchange supports these corporate efforts by providing water, waste water management, solid waste management and waste to energy solutions to combat the growing environmental issues. Comprehensive technologies, products and services, enable us to cater not just to industries and municipalities but also to institutions, homes and communities both urban & rural. With initiatives in effluent recycle, zero liquid discharge, municipal sewage treatment and product and resource recovery along with source substitution of water (alternate sources of water) such as sea water desalination, Ion Exchange provides the most suitable alternatives to meet the growing water demand.

Global Economy:

FY 2019-20 was a difficult year for the global economy with world output growing at its slowest pace of 2.9% declining from a subdued 3.6% in 2018 and 3.8% in 2017 (ref. World Economic Output (WEO) update, January 2020 published by IMF). The global output growth was the slowest since the global financial crisis of 2009, arising from a geographically broad-based decline in manufacturing activity and trade. The gradual slowdown in China, trade restrictions between countries including USA and China, and rising geo-political tensions in the middle-east have contributed to the decline in the world output growth.

In the beginning of the year under review, financial markets were buoyed by a widespread sense of optimism on the back of supportive monetary policies, reduced trade tensions, and tentative signs of stabilization in the global economy. The global economy, in November 2019, unfortunately witnessed an unprecedented setback with the outbreak of Covid-19 pandemic starting from China and rapidly spreading across the globe. As a consequence, in the last quarter of the financial year, the prices of risk assets and

commodities - oil in particular started to fall at unprecedented speed.

The Covid-19 pandemic is a historic challenge for the global economy. The necessary measures imposed by countries to slow the spread of the virus and to strengthen the capacity of health systems brought economic activities to a screeching halt resulting in a sharp deterioration of the economic outlook. As per IMF global growth is projected at (-) 4.9% in 2020 (World Economic Outlook update, June 2020). If the pandemic fades in the second half of FY 2020-21 and containment efforts can be gradually unwound, the global economy can project to grow by 5.4% in FY 2021-22 as economic activity normalizes supported by financial stimulus packages and policy amendments. However, there will be extreme uncertainty around the global growth forecast. The economic fallout depends on factors that interact in ways that are hard to predict. Many countries face a multi-layered crisis comprising of a health shock, domestic economic disruptions, plummeting external demand, capital flow reversals, and a collapse in commodity prices. Risks of a worse outcome predominate. Growth in the advanced economy group where several countries are experiencing widespread outbreaks and deploying containment measures is projected at (-) 8% in 2020. ASEAN group of countries are projected to grow at (-) 2%.

Indian Economy:

The WEO of October 2019 had projected India's economy to become the fifth largest in the world moving past UK and France. The size of the economy was estimated to be around US\$2.9 trillion. The march towards the milestone; US\$5 trillion economy was however challenged by less than expected growth of India's GDP. Like for the rest of the world, the year 2019-20 posed a challenge for the Indian Economy as well. As India entered FY 2019-20, it was already on a downward trajectory and recovering from the initial effects of demonetization and the GST rollouts after a subdued Q1. The economy further gradually decelerated to its lowest over the last six years in Q3.

In November – December 2019 the news of Covid-19 pandemic hit the headlines all across the globe. Though India was projected to be better off in comparison to other countries due to high dependence on domestic markets, the Covid-19 pandemic disrupted demand and supply chains across industries, heavily impacting businesses towards the end of the last quarter. Consequent to the lowered business sentiments, the decisions of quite a few business entities had turned cautious resulting in pre-emptively deferring capital and discretionary expenditures.

The final quarter of the year, started seeing severe setbacks as evident by steep drop in GST collections and PMI index in each of the months of the last quarter; as compared to, earlier projections for the highest GST collections on a quarterly basis since it was implemented. The economic impact from the Corona virus outbreak is expected to weigh significantly on GDP growth until at least the second quarter of FY 2020 -21.

Thus, the Indian economy grew by 4.2% in FY 2019-20 as against 6.1% in FY 2018-19. While sectors such as manufacturing, real estate, aviation, automobile and construction suffered a decline in demand, the banking sector and financial services also witnessed serious challenges due to rising NPAs and bad loans. However, the agriculture and mining sectors picked up steam in the fourth quarter, growing at 5.9% and 5.2% respectively. Public administration, defense and other services also grew at 10.1%.

To revive the Indian economy and improve its growth rate, the Central Government announced and undertook several measures and initiatives like relaxation in NPA norms, deferral of tax payments and announcement of income support to people working in the unorganized sector. Further, economic stimulus packages for the sectors most affected by the Corona virus outbreak including MSME sectors are expected to be announced by the Government.

Indian Water and Environment Industry:

As India and the rest of the world are battling the dreadful Covid-19 pandemic, water safety poses a serious threat. The pandemic has yet again reiterated the importance of water and water conservation. This is especially important for a country like India where over 163 million people do not have access to clean drinking water.

FY 2019-20 was a volatile year for the capital goods industry including the Indian water Industry. The demand for capital goods was subdued third quarter onwards, due to significant reduction in Greenfield projects in core sectors. An exception to these segments was demand from industries that provide agricultural inputs to the farming sector.

Essential consumer oriented segments in Medium and MSME categories were less affected by the economic slowdown. While these segments are serviced by several small players for their water treatment requirements, larger Companies in these segments continue to prefer sourcing their requirements from established Companies in the sector. These segments also continued to have good off take for consumables, utility and specialty process chemicals. The pace of government investment in ambitious social & municipal

water infrastructure projects continued to be slower than expected but remained important drivers for the Industry.

The sector earns its export revenue mainly from products like water treatment chemicals, standard engineered systems and customized EPC projects and services. The competitive advantage is derived from low cost of manpower, raw materials and components produced indigenously. During the year export demand for these products and services remained good.

Competitiveness and growth in the water sector was led by integrated technologies that emphasized on water and resource recoveries reduced costs and increased efficiency.

As India like the rest of the world moves ahead on the path of recovery, your Company has a strategy as already defined in the future outlook section, for ensuring business growth both in the domestic and international market. Your Company has in place a revised strategy, innovative portfolio of products and services and committed teams which will ensure that we will emerge stronger through these challenging times.

B. Highlights of Performance

Standalone

- Total Income: INR 1,456 Crores registering a growth of 27% annually
- EBITDA: INR 169 Crores registering a growth of 25% annually
- EBITDA Margin: 11.6%
- Net Profit After Tax: INR 99 Crores registering a growth of 48% annually
- PAT Margin: 6.8%
- Diluted EPS: INR 81.85

Consolidated

- Total Income: INR 1,515 Crores registering a growth of 27% annually
- EBITDA: INR 170 Crores registering a growth of 21% annually
- EBITDA Margin: 11.2%
- Net Profit After Tax: INR 94 Crores registering a growth of 42% annually
- PAT Margin: 6.2%
- Diluted EPS: INR 80.55.

C. Segment wise Operational Performance

The business of your Company can be segmented into:

1. Engineering
2. Chemicals
3. Consumer Products

ENGINEERING

The year has seen an increase in sales and profitability on the back of a healthy order backlog.

The growth has been achieved in spite of revenues from this segment being particularly hard hit by relatively low economic growth in Q1 and severe economic impediments towards the end of Q4. Large project sites (both domestic and international) and their supply chains were particularly impacted leading to shortfall in overall revenues compared to earlier projections. The Order Book build-up from this segment also took a hit as business sentiments nose-dived and your Company turned cautious in pursuing opportunities.

On a standalone basis, the Engineering segment achieved a higher turnover of INR 892 Crores compared to INR 640 Crores for the previous year, with segmental profit of INR 60.83 Crores. An increase of over 41.8% over the previous year.

Engineering projects continues to be one of the key business segments of your Company and contributes to almost 61% of the Company's revenues. In this segment, your Company's predesigned and pre-engineered water and waste treatment products cater to a wide range of medium and small scale industries such as food & beverage, sugar, electronics, pharmaceutical, automotives, cement, chemicals, hospitals, hospitality, realty, etc. For the heavy segments in core sectors like power, refinery, steel, bulk chemicals and municipal infrastructure, it offers technologically advanced innovative and customized solutions for total water and waste management. We have selectively started exploring the municipal-infrastructure segment and hope to report revenue growth from that segment soon.

Your Company's Sri Lanka Project continues to progress satisfactorily with 50% completion in the current year. Major completion is targeted for December 2020 and work is progressing on all major fronts. The Company expects the treatment plant to be operational around the first quarter of FY2021-22. Your Company is working to convert more prospects of similar nature in targeted geographies.

On the industrial front, your Company received several prestigious orders from a broad spectrum of industries in both large and medium sized segments. While in the current extraordinary circumstances, your Company is

exercising increased selectiveness in order booking, it continues to have a healthy enquiry bank and is confident of a healthy growth in its order book upon return to normalcy. The turnkey EPC order your Company received last year from Cairn Oil & Gas for its onshore oil & gas processing facility has achieved major progress last year.

Your Company's state-of-the-art membrane manufacturing facility in Goa is in the 2nd year of commercial operation. It registered a 43% growth on a year-on-year (YOY) basis. Its products under the brand name of HYDRAMEM have received a good response from large customers like refineries, power plants, etc. as well as a large number of customers in medium and small industrial sectors. It is equally well received by the water treatment OEMs in India and overseas. Membranes are a crucial part of almost all large water and waste water treatment installations and we are making good progress in replacing imported membranes with your Company's 'Made in India' product. Your Company is confident of achieving double digit growths in coming years to achieve leadership in the domestic market in the near future.

Your Company continues to innovate and add new products and technologies to its portfolio. Among other such products, there have been several new additions to its portfolio of water & wastewater like Ultra High Rate Clarifiers, Filters, Plate & Frame Reverse Osmosis Systems, High Rate Fluidized Media Reactor (MBBR), Anaerobic Reactors (UASB), IPC flat sheet MBR, to name a few. Several projects for waste water recovery for reuse as well as Zero Liquid Discharge (ZLD) have also been obtained from segment leaders in textile, paper, brewery, steel, auto ancillary, food & beverage, chemicals, etc.

CHEMICALS

The Chemical segment continued to grow satisfactorily and contribute a major share towards your Company's profits.

The global economic headwinds during Q4 curtailed the overall growth of this segment, which was otherwise showing much better promise till the end of Q3. Contractions in capacity utilizations in the economy have dented this segment as well. However, it continues to be much more resilient than the other segments. Our products also enjoyed increased acceptance in the domestic and international market against products from other countries, especially China.

On standalone basis, the segment achieved sales turnover of INR 443 Crores compared to INR 409 Crores in the previous year, registering a growth of 8.3%. The profits from the segment grew by 38.7% to INR 75.92 Crores.

Your Company continued to expand its portfolio of specialty and value added products in both sub-segments of Resins and Industrial Chemicals. New products commercialized during the year include:

- Newer range of Polymeric Adsorbents for applications like colour and organic removal from water and waste streams, Cation Exchange Resins for high TDS (Total Dissolved Solids) softening.
- Range of Defoamers for applications in paper, mining, surface sizing chemicals for speciality, paper, H₂S Scavengers, Pour point depressants (PPDs) and Demulsifiers for highly prospective downstream oil refinery sectors.

Specialty resins like Active Pharmaceutical Ingredient and excipients received good response from pharmaceutical companies in India and regulated markets overseas. The increasing customer base of these resins gives us confidence that we will continue to see high double digit growth from this line of products.

Your Company introduced several products for the OEM market which have found good acceptance. Benefits are also expected from the development of crucial import substitutes of intermediate chemicals, both for internal consumption and commercial sales. Another new market expansion foray for this segment has been in the area of municipal applications.

Whilst retaining its dominant market share in India, your Company strengthened its position as a reliable and quality supplier in geographies such as USA, Europe and in the South East Asian markets. Your Company's products continue to find increased acceptance among demanding global buyers and we are confident of significant growth in exports from this segment.

During the year under review, we also augmented capacities of both the chemicals and resins facilities to address increased demand for specific products. This segment received majority share of our capital expenditures and we will continue our efforts to grow and strengthen our capabilities in this segment.

CONSUMER PRODUCTS

During the year the Indian residential and commercial water purifier market grew at a CAGR of 15%. Increasing awareness has improved the penetration percentage of water purifiers across lower income groups and rural households in the country. The industry remains fragmented with limited organized players.

On standalone basis, the consumer products segment achieved a turnover of INR 126 Crores during

FY 2019-20, registering a 14% growth over last year. The division caters to the needs of individual homes, institutions and commercial establishments.

Over the last financial year, the division has added products in both the RO and UV categories. 'ZeroB Wave Plus' and 'ZeroB Power RO' efficiently purifies water with TDS as high as 3000 PPM and hardness up to 1000 PPM. In the UV category, the Company also added two new UV products namely 'ZeroB UV Grande+' with the unique patented ESS technology that keeps water purified 24x7. 'ZeroB Kitchenmate – UV' with a perfect mix of technology and design fits in easily in a modular kitchen setup without disturbing its aesthetics. Besides this, 'ZeroB Suraksha Plus Pro' was re-launched with a new design in the category of Gravity water filter.

In the rural segment your Company continues to grow by providing cost-effective and easy to use products and solutions to communities affected by ground water contaminants such as iron, arsenic, fluoride, and nitrate as well as brackishness and micro contaminants. The Company developed a product for removal of Uranium (hazardous) from ground water.

For the commercial and institutions segment your Company's exciting concept 'Indion Quencher' a semi automatic bottled water plant was successfully commercialized and was very well received in the hospitality segment. Reusable glass bottles are washed, sanitized, filled with purified water and capped for in-house consumption. This eliminates use of plastic bottles which have become major pollutant for the environment.

For the laboratory application series, Lab Q Smart - Type II and Lab Q Water Maker - Type III in 50 LPH capacities were launched to provide instant pure and ultra-pure water for multiple lab applications.

The division further expanded its network of channel partners and service franchisees during the year under review in order to efficiently service the requirements of this segment.

EXPORTS

In spite of the overall slowdown in global economy, we registered a growth in our export revenues. We are also witnessing a progressive improvement in acceptance of our products (especially chemicals) and services across both engineering and chemical segments. A global trend towards diversifying vendor base away from China is expected to continue benefitting us in the near term. We have a strong prospect base of enquiries from exports and hope to do significantly better in future.

During the year under review, your Company has achieved an export turnover of INR 505 Crores. A major part of this contribution is from the ongoing project at Sri Lanka. Sales for the last one and a half months of the financial year was affected due to logistic and other issues linked to Covid-19 crisis which resulted in lesser than expected turnover.

Your Company has also received prestigious orders from the paper industry from one of the largest business groups in South East Asia (against stiff international competition) for their projects in the Philippines and Indonesia which will be completed this year. Between them, these state-of-the-art plants will treat over 23 million litres of waste water to meet stringent discharge standards.

The chemicals business continued to show good progress especially in the developed nations like the United States of America, various countries in Europe as well as the Far Eastern countries. For the year under review, the business showed improved prospects from the South East Asian countries and we are expecting good business for our engineering projects from these countries in the next financial year. The operations & maintenance business from the Middle East helped us to tide over the crisis during the drop in oil prices which affected many countries.

D. Risks, Threats, Concerns & Risk Mitigation

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

As stated in the earlier section on Global Economy, the year FY 2019- 20 was a difficult year and the situation only worsened in the last quarter of FY 2019-20. The extraordinary circumstances obviously altered the risk profile substantially and called for short-term and long-term adjustments to our risk mitigation strategy. We were quick to reassess the short-term and long-term impacts on the economies of various countries where we operate. Your Company continued cautious alignment of its Export strategy with the changes in global market with focused deliberate efforts to broad base exports geographically while being aware of specific country risks. Further, the Company continued its policy of establishing local presence in various countries and encouraged local participation to mitigate risks emanating from increasing protectionism and

strained cross country ties. Sectoral and entity level impacts were also regularly reviewed and deliberate restraint was enforced, where risks had increased significantly. Commercial prudence was given increased preference over sales aggression.

In India, the real consumption started picking up in Q2 of 2019-20 but, the acceleration tapered by the end of Q3 and beginning of Q4. During this intermittent period, your Company had followed a policy of selective aggression to ensure a healthy order book. The onset of Covid-19 altered our risk perspective. In addition to that, towards the beginning of Q4, the sentiments of quite a few business entities had turned cautious and they were pre-emptively deferring capital and discretionary expenditures and also renegotiating contracts. Your Company's engineering segment, therefore struggled to maintain the size of its order book. We consciously opted for commercial prudence.

While visible impact on domestic economy was felt only around March 2020, some supply chain constraints were already evident prior to March. Your Company proactively made efforts to broad base the supply chain by creating multiple sourcing options for the major raw materials. Your Company also sought to keep reasonable inventory to minimize adverse impact on production and revenues in case of temporary disruptions.

Though the flow of domestic engineering orders was impacted due to volatility in the domestic market, the uncertain ties between US and China on the global front initially and later due to the Covid-19 impact, resulted in some volume base expansion of the Chemical segment which partially compensated for the decline in engineering prospects. Your Company continues to ensure that its strengths in the chemical segment are further consolidated.

For large EPC jobs like the ongoing Sri Lanka and the Vedanta (erstwhile Cairns Energy) orders, your Company has built in a robust and a dynamic risk identification and mitigation framework through provision of proper infrastructure, tight operational and internal controls and an extensive monitoring mechanism.

Your Company continues to reassess and realign its strategies in the wake of the changes in market dynamics and business uncertainties brought about by the Covid-19 pandemic. Other risk mitigating measures include robust screening of customers for ensuring business with only credit worthy customers, prime focus on liquidity and positive operational cash flow, deferring of decisions on major capital expenditure till normalcy is restored and cut in discretionary spend. Guidance and mandate of appropriate social distancing measures at workplace have also been issued. The Company quickly enabled work from home for most of its employees.

Your Company also remains vigilant of its credibility, quality, services and technology vis-a-vis major Indian and global players. Regular efforts are made to shore up competitive pricing. Your Company continues to invest in research and development and is always on the lookout for technology assimilation and collaboration through partnership with international partners of repute.

Regulatory policies and changes in the law of the land, domestic or international, though completely beyond the control of your Company, affect business operations. All compliance regulations and many governance practices are enacted to ensure that the organization operates fairly and ethically. Your Company takes utmost care about meeting the legal and social compliances in domestic as well as the global market.

E. Human Resources & Training

The Human Resources function focuses on employee welfare, productivity and performance as a priority. We believe nurturing a high-performance culture is the bedrock of your Company. During the year, your Company continued its journey towards building the organization for current as well as future sustainability by attracting and retaining the best talent available in the industry.

Your Company is also proud to have a talent which is varied and deep in its experiences and expertise across its manufacturing, R&D, sales, service, support and other functions.

Your Company is also focused on continuous training and upgrading the work skills of its staff across the organization. Your Company invests in multiple initiatives such as internal role-linked, functional and technical training to provide requisite knowledge and skills to its employees in the areas of functional excellence. Management development programs for various managerial capabilities were also conducted. Besides this, staff members were nominated for a variety of external training programmes.

There are also significant opportunities for on the job development. These not only help employees perform to their potential in the current roles but also prepare them to aspire and occupy higher responsibilities.

We have put in place various recognition initiatives for our employees to reward them on their noteworthy performance and contribution. This is in accord with various platforms such as Annual Meets and Team Meets with employees.

For greater connect and welfare of the employees and their families, the Company has a calendar of events which includes employee marriage gift, a gala family day, one day picnic with families and sports events

which infuse bonding and teamwork among our employees.

F. Internal controls

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

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

G. Social responsibility initiatives

Corporate Social Responsibility (CSR) has been a long-standing commitment in your Company under the aegis of Ion Foundation. The main purpose of the Company's CSR activities is giving back to the society by extending a helping hand to the needy and the underprivileged sections.

CSR activities during the year have focused on sectors such as Education, Drinking Water, Sanitation, Health & Hygiene, Skilling & Livelihoods and Environment.

Your Company believes that one of the key enablers for holistic, sustained and inclusive growth of the society is Education. Therefore Ion Foundation has partnered with NGOs and community leaders to support educational and vocational projects such as remedial education to first generation learners, sponsorship of fees to talented and needy students, tuitions to first generation learners, provision of teaching aids, training for teachers, provision of drinking water in schools, renovation of classrooms, construction of toilets, health check-ups for children and sponsorship of tools & machineries for ITI Fitter Trade.

Your Company has also continued the Environment Conservation Programme implemented towards environment protection and to create awareness within the community regarding the importance of environment conservation. Initiatives include: Provision of dustbins with an aim to promote the 'Swachh Bharat Campaign' and to commemorate World Environment day. This year too, different initiatives were undertaken such as tree

plantation drives and awareness generation programmes regards the importance of planting trees.

Employee Engagement in CSR initiatives: The highlight of the year under review was active participation of our employees from our manufacturing unit at Patancheru, Telangana in painting a school and conducting storytelling sessions with children.

Running for a cause: Employees from our Corporate and area offices also participated in the Tata Mumbai Marathon to support the theme 'Mission Education'.

Cautionary Statement

The statements or explanations given in this report may contain some forward looking statements based on

assumptions having regard to the government policies, economic conditions, etc. The management cannot guarantee the accuracy of the assumptions and expected performance of the Company in future. Hence, the actual results may substantially differ from those expressed or implied herein.

On behalf of the Board of Directors

Rajesh Sharma
Chairman and Managing Director

Mumbai
Date: 25th June, 2020

CORPORATE GOVERNANCE REPORT

1. Philosophy

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

The Company is in compliance with the requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") entered with the Bombay Stock Exchange with regard to Corporate Governance.

2. Board of Directors (The Board)

i. Composition & Category of Directors [as on 31st March, 2020]

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

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

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

ii. Board Meetings, Annual General Meeting and Attendance of each Director

The Company held eight Board Meetings on 29.05.2019, 08.08.2019, 30.08.2019, 14.10.2019, 25.10.2019, 24.01.2020, 07.03.2020 and 17.03.2020. At every board meeting, the matters specified under Schedule II (Part A) of Listing Regulations were placed and discussed.

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

The previous Annual General Meeting (AGM) of the Company was held on 30th August, 2019 was attended by all ten Directors.

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

Name	Number of Board Meetings attended	Directorships in other Company(s) as on (31/3/20)#	Member/ Chairman of committees of other Company(s) (as on 31/3/20)	Name of the Listed Company (s) in which Director holds Directorship- Category of Director
Mr. Rajesh Sharma	8	16	0	-
Mr. Dinesh Sharma	8	11	1 (chairman)	-
Mr. Aankur Patni	8	9	0	-
Dr. V. N. Gupchup	8	3	1	-
Mr. M. P. Patni	8	10	1	-
Mr. T. M. M. Nambiar	8	3	1	Navin Fluorine International Limited - Non-Executive - Non Independent Director
Mr. P. SampathKumar	7	0	0	-
Mr. Abhiram Seth	7	6	1	-
Mr. Shishir Tamotia	8	1	0	-
Ms. K. J. Udeshi	8	7	5 (including 1 chairmanship)	1. Elantas Beck India Limited - Non-Executive - Independent Director 2. Haldyn Glass Limited - Non-Executive - Independent Director 3. Thomas Cook (India) Limited - Non-Executive - Independent Director 4. Shriram Transport Finance Company Limited - Non-Executive - Independent Director

It covers foreign, private, public and listed companies.

- iii. Inter – se relationship among Directors
- Mr. Rajesh Sharma & Mr. Dinesh Sharma are brothers
 - Mr. M. P. Patni is the father of Mr. Aankur Patni

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

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

Name of the Director	Skills/ Expertise/ Competence
Mr. Rajesh Sharma	Vast Experience in Sales, Marketing and Management.
Mr. Dinesh Sharma	Vast experience in field of Business Management, Marketing and Management position.
Mr. M.P. Patni	Marketing of heavy and medium engineering equipments, water treatment plants and allied items.
Mr. Aankur Patni	Finance Management & Information Technology.
Mr. Abhiram Seth	Rich and varied professional experience in the area of sales and marketing including exports.
Mr. T.M.M. Nambiar	Vast Experience and Expertise in the field of Finance and General Management.
Mr. P. SampathKumar	Exposure in the field of handling large projects of National Importance.
Dr. V.N. Gupchup	Vast Experience in the field of Technical Education.
Mr. Shishir Tamotia	Vast Experience in Science and Technology.
Ms. Kishori Udeshi	Vast experience in Banking, Non-Banking sector, Financial sector and Regulatory matters.

- v. Code of Conduct

The Board of Directors has laid down code of conduct for all Board members and senior Management of the Company. A copy of the code has been put on the Company's website www.ionindia.com.

A declaration signed by the Managing Director is given below:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the code of conduct in respect of the Financial Year 2019-20.

Rajesh Sharma
Chairman & Managing Director

3. Audit Committee

The Audit Committee regularly reviews and analyses the adequacy of internal control system, the financial and risk management policies of the Company and other matters as laid down under Regulation 18 (3) read with Part C of Schedule II of the SEBI Listing Regulations. The Internal Auditor submits reports periodically to the Committee and suggestions are given for effective functioning of the internal control system.

The Committee held four meetings during the year on 29.05.2019, 07.08.2019, 25.10.2019 and 24.01.2020.

Name	Number of the Audit Committee meetings attended
Mr. T.M.M.Nambiar (Chairman)	4
Dr. V.N.Gupchup	4
Mr. Abhiram Seth	4

4. Nomination and Remuneration Committee

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

The Committee held one meeting during the year on 29.05.2019.

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

REMUNERATION POLICY

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

1. Qualifications of Independent Director:

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

2. Positive attributes of Independent Directors:

An independent director shall be a person of integrity, who possesses relevant expertise

and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.

3. Independence of Independent Directors:

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

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

A. NON-EXECUTIVE DIRECTORS (NEDs)

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

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

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

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

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

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

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

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

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

The remuneration paid to Chairman & Managing Director, Mr. Rajesh Sharma and Executive Directors Mr. Dinesh Sharma and Mr. Aankur Patni during the financial year 2019- 2020 is given hereunder.

Name	Tenure	Salary & Allowances (INR)	Commission (INR)	Contribution to Provident & other funds (INR)	Perquisites (INR)	Total (INR)
Mr. Rajesh Sharma	2019-20	36,604,250	7,500,000	6,966,390	699,339	51,769,979
Mr. Dinesh Sharma	2019-20	15,696,116	3,750,000	3,053,760	96,570	22,596,446
Mr. Aankur Patni	2019-20	15,991,182	3,750,000	3,053,760	100,000	22,894,942

During the year, the Company paid INR 3,370,000/- as Sitting Fees to the Non-Executive Directors for attending the Board and Committee Meetings and INR 9,800,000/- as Commission. The details are given below:

Name of Director	Commission	Sitting Fees	Total Compensation	No. of shares held
Dr. V. N. Gupchup	1,400,000	610,000	2,010,000	111,126
Mr. M. P. Patni	1,400,000	450,000	1,850,000	755,497
Mr. T. M. M. Nambiar	1,400,000	525,000	1,925,000	83,200
Mr. P. Sampath Kumar	1,400,000	375,000	1,775,000	58,200
Mr. Abhiram Seth	1,400,000	500,000	1,900,000	154,800
Mr. S. L. Tamotia	1,400,000	425,000	1,825,000	3,270
Ms. K. J. Udeshi	1,400,000	485,000	1,885,000	3,630

5. Employee Stock Option Compensation Committee (ESOCC)

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

6. Stakeholders' Relationship (Grievance) Committee

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

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

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

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

Sr. No.	QUERIES/ COMPLAINTS/ REQUESTS RELATED TO	TOTAL RECEIVED	TOTAL REPLIED
1	Payments		
A	Instruments found already paid / payment sent for electronic credit to Bank	3	3
B	Outdated, Duplicate Warrants and Changes on live warrants (where new instruments being issued)	76	76
C	Issue of new Drafts against unencashed Drafts/ Recovery Drafts	9	9
D	Non Receipt of warrants (where recon in progress)	0	0
E	Non Receipt of payments (where new Instruments already issued)	15	15
F	Unclaimed and Unpaid amounts transferred to ROC / IEPF	4	4
G	Miscellaneous	43	43

Sr. No.	QUERIES/ COMPLAINTS/ REQUESTS RELATED TO	TOTAL RECEIVED	TOTAL REPLIED
2	Annual Report	2	2
3	Bonus Issue	0	0
4	Change In Name / Status	12	12
5	Communication received through SEBI and other statutory/ regulatory bodies	2	2
6	Conversion / Demerger - Scheme of Arrangement / Exchange/ Merger - Amalgamation of Cos/ Subdivision	36	36
7	Dematerialisation/ Rematerialisation of Securities	7	7
8	Dividend / Interest	0	0
9	Document Registration	24	24
10	Legal Matters	0	0
11	Loss of Securities	158	157
12	Nomination	0	0
13	Tax Exemption	0	0
14	Transfer of Securities	5	5
15	Transmission of Securities	24	24
16	Other Queries	97	94
	TOTAL	517	513
	Request For		
1	Change of Address	38	38
2	Change in Bank Details	96	96
3	Issue of New Certificates on Split/ Consolidation/Renewal	39	39
4	Nomination	1	1
5	Pan Updation	15	15
	TOTAL	189	189
	GRAND TOTAL :	706	702

Share Transfer System

All activities relating to processing of share transfers in physical mode & dematerialization activities are undertaken at the Company's Registrar & Transfer Agents, M/s. TSR Darashaw Consultants Private Limited. The approval for transfers in physical mode and confirmation to the depositories on Demat requests are given within 10 days of receipt, provided the documents are clear in all respects. During the financial year 2019 - 2020 the Stakeholders' Relationship Committee held one meeting. Dr. V.N. Gupchup (Non – Executive Director), Mr. Rajesh Sharma (Executive Director) and

Ms. Kishori Udeshi (Non – Executive Director) are the members of the Committee. The Company Secretary is the Compliance Officer.

7. Corporate Social Responsibility (CSR) Committee

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

During the year 2019-20, the Committee met two times on 11.07.2019 and 22.01.2020. The Composition and details of the meetings attended by the members are given below:

Name	Number of the Corporate Social Responsibility (CSR) Committee meetings attended
Dr. V. N. Gupchup (Chairman)	2
Ms. K. J. Udeshi	2
Mr. M. P. Patni	1
Mr. Rajesh Sharma	2

The Company Secretary acts as the Secretary to the Committee.

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

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013;

9. Annual General Meetings

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

Year	Date	Time	Location	Special Resolution Passed
2016-2017	15.09.2017	11.00 a.m.	Ravindra Natya Mandir, P.L. Deshpande, Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Raod, Prabhadevi, Mumbai – 400 025	To appoint Mr. Rajesh Sharma as Chairman & Managing Director.
2017-2018	07.09.2018	11.00 a.m.	Ravindra Natya Mandir, P.L. Deshpande, Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Raod, Prabhadevi, Mumbai – 400 025	—
2018-2019	30.08.2019	11.00 a.m.	Mini Theatre, 3 rd Floor, Ravindra Natya Mandir, P.L. Deshpande, Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Raod, Prabhadevi, Mumbai – 400 025	To re-appoint Dr. V. N. Gupchup, Mr. T. M. M. Nambiar, Mr. P. Sampath Kumar, Mr. Abhiram Seth, Mr. Shishir Tamotia and Ms. Kishori Udeshi as Independent Directors.

- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

8. Independent Directors’ Meeting

During the year under review, the Independent Directors met once on March 17, 2020 inter alia, to discuss:

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

All the Independent Directors were present at the Meeting.

The Company has familiarized the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc.

The details of the familiarization programme is available on the website of the Company at http://www.ionindia.com/pdf/ionindia/familiarization%20program_%20independent%20directors.pdf

10. Postal Ballot:

During the year 2019-20, no Postal Ballot was conducted in accordance with Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014.

11. Disclosures

- a. Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in notes to accounts annexed to the financial statements. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. As required under Regulation 23 of Listing Regulations the Company has formulated a policy on dealing with Related Party Transaction. The policy is available on the website of the Company.

(Weblink:<http://www.ionindia.com/pdf/ionindia/Related%20Party%20Policy%2031072015.pdf>)

- b. The Board of Directors of the Company has adopted the policy and procedures with regard to determination of Material Subsidiaries. The details of the Policy are available on the website of the Company at http://www.ionindia.com/pdf/ionindia/subsidiaries_policy.pdf
- c. The Company has not entered into any transaction of a material nature with the Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company at large.
- d. With regard to matters related to capital markets, the Company has complied with all requirements of the Listing Regulations as well as SEBI regulations and guidelines. No penalties were imposed or strictures passed against the Company by the Stock Exchanges, SEBI or any other statutory authority during the last three years in this regard.
- e. Disclosures have also been received from the senior management personnel relating to the financial and commercial transactions in which they or their relatives may have a personal interest. However, none of these transactions have potential conflict with the interests of the Company at large.
- f. As required by Regulation 17(8) of Listing Regulations, the Compliance Certificate on the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting has been obtained from Mr. Rajesh Sharma (Chairman & Managing Director) and Mr. N.M. Ranadive (Chief Financial Officer).
- g. The Company has complied with the compliances as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations.

12. Policy for Prevention, Detection and Investigation of Frauds and Protection of Whistleblowers (the Whistleblower Policy)

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

No personnel have been denied access to the Audit Committee.

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

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

13. Means of Communication

As per the requirements of Listing Regulations with The Stock Exchange, Mumbai, the quarterly, half yearly and annual financial results of the Company are sent to the Stock Exchange immediately after the same are approved by the Board. The same is published in English (Free press journal) and regional language (Navshakti) newspapers, within 48 hours of approval by the Board and uploaded on your Company's website (www.ionindia.com).

Presentations made to the institutional investors/analysts are intimated to the Stock Exchanges within the prescribed time period under the Listing Regulations and are simultaneously uploaded on the website of the Company.

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

The Management Discussion and Analysis forms part of this annual report.

14. Risks and concerns and their management

The Company has successfully implemented risk management framework to achieve the following objectives.

- | | |
|------------|--|
| Strategic | : High – level goals, aligned with and supporting its mission. |
| Operations | : Effective and efficient use of its resources. |
| Reporting | : Reliability of financial reporting. |
| Compliance | : Compliance with applicable laws and regulations. |

Risk are assessed and ranked according to the likelihood and impact of them occurring. Existing controls are assessed and mitigation measures discussed.

15. General Shareholder Information

i) Annual General Meeting

Date : Tuesday, 22nd September, 2020
 Time : 11.00 a.m.
 Venue : The Company is conducting meeting through Video Conferencing (VC)/ Other Audio Video Means (OAVM) pursuant to the MCA circular. For details please refer to the Notice of AGM.

ii) Financial Year 2020-21

Financial year	: 1 st April to 31 st March
Quarter ending June 30, 2020	: Second week of August, 2020
Quarter ending September 30, 2020	: Second week of November, 2020
Quarter ending December 31, 2020	: Last week of January, 2021
Year ending March 31, 2021	: Last week of May, 2021

iii) Book closure date

The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 14th September, 2020 to Tuesday 22nd September, 2020 (both days inclusive) for determining the entitlement of shareholders to receive dividend for the year ended 31st March, 2020, if declared at the Annual General Meeting.

iv) Dividend payment date

Dividend, if declared shall be paid on or before 27th September, 2020.

v) Listing on Stock Exchange

The Company's equity shares are listed at The Stock Exchange, Mumbai. Annual listing fees for the Financial Year 2019-20 has been paid to BSE.

vi) Stock code and ISIN Number

Bombay Stock Exchange, Mumbai - 500214.

ISIN Number - INE570A01014

vii) Rating Action

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

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

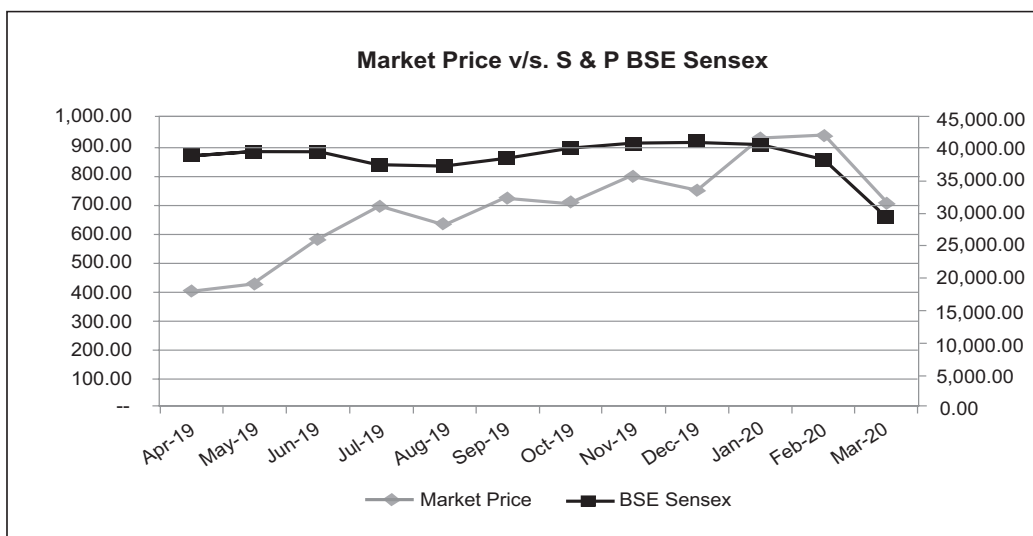
During the year under review, there have been no revisions in Credit Rating obtained by the Company.

The Stock Exchange, Mumbai

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

Month	High Price (INR)	Low Price (INR)
April 2019	416.20	385.00
May 2019	484.25	360.20
June 2019	673.60	489.00
July 2019	794.00	585.95
August 2019	711.30	552.30
September 2019	792.10	644.00
October 2019	826.70	583.25
November 2019	860.00	729.00
December 2019	825.00	666.20
January 2020	1,071.00	780.00
February 2020	1,019.00	850.00
March 2020	888.00	502.00

Market Price v/s. S & P BSE Sensex



DISTRIBUTION OF HOLDINGS AS ON 31/03/2020

DESCRIPTION	NO. OF		%	NO. OF	
	SHARES			HOLDERS	%
1	500	1,540,092	10.50	19,824	92.05
501	-	619,010	4.22	815	3.78
1001	-	620,778	4.23	435	2.02
2001	-	310,724	2.12	122	0.57
3001	-	197,262	1.34	55	0.26
4001	-	256,405	1.75	56	0.26
5001	-	673,243	4.59	96	0.45
10001	-	10,449,145	71.24	133	0.62
TOTAL		14,666,659	100.00	21,536	100.00

Shareholding Pattern as on 31st March, 2020

Category	Holdings	%
Promoter & Promoter Group	3,961,213	27.01
Mutual Funds & UTI	668,255	4.56
Banks, Financial Institutions & Insurance Companies	788	0.01
FII's	238,742	1.63
Domestic Companies	776,533	5.29
Public	6,434,003	43.86
NRIs/OCBs	213,511	1.46
Non Promoter Non Public	2,373,614	16.18
Total	14,666,659	100.00

Dematerialization of Shares and Liquidity

The Company's Equity Shares are in compulsory demat i.e. electronic mode and as on 31st March, 2020, 97.17% of the equity capital were held in dematerialised form.

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

Plant Locations

Resin Manufacturing Plant : Unit II – 5811-12-13, GIDC Ankleshwar Industrial Estate Ankleshwar – 393 002 Bharuch, Gujarat

Assembly Centre for Local and Export of Water Treatment Plants : R-14, TTC, MIDC Nr. Thane Belapur Road Rabale, Navi Mumbai - 400 701

Manufacture & Assembly of Standard Plants : 105, SIPCOT Industrial Complex, Dharmapuri, Hosur, Tamil Nadu - 635 126,

Water Treatment Chemicals, Sugar Treatment Chemicals, Polymer products : 19/A, Phase II Industrial Development Area, Medak, Patancheru, Telangana - 502 319

Consumer Products : Plot Nos. L48 & L49 Verna Electronics City Phase II, Verna, Salcette Goa - 403 722

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

Address for correspondence:

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

M/s. TSR Darashaw Consultants Private Limited

(Formerly Known as M/s. TSR Darashaw Limited)

Unit: Ion Exchange (India) Ltd.

6-10, Haji Moosa Patrawala Industrial Estate,

20, Dr. E. Moses Road, Mahalaxmi,

Mumbai – 400 011

Tel No.: 6656 8484

Fax No.: 6656 8494

Email: csg-unit@tsrdarashaw.com

Website: www.tsrdarashaw.com

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To the Members of Ion Exchange (India) Limited

We have examined the compliance of the conditions of Corporate Governance by Ion Exchange (India) Limited for the year ended 31st March, 2020, as per the relevant provisions of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15(2) of Listing Regulations for the period 1st April, 2019 to 31st March, 2020.

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

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

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

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

V.V. CHAKRADEO & CO.
Company Secretaries

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

Place: Mumbai
Date: June 25, 2020

Independent Auditors' Report

To
The Members of
Ion Exchange (India) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Ion Exchange (India) Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information, in which are included the Returns for the year ended on that date audited by the branch auditor of the Company's branch at Bengaluru and IEI Shareholding (Staff Welfare) Trusts - Sixty trusts ("trusts") audited by respective auditor of the Trusts (hereinafter referred to as 'Standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, based on consideration of reports of other auditors on separate financial statements of branch and trusts, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and 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 Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Key Audit Matters

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

Key Audit Matters (Continued)

Description of Key Audit Matters:

Key audit matters	How our audit addressed the key audit matter
<p>Revenue Recognition Refer note 1.17 to the Standalone Financial Statements.</p> <p>The arrangement for EPC business contracts includes fixed price contracts. Revenue for such contracts usually extends beyond a reporting period. Contract revenue is measured based on the proportion of contract costs incurred for work performed to date relative to estimated total contract costs. It is computed as per the input method. The estimate is formed by the Company considering the following:</p> <ul style="list-style-type: none"> ● Application of the revenue recognition accounting standard is complex. One of the key estimate is total cost-to-completion of these contracts. It is used to determine the percentage of completion of the relevant performance obligation. ● This method requires the Company to perform an initial assessment of total estimated cost and further reassess these estimates on a periodic basis, including end of each reporting period. <p>Trade receivable balances represent significant portion of the Company's assets. Expected Credit Loss (ECL) allowances on trade receivables for delays and defaults in recovery involves significant judgments and estimates.</p> <p>Considering the significant estimate involved in measurement of revenue and receivables in EPC business, we have considered measurement of revenue and ECL as a key audit matter.</p>	<p>Our audit procedures over estimation of total contract costs and revenue recognition for EPC business included the following:</p> <ul style="list-style-type: none"> ● Testing the design, implementation and operating effectiveness of key internal financial controls and processes. This includes estimation of total project cost-to-completion related revenue and control over accounting of measurement of ECL on trade receivables; ● For selected sample of contracts, we inspected key contractual terms with signed contracts and assessed revenue recognized in accordance with Ind AS by: ● Observing the approval of percentage of completion workings. ● Challenging the Company's forecasted cost to completion, through comparison of costs incurred with project budgets, and executed purchase orders and agreements. Identifying significant variations and testing variations resulting into re-estimating the remaining costs to complete the contract. ● Comparing, on a sample basis, revenue transactions recorded during the year with the underlying contracts, progress reports, invoices raised on customers and collections in bank accounts. Also, checked the related revenue, contract costs, evaluation for onerous contracts, contract assets and unearned revenue had been recognised in accordance with the Company's revenue recognition policies. ● Performing analytical procedures on incurred and estimated contract costs or efforts. It includes assessment of contracts with unusual or negative margins, little or no movement in efforts from previous periods. ● Evaluated the status of trade receivables on sample basis which are past due as at year end, the Company's on-going business relationship with customer and past payment history of the customers through discussion with management. ● Challenging the ECL estimates by examining the information used to form such estimates such as application of future economic conditions, credit risk of customers, etc.

Key audit matters	How our audit addressed the key audit matter
<p>Recovery of carrying value of investment and receivables from group Companies. Refer note 1.13 and note 42 to the Standalone Financial Statements.</p>	
<p>The Company has investments in subsidiaries and associates. These investments are accounted for at cost less any provision for impairment. The Company evaluates the indicators of impairment of the said investments regularly by reference to the requirements under Ind AS 36 Impairment of Assets.</p> <p>The Company carries out impairment assessment for each investment by:</p> <ul style="list-style-type: none"> ● Comparing the carrying value of each investment with the net asset values of each company. ● Comparing the performance of the investee companies with projections used for valuations and approved business plans. <p>The recoverable amounts of the above investments are estimated in order to determine the extent of the impairment loss. As impairment assessment involves significant assumptions and judgment, we regard this as a key audit matter.</p> <p>Refer to note 5(A) – “Investments” of the standalone financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ● Assessed the indications of impairment of investments in subsidiaries and associates. We have also examined the basis of estimates of the recoverable amounts of these investments, the assumptions used in making such estimates, and the allowance for impairment. ● Comparison of the carrying values of the Company’s investment in subsidiaries, associates and joint ventures with their respective net asset values / recoverable values and the consequent allowance for impairment if any. ● Evaluated key assumptions in the Company’s valuation models used to determine recoverable amount including assumptions of projected adjusted EBITDA, growth rate, rate used for discounting cash flows etc. We also evaluated the forecasts based on historical performance. ● Assessment for indications of impairment of such investments. In cases where such indicators existed, we have assessed for the estimation made by the Company for the recoverable amounts. ● Tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units. ● Involved internal valuation expert to assist in evaluating the key assumptions of the valuations. <p>We tested the related disclosures in Note 5(A) of the financial statements.</p>

Other Information

The Company’s Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report, but does not include the financial statements and our auditors’ report thereon.

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

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

Management’s and Board of Directors’ Responsibility for the Standalone Financial Statements

The Company’s Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial

statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management and Board of Directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors 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 Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone 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 Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to

cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information/ financial statement of a branch and Trusts (Sixty Trust) of the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of financial information/ financial statement of a branch and Trusts (Sixty Trust) included in the standalone financial statements of which we are the independent auditors. For a branch and Trusts (Sixty Trust) included in the standalone financial statements, which have been audited by their respective independent auditors, such auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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

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

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

Other matters

(a) We did not audit the standalone financial statements of a branch and Trusts (Sixty Trust) included in the standalone financial statements of the Company whose standalone financial statements reflect total assets of Rs. 9,302 lacs as at 31 March 2020, total revenue of Rs. 12,680 lacs and share of total net profit after tax of Rs. 2,687 lacs, net cash flows of Rs. 81 lacs for the year ended on that date, as considered in the

standalone financial statements. These branch and trusts have been audited by branch and Trusts auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the branch and Trusts, is based solely on the report of such branch and Trust auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The reports on the accounts of the branch office of the Company audited under Section 143(8) of the Act by branch auditor and report on accounts of the IEI Shareholding Trusts (Sixty Trusts) have been sent to us and have been properly dealt with by us in preparing this report.
 - d) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - e) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
 - f) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - g) With respect to the adequacy of the internal financial controls with reference to standalone 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 Auditors' 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:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 47 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Bhavesh Dhupelia
Partner

Mumbai
25 June 2020

Membership No: 042070
UDIN: 20042070AAAACO1154

Annexure A to the Independent Auditors' Report – 31 March 2020

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were physically verified by the management during the year and the discrepancies reported on such verification were not material and have been properly dealt with in the books of account. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
- (c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 2 to the standalone financial statements are held in the name of the Company, except the following:
- | Particular | Freehold Land (INR) | Building (INR) |
|---------------------------------|---------------------|----------------|
| Gross block as at 31 March 2020 | 1,844,060 | Nil |
| Net block as at 31 March 2020 | 1,844,060 | Nil |
- (ii) The inventory, except goods-in-transit and stock lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have been substantially confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has granted unsecured loans to eleven companies covered in the register maintained under Section 189 of the Companies Act 2013 (the Act).
- (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the companies listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
- (b) The loans granted are repayable on demand and as per terms of the agreement. We are informed that the Company has not demanded repayment of such loan from five such companies during the year and other companies has paid the loan as per demand, and thus, there has been no default on the part of the companies covered in the register maintained under section 189 of the Act. The payment of interest has not been regular in case of four subsidiaries.
- (c) There are no overdue amounts in respect of the loan granted to the companies listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of investments, loans, guarantee and security, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) In our opinion, and according to the information and explanations given to us, during the year the Company has not accepted any new deposits. The Company has complied with the provisions of Section 73 to 76 of the Act or other relevant provisions of the Act and the rules framed thereunder/the directives issued by the Reserve Bank of India (as applicable) with regard to deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal (as applicable) or Reserve Bank of India or any Court or any other Tribunal.
- (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, duties of customs, goods and service tax, cess, professional tax and other material statutory dues, as applicable, with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess, professional tax and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and service tax which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in the Annexure I to this report.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions or banks. The Company does not have any loans or borrowings from Government, nor has it issued any debentures.
- (ix) According to the information and explanations given to us and based on our examination of the records, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the terms loans taken by the Company have been applied for the purpose for which they are raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Bhavesh Dhupelia
Partner

Mumbai
25 June 2020

Membership No: 042070
UDIN: 20042070AAAACO1154

Appendix I

Name of the Statute	Nature of dues	Amount in (Rs.) (net of deposit paid under protest)	Period to which amount relates	Forum where dispute is pending
Central Sales tax Act and Local Sales tax Act	Sales tax (including interest and penalty, if applicable) -Disallowance on account of non-submission of required forms	7,746,665	1993-1994, 1995-1996	Joint Commissioner Appeals
		30,171,586	2006-2007, 2007-2008, 2009-2010, 2011-2012, 2013-2014, 2015-2016	Assistant Commissioner Appeals
		6,248,241	2010-2011	Commercial tax appeals
		4,307,741	2013-2014, 2014-2015	Deputy Commissioner Appeals
		7,841,209	2016-2017	Assistant Commissioner of Commercial Tax
		11,997,171	2010-2011	Objection Hearing Authority
		2,511,009	2015-2016, 2016-2017, 2017-2018	Assessment Authority
The Central Excise Act	Excise duty (including interest and penalty, if applicable)	1,678,600	2004-2005	Commercials of Central Excise
		600,966	2006-2007	Tribunal Appeals, Ahmedabad
Finance Act, 1994 - Service Tax	Disallowance of service tax taken on input services	561,092	2006-2012	Additional Commissioner of Central Excise
Income tax Act, 1961	Income tax demand	21,742,929	2008-2009, 2010-2011	Income Tax Appellate Tribunal
		28,736,133	2009-2010, 2012-2013 to 2014-2015	Commissioner of Income Tax (Appeal)
		20,247,158	2015-2016	Deputy Commissioner of Income Tax

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

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

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Ion Exchange (India) Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were

operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its

business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

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

of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

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

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

Other Matter

We did not audit the internal financial controls with reference to financial statements of a branch of the Company. The internal financial controls with reference to financial statements of a branch have been audited by the branch auditor whose reports have been furnished to us, and our opinion in so far as it relates to the internal financial controls with reference to financial statements included in respect of these branch, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

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

Bhavesh Dhupelia
Partner
Mumbai
25 June 2020
Membership No: 042070
UDIN: 20042070AAAACO1154

BALANCE SHEET as at 31st March 2020

	Notes	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	13,850.33	14,251.54
(b) Capital work-in-progress		1,150.82	1,228.49
(c) Right-of-use assets	3	3,682.82	-
(d) Other intangible assets	4	158.99	136.86
(e) Financial assets			
(i) Investments	5	6,204.37	6,075.46
(ii) Trade receivables	6	294.09	357.97
(iii) Loans	7	4,195.01	4,030.26
(f) Other non current assets	8	533.01	629.64
(g) Deferred tax assets (Net)	9	56.95	-
Total non-current assets		30,126.39	26,710.22
Current assets			
(a) Inventories	10	11,800.97	10,915.30
(b) Financial assets			
(i) Investments	11	11.07	36.53
(ii) Trade receivables	6	51,373.48	42,763.80
(iii) Cash and cash equivalents	12	8,460.87	3,599.55
(iv) Bank balances other than (iii) above	13	26,909.14	23,939.31
(v) Loans	7	4,723.76	5,093.00
(vi) Other financial assets	14	2,241.09	1,837.41
(c) Other current assets	8	8,023.67	6,608.83
Total current assets		113,544.05	94,793.73
Total assets		143,670.44	121,503.95
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	1,466.67	1,466.67
(b) Other equity	16	46,682.71	35,968.27
Total equity		48,149.38	37,434.94
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	1,875.27	2,610.25
(ii) Lease liabilities		1,011.56	-
(iii) Other financial liabilities	18	808.32	810.93
(b) Provisions	19	1,398.22	1,181.78
(c) Deferred tax liabilities (Net)	9	-	110.40
(d) Non current tax liabilities (Net)	20	190.31	152.70
Total non-current liabilities		5,283.68	4,866.06
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	6,402.76	4,338.94
(ii) Lease liabilities		954.72	-
(iii) Trade payables	22		
- Total outstanding dues of micro and small enterprises		908.96	596.68
- Total outstanding dues of creditors other than micro and small enterprises		44,790.08	38,885.01
(iv) Other financial liabilities	23	3,939.38	3,802.35
(b) Other current liabilities	24	31,176.71	29,786.82
(c) Provisions	19	491.03	385.83
(d) Current tax liabilities (Net)	20	1,573.74	1,407.32
Total current liabilities		90,237.38	79,202.95
Total liabilities		95,521.06	84,069.01
Total equity and liabilities		143,670.44	121,503.95
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

For and on behalf of the board of directors of
ION EXCHANGE (INDIA) LIMITED
CIN - L74999MH1964PLC014258

BHAVESH DHUPELIA
Partner
Membership no.: 042070

RAJESH SHARMA
Chairman & Managing Director
DIN - 00515486

M. P. PATNI
Director
DIN - 00515553

MILIND PURANIK
Company Secretary

Place : Mumbai
Date : 25th June 2020

N. M. RANADIVE
Executive Vice President - Finance

Place : Mumbai
Date : 25th June 2020

STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2020

	Notes	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Income			
Revenue from operations	25	140,718.22	110,233.63
Other income	26	4,854.15	4,409.80
Total Income (I)		145,572.37	114,643.43
Expenses			
Cost of materials consumed	27	91,899.75	70,356.34
Purchases of stock-in-trade	28	4,368.43	4,137.02
Change in inventories of finished goods, stock-in-trade and work-in-progress	29	(498.72)	(1,316.04)
Employee benefits expenses	30	14,859.38	12,544.47
Finance costs	31	1,318.75	1,622.43
Depreciation and amortization expenses	32	2,204.93	1,813.10
Other expenses	33	18,002.30	15,376.02
Total expenses (II)		132,154.82	104,533.34
Profit before tax (I - II)		13,417.55	10,110.09
Tax expense			
Current tax	34	3,642.20	3,505.64
Deferred tax	9	(136.35)	(54.39)
Total tax expense		3,505.85	3,451.25
Profit after tax (III)		9,911.70	6,658.84
Other comprehensive income			
Items that will not be reclassified to profit or loss	35		
(a) Remeasurement benefit of defined benefit plans		(123.14)	(80.98)
(b) Income tax expense on remeasurement benefit of defined benefit plans		31.00	28.30
Total other comprehensive income (IV)		(92.14)	(52.68)
Total comprehensive income (III + IV)		9,819.56	6,606.16
Earnings per equity share:			
[Nominal value of shares INR 10 (2018-19: INR 10)] (Refer note 36)			
Basic (in INR)		81.85	55.47
Diluted (in INR)		81.85	55.47
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

For and on behalf of the board of directors of
ION EXCHANGE (INDIA) LIMITED
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MILIND PURANIK
Company Secretary

Place : Mumbai
Date : 25th June 2020

N. M. RANADIVE
Executive Vice President - Finance

Place : Mumbai
Date : 25th June 2020

STATEMENT OF CHANGES IN EQUITY for the year ended 31st March 2020**A. Equity share capital**

	As at 31st March 2020		As at 31st March 2019	
	Number of shares	INR in Lacs	Number of shares	INR in Lacs
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	14,666,659	1,466.67	14,666,659	1,466.67
Add: Shares issued during the year	-	-	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	14,666,659	1,466.67	14,666,659	1,466.67

B. Other equity

	Reserves and Surplus				Treasury shares (Refer note 16)	Total other equity
	Security premium account	Special reserve	General reserve	Retained earnings		
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs		
Balance as at 1st April 2018	8,276.09	16.00	2,644.66	21,932.25	(2,996.99)	29,872.01
Profit for the year (a)	-	-	-	6,658.84	-	6,658.84
Other Comprehensive Income (b)	-	-	-	(52.68)	-	(52.68)
Total comprehensive income for the year (a+b)	-	-	-	6,606.16	-	6,606.16
Dividend paid	-	-	-	(420.13)	-	(420.13)
Tax on dividend paid	-	-	-	(89.77)	-	(89.77)
Balance as at 31st March 2019	8,276.09	16.00	2,644.66	28,028.51	(2,996.99)	35,968.27
Transition impact of Ind AS 116	-	-	-	29.51	-	29.51
Balance as at 1st April 2019	8,276.09	16.00	2,644.66	28,058.02	(2,996.99)	35,997.78
Profit for the year (c)	-	-	-	9,911.70	-	9,911.70
Other Comprehensive Income (d)	-	-	-	(92.14)	-	(92.14)
Total comprehensive income for the year (c+d)	-	-	-	9,819.56	-	9,819.56
Proceeds from sale of treasury shares	-	-	-	2,189.41	-	2,189.41
Cost of treasury shares sold	-	-	-	(188.71)	188.71	-
Dividend paid	-	-	-	(1,093.58)	-	(1,093.58)
Tax on dividend paid	-	-	-	(230.46)	-	(230.46)
Balance as at 31st March 2020	8,276.09	16.00	2,644.66	38,554.24	(2,808.28)	46,682.71

As per our report of even date

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

For and on behalf of the board of directors of
ION EXCHANGE (INDIA) LIMITED
CIN - L74999MH1964PLC014258

BHAVESH DHUPELIA
Partner
Membership no.: 042070

RAJESH SHARMA
Chairman & Managing Director
DIN - 00515486

M. P. PATNI
Director
DIN - 00515553

MILIND PURANIK
Company Secretary

Place : Mumbai
Date : 25th June 2020

N. M. RANADIVE
Executive Vice President - Finance

Place : Mumbai
Date : 25th June 2020

CASH FLOW STATEMENT for the year ended 31st March 2020

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
A. Cash flow from operating activities:		
Profit before tax	13,417.55	10,110.09
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	2,204.93	1,813.10
Loss on assets sold / discarded (Net)	9.89	1.53
Finance cost	1,318.75	1,622.43
Dividend Income	(131.38)	(96.66)
Interest Income	(3,253.88)	(3,032.30)
Provision for doubtful debts / Bad debts written off	1,068.08	553.33
Change in fair value of investments	25.46	3.29
Guarantee commission	(70.69)	(78.69)
Unrealised exchange loss / (gain)	(1,070.03)	(520.49)
Operating profit before working capital changes	13,518.68	10,375.63
Movements in working capital:		
(Increase) / Decrease in inventories	(885.67)	(3,206.12)
(Increase) / Decrease in trade receivables	(8,868.30)	67.98
(Increase) / Decrease in loans	(982.54)	32.69
(Increase) / Decrease in other assets	(1,255.69)	(2,944.78)
(Decrease) / Increase in trade payables	6,156.60	5,463.06
(Decrease) / Increase in other financial liabilities	376.21	50.88
(Decrease) / Increase in other current liabilities	1,390.94	3,930.09
(Decrease) / Increase in provisions	198.50	80.25
Cash generated from operations	9,648.73	13,849.68
Taxes paid	(3,563.17)	(3,329.61)
Net cash generated from operating activities	6,085.56	10,520.07
	(A)	
B. Cash flow from investing activities:		
Purchase of property, plant and equipment	(3,111.89)	(3,013.56)
Proceeds from sale of property, plant and equipment	30.64	13.52
Proceeds from sale of treasury shares	2,189.41	-
Investments made in subsidiaries	(59.27)	(250.00)
(Increase) / Decrease in loans	1,511.71	378.77
Bank deposit made during the year (with maturity more than three months)	(14,143.26)	(8,878.07)
Bank deposit matured during the year (with maturity more than three months)	11,195.44	3,963.91
Dividend received	131.38	96.66
Interest received	2,850.20	1,949.36
Net cash generated / (used) in investing activities	594.36	(5,739.41)
	(B)	

Cash Flow Statement for the year ended 31st March 2020 (Contd.)

		Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
C. Cash flow from financing activities:			
Repayment of borrowings		(2,599.39)	(9,243.47)
Proceeds from borrowings		4,323.14	3,978.21
Payment towards lease liability		(1,235.61)	-
Dividend paid		(1,093.58)	(420.13)
Dividend tax paid		(230.46)	(89.77)
Finance cost		(1,043.23)	(1,526.34)
Net cash generated / (used) in financing activities	(C)	(1,879.13)	(7,301.50)
Net Increase / (Decrease) in cash and cash equivalents	(A)+(B)+(C)	4,800.79	(2,520.84)
Effect of exchange difference on cash and cash equivalent held in foreign currency		60.53	58.82
Cash and cash equivalents as at the beginning of the year		3,599.55	6,061.57
Cash and cash equivalents as at the end of the year		8,460.87	3,599.55

Notes:

- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.
- Purchase of property, plant and equipment represents additions to property, plant and equipment, and other intangible assets adjusted for movement of capital work-in-progress for property, plant and equipment.
- Cash and cash equivalents excludes the following balances with bank:

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Cash and cash equivalents disclosed under current assets [Note 12]	8,460.87	3,599.55
Other bank balances disclosed under current assets [Note 13]	26,909.14	23,939.31
Total cash and cash equivalents as per balance sheet	35,370.01	27,538.86
Less: Other bank balances disclosed under current assets		
On unclaimed dividend account	65.92	43.26
On unclaimed interest on fixed deposits	0.73	1.38
On deposit account	10,475.53	8,437.03
On margin money account	16,366.96	15,457.64
	26,909.14	23,939.31
Total cash and cash equivalents as per statement of cash flows	8,460.87	3,599.55

As per our report of even date

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

For and on behalf of the board of directors of
ION EXCHANGE (INDIA) LIMITED
CIN - L74999MH1964PLC014258

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Director
DIN - 00515553

MILIND PURANIK
Company Secretary

Place : Mumbai
Date : 25th June 2020

N. M. RANADIVE
Executive Vice President - Finance

Place : Mumbai
Date : 25th June 2020

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020

Company Overview

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

The company is a public limited company incorporated and domiciled in India. It is listed on BSE Limited (BSE).

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 25th June 2020.

1.2 Basis of preparation

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

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

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

1.3 Functional and presentation currency

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

1.4 Basis of measurement

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

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

1.5 Use of estimates

The preparation of the standalone financial statements in accordance with Ind AS requires use of judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31st March 2020 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.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**1. Significant Accounting Policies (contd...)****1.5 Use of estimates (contd...)**

c) Recognition and measurement of defined benefit obligations

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

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

1.6 Measurement of fair values

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

The company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

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

1.7 Property, plant and equipment and depreciation

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

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

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

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

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

1. Significant Accounting Policies (contd...)

1.7 Property, plant and equipment and depreciation (contd...)

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.

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

1.10 Foreign currency transactions

Transactions in foreign currencies are 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.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**1. Significant Accounting Policies (contd...)****1.12 Research and development**

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

1.13 Financial instruments

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

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

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

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

(ii) Classification and subsequent measurement

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

a) At amortised cost,

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

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

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

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

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

(iii) Equity investments

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

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

(iv) Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model for the following:

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

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

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

1. Significant Accounting Policies (contd...)

1.13 Financial instruments (contd...)

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

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

(v) De-recognition of financial assets

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

B. Financial liabilities

(i) Initial recognition and measurement

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

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

(ii) Classification and subsequent measurement

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

a) Financial liabilities excluding derivative financial instruments at amortised cost, and

b) Derivative financial instruments at fair value through profit or loss (FVTPL).

- Financial liabilities excluding derivative financial instruments at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process.

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

- Derivative financial instruments

The company uses derivative financial instruments, such as forward currency contracts. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting period. Any changes therein are generally recognised in the profit and loss account.

(iii) De-recognition

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

1.14 Financial guarantees

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

1.15 Retirement and other employee benefits

(i) Retirement benefit in the form of provident fund managed by Government Authorities and Superannuation Fund are defined contribution scheme and the contribution is charged to the statement of profit and loss for the year when the contribution to the respective fund is due. There is no other obligation other than the contribution payable.

(ii) Provident Fund scheme managed by trust set up by the company is a defined benefit plan. Employee benefits, in form of contribution to provident fund managed by such trust, are charged to the statement of profit and loss as and when the related services are rendered. The deficit, if any, in the accumulated corpus of the trust is recognised in the statement of profit and loss based on actuarial valuation.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**1. Significant Accounting Policies (contd...)****1.15 Retirement and other employee benefits (contd...)**

- (iii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit method made at the end of each financial year. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI).
- (iv) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.
- (v) Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per Projected Unit Credit method made at the end of each financial year. The company presents the leave liability as non-current in the balance sheet, to the extent it has an unconditional right to defer its settlement for a period beyond 12 months, balance amount is presented as current.

1.16 Employee stock compensation cost

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

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

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

1.17 Revenue recognition

Revenue from sale of goods is recognised at the point in time when control of the assets is transferred to the customer, generally on delivery of the goods.

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

- Revenue related to fixed price maintenance and support services contracts where the company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of 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 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.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

1. Significant Accounting Policies (contd...)

1.17 Revenue recognition (contd...)

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 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.

1.18 Taxation

- (i) Provision for current taxation has been made in accordance with the Indian Income tax laws prevailing for the relevant assessment years.
- (ii) Deferred tax is 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.

1.19 Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**1. Significant Accounting Policies (contd...)****1.19 Provisions and contingent liabilities (contd...)**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

1.20 Earnings per share

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

For calculating the weighted average number of equity shares outstanding, 2,368,939 (2018-19: 2,662,914) equity shares is being excluded on consolidation of equity shares held by IEI Shareholding (Staff Welfare) Trusts and is shown under treasury shares.

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

1.21 Segment reporting policiesIdentification of segments

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

Inter-segment Transfers

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

Allocation of common costs

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

Unallocated costs

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

Segment policies

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

1.22 Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

1.23 Leases

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.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

1. Significant Accounting Policies (contd...)

1.23 Leases (contd...)

The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated amortisation and cumulative impairment, if any. The right-of-use asset is amortised, using the straight-line method over the period of lease, from the commencement date to the end of the lease term or useful life of the underlying asset whichever is earlier. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

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

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

1.24 Borrowing costs

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

1.25 Dividend payable

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

The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay/distribute dividend after deducting applicable taxes.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**2. Property, plant and equipment**

	INR in Lacs									
	Land (Freehold) (Refer note a)	Land (Leasehold)*	Road	Building on freehold land (Refer note b, c, d and e)	Building on leasehold land	Plant and machinery (Refer note f)*	Furniture and fixtures	Vehicles	Office equipments (Refer note g)*	Total
Gross block										
As at 1st April 2019	204.29	360.13	88.46	2,212.67	2,999.70	10,450.62	509.41	287.74	1,008.52	18,121.54
Transition impact of Ind AS 116 (Refer note 45)	-	(360.13)	-	-	-	(2,156.28)	-	-	(361.36)	(2,877.77)
Cost as at 1st April 2019	204.29	-	88.46	2,212.67	2,999.70	8,294.34	509.41	287.74	647.16	15,243.77
Addition during the year	-	-	-	1,566.17	17.92	1,409.55	72.87	82.47	220.70	3,369.68
Disposal during the year	-	-	-	-	-	113.56	1.37	30.85	8.10	153.88
As at 31st March 2020	204.29	-	88.46	3,778.84	3,017.62	9,590.33	580.91	339.36	859.76	18,459.57
Depreciation / Amortisation										
As at 1st April 2019	-	24.14	27.17	166.99	293.20	2,621.88	134.87	126.57	475.18	3,870.00
Transition impact of Ind AS 116 (Refer note 45)	-	(24.14)	-	-	-	(547.42)	-	-	(110.22)	(681.78)
Accumulated depreciation as at 1st April 2019	-	-	27.17	166.99	293.20	2,074.46	134.87	126.57	364.96	3,188.22
Depreciation during the year	-	-	11.50	72.95	131.20	1,070.27	55.85	59.67	132.93	1,534.37
Deduction during the year	-	-	-	-	-	76.71	1.02	30.85	4.77	113.35
As at 31st March 2020	-	-	38.67	239.94	424.40	3,068.02	189.70	155.39	493.12	4,609.24
Net carrying value As at 31st March 2020	204.29	-	49.79	3,538.90	2,593.22	6,522.31	391.21	183.97	366.64	13,850.33
Gross block										
As at 1st April 2018	204.29	360.13	88.46	2,147.03	2,923.15	8,508.43	441.02	272.19	704.73	15,649.43
Addition during the year	-	-	-	65.64	76.55	2,022.08	68.79	22.77	307.82	2,563.65
Disposal during the year	-	-	-	-	-	79.89	0.40	7.22	4.03	91.54
As at 31st March 2019	204.29	360.13	88.46	2,212.67	2,999.70	10,450.62	509.41	287.74	1,008.52	18,121.54
Depreciation / Amortisation										
As at 1st April 2018	-	14.66	15.38	108.38	163.95	1,432.90	84.40	73.61	282.52	2,175.80
Depreciation during the year	-	9.48	11.79	58.61	129.25	1,255.92	50.87	58.34	196.43	1,770.69
Deduction during the year	-	-	-	-	-	66.94	0.40	5.38	3.77	76.49
As at 31st March 2019	-	24.14	27.17	166.99	293.20	2,621.88	134.87	126.57	475.18	3,870.00
Net carrying value As at 31st March 2019	204.29	335.99	61.29	2,045.68	2,706.50	7,828.74	374.54	161.17	533.34	14,251.54

* The company leases a number of items of plant and machinery and office equipments. These leases were classified as finance leases under IND AS 17. For these finance leases, the carrying amount of the right-of-use assets and lease assets and lease liabilities as at 1st April 2019 were determined at the carrying value of the lease assets and lease liabilities under IND AS 17 immediately before that date.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

2. Property, plant and equipment (Contd....)

Notes

- a) Freehold land includes land at Pune, the title deeds of which are in the name of the nominees of the company.
Deemed gross book value INR 18.44 Lacs (2018-19: INR 18.44 Lacs)
- b) Buildings on freehold land includes residential flats, the cost of which includes:
- INR 250 (2018-19: INR 250) being the value of 5 Shares (unquoted) of INR 50 each, fully paid up in Sunrise Co-operative Housing Society Limited.
- INR 3,500 (2018-19: INR 3,500) being the value of 70 Shares (unquoted) of INR 50 each, fully paid up in Usha Milan Co-operative Society Limited.
- c) Buildings on freehold land includes residential flats acquired at Mumbai, the society formation of which is in progress.
Deemed gross book value INR 41.15 Lacs (2018-19: INR 41.15 Lacs)
Net book value INR 36.99 Lacs (2018-19: INR 38.03 Lacs)
- d) Buildings on freehold land includes residential flats comprising of 2 LIG flats (Nos. B-16 and B-17) and 1 MIG flat (No. B-14) at Hosur, the title deeds of which are awaited from authorities.
Deemed gross book value INR Nil (2018-19: INR Nil)
Net book value INR Nil (2018-19: INR Nil)
- e) Buildings on freehold land includes office premises given on operating lease :
Deemed gross book value INR 144.44 Lacs (2018-19: INR 144.44 Lacs)
Accumulated depreciation INR 26.92 Lacs (2018-19: INR 19.42 Lacs)
Depreciation for the year INR 7.50 Lacs (2018-19: INR 8.21 Lacs)
Net book value INR 117.52 Lacs (2018-19: INR 125.02 Lacs)
- f) Plant and machinery includes items taken on finance lease:
Deemed gross book value INR Nil (2018-19: INR 2,156.28 Lacs)
Accumulated depreciation INR Nil (2018-19: INR 547.42 Lacs)
Depreciation for the year INR Nil (2018-19: INR 276.54 Lacs)
Net book value INR Nil (2018-19: INR 1,608.86 Lacs)
- g) Office equipment includes data processing items taken on finance lease:
Deemed gross book value INR Nil (2018-19: INR 361.36 Lacs)
Accumulated depreciation INR Nil (2018-19: INR 110.22 Lacs)
Depreciation for the year INR Nil (2018-19: INR 59.60 Lacs)
Net book value INR Nil (2018-19: INR 251.14 Lacs)
- h) Addition to Property, plant and equipment includes amount of INR 1,156.74 Lacs (2018-19: INR 65.00 Lacs) pertaining to research and development.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**3. Right-of-use assets**

	INR in Lacs				
	Land	Building	Plant and machinery (Refer note a)	Office equipments (Refer note a)	Total
Gross block					
As at 1st April 2019	-	-	-	-	-
Reclassified on account of adoption of Ind AS 116 (Refer note 45)	335.99	-	1,608.86	251.14	2,195.99
Addition during the year	-	479.93	1,548.90	73.21	2,102.04
Disposal during the year	-	-	-	-	-
As at 31st March 2020	335.99	479.93	3,157.76	324.35	4,298.03
Depreciation / Amortisation					
As at 1st April 2019	-	-	-	-	-
Depreciation during the year	9.48	140.12	342.57	123.04	615.21
Deduction during the year	-	-	-	-	-
As at 31st March 2020	9.48	140.12	342.57	123.04	615.21
Net carrying value as at 31st March 2020	326.51	339.81	2,815.19	201.31	3,682.82

Note

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

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

4. Intangible assets

	INR in Lacs	
	Computer Software	Total
Gross block		
As at 1st April 2019	269.18	269.18
Addition during the year	77.48	77.48
Disposal during the year	-	-
As at 31st March 2020	346.66	346.66
Depreciation / Amortisation		
As at 1st April 2019	132.32	132.32
Amortised during the year	55.35	55.35
Deduction during the year	-	-
As at 31st March 2020	187.67	187.67
Net carrying value as at 31st March 2020	158.99	158.99
Gross block		
As at 1st April 2018	218.40	218.40
Addition during the year	50.78	50.78
Disposal during the year	-	-
As at 31st March 2019	269.18	269.18
Depreciation / Amortisation		
As at 1st April 2018	89.91	89.91
Amortised during the year	42.41	42.41
Deduction during the year	-	-
As at 31st March 2019	132.32	132.32
Net carrying value as at 31st March 2019	136.86	136.86

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**5. Non-current investments**

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Measured at cost in equity shares of subsidiaries		
Unquoted, fully paid-up		
1,760,000 (31st March 2019: 1,760,000) equity shares of INR 10 each, fully paid-up in Aqua Investments (India) Limited	176.00	176.00
1,770,000 (31st March 2019: 1,770,000) equity shares of INR 10 each, fully paid-up in Watercare Investments (India) Limited	177.00	177.00
547,000 (31st March 2019: 547,000) equity shares of INR 10 each, fully paid-up in Ion Exchange Enviro Farms Limited	54.70	54.70
2,603,211 (31st March 2019: 2,603,211) equity shares of SGD 1 each, fully paid-up in Ion Exchange Asia Pacific Pte. Ltd.	1,118.73	1,115.04
250,000 (31st March 2019: 250,000) equity shares of MYR 1 each, fully paid-up in IEI Environmental Management (M) Sdn. Bhd.	18.10	18.10
700,000 (31st March 2019: 700,000) equity shares of USD 1 each, fully paid-up in Ion Exchange LLC	372.01	372.01
153,000 (31st March 2019: 153,000) equity shares of OMR 1 each, fully paid-up in Ion Exchange And Company LLC	180.85	180.85
55,862 (31st March 2019: 55,862) equity shares of BDT 100 each, fully paid-up in Ion Exchange Environment Management (BD) Limited	38.38	37.72
27,469 (31st March 2019: 27,469) equity shares of BDT 100 each, fully paid-up in Ion Exchange WTS (Bangladesh) Limited	2.45	2.45
2,170,000 (31st March 2019: 2,170,000) equity shares of INR 10 each, fully paid-up in Global Composite And Structural Limited	282.25	263.25
13,968,634 (31st March 2019: 13,968,634) equity shares of INR 10 each, fully paid-up in Ion Exchange Projects And Engineering Limited	1,445.06	1,417.22
600 (31st March 2019: 600) equity shares of ZAR 1 each, fully paid-up in Ion Exchange Safic Pty Ltd.	66.24	58.80
3000 (31st March 2019: Nil) equity shares of SAR 100 each, fully paid-up in Ion Exchange Aribia for Water	58.18	-
65,618 (31st March 2019: 65,618) equity shares of INR 10 each, fully paid-up in Total Water Management Services (India) Limited	18.00	18.00
10,000 (31st March 2019: 10,000) equity shares of INR 10 each, fully paid-up in Ion Exchange Purified Drinking Water Private Limited	39.01	39.01
4,999,500 (31st March 2019: 4,999,500) equity shares of INR 10 each, fully paid-up in Ion Exchange Environment Management Limited (Formerly known as Ion Exchange Waterleau Limited) *	501.23	501.23
(A)	4,548.19	4,431.38
Measured at cost in equity shares of associates		
Unquoted, fully paid-up		
460,000 (31st March 2019: 460,000) equity shares of INR 10 each, fully paid-up in Aquanomics Systems Limited	90.00	79.00
(B)	90.00	79.00

* Ion Exchange Environment Management Limited (Formerly known as Ion Exchange Waterleau Limited), a joint venture of the company has become a wholly owned subsidiary of the company w.e.f. 20th August 2018.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)
5. Non-current investments (contd...)

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Measured at fair value through profit and loss in equity shares of others		
Unquoted, fully paid-up		
6,000 (31st March 2019: 6,000) equity shares of INR 10 each, fully paid-up in IEK Plastics Limited	-	-
113 (31st March 2019: 113) equity shares of INR 10 each, fully paid-up in Patancheru Enviro-tech Limited	0.01	0.01
10,500 (31st March 2019: 10,500) equity shares of INR 10 each, fully paid-up in Bharuch Enviro Infrastructure Limited	1.05	1.05
352,500 (31st March 2019: 352,500) equity shares of INR 10 each, fully paid-up in Bharuch Eco-Aqua Infrastructure Limited	35.25	35.25
71,518 (31st March 2019: 71,518) equity shares of INR 10 each, fully paid-up in Global Procurement Consultants Limited	27.46	27.46
1,000 (31st March 2019: 1,000) equity shares of INR 10 each, fully paid-up in Ion Foundation	0.10	0.10
7,143 (31st March 2019: 7,143) equity shares of INR 10 each, fully paid-up in Water Quality India Association	0.71	0.71
11,000 (31st March 2019: Nil) equity shares of INR 10 each, fully paid-up in Haldia Water Services Pvt. Ltd.	1.10	-
(C)	65.68	64.58
Measured at amortised cost in preference shares of others		
Unquoted, fully paid-up		
75,000 (31st March 2019: 75,000) 14.25% preference shares of INR 100 each, fully paid-up in HMG Industries Limited	0.50	0.50
(D)	0.50	0.50
Measured at amortised cost in debenture of subsidiaries		
1,500,000 (31st March 2019: 1,500,000) 7% secured redeemable non-convertible debenture of INR 100 each, fully paid-up in Ion Exchange Enviro Farms Limited	1,500.00	1,500.00
(E)	1,500.00	1,500.00
Total non current investments	(A+B+C+D+E)	6,075.46
Aggregate amount of quoted Investments	-	-
Aggregate amount of unquoted Investments	6,204.37	6,075.46

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**6. Trade receivables**

	Non-current		Current	
	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Trade receivables				
(a) Unsecured, considered good	-	-	51,373.48	42,763.80
(b) Unsecured, have significant increase in credit risk	294.09	357.97	-	-
(c) Unsecured, credit impaired	59.62	59.62	788.00	-
	353.71	417.59	52,161.48	42,763.80
Less: Provision for credit impaired	59.62	59.62	788.00	-
	294.09	357.97	51,373.48	42,763.80

7. Loans

	Non-current		Current	
	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Tender, security and other deposits				
(a) Unsecured, considered good	853.09	683.62	308.92	91.22
(b) Unsecured, credit impaired	13.74	13.74	-	-
	866.83	697.36	308.92	91.22
Less: Provision for credit impaired	13.74	13.74	-	-
(A)	853.09	683.62	308.92	91.22
Loans and advances to related parties (Refer note 41)				
(a) Unsecured, considered good	3,341.92	3,346.64	3,423.93	4,606.24
(b) Unsecured, credit impaired	19.50	19.50	-	-
	3,361.42	3,366.14	3,423.93	4,606.24
Less: Provision for credit impaired	19.50	19.50	-	-
(B)	3,341.92	3,346.64	3,423.93	4,606.24
Claims receivables	(C)	-	902.56	345.07
Loans and advances to employees	(D)	-	88.35	50.47
Rent receivable (Unsecured, credit impaired)		17.05	-	-
Less: Provision for credit impaired		17.05	-	-
(E)	-	-	-	-
Others - Unsecured, credit impaired				
- Inter corporate deposits	57.07	57.07	-	-
- Other loans and advances	55.07	55.07	-	-
	112.14	112.14	-	-
Less: Provision for credit impaired	112.14	112.14	-	-
(F)	-	-	-	-
(A+B+C+D+E+F)	4,195.01	4,030.26	4,723.76	5,093.00

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

8. Other assets

		Non-current		Current	
		As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Capital advances	(A)	108.49	45.97	-	-
Balance with statutory authorities	(B)	424.52	583.67	2,301.74	1,806.19
Advance to suppliers					
Unsecured, considered good - Others		-	-	4,462.76	3,732.26
Unsecured, considered good - related parties [Refer note 41]		-	-	723.97	625.42
Unsecured, credit impaired		14.20	14.20	-	-
		14.20	14.20	5,186.73	4,357.68
Less: Provision for credit impaired		14.20	14.20	-	-
	(C)	-	-	5,186.73	4,357.68
Prepaid expenses	(D)	-	-	535.20	444.96
	(A+B+C+D)	533.01	629.64	8,023.67	6,608.83

9. Deferred tax assets (Net)

As at 31st March 2020						INR in Lacs
Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance	Deferred tax asset	Deferred tax liabilities
Deferred tax assets/ (liabilities)						
Property, plant and equipment	(1,309.69)	35.30	-	(1,274.39)	-	(1,274.39)
Trade receivables	256.40	366.88	-	623.28	623.28	-
Loans and borrowings	61.22	3.28	-	64.50	64.50	-
Retention money	137.21	(43.26)	-	93.95	93.95	-
Other items	744.46	(225.85)	31.00	549.61	549.61	-
Tax assets/(liabilities)	(110.40)	136.35	31.00	56.95	1,331.34	(1,274.39)

As at 31st March 2019						INR in Lacs
Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance	Deferred tax asset	Deferred tax liabilities
Deferred tax assets/ (liabilities)						
Property, plant and equipment	(1,170.13)	(139.56)	-	(1,309.69)	-	(1,309.69)
Trade receivables	138.24	118.16	-	256.40	256.40	-
Loans and borrowings	57.89	3.33	-	61.22	61.22	-
Retention money	183.56	(46.35)	-	137.21	137.21	-
Other items	597.35	118.81	28.30	744.46	744.46	-
Tax assets/(liabilities)	(193.09)	54.39	28.30	(110.40)	1,199.29	(1,309.69)

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

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

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**10. Inventories**

(valued at lower of cost and net realizable value)

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Raw materials and components (includes in transit INR 468.04 Lacs, 31st March 2019: INR 598.65 Lacs)	4,910.09	4,678.63
Work-in-progress	1,077.41	473.09
Finished goods (includes in transit INR 203.13 Lacs, 31st March 2019: INR 54.50 Lacs)	3,372.94	3,354.69
Traded goods	1,135.10	778.28
Stores and spares	789.29	633.80
Contract work-in-progress	516.14	996.81
	11,800.97	10,915.30

11. Investments

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Investments measured at fair value through profit and loss		
Quoted, fully paid-up		
5,875 (31st March 2019: 5,875) equity shares of INR 2 each, fully paid-up in Sterlite Technologies Limited	3.75	12.84
70 (31st March 2019: 70) equity shares of INR 2 each, fully paid-up in Jain Irrigation Systems Limited	0.00	0.04
8,100 (31st March 2019: 8,100) equity shares of INR 10 each, fully paid-up in Canara Bank	7.32	23.65
	11.07	36.53
Aggregate market value of quoted investments	11.07	36.53
Aggregate value of unquoted investments	-	-

12. Cash and cash equivalents

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Balances with banks		
On current accounts [Refer note below]	8,340.63	3,530.77
On Exchange Earner's Foreign Currency accounts	17.05	15.65
Cash on hand	103.19	53.13
	8,460.87	3,599.55

Note

Includes balance of INR 5,898.85 Lacs (31st March 2019: INR 839.41 Lacs) in escrow accounts for utilisation in the execution of a specific EPC contract.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

13. Bank balances other than cash and cash equivalents

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Balances with banks		
On Unclaimed dividend account	65.92	43.26
On Unclaimed interest on fixed deposits	0.73	1.38
Other bank balances:		
On deposit account	10,475.53	8,437.03
On margin money account [Refer note below]	16,366.96	15,457.64
	26,909.14	23,939.31

Note

Margin money deposits with a carrying amount of INR 16,366.96 Lacs (31st March 2019: INR 15,457.64 Lacs) are subject to first charge to secure bank guarantees issued by banks on our behalf.

14. Other financial assets

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Interest accrued on deposits and margin money	2,241.09	1,837.41
	2,241.09	1,837.41

15. Equity share capital

	As at 31st March 2020		As at 31st March 2019	
	No of shares	INR in Lacs	No of shares	INR in Lacs
Authorised capital				
17,000,000 (31st March 2019: 17,000,000) equity shares of INR 10 each.	17,000,000	1,700.00	17,000,000	1,700.00
Issued, subscribed and fully paid-up capital				
14,666,659 (31st March 2019: 14,666,659) equity shares of INR 10 each.	14,666,659	1,466.67	14,666,659	1,466.67
	14,666,659	1,466.67	14,666,659	1,466.67

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

	As at 31st March 2020		As at 31st March 2019	
	No of shares	INR in Lacs	No of shares	INR in Lacs
At the beginning of the year	14,666,659	1,466.67	14,666,659	1,466.67
Add: Issued during the year	-	-	-	-
At the end of the year	14,666,659	1,466.67	14,666,659	1,466.67

(b) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**15. Equity share capital (contd...)****(c) Details of shareholders holding more than 5% shares in the Company ***

	As at 31st March 2020		As at 31st March 2019	
	No of shares	% holding	No of shares	% holding
Mr. Rajesh Sharma	824,968	5.62%	781,218	5.33%
Mr. Rakesh Jhunjunwala	775,000	5.28%	800,000	5.45%

* As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

The aggregate number of equity shares issued pursuant to exercise of options granted under the Employee Stock Option Scheme (ESOS) wherein part consideration was received in form of employee services preceding last five years ended on 31st March 2020: 134,500 shares (Previous period of five years ended 31st March 2019: 134,500 shares)

(e) Shares reserved for issue under ESOS

There are no pending shares reserved for issue under Employee Stock Option Schemes (ESOS).

16. Other equity

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Security premium account		
Balance as at 1st April	8,276.09	8,276.09
	(A) 8,276.09	8,276.09
Special reserve		
Balance as at 1st April (As per section 45 - IC of the Reserve Bank of India Act, 1934)	16.00	16.00
	(B) 16.00	16.00
General reserve		
Balance as at 1st April	2,644.66	2,644.66
	(C) 2,644.66	2,644.66
Retained earnings		
Balance as at 1st April	28,028.51	21,932.25
Proceeds from sale of treasury shares	2,189.41	-
Cost of treasury shares sold	(188.71)	-
Profit for the year	9,911.70	6,658.84
Transition impact of Ind AS 116	29.51	-
Other comprehensive income	(92.14)	(52.68)
Appropriations		
- Dividend	(1,093.58)	(420.13)
- Tax on dividend	(230.46)	(89.77)
	(D) 38,554.24	28,028.51
Treasury shares		
Balance as at 1st April	(2,996.99)	(2,996.99)
Cost of treasury shares sold	188.71	-
	(E) (2,808.28)	(2,996.99)
	(A+B+C+D+E) 46,682.71	35,968.27

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

Security premium account: Security premium account is used to record the premium on issue of shares. Securities premium also includes the difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to employee stock options scheme. The reserve is utilised in accordance with the provisions of the Act.

Special reserve: Special reserve is created by the Company in past as per provision of section 45 - IC of the Reserve Bank of India Act, 1934 for repayment of fixed deposit holders.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

16. Other equity (contd...)

General reserve: The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirement to transfer profits to General Reserve is not mandatory. General reserve represents appropriation of retained earnings and are available for distribution to shareholders.

Treasury shares: Treasury shares represents equity shares of the Company held by IEI Shareholding (Staff Welfare) Trusts.

b) Dividend on equity shares paid during the year

	As at 31st Mar 2020 INR in Lacs	As at 31st Mar 2019 INR in Lacs
Dividend [INR 4.50 per equity share (31st March 2019 INR 3.50 per equity share)]	660.00	513.33
Interim dividend (INR 4.50 per equity share)	660.00	-
Less: Dividend on treasury shares	(226.42)	(93.20)
Dividend distribution tax	230.46	89.77
	1,324.04	509.90

17. Borrowings

	Non-current		Current	
	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Term loans (Secured)				
Indian rupee loan from financial institution [Refer note (a) below]	726.28	1,106.73	418.44	418.44
Indian rupee loan from a bank [Refer note (b), (c) and (d) below]	1,014.27	756.67	609.58	510.78
Indian rupee vehicle loan from banks and finance companies [Refer note (e) below]	134.72	117.19	57.13	49.32
Other loans and advances				
Finance lease obligation (Secured) [Refer note (f) below]	-	629.66	-	671.73
	1,875.27	2,610.25	1,085.15	1,650.27
The above amount includes				
Secured borrowings	1,875.27	2,610.25	1,085.15	1,650.27
Unsecured borrowings	-	-	-	-
Amount included under the head "Other financial liabilities" (Refer note 23)	-	-	(1,085.15)	(1,650.27)
	1,875.27	2,610.25	-	-

Notes

- Indian rupee loan from financial institution for capital expenditure carries interest @ 11.00 to 11.30% p.a. The loan is secured by first charge on movable and immovable fixed assets pertaining to a manufacturing facility at Goa and is repayable in 54 months with moratorium of 6 months from the date of actual commercial operation date.
- Indian rupee loan from a bank for capital expenditure disbursed in two tranches of INR 683.22 Lacs and INR 816.78 Lacs. Loan is repayable in 26 months and 37 months respectively from the date of first disbursement and carries interest rate of 10.50% p.a. The loan is secured by exclusive first charge on three residential properties.
- Indian rupee loan of INR 1,500.00 Lacs from a bank for capital expenditure. Loan is repayable in 48 months from the date of the first disbursement and carries interest rate of 9.50% p.a. The loan is secured by exclusive first charge on three residential properties.
- Indian rupee loan of INR 925.00 Lacs from a bank for capital expenditure. Loan is repayable in 48 months from the date of the first disbursement and carries interest rate of 10.90% p.a. The loan is secured by exclusive first charge on three residential properties.
- Indian rupee vehicle loans from banks and finance companies carries interest @ 8.00% to 13.50% p.a. The loans are repayable within a period of 36 to 60 months in equal monthly installments along with interest, from the various dates of disbursements. The loans are secured by hypothecation of under lying vehicles.
- Finance lease obligations are secured by hypothecation of under lying plant and machinery and equipment's taken on lease. Lease obligations are discharged by monthly / quarterly lease rental payments. The lease terms are for 2 to 4 years.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**18. Other financial liabilities - Non Current**

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Deposits	808.32	810.93
	808.32	810.93

19. Provisions

	Non-current		Current	
	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Provision for employee benefits (Refer note 37)	1,398.22	1,181.78	469.36	360.28
Provision for warranties	-	-	21.67	25.55
	1,398.22	1,181.78	491.03	385.83

Provision for warranties

A provision is recognised for expected warranty claims on Consumer Product Division's products sold during last one year, based on past experience of the level of repairs and returns.

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
At the beginning of the year	25.55	23.64
Arising during the year	21.67	25.55
Utilised during the year	25.55	23.64
Unused amounts reversed	-	-
At the end of the year	21.67	25.55

20. Tax Liabilities

	Non-current		Current	
	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Provision for income tax (Net of advance tax)	190.31	152.70	1,573.74	1,407.32
	190.31	152.70	1,573.74	1,407.32

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)
21. Borrowings - Current

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Working capital loan from banks (Secured) [Refer note (a) below]	4,725.42	2,656.43
MSME finance scheme with Trade Receivable Discounting System (Unsecured) [Refer note (b) below]	1,356.84	970.01
Inter-corporate deposits (Unsecured) [Refer note (c) below]		
- from related parties [Refer note 41]	320.50	112.50
- from others	-	600.00
	6,402.76	4,338.94
The above amount includes		
Secured borrowings	4,725.42	2,656.43
Unsecured borrowings	1,677.34	1,682.51
	6,402.76	4,338.94

- (a) The working capital loan is secured by joint hypothecation of book debts and stocks and collateral security by way of charge on the fixed assets at its manufacturing facilities situated in Hosur, Patancheru, Vashi, Goa, Ankleshwar and Mumbai (Office Premises). The working capital loan is repayable on demand and carries interest @ 8.00% to 12.35% p.a.
- (b) MSME Finance Scheme with Trade Receivable Discounting System is MSME vendor bills discounting facility and carries interest @ 8.50% to 11.00% p.a.
- (c) Inter corporate deposit are for a period from 90 to 365 days and carried interest @ 10% to 12.50%. p.a.

22. Trade payables

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Trade payables (including acceptances)		
- Total outstanding dues of micro and small enterprises [Refer note 48]	908.96	596.68
- Total outstanding dues of creditors other than micro and small enterprises	44,790.08	38,885.01
	45,699.04	39,481.69

23. Other financial liabilities - Current

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Current maturities of long term borrowings (Refer note 17)	1,085.15	1,650.27
Interest accrued but not due	19.81	35.44
Employee benefits payable	1,842.63	1,463.80
Creditors for capital goods	922.85	602.73
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
- Unpaid dividend	65.92	43.26
- Unclaimed interest on fixed deposit	0.72	1.38
- Unclaimed matured deposit	2.30	5.47
	3,939.38	3,802.35

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**24. Other current liabilities**

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Advance from customers	21,344.29	28,833.87
Unearned revenue on construction contracts	9,078.15	-
Unearned revenue on AMC services	357.81	324.39
Statutory dues	396.46	627.51
Unearned income	-	1.05
	31,176.71	29,786.82

25. Revenue from operations

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Revenue from operations		
Sale of products		
Finished goods	102,677.18	84,235.80
Traded goods	7,183.73	6,979.70
Sale of services	29,027.42	18,310.05
Other operating revenues		
Scrap sale	248.92	218.04
Management fees	88.56	77.00
Other operating income	1,492.41	413.04
	140,718.22	110,233.63

Revenue disaggregation as per industry vertical and geography has been included in segment information (Refer note 40)

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

26. Other income

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Interest income on financial instruments measured at amortised cost		
- From banks	1,792.21	1,555.81
- From subsidiaries	1,141.70	1,180.32
- From others	319.97	296.17
Guarantee commission	70.69	78.69
Rent	202.48	198.77
Dividend income on		
- Investment in subsidiaries	116.30	82.53
- Current investments	-	0.12
- Long-term investments	15.08	14.01
Exchange gain (Net)	979.28	710.96
Other non operating Income	216.44	292.42
	4,854.15	4,409.80

27. Cost of raw material consumed

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Inventory at the beginning of the year	4,678.63	2,798.11
Add: Purchases*	92,131.21	72,236.86
Less: Inventory at the end of the year	4,910.09	4,678.63
Cost of raw material and components consumed **	91,899.75	70,356.34

* Includes direct expenses incurred on contracts INR 6,677.27 Lacs (2018-19: INR 3,948.90 Lacs)

** The value of raw materials consumed have been arrived at on basis of opening stocks plus purchases less closing stock. The consumption therefore includes adjustments for materials sold, shortage/ excess and obsolescence.

28. Purchases of stock-in-trade

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Consumer products	3,624.80	2,974.59
Spares	428.88	449.81
Others	314.75	712.62
	4,368.43	4,137.02

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**29. Changes in inventories of finished goods, stock-in-trade and work-in-progress**

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Inventories at the end of the year		
Traded goods	1,135.10	778.28
Work-in-progress	1,077.41	473.09
Finished goods	3,372.94	3,354.69
Contract work-in-progress	516.14	996.81
(A)	6,101.59	5,602.87
Inventories at the beginning of the year		
Traded goods	778.28	654.91
Work-in-progress	473.09	544.84
Finished goods	3,354.69	2,618.60
Contract work-in-progress	996.81	468.48
(B)	5,602.87	4,286.83
(B) - (A)	(498.72)	(1,316.04)

30. Employee benefits expense

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Salaries, wages and bonus	13,310.66	11,285.16
Contribution to provident and other funds (Refer note 37)	891.61	713.66
Staff welfare expense	657.11	545.65
	14,859.38	12,544.47

31. Finance costs

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Interest expense on financial liabilities measured at amortised cost	1,156.71	1,415.21
Other borrowing costs	162.04	207.22
	1,318.75	1,622.43

32. Depreciation and amortisation expense

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Depreciation of property, plant and equipment (Refer note 2)	1,534.37	1,770.69
Depreciation of right-of-use assets (Refer note 3)	615.21	-
Amortisation of intangible assets (Refer note 4)	55.35	42.41
	2,204.93	1,813.10

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

33. Other expenses

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Stores and spare parts consumed	133.34	82.58
Power and fuel	1,467.45	1,442.95
Repairs and Maintenance - Buildings	84.80	69.71
- Plant and machinery	487.96	458.67
- Others	326.65	263.73
Rent (Net of recoveries)	349.45	504.21
Rates and taxes	473.69	456.82
Insurance (Net of recoveries)	202.04	94.96
Travelling and conveyance	3,161.40	2,738.17
Freight (Net of recoveries)	2,811.99	2,153.29
Packing (Net of recoveries)	1,631.94	1,763.98
Advertisement and publicity	885.47	781.05
Commission	134.23	127.55
Legal and professional charges	1,058.46	947.25
Telephone and telex	175.83	193.57
Bad debts written off	280.08	553.33
Provision for doubtful debts	788.00	-
Auditors' remuneration (Refer note 33.1)	43.20	37.88
Directors' fees (Refer note 41)	33.70	28.20
Directors' commission (Refer note 41)	129.50	98.00
Bank charges	290.24	191.09
Loss on fixed assets sold/discarded (Net)	9.89	1.53
Change in fair value of investments classified at FVTPL	25.46	3.29
Establishment and other miscellaneous expenses	3,017.53	2,384.21
	18,002.30	15,376.02

33.1 Auditors' remuneration (excluding taxes)

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
As auditor:		
- Audit fees	14.75	14.75
- Tax audit fees	3.00	3.00
- Limited review	5.25	5.25
In other capacity:		
- Other services (Certification fees)	13.00	8.00
Reimbursement of expenses	2.80	2.88
Branch auditor		
- Audit fees	2.50	2.50
- Other services (Certification fees)	1.50	1.10
- Reimbursement of expenses	0.40	0.40
	43.20	37.88

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**34. Tax expense**

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Current tax	3,642.20	3,505.64
Deferred tax	(136.35)	(54.39)
	3,505.85	3,451.25
Reconciliation of Tax Expense		
Profit before tax	13,417.55	10,110.09
Applicable tax rate	25.170%	34.944%
Computed tax expense (A)	3,377.20	3,532.87
Adjustments for:		
Non-deductible tax expenses	74.88	0.50
Tax-exempt income	(3.56)	(4.77)
Corporate social responsibility expenditure	40.35	43.47
Incremental deduction allowed for research and development costs	-	(68.62)
Deduction under house property	(15.29)	(12.67)
Income taxed at different rate	(9.32)	(14.42)
Reduction in tax rate	(10.79)	-
Others	52.38	(25.11)
Net adjustments (B)	128.65	(81.62)
Tax expense (A+B)	3,505.85	3,451.25

The company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Law (Amendment) Ordinance, 2019. Accordingly, the company has recognised provision for income tax and re-measured its deferred tax assets or liabilities basis the reduced tax rate prescribed in the said section.

35. Other comprehensive income

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Items that will not be reclassified to profit or loss		
Re-measurements of defined benefit plans	(123.14)	(80.98)
Income tax relating to items that will not be reclassified to profit or loss	31.00	28.30
	(92.14)	(52.68)

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

36. Earnings per share (EPS)

Particulars		31st March 2020	31st March 2019
I	Profit computation for both basic and diluted earnings per share of INR 10 each		
	Net profit as per the statement of profit and loss available for equity shareholders (INR in Lacs)	9,911.70	6,658.84
II	Weighted average number of equity shares for earnings per share computation		
A)	For basic earnings per share		
	No. of shares	14,666,659	14,666,659
	Less: Treasury shares held by IEI Shareholding (Staff Welfare) Trusts (Weighted average)	2,557,683	2,662,914
	No. of shares for basic earnings per share	12,108,976	12,003,745
B)	For diluted earnings per share		
	No. of shares for basic EPS	12,108,976	12,003,745
	Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	-	-
	No. of shares for diluted earnings per share	12,108,976	12,003,745
III	Earnings per share in Rupees		
	Basic (INR)	81.85	55.47
	Diluted (INR)	81.85	55.47

37. Employee benefits

- A. The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service. The scheme is funded to a separate trust duly recognized by Income tax authorities.

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

		INR in Lacs	
Particulars	2019-20	2018-19	
I	Change in defined benefit obligation		
	Defined benefit obligation, Beginning of period	1,776.77	1,658.15
	Interest cost	118.19	120.31
	Service cost	133.95	124.30
	Liability transferred in / acquisitions	-	0.95
	Actual plan participants' contributions	-	-
	Total actuarial (gains)/losses	134.44	84.81
	a. Effect of change in financial assumptions	39.61	49.13
	b. Effect of change in demographic assumptions	-	4.41
	c. Experience (gains) / losses	94.83	31.27
	Changes in foreign currency exchange rates	-	-
	Acquisition / Business combination/divestiture	-	-
	Benefits paid	(56.95)	(211.75)
	Past service cost	15.82	-
	Losses / (gains) on curtailments / settlements	-	-
	Defined benefit obligation, end of period	2,122.22	1,776.77

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**37. Employee benefits (contd...)**

		INR in Lacs	
	Particulars	2019-20	2018-19
II	Change in the fair value of plan assets		
	Fair value of plan assets at the beginning of the period	1,612.00	1,498.70
	Interest income	114.54	113.67
	Contributions by the employer	186.74	161.06
	Expected contributions by the employees	-	-
	Assets transferred in / acquisitions	-	0.95
	(Assets transferred out / divestments)	-	-
	(Benefit paid from the fund)	(54.68)	(166.21)
	(Assets distributed on settlements)	-	-
	Effects of asset ceiling	-	-
	The effect of changes in foreign exchange rates	-	-
	Return on plan assets, excluding interest income	11.29	3.83
	Fair value of plan assets at the end of the period	1,869.89	1,612.00
III	Expenses recognized in the statement of profit or loss for current period		
	Current service cost	133.95	124.30
	Net interest cost	3.67	6.64
	Past service cost	15.82	-
	(Expected contributions by the employees)	-	-
	(Gains) / Losses on curtailments and settlements	-	-
	Net effect of changes in foreign exchange rates	-	-
	Expenses recognized	153.44	130.94
IV	Expenses recognized in the other comprehensive income (OCI) for current period		
	Actuarial (gains) / losses on obligation for the period	134.43	86.63
	Return on plan assets, excluding interest income	(11.29)	(5.65)
	Change in asset ceiling	-	-
	Net (income) / expense for the period recognized in OCI	123.14	80.98
V	Maturity analysis of the benefit payments		
	Projected benefits payable in future years from the date of reporting		
	1st following year	459.96	376.14
	2nd following year	278.51	276.51
	3rd following year	578.44	196.21
	4th following year	233.87	485.10
	5th following year	181.61	161.40
	Sum of years 6 to 10	519.76	449.08
	Sum of years 11 and above	257.14	233.86
VI	Sensitivity analysis		
	Projected benefit obligation on current assumptions	2,122.22	1,776.77
	Delta effect of +0.5% change in rate of discounting	(39.98)	(32.97)
	Delta effect of -0.5% change in rate of discounting	41.79	34.40
	Delta effect of +0.5% change in rate of salary increase	40.51	33.54
	Delta effect of -0.5% change in rate of salary increase	(38.40)	(31.91)
	Delta effect of +0.5% change in rate of employee turnover	(2.76)	(1.63)
	Delta effect of -0.5% change in rate of employee turnover	2.85	1.67

The company expects to contribute INR 147.25 Lacs (2019-20, INR 99.55 Lacs) to gratuity in 2020-21.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

37. Employee benefits (contd...)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Sr. No.	Categories of Assets	% of holding(Gratuity)	
		2019-20	2018-19
1	Central and state government bonds	-	-
2	Public sector undertaking	-	-
3	Insurance policy	100%	100%
4	Special deposit scheme 1975	-	-
5	Other assets	-	-

The expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Notes:

a) Amounts recognized as an expense and included in note 30:

Gratuity in "Contribution to provident and other funds" INR 253.18 Lacs (2018-19: INR 159.14 Lacs).

B. Provident fund

The company's provident fund schemes which are administered through Government of India are defined contribution plan. The company's contribution paid / payable under the scheme is recognized as expense in the statement of profit and loss during the year in which the employee renders the related services. There are no other obligations other than the contribution payable to the respective fund.

The company's provident fund scheme which is managed by trust set up by the company, the contribution to the provident fund is remitted to a separate trust established for this purpose based on a fixed percentage of the eligible employees' salary and charged to statement of profit and loss. Shortfall, if any, in the fund assets, based on the government specified minimum rate of return, will be made good by the company and charged to statement of profit and loss. The actual return earned by the fund has mostly been higher than the government specified minimum rate of return in the past years. There is no shortfall in the fund as on 31st March 2020 and 31st March 2019.

The details of fund obligations are given below:

INR in Lacs

Particulars	As at 31st March 2020	As at 31st March 2019
Present value of benefit obligation at period end	5,402.15	5,070.68

C. Defined contribution plan

Amount recognized as an expense and included in the note 30 – "Contribution to provident and other funds" of the statement of profit and loss INR 575.42 Lacs (2018-19: INR 430.85 Lacs).

D. Other employee benefits

Amounts recognized as an expense and included in note 30

Leave encashment in "Salaries, wages and bonus" INR 354.85 Lacs (2018-19: INR 281.56 Lacs)

E. The net provision for leave encashment liability upto 31st March 2020 is INR 1,612.58 Lacs (31st March 2019: INR 1,350.71 Lacs)

Note :

The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards provident fund. The company believes that there will be no significant impact on its contributions to provident fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon'ble Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards provident fund. The company will evaluate its position and act, as clarity emerges.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**38. Financial instruments**

Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

INR in Lacs

	As at 31st March 2020			As at 31st March 2019		
	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						
<u>At amortised cost</u>						
Trade receivables	294.09	-	294.09	357.97	-	357.97
Loans	4,195.01	-	4,195.01	4,030.26	-	4,030.26
Investments *	1,500.50	-	1,500.50	1,500.50	-	1,500.50
<u>At FVTPL</u>						
Investments *	65.68	-	65.68	64.58	-	64.58
Financial assets - Current **						
<u>At amortised cost</u>						
Trade receivables	51,373.48			42,763.80		
Cash and cash equivalents	8,460.87			3,599.55		
Bank balances other than above	26,909.14			23,939.31		
Loans	4,723.76			5,093.00		
Others	2,241.09			1,837.41		
<u>At FVTPL</u>						
Investments	11.07	11.07	-	36.53	36.53	-
Financial liabilities - Non-current						
<u>At amortised cost</u>						
Borrowings	1,875.27	-	1,875.27	2,610.25	-	2,610.25
Lease liabilities	1,011.56	-	1,011.56	-	-	-
Other financial liabilities	808.32	-	808.32	810.93	-	810.93
Financial liabilities - Current **						
Borrowings	6,402.76			4,338.94		
Lease liabilities	954.72			-		
Trade payables	45,699.04			39,481.69		
Other financial liabilities	3,939.38			3,802.35		

* Excludes investments measured at cost

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

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

38. Financial instruments (contd...)

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

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

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.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the major observation are periodically reported to the audit committee.

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.

As per policy, trade receivables are classified into different buckets based on the overdue period. There are different provisioning norms for each bucket which are ranging from 25% to 100%.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**38. Financial instruments (contd...)**

The movement in the provision for expected credit loss in respect of trade receivables (including retention money) and accrued value of work done during the year is as follows:

INR in Lacs

Particulars	Trade receivables
Balance as at 1 April 2018	59.62
Provision recognised	-
Amount utilised	-
Balance as at 31 March 2019	59.62
Provision recognised	788.00
Amount utilised	-
Balance as at 31 March 2020	847.62

Cash and cash equivalents

The company held cash and cash equivalents of INR 8,460.87 Lacs as at 31st March 2020 (as at 31st March 2019: INR 3,599.55 Lacs). The cash and cash equivalents are held with banks with good credit ratings.

Other bank balances

The company held other bank balances equivalents of INR 26,909.14 Lacs as at 31st March 2020 (as at 31st March 2019: INR 23,939.31 Lacs). The other bank balances are mainly temporary surplus fund invested in bank fixed deposits and margin money against bank guarantees issued by banks on the company's behalf.

Investments

The company has invested an insignificant amount in listed securities. The company does not expect any losses.

Other financial assets

Other financial assets mainly comprise of tender deposits and security deposits which are given to customers or governmental agencies in relation to contracts bid / execution and are assessed by the company for credit risk on a continuous basis.

(ii) Liquidity risk

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

The company has obtained fund and non-fund based working capital limits from various banks. The company invests its temporary surplus funds in bank fixed deposit.

Exposure to liquidity risk

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

As at 31st March 2020

INR in Lacs

	Carrying amount	Contractual cash flows *				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
(i) Borrowings **	2,960.42	3,419.05	1,339.96	1,866.79	212.30	-
(ii) Lease liabilities **	1,966.28	2,544.51	1,137.24	1,108.59	173.72	124.95
(iii) Other Non-current financial liabilities	808.32	808.32	-	-	-	808.32
(iv) Issued financial guarantee contract on behalf of related parties***	-	-	-	-	-	-
Current Financial liabilities						
(i) Short term borrowings	6,402.76	6,402.76	6,402.76	-	-	-
(ii) Trade payables	45,699.04	45,699.04	45,699.04	-	-	-
(iii) Other financial liabilities	3,939.38	3,939.38	3,939.38	-	-	-
	61,776.20	62,813.06	58,518.38	2,975.38	386.03	933.27

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

38. Financial instruments (contd...)

As at 31st March 2019

INR in Lacs

	Carrying amount	Contractual cash flows *				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
(i) Borrowings **	4,260.53	5,002.17	2,004.65	2,600.49	397.03	-
(ii) Lease liabilities **	-	-	-	-	-	-
(iii) Other Non-current financial liabilities	810.93	810.93	-	-	-	810.93
(iv) Issued financial guarantee contract on behalf of related parties***	-	-	-	-	-	-
Current Financial liabilities						
(i) Short term borrowings	4,338.94	4,338.94	4,338.94	-	-	-
(ii) Trade payables	39,481.69	39,481.69	39,481.69	-	-	-
(iii) Other financial liabilities	2,152.08	2,152.08	-	-	-	-
	51,044.17	51,785.81	47,977.36	2,600.49	397.03	810.93

* Contractual cash flow includes interest payout in the respective years on borrowings.

** Includes current and non-current portion.

*** Guarantees issued by the company on behalf of subsidiaries and associates are with respect to working capital facilities raised by the respective subsidiaries and associates. These amounts will be payable in the event of default by the concerned parties. As of the reporting date, none of the subsidiaries and associates have defaulted and hence, the company does not have any present obligation to third parties in relation to such guarantees (Refer note 41).

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:

Company's interest rate risk arises primarily from borrowings. The interest rate profile of the company's interest-bearing financial instruments is as follows.

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Fixed rate instruments		
Financial assets - measured at amortised cost		
Loans to related parties	6,765.85	7,952.88
Other bank balances - On deposit account	10,475.53	8,437.03
Other bank balances - On margin money account	16,366.96	15,457.64
	33,608.34	31,847.55
Financial liabilities - measured at amortised cost		
Long term borrowings *	1,815.70	2,735.35
Short term borrowings	1,677.34	1,682.51
	3,493.04	4,417.86
Variable rate loan		
Financial liabilities - measured at amortised cost		
Long term borrowings *	1,144.72	1,525.17
Short term borrowings	4,725.42	2,656.43
	5,870.14	4,181.60

* Including current maturity of long term borrowings

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**38. Financial instruments (contd...)**Fair value sensitivity analysis for fixed-rate instruments:

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

Cash flow sensitivity analysis for variable-rate instruments:

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

	31st March 2020		31st March 2019	
	Increase (-) INR in Lacs	Decrease + INR in Lacs	Increase (-) INR in Lacs	Decrease + INR in Lacs
1% Movement	(58.70)	58.70	(41.82)	41.82

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

(iii) Market risk

The company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates to the floating rate debt obligations.

Foreign currency risk

The company is exposed to currency risk on account of its revenue generating and operating activities in foreign currency. The functional currency of the company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed in recent periods and may continue to fluctuate in the future.

Exposure to currency risk:

The currency profile of financial assets and financial liabilities as at 31st March 2020 and 31st March 2019 are as below:

As at 31st March 2020	INR in Lacs				
	USD	EUR	SAR	AED	Others
Financial assets					
Loans to subsidiaries	336.91	-	-	-	-
Cash and cash equivalents	3,514.01	-	-	370.10	224.06
Trade and other receivables	13,080.93	-	348.01	1,424.55	303.89
	16,931.85	-	348.01	1,794.65	527.95
Less: Forward exchange contracts	(1,779.11)	-	-	-	-
Less: Natural hedge	(2,244.94)	-	(12.99)	(402.33)	(498.91)
Net exposure on financial assets	12,907.80	-	335.02	1,392.32	29.04
Financial liabilities					
Trade and other payables	2,244.94	280.83	12.99	402.33	971.98
	2,244.94	280.83	12.99	402.33	971.98
Less: Forward exchange contracts	-	-	-	-	-
Less: Natural hedge	(2,244.94)	-	(12.99)	(402.33)	(498.91)
Net exposure on financial liabilities	-	280.83	-	-	473.07
Total net exposure	12,907.80	280.83	335.02	1,392.32	502.11

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

38. Financial instruments (contd...)

As at 31st March 2019					INR in Lacs
	USD	EUR	SAR	AED	Others
Financial assets					
Loans to subsidiaries	293.36	-	-	-	-
Cash and cash equivalents	973.06	-	-	382.81	129.73
Trade and other receivables	13,421.94	-	560.64	1,447.09	205.10
	14,688.36	-	560.64	1,829.90	334.83
Less: Forward exchange contracts	(1,941.42)	-	-	-	-
Less: Natural hedge	(2,695.92)	-	(37.48)	(43.38)	(315.86)
Net exposure on financial assets	10,051.02	-	523.16	1,786.52	18.97
Financial liabilities					
Trade and other payables	2,695.92	75.92	37.48	43.38	472.67
	2,695.92	75.92	37.48	43.38	472.67
Less: Forward exchange contracts	-	-	-	-	-
Less: Natural hedge	(2,695.92)	-	(37.48)	(43.38)	(315.86)
Net exposure on financial liabilities	-	75.92	-	-	156.81
Total net exposure	10,051.02	75.92	523.16	1,786.52	175.78

Sensitivity analysis:

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currency at 31st March would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

INR in Lacs

	Profit or loss			
	31st March 2020		31st March 2019	
	Strengthening	Weakening	Strengthening	Weakening
1% movement				
USD	129.08	(129.08)	100.51	(100.51)
EUR	2.81	(2.81)	0.76	(0.76)
SAR	3.35	(3.35)	5.23	(5.23)
AED	13.92	(13.92)	17.87	(17.87)
Others	5.02	(5.02)	1.76	(1.76)
	154.18	(154.18)	126.13	(126.13)

39. Disclosures as per Ind AS 115

- (a) The company offers wide range of solutions across the water cycle from pre-treatment to process water treatment, waste water treatment, recycle, zero liquid discharge, sewage treatment, packaged drinking water, sea water desalination etc. The company is also engaged in manufacturing resins, speciality chemicals for water and waste water treatment as well as non-water applications.

The type of work in the contracts with the customers involves designing, engineering, supply of materials, installation and commissioning of the plant, project management, operations and maintenance. The effect of initially applying Ind AS 115 on the Company's revenue from contracts with customers is described in Note 1.17.

- (b) Revenue disaggregation as per industry vertical and geography has been included in segment information (Refer note 40).

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**39. Disclosures as per Ind AS 115 (contd...)**

(c) Contract balances

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

INR in Lacs

Particulars	As at 31st March 2020	As at 31st March 2019
Receivables which are included in trade and other receivables	27,444.51	21,901.41
Contract assets	Nil	Nil
- Accrued value of work done net off provision		
Contract liabilities		
- Unearned revenue on construction contracts	9,078.15	-
- Advance from clients	17,274.50	25,245.90

As on 31st March 2020, revenue recognised in the current year is INR Nil (2018-19 INR Nil) from performance obligations satisfied/partially satisfied in the previous year.

(d) Performance obligation

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

The company recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's input methods of revenue recognition as the amounts are not reflective of our transferring control of the plant to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Company recognises the entire estimated loss in the period the loss becomes known.

Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

- (e) Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.
- (f) 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.
- (g) 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
- (h) Reconciliation of revenue recognised in the statement of profit and loss

The following table discloses the reconciliation of amount of revenue recognised as at 31st March 2020:

INR in Lacs

Particulars	31st March 2020	31st March 2019
Revenue recognized	140,718.22	110,233.63
Add: Incentives	-	-
Less: Liquidated damages	-	-
Revenue recognised in the statement of profit and loss	140,718.22	110,233.63

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd....)
40. Segment
I. Information about business segments

	Engineering		Chemicals		Consumer Products		Unallocated		Total	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Revenue										
External sales	85,766.99	60,344.39	42,307.29	38,843.30	12,555.31	10,968.92	88.63	77.02	140,718.22	110,233.63
Inter-segmental Sales	3,419.37	3,620.09	2,000.18	2,063.62	-	0.03	-	-	5,419.55	5,683.74
Total revenue	89,186.36	63,964.48	44,307.47	40,906.92	12,555.31	10,968.95	88.63	77.02	146,137.77	115,917.37
Less: Eliminations									(5,419.55)	(5,683.74)
Add : Interest income							3,253.88	3,032.30	3,253.88	3,032.30
Add : Other income	1,069.88	557.71	20.62	48.30	2.40	0.05	507.37	771.44	1,600.27	1,377.50
Total enterprise revenue									145,572.37	114,643.43
Result										
Segment results	6,083.20	4,289.57	7,592.47	5,475.32	(705.68)	(310.83)	-	-	12,969.99	9,454.06
Unallocated expenditure net of unallocated income							(1,487.57)	(753.84)	(1,487.57)	(753.84)
Finance cost							(1,318.75)	(1,622.43)	(1,318.75)	(1,622.43)
Interest income							3,253.88	3,032.30	3,253.88	3,032.30
Profit before taxation							447.56	656.03	13,417.55	10,110.09
Other Information										
Segment assets	90,335.29	76,948.84	27,379.37	23,209.84	3,812.87	3,501.68	22,142.91	17,843.59	143,670.44	121,503.95
Segment liabilities	67,252.41	58,515.27	10,890.02	11,853.62	2,813.99	2,282.27	14,564.65	11,417.85	95,521.07	84,069.01
Capital expenditure	284.52	497.82	2,947.89	1,843.45	17.41	36.91	197.34	236.24	3,447.16	2,614.42
Depreciation	695.84	622.59	1,096.92	973.66	44.95	41.96	367.22	174.89	2,204.93	1,813.10
Non cash expenditure other than depreciation	687.84	265.78	778.44	524.86	124.47	66.90	(202.85)	(112.78)	1,387.90	744.76

II. Information about geographical segments

	India		Outside India		Total	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
External revenue	90,237.85	78,748.92	50,480.37	31,484.70	140,718.22	110,233.62
Carrying amount of segment assets	121,779.71	101,843.73	21,890.73	19,660.22	143,670.44	121,503.95
Additions to property, plant and equipment	3,443.60	2,611.19	3.56	3.24	3,447.16	2,614.43

III. Notes:

- (a) The company's operations are organized into three business segments, namely:
 Engineering division – comprising of water treatment plants, spares and services in connection with the plants.
 Chemicals – comprising of resins, water treatment chemicals and speciality chemicals.
 Consumer Products – comprising of water purification equipments for homes, institutions and communities.
- (b) The segment revenue in the geographical segments considered for disclosure are as follows:
 Revenue within India includes sales to customers located within India and earnings in India. Revenue outside India includes sales to customers located outside India and earnings outside India.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**41. Related party disclosures (As identified by the management):**Where control exists

a) Subsidiary companies	<p>Ion Exchange Enviro Farms Ltd. Watercare Investments (India) Ltd. Aqua Investments (India) Ltd. Ion Exchange Asia Pacific Pte. Ltd., Singapore Ion Exchange Asia Pacific (Thailand) Ltd., Thailand * PT Ion Exchange Asia Pacific, Indonesia* IEI Environmental Management (M) Sdn. Bhd., Malaysia Ion Exchange Environment Management (BD) Ltd., Bangladesh Ion Exchange LLC, USA Ion Exchange And Company LLC, Oman Ion Exchange WTS (Bangladesh) Ltd., Bangladesh Ion Exchange Projects and Engineering Ltd. Global Composites and Structurals Ltd. Ion Exchange Safic Pty. Ltd., South Africa Total Water Management Services (India) Ltd. Ion Exchange Purified Drinking Water Pvt. Ltd. Ion Exchange Environment Management Ltd.** (formerly known as Ion Exchange Waterleau Ltd.) Ion Exchange Arabia For Water, Saudi Arabia</p>
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Others

b) Associates	<p>Aquanomics Systems Ltd. IEI Water-Tech (M) Sdn. Bhd., Malaysia *** Ion Exchange PSS Co. Ltd., Thailand *** Ion Exchange Financial Products Pvt. Ltd. ***</p>
c) Key managerial personnel	<p>Mr. Rajesh Sharma - Chairman & Managing Director Mr. Dinesh Sharma - Executive Director Mr. Aankur Patni - Executive Director</p>
d) Non-executive directors	<p>Dr. V. N. Gupchup Mr. M. P. Patni Mr. T. M. M. Nambiar Mr. P. Sampathkumar Mr. Abhiram Seth Mr. Shishir Tamotia Mrs. Kishori Udeshi</p>
e) Relatives of key managerial personnel	<p>Mr. Mahabir Patni - Father of Mr. Aankur Patni Mrs. Nirmala Patni - Mother of Mr. Aankur Patni Mrs. Aruna Sharma - Wife of Mr. Rajesh Sharma Mrs. Poonam Sharma - Wife of Mr. Dinesh Sharma Mrs. Nidhi Patni - Wife of Mr. Aankur Patni Ms. Pallavi Sharma - Daughter of Mr. Rajesh Sharma</p>
f) Enterprise owned or significantly influenced by key managerial personnel or their relatives	<p>Ion Foundation</p>
g) Post-employment benefit plans	<p>Ion Exchange (India) Ltd.'s Provident Institution Ion Exchange (India) Ltd.'s Management Staff Gratuity Fund Ion Exchange Staff Superannuation Scheme Ion Exchange India Ltd. – Gratuity Fund Trust</p>

* Subsidiary company of subsidiary

** Ion Exchange Environment Management Ltd. (Formerly known as Ion Exchange Waterleau Ltd.), a joint venture of the company has become a wholly owned subsidiary of the company w.e.f. 20th August 2018.

*** Associate companies of subsidiaries

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

41. Related party disclosures (contd...)

I. Related party-wise transactions during the year with outstanding balances as at year-end:

INR in Lacs

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Sale of goods *								
Ion Exchange And Company LLC, Oman	111.33	33.95	-	-	-	-	111.33	33.95
Ion Exchange Asia Pacific Pte. Ltd., Singapore	150.07	176.52	-	-	-	-	150.07	176.52
Ion Exchange Environment Management (BD) Ltd., Bangladesh	172.49	167.29	-	-	-	-	172.49	167.29
Ion Exchange LLC, USA	4,977.27	4,463.45	-	-	-	-	4,977.27	4,463.45
IEI Environmental Management (M) Sdn. Bhd., Malaysia	-	12.04	-	-	-	-	-	12.04
Global Composites And Structurals Ltd.	287.58	214.90	-	-	-	-	287.58	214.90
Ion Exchange Projects And Engineering Ltd.	0.14	6.55	-	-	-	-	0.14	6.55
Ion Exchange Safic Pty. Ltd., South Africa	350.67	373.24	-	-	-	-	350.67	373.24
PT Ion Exchange Asia Pacific, Indonesia	96.58	96.30	-	-	-	-	96.58	96.30
Ion Exchange Purified Drinking Water Pvt Ltd.	0.22	0.18	-	-	-	-	0.22	0.18
Ion Exchange Asia Pacific (Thailand) Ltd	0.71	-	-	-	-	-	0.71	-
Aquanomics Systems Ltd.	-	-	6,309.85	5,597.91	-	-	6,309.85	5,597.91
Ion Exchange PSS Co. Ltd., Thailand	-	-	106.25	105.45	-	-	106.25	105.45
Ion Foundation	-	-	-	-	12.87	22.81	12.87	22.81
Total	6,147.06	5,544.42	6,416.10	5,703.36	12.87	22.81	12,576.03	11,270.59
Services rendered								
Global Composites And Structurals Ltd.	-	0.14	-	-	-	-	-	0.14
Ion Exchange Enviro Farms Ltd.	3.16	7.44	-	-	-	-	3.16	7.44
Ion Exchange Projects And Engineering Ltd.	61.33	60.98	-	-	-	-	61.33	60.98
Total Water Management Services (India) Ltd.	12.90	10.51	-	-	-	-	12.90	10.51
Ion Exchange Environment Management Ltd. (formerly known as Ion Exchange Waterleau Ltd.)	-	0.50	-	-	-	-	-	0.50
Total	77.39	79.57	-	-	-	-	77.39	79.57
Rental income								
Ion Exchange Projects And Engineering Ltd.	73.97	67.34	-	-	-	-	73.97	67.34
Ion Exchange Environment Management Ltd. (formerly known as Ion Exchange Waterleau Ltd.)	18.32	16.65	-	-	-	-	18.32	16.65
Total	92.29	83.99	-	-	-	-	92.29	83.99

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**41. Related party disclosures (contd...)**

I. Related party-wise transactions during the year with outstanding balances as at year-end (contd...):

INR in Lacs

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Interest income on loan and advances								
Global Composites And Structural Ltd.	-	0.02	-	-	-	-	-	0.02
IEI Environmental Management (M) Sdn. Bhd., Malaysia	3.88	3.51	-	-	-	-	3.88	3.51
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	1.52	1.35	-	-	-	-	1.52	1.35
Ion Exchange Asia Pacific Pte. Ltd., Singapore	15.76	14.99	-	-	-	-	15.76	14.99
Ion Exchange Enviro Farms Ltd.	428.36	385.18	-	-	-	-	428.36	385.18
Ion Exchange Projects And Engineering Ltd.	374.40	463.60	-	-	-	-	374.40	463.60
Ion Exchange Purified Drinking Water Pvt. Ltd.	101.74	108.52	-	-	-	-	101.74	108.52
Ion Exchange Safic Pty. Ltd., South Africa	13.26	15.39	-	-	-	-	13.26	15.39
Total Water Management Services (India) Ltd.	1.62	2.51	-	-	-	-	1.62	2.51
Ion Exchange Environment Management Ltd. (formerly known as Ion Exchange Waterleau Ltd.)	200.51	185.25	-	-	-	-	200.51	185.25
Ion Exchange Arabia For Water, Saudi Arabia	0.65	-	-	-	-	-	0.65	-
Total	1,141.70	1,180.32	-	-	-	-	1,141.70	1,180.32
Management fees								
Aquanomics Systems Ltd.	-	-	88.56	77.00	-	-	88.56	77.00
Total	-	-	88.56	77.00	-	-	88.56	77.00
Purchase of goods *								
Global Composites And Structural Ltd.	988.61	1,109.85	-	-	-	-	988.61	1,109.85
Ion Exchange Asia Pacific Pte. Ltd., Singapore	-	421.87	-	-	-	-	-	421.87
Aquanomics Systems Ltd.	-	-	170.54	81.25	-	-	170.54	81.25
Ion Exchange PSS Co. Ltd., Thailand	-	-	23.33	-	-	-	23.33	-
Total	988.61	1,531.72	193.87	81.25	-	-	1,182.48	1,612.97
Services received								
Global Composites And Structural Ltd.	184.75	68.89	-	-	-	-	184.75	68.89
Ion Exchange Projects And Engineering Ltd.	2,794.22	2,936.79	-	-	-	-	2,794.22	2,936.79
Total Water Management Services (India) Ltd.	18.74	10.47	-	-	-	-	18.74	10.47
Ion Exchange Asia Pacific Pte. Ltd., Singapore	-	195.11	-	-	-	-	-	195.11
Ion Exchange Environment Management Ltd. (formerly known as Ion Exchange Waterleau Ltd.)	200.89	155.36	-	-	-	-	200.89	155.36
Total	3,198.60	3,366.62	-	-	-	-	3,198.60	3,366.62

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

41. Related party disclosures (contd...)

I. Related party-wise transactions during the year with outstanding balances as at year-end (contd...):

INR in Lacs

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Purchase of miscellaneous items								
Ion Exchange Enviro Farms Ltd.	73.64	73.83	-	-	-	-	73.64	73.83
Total	73.64	73.83	-	-	-	-	73.64	73.83
Interest paid on inter corporate deposits								
Aqua Investments (India) Ltd.	11.44	3.93	-	-	-	-	11.44	3.93
Watercare Investments (India) Ltd.	9.46	4.29	-	-	-	-	9.46	4.29
Total	20.90	8.22	-	-	-	-	20.90	8.22
Loans and advances given								
IEI Environmental Management (M) Sdn. Bhd., Malaysia	-	3.51	-	-	-	-	-	3.51
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	-	1.35	-	-	-	-	-	1.35
Ion Exchange Asia Pacific Pte. Ltd., Singapore	-	14.99	-	-	-	-	-	14.99
Ion Exchange Enviro Farms Ltd.	500.91	478.78	-	-	-	-	500.91	478.78
Ion Exchange Projects And Engineering Ltd.	4,164.75	3,569.47	-	-	-	-	4,164.75	3,569.47
Ion Exchange Purified Drinking Water Pvt. Ltd.	1,248.84	1,711.24	-	-	-	-	1,248.84	1,711.24
Ion Exchange Safic Pty. Ltd., South Africa	-	68.49	-	-	-	-	-	68.49
Total Water Management Services (India) Ltd.	21.03	3.50	-	-	-	-	21.03	3.50
Ion Exchange Environment Management Ltd. (formerly known as Ion Exchange Waterleau Ltd.)	193.80	170.09	-	-	-	-	193.80	170.09
Ion Foundation	-	-	-	-	-	0.03	-	0.03
Ion Exchange Arabia For Water, Saudi Arabia	21.88	-	-	-	-	-	21.88	-
Total	6,151.21	6,021.42	-	-	-	0.03	6,151.21	6,021.45
Loans and advances repaid								
Global Composites And Structurals Ltd.	-	0.19	-	-	-	-	-	0.19
Ion Exchange Asia Pacific Pte. Ltd., Singapore	14.46	-	-	-	-	-	14.46	-
Ion Exchange Enviro Farms Ltd.	89.39	133.15	-	-	-	-	89.39	133.15
Ion Exchange Projects And Engineering Ltd.	4,699.98	4,716.60	-	-	-	-	4,699.98	4,716.60
Ion Exchange Purified Drinking Water Pvt. Ltd.	1,560.57	1,516.13	-	-	-	-	1,560.57	1,516.13
Total Water Management Services (India) Ltd.	55.12	8.14	-	-	-	-	55.12	8.14
IEI Environmental Management (M) Sdn. Bhd., Malaysia	-	2.04	-	-	-	-	-	2.04

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**41. Related party disclosures (contd...)**

I. Related party-wise transactions during the year with outstanding balances as at year-end (contd...):

INR in Lacs

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Loans and advances repaid (contd...)								
Ion Exchange Financial Products Pvt. Ltd.	-	-	-	2.75	-	-	-	2.75
Ion Exchange Safic Pty Ltd., South Africa	-	56.42	-	-	-	-	-	56.42
Ion Exchange Environment Management Ltd. (formerly known as Ion Exchange Waterleau Ltd.)	203.90	60.00	-	-	-	-	203.90	60.00
Ion Foundation	-	-	-	-	-	0.03	-	0.03
Total	6,623.42	6,492.67	-	2.75	-	0.03	6,623.42	6,495.45
Inter corporate deposits received								
Watercare Investments (India) Ltd.	103.00	52.00	-	-	-	-	103.00	52.00
Aqua Investments (India) Ltd.	105.00	60.50	-	-	-	-	105.00	60.50
Total	208.00	112.50	-	-	-	-	208.00	112.50
Inter corporate deposits repaid								
Watercare Investments (India) Ltd.	-	43.00	-	-	-	-	-	43.00
Aqua Investments (India) Ltd.	-	39.25	-	-	-	-	-	39.25
Total	-	82.25	-	-	-	-	-	82.25
Dividend received								
Ion Exchange And Company LLC, Oman	116.30	82.53	-	-	-	-	116.30	82.53
Aquanomics Systems Ltd.	-	-	13.80	13.80	-	-	13.80	13.80
Total	116.30	82.53	13.80	13.80	-	-	130.10	96.33
Dividend paid								
Aqua Investments (India) Ltd.	22.84	8.88	-	-	-	-	22.84	8.88
Watercare Investments (India) Ltd.	16.57	6.44	-	-	-	-	16.57	6.44
Aquanomics Systems Ltd.	-	-	0.09	0.04	-	-	0.09	0.04
Ion Exchange Financial Products Pvt. Ltd.	-	-	4.54	1.76	-	-	4.54	1.76
Mr. Rajesh Sharma	-	-	-	-	72.28	27.34	72.28	27.34
Mr. Dinesh Sharma	-	-	-	-	54.94	20.60	54.94	20.60
Mr. Aankur Patni	-	-	-	-	24.75	8.91	24.75	8.91
Mr. Mahabir Prasad Patni	-	-	-	-	66.03	24.91	66.03	24.91
Dr. V. N. Gupchup	-	-	-	-	9.88	3.80	9.88	3.80
Mr. Abhiram Seth	-	-	-	-	10.51	2.76	10.51	2.76
Mr. T. M. M. Nambiar	-	-	-	-	6.27	1.97	6.27	1.97
Mr. P. Sampath Kumar	-	-	-	-	4.87	0.88	4.87	0.88
Mr. Shishir Tamotia	-	-	-	-	0.15	-	0.15	-
Relatives of Key Management Personnel	-	-	-	-	15.20	5.91	15.20	5.91
Total	39.41	15.32	4.63	1.80	264.88	97.08	308.92	114.20
Remuneration								
Mr. Rajesh Sharma	-	-	-	-	442.70	409.22	442.70	409.22
Mr. Dinesh Sharma	-	-	-	-	188.46	177.41	188.46	177.41
Mr. Aankur Patni	-	-	-	-	191.45	174.13	191.45	174.13
Total	-	-	-	-	822.61	760.76	822.61	760.76

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

41. Related party disclosures (contd...)

I. Related party-wise transactions during the year with outstanding balances as at year-end (contd...):

INR in Lacs

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Commission to executive directors								
Mr. Rajesh Sharma	-	-	-	-	100.00	75.00	100.00	75.00
Mr. Dinesh Sharma	-	-	-	-	50.00	37.50	50.00	37.50
Mr. Aankur Patni	-	-	-	-	50.00	37.50	50.00	37.50
Total	-	-	-	-	200.00	150.00	200.00	150.00
Director sitting fees								
Mr. Mahabir Prasad Patni	-	-	-	-	4.50	3.50	4.50	3.50
Dr. V. N. Gupchup	-	-	-	-	6.10	5.85	6.10	5.85
Mr. T. M. M. Nambiar	-	-	-	-	5.25	4.25	5.25	4.25
Mr. P. Sampath Kumar	-	-	-	-	3.75	2.75	3.75	2.75
Mr. Abhiram Seth	-	-	-	-	5.00	4.75	5.00	4.75
Mr. Shishir Tamotia	-	-	-	-	4.25	3.25	4.25	3.25
Mrs. Kishori Udeshi	-	-	-	-	4.85	3.85	4.85	3.85
Total	-	-	-	-	33.70	28.20	33.70	28.20
Directors commission								
Mr. Mahabir Prasad Patni	-	-	-	-	18.50	14.00	18.50	14.00
Dr. V. N. Gupchup	-	-	-	-	18.50	14.00	18.50	14.00
Mr. T. M. M. Nambiar	-	-	-	-	18.50	14.00	18.50	14.00
Mr. P. Sampath Kumar	-	-	-	-	18.50	14.00	18.50	14.00
Mr. Abhiram Seth	-	-	-	-	18.50	14.00	18.50	14.00
Mr. Shishir Tamotia	-	-	-	-	18.50	14.00	18.50	14.00
Mrs. Kishori Udeshi	-	-	-	-	18.50	14.00	18.50	14.00
Total	-	-	-	-	129.50	98.00	129.50	98.00
CSR expenses								
Ion Foundation	-	-	-	-	160.32	124.40	160.32	124.40
Total	-	-	-	-	160.32	124.40	160.32	124.40
Investments made during the year								
Ion Exchange Environment Management Ltd. (formerly known as Ion Exchange Waterleau Ltd.)	-	250.00	-	-	-	-	-	250.00
Ion Exchange Arabia For Water, Saudi Arabia	58.18	-	-	-	-	-	58.18	-
Total	58.18	250.00	-	-	-	-	58.18	250.00
Corporate guarantee commission								
Global Composites And Structural Ltd.	19.00	18.25	-	-	-	-	19.00	18.25
Ion Exchange Asia Pacific Pte. Ltd., Singapore	2.77	5.18	-	-	-	-	2.77	5.18
Ion Exchange Environment Management (BD) Ltd., Bangladesh	0.66	0.66	-	-	-	-	0.66	0.66
Ion Exchange Projects And Engineering Ltd.	27.84	28.58	-	-	-	-	27.84	28.58
Ion Exchange Purified Drinking Water Pvt. Ltd.	1.05	7.60	-	-	-	-	1.05	7.60
Ion Exchange Safic Pty. Ltd., South Africa	7.45	6.29	-	-	-	-	7.45	6.29

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**41. Related party disclosures (contd...)**

I. Related party-wise transactions during the year with outstanding balances as at year-end (contd...):

INR in Lacs

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Corporate guarantee commission (contd...)								
Aquanomics Systems Ltd.	-	-	11.00	11.00	-	-	11.00	11.00
Ion Exchange PSS Co. Ltd., Thailand	-	-	0.92	1.13	-	-	0.92	1.13
Total	58.77	66.56	11.92	12.13	-	-	70.69	78.69
Corporate guarantees given								
Global Composites And Structural Ltd.	-	100.00	-	-	-	-	-	100.00
Ion Exchange Safic Pty Ltd., South Africa	-	239.09	-	-	-	-	-	239.09
Total	-	339.09	-	-	-	-	-	339.09
Corporate guarantees discharged								
Ion Exchange Asia Pacific Pte. Ltd., Singapore	-	597.28	-	-	-	-	-	597.28
Ion Exchange Projects And Engineering Ltd.	-	160.00	-	-	-	-	-	160.00
Ion Exchange Safic Pty Ltd., South Africa	-	82.51	-	-	-	-	-	82.51
Ion Exchange Purified Drinking Water Pvt Ltd.	760.20	-	-	-	-	-	760.20	-
Ion Exchange PSS Co. Ltd., Thailand	-	-	39.38	-	-	-	39.38	-
Total	760.20	839.79	39.38	-	-	-	799.58	839.79
Contribution to post-employment benefit plans								
Ion Exchange (India) Ltd.'s Provident Institution	-	-	-	-	202.68	164.16	202.68	164.16
Ion Exchange (India) Ltd.'s Management Staff Gratuity Fund	-	-	-	-	162.50	123.00	162.50	123.00
Ion Exchange Staff Superannuation Scheme	-	-	-	-	133.73	155.26	133.73	155.26
Ion Exchange India Ltd. – Gratuity Fund Trust	-	-	-	-	24.24	41.30	24.24	41.30
Total	-	-	-	-	523.15	483.72	523.15	483.72
Inter corporate deposits (Outstanding)								
Aqua Investments (India) Ltd.	165.50	60.50	-	-	-	-	165.50	60.50
Watercare Investments (India) Ltd.	155.00	52.00	-	-	-	-	155.00	52.00
Total	320.50	112.50	-	-	-	-	320.50	112.50
Outstanding loans and advances ****								
IEI Environmental Management (M) Sdn. Bhd., Malaysia	38.43	31.70	-	-	-	-	38.43	31.70
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	15.04	12.41	-	-	-	-	15.04	12.41

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)
41. Related party disclosures (contd...)

I. Related party-wise transactions during the year with outstanding balances as at year-end (contd...):

INR in Lacs

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Outstanding loans and advances (contd...) ****								
Ion Exchange Asia Pacific Pte. Ltd., Singapore	152.04	140.57	-	-	-	-	152.04	140.57
Ion Exchange Enviro Farms Ltd.	2,946.61	2,531.92	-	-	-	-	2,946.61	2,531.92
Ion Exchange Projects And Engineering Ltd.	1,141.92	2,483.46	-	-	-	-	1,141.92	2,483.46
Ion Exchange Purified Drinking Water Pvt. Ltd.	664.83	976.57	-	-	-	-	664.83	976.57
Ion Exchange Safic Pty. Ltd., South Africa	131.40	108.40	-	-	-	-	131.40	108.40
Total Water Management Services (India) Ltd.	3.96	25.15	-	-	-	-	3.96	25.15
Ion Exchange Financial Products Pvt. Ltd.**	-	-	19.50	19.50	-	-	19.50	19.50
Ion Exchange Environment Management Limited (formerly known as Ion Exchange Waterleau Ltd.)	1,649.09	1,642.70	-	-	-	-	1,649.09	1,642.70
Ion Exchange Arabia For Water, Saudi Arabia	22.53	-	-	-	-	-	22.53	-
Total	6,765.85	7,952.88	19.50	19.50	-	-	6,785.35	7,972.38
Advance to suppliers								
Global Composites And Structurals Ltd.	655.23	606.15	-	-	-	-	655.23	606.15
Ion Exchange Projects And Engineering Ltd.	19.28	19.28	-	-	-	-	19.28	19.28
Ion Exchange Environment Management (BD) Ltd., Bangladesh	35.02	-	-	-	-	-	35.02	-
Ion Exchange PSS Co. Ltd., Thailand	-	-	14.44	-	-	-	14.44	-
Total	709.53	625.43	14.44	-	-	-	723.97	625.43
Outstanding receivables (Net of payables) excluding loans and advances								
Global Composites And Structurals Ltd.	10.99	59.73	-	-	-	-	10.99	59.73
IEI Environmental Management (M) Sdn. Bhd., Malaysia	227.31	209.01	-	-	-	-	227.31	209.01
Ion Exchange And Company LLC, Oman	226.32	141.59	-	-	-	-	226.32	141.59
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	1,217.67	1,116.57	-	-	-	-	1,217.67	1,116.57
Ion Exchange Asia Pacific Pte. Ltd., Singapore	544.26	750.03	-	-	-	-	544.26	750.03
Ion Exchange Enviro Farms Ltd.	-	2.04	-	-	-	-	-	2.04
Ion Exchange LLC, USA	1,606.06	2,171.60	-	-	-	-	1,606.06	2,171.60
Ion Exchange Projects And Engineering Ltd.	1,194.36	1,146.45	-	-	-	-	1,194.36	1,146.45
Ion Exchange Safic Pty. Ltd., South Africa	132.36	115.35	-	-	-	-	132.36	115.35
Aquanomics Systems Ltd.	-	-	1,733.07	1,411.16	-	-	1,733.07	1,411.16
IEI Water Tech (M) Sdn. Bhd., Malaysia	-	-	3.52	3.23	-	-	3.52	3.23
Ion Exchange PSS Co. Ltd., Thailand	-	-	460.66	328.91	-	-	460.66	328.91

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**41. Related party disclosures (contd...)**

I. Related party-wise transactions during the year with outstanding balances as at year-end (contd...):

INR in Lacs

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Outstanding receivables (Net of payables) excluding loans and advances (contd...)								
PT Ion Exchange Asia Pacific	124.55	23.04	-	-	-	-	124.55	23.04
Ion Exchange Environment Management Ltd. (formerly known as Ion Exchange Waterleau Ltd.)	223.95	131.70	-	-	-	-	223.95	131.70
Ion Exchange Environment Management (BD) Ltd., Bangladesh	37.03	-	-	-	-	-	37.03	-
Ion Exchange Purified Drinking Water Pvt Ltd.	0.22	-	-	-	-	-	0.22	-
Ion Foundation	-	-	-	-	4.87	-	4.87	-
Total	5,545.08	5,867.11	2,197.25	1,743.30	4.87	-	7,747.20	7,610.41
Outstanding payables (Net of receivables) excluding loans and advances								
Total Water Management Services (India) Ltd.	5.86	10.00	-	-	-	-	5.86	10.00
Total	5.86	10.00	-	-	-	-	5.86	10.00
Investment in equity shares / debentures								
Aqua Investments (India) Ltd.	176.00	176.00	-	-	-	-	176.00	176.00
Global Composites And Structural Ltd.	282.25	263.25	-	-	-	-	282.25	263.25
IEI Environmental Management (M) Sdn. Bhd., Malaysia	18.10	18.10	-	-	-	-	18.10	18.10
Ion Exchange And Company LLC, Oman	180.85	180.85	-	-	-	-	180.85	180.85
Ion Exchange Asia Pacific Pte. Ltd., Singapore	1,118.73	1,115.04	-	-	-	-	1,118.73	1,115.04
Ion Exchange Enviro Farms Ltd. ***	1,554.70	1,554.70	-	-	-	-	1,554.70	1,554.70
Ion Exchange Environment Management (BD) Ltd., Bangladesh	38.38	37.72	-	-	-	-	38.38	37.72
Ion Exchange LLC, USA	372.01	372.01	-	-	-	-	372.01	372.01
Ion Exchange Projects And Engineering Ltd.	1,445.06	1,417.22	-	-	-	-	1,445.06	1,417.22
Ion Exchange Purified Drinking Water Pvt. Ltd.	39.01	39.01	-	-	-	-	39.01	39.01
Ion Exchange Safic Pty. Ltd., South Africa	66.24	58.80	-	-	-	-	66.24	58.80
Ion Exchange WTS (Bangladesh) Ltd., Bangladesh	2.45	2.45	-	-	-	-	2.45	2.45
Total Water Management Services (India) Ltd.	18.00	18.00	-	-	-	-	18.00	18.00
Watercare Investments (India) Ltd.	177.00	177.00	-	-	-	-	177.00	177.00
Ion Exchange Environment Management Ltd. (formerly known as Ion Exchange Waterleau Ltd.)	501.23	501.23	-	-	-	-	501.23	501.23
Ion Exchange Arabia For Water, Saudi Arabia	58.18	-	-	-	-	-	58.18	-
Aquanomics Systems Ltd.	-	-	90.00	79.00	-	-	90.00	79.00
Ion Foundation	-	-	-	-	0.10	0.10	0.10	0.10
Total	6,048.19	5,931.38	90.00	79.00	0.10	0.10	6,138.29	6,010.48

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

41. Related party disclosures (contd...)

I. Related party-wise transactions during the year with outstanding balances as at year-end (contd...): INR in Lacs

Particulars	Subsidiaries		Associates		Key managerial personnel / Relative / Others		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Corporate guarantees (Outstanding)								
Global Composites And Structurals Ltd.	1,900.00	1,900.00	-	-	-	-	1,900.00	1,900.00
Ion Exchange Asia Pacific Pte. Ltd., Singapore	376.93	345.86	-	-	-	-	376.93	345.86
Ion Exchange Environment Management (BD) Ltd., Bangladesh	82.42	82.42	-	-	-	-	82.42	82.42
Ion Exchange Projects And Engineering Ltd.	2,784.00	2,784.00	-	-	-	-	2,784.00	2,784.00
Ion Exchange Purified Drinking Water Pvt. Ltd.	-	760.20	-	-	-	-	-	760.20
Ion Exchange Safic Pty. Ltd., South Africa	966.27	930.80	-	-	-	-	966.27	930.80
Aquanomics Systems Ltd.	-	-	1,100.00	1,100.00	-	-	1,100.00	1,100.00
Ion Exchange PSS Co. Ltd., Thailand	-	-	115.58	148.46	-	-	115.58	148.46
Total	6,109.62	6,803.28	1,215.58	1,248.46	-	-	7,325.20	8,051.74

* Gross amount has been considered.

** Provision has been made in respect of the said amount.

*** Includes INR1,500 Lacs investment in debentures for both years.

**** Includes receivable on account of re-imbusement of expenses.

II. Company has given letter for continuous financial support to its Subsidiaries - Ion Exchange Safic Pty. Ltd., South Africa, Ion Exchange Asia Pacific Pte. Ltd., Singapore, Ion Exchange Projects And Engineering Ltd., Global Composites And Structurals Ltd. and Ion Exchange Environment Management Ltd. (formerly known as Ion Exchange Waterleau Ltd.)

III. **Disclosure pursuant to the regulation 34(3) read with para A of schedule V of (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

(a) Loans and advances in the nature of loans

INR in Lacs

Name of the related party	Relationship	As at 31st March 2020 INR in Lacs	Maximum balance in 2019-20 INR in Lacs	As at 31st March 2019 INR in Lacs	Maximum balance in 2018-19 INR in Lacs
Global Composites And Structurals Ltd.	Subsidiary	-	-	-	0.19
IEI Environmental Management (M) Sdn. Bhd., Malaysia	100% Subsidiary	38.43	38.43	31.70	31.70
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	100% Subsidiary	15.04	15.04	12.41	12.41
Ion Exchange Asia Pacific Pte. Ltd, Singapore	100% Subsidiary	152.04	152.04	140.57	140.57
Ion Exchange Enviro Farms Ltd.	Subsidiary	2,946.61	2,946.61	2,531.92	2,531.94
Ion Exchange Projects And Engineering Ltd.	Subsidiary	1,146.64	4,047.99	2,483.46	4,717.97
Ion Exchange Purified Drinking Water Pvt. Ltd.	100% Subsidiary	664.83	1,050.77	976.57	1,008.00
Ion Exchange Safic Pty. Ltd., South Africa	Subsidiary	131.40	131.40	108.40	155.03
Total Water Management Services (India) Ltd.	Subsidiary	3.96	27.83	25.15	25.99
Ion Exchange Environment Management Ltd. (formerly known as Ion Exchange Waterleau Ltd.)	100% Subsidiary	1,649.09	1,740.92	1,642.70	1,642.95
Ion Exchange Arabia For Water, Saudi Arabia	Subsidiary	22.53	22.53	-	-

Notes:

- (i) Loans and advances shown above to the subsidiaries fall under the category of 'Loans and Advances in nature of Loans' which are repayable on demand and as per mutual agreement.
- (ii) Interest on loans and advances to the subsidiaries are charged at the prevailing market rates..

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**41. Related party disclosures (contd...)****IV. Disclosure as per Section 186 of the Companies Act, 2013:**

The details of loans, guarantees and investments under section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

- (a) Details of investment made are given in note 5 and 11.
 (b) Details of loans given by the company are as follows:

Name of the party	Relationship	Purpose	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
IEI Environmental Management (M) Sdn. Bhd., Malaysia	100% Subsidiary	For business purpose	38.43	31.70
Ion Exchange Asia Pacific (Thailand) Ltd., Thailand	100% Subsidiary		15.04	12.41
Ion Exchange Asia Pacific Pte. Ltd, Singapore	100% Subsidiary		152.04	140.57
Ion Exchange Enviro Farms Ltd.	Subsidiary		2,946.61	2,531.92
Ion Exchange Projects And Engineering Ltd.	Subsidiary		1,146.64	2,483.46
Ion Exchange Purified Drinking Water Pvt. Ltd.	100% Subsidiary		664.83	976.57
Ion Exchange Safic Pty. Ltd., South Africa	Subsidiary		131.40	108.40
Total Water Management Services (India) Ltd.	Subsidiary		3.96	25.15
Ion Exchange Environment Management Ltd. (formerly known as Ion Exchange Waterleau Ltd.)	100% Subsidiary		1,649.09	1,642.70
Ion Exchange Arabia For Water, Saudi Arabia	Subsidiary		22.53	-

- (c) Details of guarantees issued by the company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder:

Name of the party on whose behalf guarantee issued	Relationship	Purpose	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Bharuch Enviro Infrastructure Limited	Unrelated	Corporate Guarantee to Gujarat Industrial Development Corporation, for use of facilities	38.88	38.88
Global Composites And Structurals Ltd.	Subsidiary	For banking facilities of respective subsidiaries and associate.	1,900.00	1,900.00
Ion Exchange Asia Pacific Pte. Ltd., Singapore	100% Subsidiary		376.93	345.86
Ion Exchange Environment Management (BD) Ltd., Bangladesh	100% Subsidiary		82.42	82.42
Ion Exchange Projects And Engineering Ltd.	Subsidiary		2,784.00	2,784.00
Ion Exchange Purified Drinking Water Pvt. Ltd.	100% Subsidiary		-	760.20
Ion Exchange Safic Pty. Ltd., South Africa	Subsidiary		966.27	930.80
Aquanomics Systems Ltd.	Associates		1,100.00	1,100.00
Ion Exchange PSS Co. Ltd., Thailand	Associates		115.58	148.46

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

42. (a) The company has an investment of INR 54.70 Lacs (31st March 2019: INR 54.70 Lacs) in equity shares and INR 1,500.00 Lacs (31st March 2019: INR 1,500.00 Lacs) in 7% Secured Redeemable Non-Convertible Debentures in Ion Exchange Enviro Farms Limited (IEEFL), a subsidiary company as at 31st March 2020 and it has also granted loans and advances as at 31st March 2020 aggregating INR 2,946.61 Lacs (31st March 2019: INR 2,531.92 Lacs) to IEEFL. As at 31st March 2020, the accumulated losses of IEEFL have substantially exceeded its paid-up share capital.

IEEFL has adequate assets in the form of developed and undeveloped land and the redeemable non-convertible debentures are secured by way of mortgage of office premises.

Also IEEFL had filed appeal against the Security Appellate Tribunal Order of refunding monies to investors with return and winding-up of scheme with Supreme Court of India on 4th July 2006. The Hon'ble Supreme Court of India had dismissed the IEEFL's appeal on 26th February 2013. Subsequent to this dismissal, IEEFL approached SEBI with a proposal related to the compliance of the said order vide letter dated 17th May 2013. During personal hearing with SEBI officials on 27th November 2013, pursuant to the above letter, SEBI had called for furnishing additional details which have been duly complied with vide letter dated 13th December 2013. Pursuant to this, IEEFL has initiated actions in line with the aforesaid meetings with SEBI officials and letters submitted to SEBI.

Subsequent to SEBI order of 30th December 2015, for closure of the CIS Scheme (which inter-alia included directions to refund INR 2,006 Lacs to investors, as per the earlier order of 27th November 2003) IEEFL was granted a personal hearing on 3rd February 2016 and additional information called for was submitted on 23rd March 2016. IEEFL had requested permission to wind up the scheme in terms of rule 73(1) to (9) of CIS Regulations as it has completed all obligations towards the investors, i.e. sale of lands and development and maintaining the lands thereafter, as per agreements.

As SEBI refused to accede to IEEFL's request, IEEFL has preferred a fresh appeal at Securities Appellate Tribunal (SAT) on 9th February 2017 - appeal No. (I) 40 of 2017- citing practical difficulties in execution of the SEBI order for refund to all investors as investors have already received their lands / refunds as per the agreements.

IEEFL's plea in SAT is for issuing suitable directions to SEBI for verifying the documentary proofs submitted by IEEFL for conveying of lands, refunds made and thereafter calling outstanding claims, if any, and thereafter declaring wind up of the scheme in terms of the CIS Regulations. Appeal has been already admitted by SAT and certain hearings have also taken place.

The appeal was heard and vide order dated 18th October, 2019 SAT has dismissed the appeal. IEEFL had filed a review petition before the SAT, Mumbai on 3rd December 2019 for correction of factual errors in the said order. Further, based on the legal advice, pending final order from SAT on the review petition, an appeal is filed in the Supreme Court against order of SAT on 18th February 2020.

SEBI on 25th April 2019 under SEBI (Appointment of Administrator and Procedure for Refunding of Investors) Regulations 2018 has appointed an administrator for selling the land at Goa (Quepam) of IEEFL and recovering the dues vide letter dated 30th April 2019. IEEFL has requested the Recovery Office of SEBI to keep the proceedings in abeyance. Further, in view of the above developments the proceedings are in abeyance or on hold as on date.

In view of the foregoing, the management is of the opinion, that there is no diminution, other than temporary, in the value of investments and the advances are fully recoverable. Hence presently no provision is considered necessary.

- (b) Further, book values of certain other long term investments in subsidiaries measured at cost, aggregating to INR 3,806.07 Lacs (2018-19: INR 3,748.10 Lacs) are lower than its cost. The company has also granted loans and advances to these subsidiaries as at 31st March 2020 aggregating INR 3,117.60 Lacs (31st March 2019: INR 4,406.83 Lacs). Considering the strategic and long term nature of the aforesaid investments, and asset base and business plan of the investee companies; in the opinion of the management the recoverable amount is not less than its carrying amount. Hence presently no provision is considered necessary.

43. Capital expenditure incurred on research and development during the year is INR 1,516.74 Lacs (2018-19: INR 65.00 Lacs). Revenue expenditure of INR 830.39 Lacs (2018-19: INR 736.96 Lacs) incurred on research and development has been expensed to the statement of profit and loss under various expense heads. Location wise details are as follows:

INR in Lacs

Nature	2019-20			2018-19		
	Location		Total	Location		Total
	Patancheru	Vashi		Patancheru	Vashi	
Capital expenditure	1,509.32	7.42	1,516.74	8.83	56.17	65.00
Revenue expenditure	347.31	483.07	830.39	312.37	424.59	736.96

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**44. Lease****Operating Lease**

Company as lessor:

The company has entered into commercial property lease of its surplus office. The lease agreement is for 5 years. The lease includes a clause to enable upward revision by 15% after completion of 3 years from the date of commencement of the lease agreement.

Further minimum rentals receivable under non-cancellable operating lease are as follows:

	31st March 2020 INR in Lacs	31st March 2019 INR in Lacs
Within one year	196.71	89.30
After one year but not more than five years	249.56	104.12
More than five years	Nil	Nil

45. Right-of-use assets

Effective 1st April 2019 the Company has adopted Ind AS 116 "Leases" and applied to lease contracts existing on 1st April 2019 by electing "modified retrospective approach". Accordingly, comparatives for the year ended 31st March 2019 have not been retrospectively adjusted and the company has taken the cumulative adjustment to retained earnings on the date of initial application. On transition, the adoption of the new standard resulted in recognition of Right-of-use assets of INR 430.14 Lacs and a lease liability of INR 400.62 Lacs. The cumulative effective of applying the standard resulted in adjusting the retained earnings as at 1st April 2019 with INR 29.51 Lacs. Further WDV of Leasehold Lands, Plant and Machinery and Office Equipment of INR 335.99 Lacs, INR 1,608.86 Lacs, INR 251.14 Lacs respectively has been reclassified from Property, plant and equipment to Right-to-use 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 2020 is as follows

Particulars	INR in Lacs
	Amount
Short-term lease expense	349.45
Low value lease expense	-
Total lease expenses	349.45

The break-up of cash outflow on leases during the year ended 31st March 2020 is as follows

Particulars	INR in Lacs
	Amount
Repayment of lease liabilities	1,069.46
Interest on lease liabilities	166.15
Short-term lease expense	349.45
Low value lease expense	-
Total cash outflow on leases	1,585.06

The break-up of current and non-current lease liabilities as at 31st March 2020 is as follows

Particulars	INR in Lacs
	Amount
Current lease liabilities	954.72
Non-current lease liabilities	1,011.56
Total	1,966.28

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

45. Right-of-use assets (contd...)

The movement in lease liabilities during the year ended 31st March 2020

Particulars	INR in Lacs
	Amount
Balance at the beginning	-
Additions	3,065.25
Finance cost accrued during the period	166.51
Deletions	-
Payment of lease liabilities	(1,235.61)
Transition impact	(29.51)
Balance at the end	1,966.28

The details of the contractual maturities of lease liabilities as at 31st March 2020 on an undiscounted basis are as follows

Particulars	INR in Lacs
	Amount
Less than one year	145.05
One to five year	2,257.23
More than five year	147.50
Total	2,549.78

46. Capital and other commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account not provided for is INR 257.90 Lacs (31st March 2019: INR 304.14 Lacs).

47. Contingent liabilities

Contingent liabilities not provided for:

- (a) Guarantee given by the company on behalf of:
 - i) Subsidiaries – INR 6,109.62 Lacs (31st March 2019: INR 6,803.28 Lacs)
 - ii) Associates – INR 1,215.58 Lacs (31st March 2019: INR 1,248.46 Lacs)
 - iii) Others – INR 38.88 Lacs (31st March 2019: INR 38.88 Lacs)
- (b) Demand raised by authorities against which the company has filed an appeal.
 - i) Income tax – INR 412.79 Lacs (31st March 2019: INR 329.56 Lacs)
 - ii) Excise duty – INR 22.80 Lacs (31st March 2019: INR 16.79 Lacs)
 - iii) Service tax – INR 5.61 Lacs (31st March 2019: INR 5.84 Lacs)
 - iv) Sales tax / VAT – INR 1,058.82 Lacs (31st March 2019: INR 979.66 Lacs)
- (c) Claims against the company arising in the course of business not acknowledged as debts (to the extent ascertainable) INR 1,747.41 Lacs (31st March 2019: INR 1,747.41 Lacs).

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

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**48. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 (on the basis of the information and records available with Management)**

	31st March 2020 INR in Lacs	31st March 2019 INR in Lacs
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	837.67	535.44
Interest due on above	10.05	23.15
	847.72	558.59
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	71.29	61.24
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

49. Capital advance includes amount of INR 25.33 Lacs (31st March 2019: INR 25.33 Lacs) paid for acquiring furnished office premises at Hyderabad, the ownership of which is under legal dispute for which transfer formalities are in progress.**50. Corporate Social Responsibility expenses:**

A. Gross amount required to be spent by the company during the year INR 160.31 Lacs (2018-19: INR 124.39 Lacs)

B. Amount spent during the year on:

INR in Lacs

		In cash	Yet to be paid in cash	Total
(i)	Construction / Acquisition of any assets	Nil	Nil	Nil
(ii)	Purpose other than (i) above	160.32	Nil	160.32
	Total	160.32	Nil	160.32

C. Related party transaction in relation to Corporate Social Responsibility: INR 160.32 Lacs (2018-19: INR 124.40 Lacs)

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

D. Provision during the year INR Nil (2018-19: INR Nil)

51. Capital Management

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 makes necessary adjustments in the capital structure for the development of the business.

The company's debt to equity ratio as at 31st March 2020 was 0.19 (31st March 2019: 0.23)

Note: For the purpose of computing debt to equity ratio, Equity includes Equity share capital and Other equity and Debt includes Long term borrowings, Short term borrowings and Current maturities of long term borrowings.

52. 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.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

53. Consequent to the government of India declaring a national lockdown on 24th March 2020, the business operations of the company were affected by way of interruption in production, supply chain disruption, unavailability of personnel, closure/ lock down of production facilities, etc.

However, pursuant to the permissions/directions received from the respective local government administration, the operations at its manufacturing locations partially resumed during the lockdown period. Currently with the phase wise lifting of the lockdown, all our manufacturing operations and offices at most of the locations are functional and are following enhanced internal safety guidelines.

Recently, the company has received the necessary permissions from the Sri Lanka Government to resume civil works for the major project being executed in Sri Lanka.

The company has assessed the potential impact of Covid-19 on its capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements. The company's liquidity position is adequate to meet its commitments.

The company has also assessed the potential impact of Covid-19 on the carrying value of property, plant and equipment, right of use assets, intangible assets, investments, trade receivables, inventories, and other current assets appearing in the financials of the company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the company as at the date of approval of these financials has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financials and the company will continue to closely monitor any material changes to future economic conditions.

54. 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.

As per our report of even date

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

For and on behalf of the board of directors of
ION EXCHANGE (INDIA) LIMITED
CIN - L74999MH1964PLC014258

BHAVESH DHUPELIA
Partner
Membership no.: 042070

RAJESH SHARMA
Chairman & Managing Director
DIN - 00515486

M. P. PATNI
Director
DIN - 00515553

MILIND PURANIK
Company Secretary

Place : Mumbai
Date : 25th June 2020

N. M. RANADIVE
Executive Vice President - Finance

Place : Mumbai
Date : 25th June 2020

Independent Auditors' Report

To the Members of
Ion Exchange (India) Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Ion Exchange (India) Limited (it includes financial information of branch at Bengaluru and IEI Shareholding (Staff Welfare) Trusts (Sixty Trusts) for the year ended 31 March 2020 audited by the branch auditor and respective auditor of the Trusts) (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and associates as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is

sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

The auditors of Ion Exchange Enviro Farms Limited ('IEEFL'), a subsidiary company has mentioned emphasis of matter in audit report in respect of the matters stated below:

- (a) As stated in Note 47 to the consolidated Ind AS financial statements, the Honorable Supreme Court of India has dismissed IEEFL's appeal against the order of Securities Appellate Tribunal for refunding of monies to investors with return and winding up of scheme. Further IEEFL has submitted relevant details to SEBI and have initiated actions in line with the details submitted to SEBI which in December 2015 had asked IEEFL to pre deposit amount due to farm owners and close the scheme. IEEFL has submitted that it shall get discharge certificates from balance farm owners within a period of two years from March 2016. As SEBI refused to accede to IEEFL's request, IEEFL has preferred a fresh appeal at Securities Appellate Tribunal (SAT) on 9th February 2017 – appeal No. (I) 40 of 2017 – citing practical difficulties in execution of SEBI order for refund to all investors as investors have already received their lands/refunds as per the agreement. The appeal was heard and vide order dated 18 October 2019; SAT has dismissed the appeal. IEEFL has filed a review petition before the SAT, Mumbai on 3 December 2019, which is pending for final order. IEEFL has filed an appeal in the Supreme Court against order of SAT on 18th February 2020.
- (b) As stated in Note 48 to the consolidated Ind AS financial statements, Maintenance expenses recoverable aggregating to Rs 263 lacs (net of provision) considered as fully recoverable by the management from future crop sales/ land sales. In view of this, no provision is considered necessary by the management.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key audit matters	How our audit addressed the key audit matter
<p>Revenue Recognition Refer notes 3.16 to the consolidated Financial Statements</p>	
<p>The arrangement for EPC business contracts includes fixed price contracts. Revenue for such contracts usually extends beyond a reporting period. Contract revenue is measured based on the proportion of contract costs incurred for work performed to date relative to estimated total contract costs. It is computed as per the input method. The estimate is formed by the Company considering the following:</p> <ul style="list-style-type: none"> • Application of the revenue recognition accounting standard is complex. One of the key estimate is total cost-to-completion of these contracts. It is used to determine the percentage of completion of the relevant performance obligation. • This method requires the Company to perform an initial assessment of total estimated cost and further reassess these estimates on a periodic basis, including end of each reporting period. <p>Trade receivable balances represent significant portion of the Company's assets. Expected Credit Loss (ECL) allowances on trade receivables for delays and defaults in recovery involves significant judgments and estimates.</p> <p>Considering the significant estimate involved in measurement of revenue and receivables in EPC business, we have considered measurement of revenue and ECL as a key audit matter.</p>	<p>Our audit procedures over estimation of total contract costs and revenue recognition for EPC business included the following:</p> <ul style="list-style-type: none"> • Testing the design, implementation and operating effectiveness of key internal financial controls and processes. This includes estimation of total project cost-to-completion related revenue and control over accounting of measurement of ECL on trade receivables; • For selected sample of contracts, we inspected key contractual terms with signed contracts and assessed revenue recognized in accordance with Ind AS by: • Observing the approval of percentage of completion workings. • Challenging the Company's forecasted cost to completion, through comparison of costs incurred with project budgets, and executed purchase orders and agreements. Identifying significant variations and testing variations resulting into re-estimating the remaining costs to complete the contract. • Comparing, on a sample basis, revenue transactions recorded during the year with the underlying contracts, progress reports, invoices raised on customers and collections in bank accounts. Also, checked the related revenue, contract costs, evaluation for onerous contracts, contract assets and unearned revenue had been recognised in accordance with the Company's revenue recognition policies. • Performing analytical procedures on incurred and estimated contract costs or efforts. It includes assessment of contracts with unusual or negative margins, little or no movement in efforts from previous periods. • Evaluated the status of trade receivables on sample basis which are past due as at year end, the Company's on-going business relationship with customer and past payment history of the customers through discussion with management • Challenging the ECL estimates by examining the information used to form such estimates such as application of future economic conditions, credit risk of customers, etc

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the consolidated financial statements and our auditors' report thereon.

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

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

Management's and Board of Directors' Responsibilities for the consolidated financial statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group and its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates is responsible for overseeing the financial reporting process of each company

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

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

on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- 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 Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been

audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

(a) (i) We did not audit the standalone financial statements/ financial information of a branch and trusts included in the standalone financial statements of the Company whose standalone financial statements/ financial information reflect total assets (before consolidation adjustment) of Rs. 9,302 lacs as at 31 March 2020 and the total revenue (before consolidation adjustment) of Rs. 12,680 lacs and total net profit after tax (before consolidation adjustment) of Rs. 2,687 lacs, net cash inflows of Rs 81 lacs for the year ended on that date, as considered in the standalone financial statements. These branch and trusts have been audited by their respective independent auditors whose reports have been furnished to us, and our opinion in so far as it

relates to the amounts and disclosures included in respect of the branch and trusts, is based solely on the report of such other auditors.

(ii) We did not audit the financial statements/ financial information of 13 subsidiaries, whose financial statements/ financial information reflect total assets (before consolidation adjustments) of Rs. 13,128 lacs as at 31 March 2020, total revenues (before consolidation adjustments) of Rs. 14,260 and total net (loss) after tax (before consolidation adjustments) of Rs. 92 lacs, cash inflows of Rs. 416 lacs for the year ended on that date, as considered in the consolidated financial statements which have been audited by their respective independent auditors. The consolidated annual financial statements also include the Group's share of net profit after tax of Rs. 44 lacs for the year ended 31 March 2020, as considered in the consolidated annual financial statements/ financial information, in respect of 4 associates, whose financial statements/financial information have been audited by their respective independent auditors. The independent auditors report on financial statements/ financial information of these entities have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and procedures performed by us are stated in paragraph above.

(iii) Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(iv) The Consolidated annual financial statements include the unaudited financial statement/ financial information of one subsidiary, whose financial statements/financial information reflect total assets (before consolidation adjustment) of Rs. 284 lacs as at 31 March 2020, total revenues

(before consolidation adjustment) of Rs. 165 lacs and total net loss after tax (before consolidation) of Rs. 37 lacs, and net cash inflow of Rs. 218 lacs for the year ended on that date, as considered in the consolidated financial statements. This unaudited financial statements / financial information have been furnished to us by the Board of Directors and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary is based solely on such annual financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, this financial statement/ financial information is not material to the group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management

Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:
- d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group and its associates incorporated in India is disqualified as on 31 March 2020 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 consolidated financial statements of the Holding Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". We have not commented on the internal financial controls with reference to financial statements of the subsidiaries incorporated outside India.
- i) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group and its associates. Refer Note 47 and 55 to the consolidated financial statements;
 - ii) The Group and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - iii) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company;
 - iv) The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2020.

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

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and associate companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies and associates companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies and associates companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed

other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Bhavesh Dhupelia
Partner
Membership No: 042070
UDIN: 20042070AAAACM5587

Mumbai
25 June 2020

Annexure A to the Independent Auditors' report on the consolidated financial statements of Ion Exchange (India) Limited for the year ended 31 March 2020

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of Ion Exchange (India) Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company as of that date and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its associate companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and associate companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial

statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and associate companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to consolidated financial statements

A Holding Company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Holding Company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Holding Company; (2) provide reasonable

assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorisations of management and directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Holding company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial controls with reference to consolidated financial statements

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

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control with reference to consolidated financial statements in so far as it relates to six subsidiary companies and two associates which are incorporated in India is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

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

Bhavesh Dhupelia
Partner
Membership No: 042070
UDIN: 20042070AAAACM5587

Mumbai
25 June 2020

CONSOLIDATED BALANCE SHEET as at 31st March 2020

	Notes	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	14,589.12	15,066.11
(b) Capital work-in-progress		1,150.82	1,228.49
(c) Right-of-use assets	5	3,783.24	-
(d) Other intangible assets	6	159.32	137.50
(e) Goodwill	61	863.10	863.10
(f) Investment accounted using equity method	7	374.52	344.37
(g) Financial assets			
(i) Investments	8	71.18	70.08
(ii) Trade receivables	9	624.55	1,420.03
(iii) Loans	10	1,176.80	998.89
(iv) Other financial assets	11	649.22	703.32
(h) Deferred tax assets (Net)	12	148.31	104.83
(i) Other non current assets	13	1,647.81	1,669.21
(j) Non current tax assets (Net)	14	50.47	47.17
Total non-current assets		25,288.46	22,653.10
Current assets			
(a) Inventories	15	13,449.99	12,976.02
(b) Financial assets			
(i) Investments	16	11.07	36.53
(ii) Trade receivables	9	50,187.46	42,416.76
(iii) Cash and cash equivalents	17	10,145.56	4,517.25
(iv) Bank balances other than (iii) above	18	27,162.53	24,524.17
(v) Loans	10	1,732.31	908.09
(vi) Other financial assets	11	2,372.46	1,965.40
(c) Current tax assets (Net)	14	145.63	136.21
(d) Other current assets	13	7,723.04	6,391.09
Total current assets		112,930.05	93,871.52
Total assets		138,218.51	116,524.62
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	1,422.88	1,422.88
(b) Other equity	20	34,882.53	24,579.89
Equity attributable to owners		36,305.41	26,002.77
Non controlling interests		202.57	218.70
Total equity		36,507.98	26,221.47
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	1,875.27	2,610.25
(ii) Lease liabilities		1,057.35	-
(iii) Other financial liabilities	22	808.32	810.93
(b) Provisions	23	1,567.47	1,331.40
(c) Deferred tax liabilities (Net)	12	46.07	110.41
(d) Other non-current liabilities	24	50.75	57.88
(e) Non current tax liabilities (Net)	25	190.54	152.82
Total non-current liabilities		5,595.77	5,073.69
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	26	8,581.89	6,672.82
(ii) Lease liabilities		974.98	-
(iii) Trade payables	27		
- Total outstanding dues of micro and small enterprises		915.01	616.72
- Total outstanding dues of creditors other than micro and small enterprises		47,084.09	40,892.82
(iv) Other financial liabilities	28	4,379.47	4,281.43
(b) Other current liabilities	29	31,897.74	30,778.62
(c) Provisions	23	568.99	448.46
(d) Current tax liabilities (Net)	25	1,712.59	1,538.59
Total current liabilities		96,114.76	85,229.46
Total liabilities		101,710.53	90,303.15
Total equity and liabilities		138,218.51	116,524.62
Significant accounting policies	3		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

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

For and on behalf of the board of directors of
ION EXCHANGE (INDIA) LIMITED
CIN - L74999MH1964PLC014258

BHAVESH DHUPELIA
Partner
Membership no.: 042070

RAJESH SHARMA
Chairman & Managing Director
DIN - 00515486

M. P. PATNI
Director
DIN - 00515553

MILIND PURANIK
Company Secretary

Place : Mumbai
Date : 25th June 2020

N. M. RANADIVE
Executive Vice President - Finance

Place : Mumbai
Date : 25th June 2020

STATEMENT OF CONSOLIDATED PROFIT AND LOSS for the year ended 31st March 2020

	Notes	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Income			
Revenue from operations	30	147,982.68	116,228.49
Other income	31	3,536.55	3,333.62
Total Income (I)		151,519.23	119,562.11
Expenses			
Cost of materials consumed	32	92,350.71	69,605.60
Purchases of stock-in-trade	33	4,368.43	4,137.02
Change in inventories of finished goods, work-in-progress and stock-in-trade	34	(186.13)	(990.32)
Employee benefits expense	35	18,075.40	15,102.44
Finance costs	36	1,597.28	1,903.89
Depreciation and amortisation expenses	37	2,366.26	1,958.96
Other expenses	38	19,916.95	17,717.37
Total expenses (II)		138,488.90	109,434.96
Profit before tax (I - II)		13,030.33	10,127.15
Share of profit of equity accounted investee (net of income tax)		43.95	57.24
Profit from operations before income tax		13,074.28	10,184.39
Tax expense	39		
Current tax		3,746.80	3,635.21
Deferred tax	12	(73.84)	(41.67)
Total tax expense		3,672.96	3,593.54
Profit after tax (III)		9,401.32	6,590.85
Other Comprehensive Income	40		
Items that will not be reclassified to profit or loss			
(a) Remeasurement benefit of defined benefit plans		(134.57)	(82.56)
(b) Income tax expense on remeasurement benefit of defined benefit plans		31.00	28.30
Items that will be reclassified to profit or loss			
(a) Movement in foreign currency translation reserve		123.48	65.89
Total Other Comprehensive Income (IV)		19.91	11.63
Total Comprehensive Income (III + IV)		9,421.23	6,602.48
Profit attributable to:			
Owners of the company		9,348.44	6,525.90
Non-controlling interests		52.88	64.95
Profit for the year		9,401.32	6,590.85
Other Comprehensive Income attributable to :			
Owners of the company		19.91	11.63
Non-controlling interests		-	-
Other Comprehensive Income for the year		19.91	11.63
Total Comprehensive Income attributable to :			
Owners of the company		9,368.35	6,537.53
Non-controlling interests		52.88	64.95
Total Comprehensive Income for the year		9,421.23	6,602.48
Earnings per equity share:	41		
[Nominal value of shares INR 10 (2018-19: INR 10)]			
Basic (in INR)		80.55	56.99
Diluted (in INR)		80.55	56.99
Significant accounting policies	3		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

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

For and on behalf of the board of directors of
ION EXCHANGE (INDIA) LIMITED
CIN - L74999MH1964PLC014258

BHAVESH DHUPELIA
Partner
Membership no.: 042070

RAJESH SHARMA
Chairman & Managing Director
DIN - 00515486

M. P. PATNI
Director
DIN - 00515553

MILIND PURANIK
Company Secretary

Place : Mumbai
Date : 25th June 2020

N. M. RANADIVE
Executive Vice President - Finance

Place : Mumbai
Date : 25th June 2020

STATEMENT OF CHANGES IN EQUITY for the year ended 31st March 2020**A. Equity share capital**

	As at 31st March 2020		As at 31st March 2019	
	Number of shares	INR in Lacs	Number of shares	INR in Lacs
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	14,228,785	1,422.88	14,228,785	1,422.88
Add: Shares issued during the year	-	-	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	14,228,785	1,422.88	14,228,785	1,422.88

B. Other equity

	Attributable to owners										Total
	Reserves and surplus						Treasury shares (Refer note 20)	Total attributable to owners	Attributable to Non-controlling interest	Total	
	Security premium account	Special reserve	General reserve	Legal reserve	Capital reserve on consolidation	Foreign currency translation reserve					
Balance as at 1st April 2018	8,334.84	22.17	2,719.79	151.54	257.48	119.92	9,979.02	(2,996.99)	18,587.77	283.52	18,871.29
Profit for the year (a)	-	-	-	-	-	-	6,525.90	-	6,525.90	64.95	6,590.85
Other Comprehensive Income (b)	-	-	-	-	-	65.89	(54.26)	-	11.63	-	11.63
Total comprehensive income for the year (a+b)	-	-	-	-	-	65.89	6,471.64	-	6,537.53	64.95	6,602.48
Others (Refer note 62)	-	-	-	-	-	-	(50.84)	-	(50.84)	(50.03)	(100.87)
Dividend paid	-	-	-	-	-	-	(404.80)	-	(404.80)	(79.74)	(484.54)
Tax on Dividend paid	-	-	-	-	-	-	(89.77)	-	(89.77)	-	(89.77)
Balance as at 31st March 2019	8,334.84	22.17	2,719.79	151.54	257.48	185.81	15,905.25	(2,996.99)	24,579.89	218.70	24,798.59
Transition impact of Ind AS 116	-	-	-	-	-	-	29.51	-	29.51	-	29.51
Balance as at 1st April 2019	8,334.84	22.17	2,719.79	151.54	257.48	185.81	15,934.76	(2,996.99)	24,609.40	218.70	24,828.10
Profit for the year (c)	-	-	-	-	-	-	9,348.44	-	9,348.44	52.88	9,401.32
Other Comprehensive Income (d)	-	-	-	-	-	123.48	(103.57)	-	19.91	-	19.91
Total comprehensive income for the year (c+d)	-	-	-	-	-	123.48	9,244.87	-	9,368.35	52.88	9,421.23
Proceeds from sale of treasury shares	-	-	-	-	-	-	2,189.41	-	2,189.41	-	2,189.41
Cost of treasury shares sold	-	-	-	-	-	-	(188.71)	188.71	-	-	-
Others (Non controlling interest of subsidiary)	-	-	-	-	-	-	-	-	-	38.79	38.79
Dividend paid	-	-	-	-	-	-	(1,054.17)	-	(1,054.17)	(107.80)	(1,161.97)
Tax on dividend paid	-	-	-	-	-	-	(230.46)	-	(230.46)	-	(230.46)
Balance as at 31st March 2020	8,334.84	22.17	2,719.79	151.54	257.48	309.29	25,895.70	(2,808.28)	34,882.53	202.57	35,085.10

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

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

For and on behalf of the board of directors of
ION EXCHANGE (INDIA) LIMITED
CIN - L74999MH1964PLC014258BHAVESH DHUPELIA
Partner
Membership no.: 042070Place : Mumbai
Date : 25th June 2020RAJESH SHARMA
Chairman & Managing Director
DIN - 00515486N. M. RANADIVE
Executive Vice President - FinanceM. P. PATNI
Director
DIN - 00515553MILIND PURANIK
Company SecretaryPlace : Mumbai
Date : 25th June 2020

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March 2020

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
A. Cash flow from operating activities:		
Profit before tax	13,030.33	10,127.15
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	2,366.26	1,958.96
(Profit) / Loss on assets sold / discarded (Net)	9.69	10.05
Finance cost	1,597.28	1,903.89
Dividend income	(2.03)	(5.68)
Interest income	(2,207.83)	(2,023.28)
Provision for doubtful debts / Bad debts written off	1,091.87	1,093.92
Amount set aside for liabilities, no longer required, written back	-	(7.41)
Change in fair value of investments	25.46	3.29
Unrealised exchange loss / (gain)	(972.74)	(456.03)
Operating profit before working capital changes	14,938.29	12,604.86
Movements in working capital:		
(Increase) / Decrease in inventories	(473.97)	(2,848.86)
(Increase) / Decrease in trade receivables	(7,321.51)	307.15
(Increase) / Decrease in loans	(677.45)	(0.49)
(Increase) / Decrease in other current assets	(1,172.71)	(3,105.22)
(Decrease) / Increase in trade payables	6,428.81	5,135.68
(Decrease) / Increase in other financial liabilities	384.14	51.76
(Decrease) / Increase in other current liabilities	1,111.99	3,799.50
(Decrease) / Increase in provisions	222.03	104.27
Cash generated from operations	13,439.62	16,048.65
Taxes paid (Net)	(3,647.80)	(3,387.40)
Net cash generated from operating activities	(A) 9,791.82	12,661.25
B. Cash flow from investing activities:		
Purchase of property, plant and equipment	(3,204.68)	(3,068.60)
Proceeds from sale of property, plant and equipment	35.72	19.89
Investments made in others	(1.10)	-
Bank deposit made during the year (with maturity more than three months)	(14,143.27)	(8,937.28)
Bank deposit matured during the year (with maturity more than three months)	11,526.92	4,006.82
Proceeds from sale of treasury shares	2,189.41	-
Dividend received	2.03	5.68
Interest received	1,800.77	933.60
Net cash used in investing activities	(B) (1,794.20)	(7,039.89)

Consolidated Cash Flow Statement for the year ended 31st March 2020 (Contd.)

		Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
C. Cash flow from financing activities:			
Repayment of borrowings		(2,822.23)	(9,771.07)
Proceeds from borrowings		4,347.67	4,257.53
Payment of lease liability		(1,260.14)	-
Equity contribution by minority		38.79	-
Dividend paid		(1,161.97)	(484.54)
Dividend tax paid		(230.46)	(89.77)
Finance cost		(1,341.50)	(1,808.68)
Net cash generated / (used) in financing activities	(C)	(2,429.84)	(7,896.53)
Net Increase / (Decrease) in cash and cash equivalents	(A)+(B)+(C)	5,567.78	(2,275.17)
Effect of exchange difference on cash and cash equivalent held in foreign currency		60.53	58.82
Addition on acquisition of subsidiary		-	8.84
Cash and cash equivalents as at the beginning of the year		4,517.25	6,724.76
Cash and cash equivalents as at the end of the year		10,145.56	4,517.25

Notes:

- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.
- Purchase of property, plant and equipment represents additions to property, plant and equipment and other intangible assets adjusted for movement of capital work-in-progress for property, plant and equipment.
- Cash and cash equivalents excludes the following balances with bank:

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Cash and cash equivalents disclosed under current assets [Note 17]	10,145.56	4,517.25
Other bank balances disclosed under current assets [Note 18]	27,162.53	24,524.17
Total cash and cash equivalents as per balance sheet	37,308.09	29,041.42
Less: Other bank balances disclosed under current assets		
On unclaimed dividend account	65.92	43.26
On unclaimed interest on fixed deposits	0.73	1.38
On deposit account	10,476.15	8,699.38
On margin money account	16,619.73	15,780.15
	27,162.53	24,524.17
Total cash and cash equivalents as per statement of cash flows	10,145.56	4,517.25

As per our report of even date

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

For and on behalf of the board of directors of
ION EXCHANGE (INDIA) LIMITED
CIN - L74999MH1964PLC014258

BHAVESH DHUPELIA
Partner
Membership no.: 042070

RAJESH SHARMA
Chairman & Managing Director
DIN - 00515486

M. P. PATNI
Director
DIN - 00515553

MILIND PURANIK
Company Secretary

Place : Mumbai
Date : 25th June 2020

N. M. RANADIVE
Executive Vice President - Finance

Place : Mumbai
Date : 25th June 2020

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (Contd.)

Overview of the group

Ion Exchange (India) Limited (the company) is a public limited company incorporated and domiciled in India. It is listed on BSE Limited (BSE). This consolidated financial statement comprises the company and its subsidiaries (referred to collectively as 'the group') and the group's interest in associates and joint ventures.

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

1. Principles of consolidation:

(a) Subsidiaries

Subsidiaries are all entities that are controlled by the Company. Control exists when the Company is exposed to, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases.

(b) Non-controlling interests ("NCI")

Non-controlling interest are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Change in Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(c) Equity accounted investees

The group's interest in equity accounted investees comprises interest in associates and joint ventures. Associates are those entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies. Significant influence is presumed to exist when the Company holds more than 20% of the voting power of another entity.

Joint arrangements are those arrangements over which the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in associates and jointly controlled entities are accounted for using the equity method (equity accounted investees) and are initially recognized at cost. Subsequent to initial recognition, the consolidated financial statements include the group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases.

(d) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated. Unrealised gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the group's interest in the investee.

(e) The financial statement of the subsidiaries, associates and jointly controlled entity used for consolidation are drawn up to the same reporting date as that of the parent i.e. 31st March 2020.

2.1 Subsidiary companies considered in the consolidated financial statements are:

Name of the company	Country of incorporation	% of Voting power as at	
		31st March 2020	31st March 2019
Aqua Investments (India) Limited	India	99.42	99.42
Watercare Investments (India) Limited	India	99.43	99.43
Ion Exchange Enviro Farms Limited (IEEFL)	India	79.60	79.60
Ion Exchange Asia Pacific Pte. Limited	Singapore	100.00	100.00
IEI Environmental Management (M) Sdn. Bhd.	Malaysia	100.00	100.00
Ion Exchange Environment Management (BD) Limited	Bangladesh	100.00	100.00
Ion Exchange LLC	USA	100.00	100.00
Ion Exchange And Company LLC	Oman	51.00	51.00
Ion Exchange Asia Pacific (Thailand) Limited *	Thailand	100.00	100.00
PT Ion Exchange Asia Pacific *	Indonesia	95.00	95.00
Ion Exchange WTS (Bangladesh) Limited	Bangladesh	100.00	100.00
Ion Exchange Projects And Engineering Limited	India	91.81	91.81

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (Contd.)**2.1 Subsidiary companies considered in the consolidated financial statements are (Contd...)**

Name of the company	Country of incorporation	% of Voting power as at	
		31st March 2020	31st March 2019
Global Composites And Structural Limited	India	73.92	73.92
Total Water Management Services (I) Limited	India	70.19	70.19
Ion Exchange Safic Pty. Limited	South Africa	60.00	60.00
Ion Exchange Purified Drinking Water Private Limited	India	100.00	100.00
Ion Exchange Environment Management Ltd. (formerly known as Ion Exchange Waterleau Ltd.) ***	India	100.00	100.00
Ion Exchange Arabia for Water	Saudi Arabia	60.00	-

The principal place of business of all the entities listed above is the same as their respective country of incorporation.

2.2 The Associates considered in the consolidated financial statements are:

Name of the company	Country of incorporation	% of Voting power as at	
		31st March 2020	31st March 2019
IEI Water-Tech (M) Sdn. Bhd. *	Malaysia	30.00	30.00
Aquanomics Systems Limited	India	48.42	48.42
Ion Exchange Financial Products Private Limited **	India	24.02	24.02
Ion Exchange PSS Co. Limited *	Thailand	49.00	49.00

* Holding through subsidiary company – Ion Exchange Asia Pacific Pte. Limited, Singapore.

** Holding through subsidiary companies – Aqua Investments (India) Limited and Watercare Investments (India) Limited.

*** Ion Exchange Environment Management Ltd. (Formerly known as Ion Exchange Waterleau Ltd.), a joint venture of the company has become a wholly owned subsidiary of the company w.e.f. 20th August 2018.

3. Significant accounting policies**3.1 Statement of compliance**

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

The consolidated financial statements are authorised for issue by the board of directors of the company at their meeting held on 25th June 2020.

3.2 Basis of preparation

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

The consolidated financial statements includes financials statements of IEI Shareholding (Staff Welfare) Trusts (60 trusts).

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

3.3 Functional and presentation currency

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

3.4 Basis of measurement

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (Contd.)

3. Significant accounting policies (contd...)

3.5 Use of estimates

The preparation of the consolidated financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31st March 2020 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 consolidated financial statements for the period in which such changes are determined.

b) Useful life of property, plant and equipment

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

c) Recognition and measurement of defined benefit obligations

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

d) Expected credit loss (ECL) – Refer note no. 3.13 on Impairment of financial assets

3.6 Measurement of fair values

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

The group has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

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

3.7 Property, plant and equipment and depreciation

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**3. Significant accounting policies (contd...)****3.7 Property, plant and equipment and depreciation (contd...)**

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

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

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

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

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

3.8 Intangible assets

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

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

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

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

3.9 Impairment

Impairment loss, if any, is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal/external factors. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at end of its useful life. In assessing value in use, the present value is discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Net selling price is the amount obtainable from sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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

3.10 Foreign currency transactions

Transactions in foreign currencies are 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

3. Significant accounting policies (contd...)

3.11 Inventories

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

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

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

Contract cost that has been incurred and relates to the future activity of the contract are 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.

3.12 Research and development

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

3.13 Financial instruments

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

A. Financial assets

(i) Initial recognition and measurement

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

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

(ii) Classification and subsequent measurement

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

a) At amortised cost.

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

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

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

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

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

(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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**3. Significant accounting policies (contd...)****3.13 Financial instruments (contd...)**

Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in profit or loss. The group may make an irrevocable election to present in OCI subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

(iv) Impairment of financial assets

The group assesses impairment based on expected credit losses (ECL) model for the following:

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

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

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

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

(v) De-recognition of financial assets

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

B. Financial liabilities**(i) Initial recognition and measurement**

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

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

(ii) Classification and subsequent measurement

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

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

- Financial liabilities excluding derivative financial instruments at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process.

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

- Derivative financial instruments

The group uses derivative financial instruments, such as forward currency contracts. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting period. Any changes therein are generally recognised in the profit and loss account.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

3. Significant accounting policies (contd...)

3.13 Financial instruments (contd...)

(iii) De-recognition

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

3.14 Retirement and other employee benefits

- (i) Retirement benefit in the form of provident fund managed by Government Authorities and Superannuation Fund are defined contribution scheme and the contribution is charged to the statement of profit and loss for the year when the contribution to the respective fund is due. There is no other obligation other than the contribution payable.
- (ii) Provident Fund scheme managed by trust set up by the group is a defined benefit plan. Employee benefits, in form of contribution to provident fund managed by such trust, is charged to the statement of profit and loss as and when the related services are rendered. The deficit, if any, in the accumulated corpus of the trust is recognised in the statement of profit and loss based on actuarial valuation.
- (iii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit method made at the end of each financial year. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI).
- (iv) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.
- (v) Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per Projected Unit Credit method made at the end of each financial year. The group presents the leave liability as non-current in the balance sheet, to the extent it has an unconditional right to defer its settlement for a period beyond 12 months, balance amount is presented as current.

3.15 Employee stock compensation cost

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

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

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

3.16 Revenue recognition

Revenue from sale of goods is recognised at the point in time when control of the assets is transferred to the customer, generally on delivery of the goods.

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

- Revenue related to fixed price maintenance and support services contracts where the group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**3. Significant accounting policies (contd...)****3.16 Revenue recognition (contd...)**

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

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

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

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

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

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

Use of significant judgements in revenue recognition

- The group's contracts with customers could include promises to transfer multiple products and services to a customer. The group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The group uses judgement to determine an appropriate standalone selling price for a performance obligation. The group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contract is recognised using percentage-of-completion method. The group uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

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

3.17 Service concession arrangement

The group has recognized its rights under the service concession as receivable under service concession arrangement for contracts with government agencies for public sector infrastructure assets and services under Built Own Operate Transfer (BOOT) scheme.

3.18 Taxation

- (i) Provision for current taxation has been made in accordance with the Income tax laws prevailing for the relevant assessment years.
- (ii) Deferred tax is 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

3. Significant accounting policies (contd...)

3.18 Taxation (contd...)

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

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

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

3.19 Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

3.20 Earnings per share

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

For calculating the weighted average number of equity shares outstanding, 2,368,939 (2018-19: 2,662,914) equity shares is being excluded on consolidation of equity shares held by IEI Shareholding (Staff Welfare) Trusts and is shown under treasury shares.

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

3.21 Segment reporting policies

Identification of segments

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

Inter-segment Transfers

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

Allocation of common costs

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

Unallocated costs

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

Segment policies

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

3.22 Cash and cash equivalents:

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**3. Significant accounting policies (contd...)****3.23 Leases:**

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

Where the group is the lessor

Leases in which the group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets given on operating leases by the group are included in property, plant and equipment. Lease income is 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 group the lessee

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

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

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

The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated amortisation and cumulative impairment, if any. The right-of-use asset is amortised, using the straight-line method over the period of lease, from the commencement date to the end of the lease term or useful life of the underlying asset whichever is earlier. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

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

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

3.24 Borrowing costs

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

3.25 Dividend payable

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

The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay/distribute dividend after deducting applicable taxes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)
4. Property, plant and equipment

INR in lacs

	Land (Freehold) (Refer note a)	Land (Leasehold) *	Road	Building on freehold land (Refer note b,c,d and e)	Building on leasehold land	Plant and machinery (Refer note f) *	Furniture and fixtures	Vehicles	Office equipments (Refer note g) *	Total
Gross block										
As at 1st April 2019	204.29	498.48	88.46	2,456.39	3,009.36	10,849.52	560.65	446.51	1,117.42	19,231.08
Transition impact of Ind AS 116 (Refer note 53)	-	(360.13)	-	-	-	(2,156.28)	-	-	(361.36)	(2,877.77)
Cost as at 1st April 2019	204.29	138.35	88.46	2,456.39	3,009.36	8,693.24	560.65	446.51	756.06	16,353.31
Addition during the year	-	-	-	1,567.72	21.05	1,419.88	74.48	96.76	245.48	3,425.37
Disposal during the year	-	-	-	-	-	113.56	1.37	30.85	9.31	155.09
Exchange gain / (loss)	-	-	-	-	1.03	1.86	6.13	24.26	3.72	37.00
As at 31st March 2020	204.29	138.35	88.46	4,024.11	3,031.44	10,001.42	639.89	536.68	995.95	19,660.59
Depreciation / Amortisation										
As at 1st April 2019	-	24.14	27.17	195.70	295.35	2,766.31	166.04	164.15	526.11	4,164.97
Transition impact of Ind AS 116 (Refer note 53)	-	(24.14)	-	-	-	(547.42)	-	-	(110.22)	(681.78)
Accumulated depreciation as at 1st April 2019	-	-	27.17	195.70	295.35	2,218.89	166.04	164.15	415.89	3,483.19
Depreciation during the year	-	-	11.50	82.89	132.11	1,130.32	60.76	103.39	152.85	1,673.82
Deduction during the year	-	-	-	-	-	76.71	1.02	22.65	5.98	106.36
Exchange gain / (loss)	-	-	-	-	1.22	1.65	3.70	10.93	3.32	20.82
As at 31st March 2020	-	-	38.67	278.59	428.68	3,274.15	229.48	255.82	566.08	5,071.47
Net carrying value as at 31st March 2020	204.29	138.35	49.79	3,745.52	2,602.76	6,727.27	410.41	280.86	429.87	14,589.12
Gross block										
As at 1st April 2018	204.29	498.48	88.46	2,390.75	2,932.52	8,916.12	481.86	417.38	786.27	16,716.13
Addition on acquisition of subsidiary	-	-	-	-	-	-	7.21	0.40	3.42	11.03
Addition during the year	-	-	-	65.64	76.55	2,034.59	71.29	64.98	334.30	2,647.35
Disposal during the year	-	-	-	-	-	106.26	0.40	40.49	6.80	153.95
Exchange gain / (loss)	-	-	-	-	0.29	5.07	0.69	4.24	0.23	10.52
As at 31st March 2019	204.29	498.48	88.46	2,456.39	3,009.36	10,849.52	560.65	446.51	1,117.42	19,231.08
Depreciation / Amortisation										
As at 1st April 2018	-	14.66	15.38	127.12	165.27	1,514.88	100.69	108.99	310.91	2,357.90
Addition on acquisition of subsidiary	-	-	-	-	-	-	2.61	0.10	1.85	4.56
Depreciation during the year	-	9.48	11.79	68.58	129.93	1,324.43	63.03	89.45	219.31	1,916.00
Deduction during the year	-	-	-	-	-	73.63	0.40	38.88	6.29	119.20
Exchange gain / (loss)	-	-	-	-	0.15	0.63	0.11	4.49	0.33	5.71
As at 31st March 2019	-	24.14	27.17	195.70	295.35	2,766.31	166.04	164.15	526.11	4,164.97
Net carrying value as at 31st March 2019	204.29	474.34	61.29	2,260.69	2,714.01	8,083.21	394.61	282.36	591.31	15,066.11

* The company leases a number of items of plant and machinery and office equipments. These leases were classified as finance leases under IND AS 17. For these finance leases, the carrying amount of the right-of-use assets, lease assets and lease liabilities as at 1st April 2019 were determined at the carrying value of the lease assets and lease liabilities under IND AS 17 immediately before that date.

Notes

- a) Freehold land includes land at Pune, the title deeds of which are in the name of the nominees of the company.
Gross book value INR 18.44 Lacs (2018-19: INR 18.44 Lacs)
- b) Buildings on freehold land includes residential flats, the cost of which includes:
 - INR 250 (2018-19: INR 250) being the value of 5 Shares (unquoted) of INR 50 each, fully paid up in Sunrise Co-operative Housing Society Limited.
 - INR 3,500 (2018-19: INR 3,500) being the value of 70 Shares (unquoted) of INR 50 each, fully paid up in Usha Milan Co-operative Society Limited.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**4. Property, plant and equipment (Contd...)****Notes (Contd...)**

- c) Buildings on freehold land includes residential flats acquired at Mumbai, the society formation of which is in progress.
Deemed gross book value INR 41.15 Lacs (2018-19: INR 41.15 Lacs)
Net book value INR 36.99 Lacs (2018-19: INR 38.03 Lacs)
- d) Buildings on freehold land includes residential flats comprising of 2 LIG flats (Nos. B-16 and B-17) and 1 MIG flat (No. B-14) at Hosur, the title deeds of which are awaited from authorities.
Gross book value INR Nil (2018-19: INR Nil)
Net book value INR Nil (2018-19: INR Nil)
- e) Buildings on freehold land includes office premises given on operating lease :
Deemed gross book value INR 104.74 Lacs (2018-19: INR 104.74 Lacs)
Accumulated depreciation INR 9.21 Lacs (2018-19: INR 6.91 Lacs)
Depreciation for the year INR 2.30 Lacs (2018-19: INR 2.30 Lacs)
Net book value INR 95.53 Lacs (2018-19: INR 97.83 Lacs)
- f) Plant and machinery includes items taken on finance lease:
Deemed gross book value INR Nil (2018-19: INR 2,156.28 Lacs)
Accumulated depreciation INR Nil (2018-19: INR 547.42 Lacs)
Depreciation for the year INR Nil (2018-19: INR 276.54 Lacs)
Net book value INR Nil (2018-19: INR 1,608.86 Lacs)
- g) Office equipment includes data processing items taken on finance lease:
Deemed gross book value INR Nil (2018-19: INR 361.36 Lacs)
Accumulated depreciation INR Nil (2018-19: INR 110.22 Lacs)
Depreciation for the year INR Nil (2018-19: INR 59.60 Lacs)
Net book value INR Nil (2018-19: INR 251.14 Lacs)
- h) Addition to Property, plant and equipment includes amount of INR 1,516.74 Lacs (2018-19: INR 65.00 Lacs) pertaining to research and development.

5. Right-of-use assets

	INR in Lacs				
	Land	Building	Plant and machinery (Refer note a)	Office equipments (Refer note a)	Total
Gross block					
As at 1st April 2019	-	-	-	-	-
Reclassified on account of adoption of Ind AS 116 (Refer note 53)	335.99	-	1,608.86	251.14	2,195.99
Addition during the year	-	595.02	1,555.81	73.21	2,224.04
Disposal during the year	-	-	-	-	-
As at 31st March 2020	335.99	595.02	3,164.67	324.35	4,420.03
Depreciation / Amortisation					
As at 1st April 2019	-	-	-	-	-
Depreciation during the year	9.48	160.20	344.07	123.04	636.79
Deduction during the year	-	-	-	-	-
As at 31st March 2020	9.48	160.20	344.07	123.04	636.79
Net carrying value as at 31st March 2020	326.51	434.82	2,820.60	201.31	3,783.24

Note

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

6. Other intangible assets

	INR in lacs	
	Computer Software	Total
Gross block		
As at 1st April 2019	274.23	274.23
Addition during the year	77.47	77.47
Disposal during the year	-	-
As at 31st March 2020	351.70	351.70
Amortisation		
As at 1st April 2019	136.73	136.73
Amortised during the year	55.65	55.65
Deduction during the year	-	-
As at 31st March 2020	192.38	192.38
Net carrying value as at 31st March 2020	159.32	159.32
Gross block		
As at 1st April 2018	219.62	219.62
Addition on acquisition of subsidiary	3.08	3.08
Addition during the year	51.53	51.53
Disposal during the year	-	-
As at 31st March 2019	274.23	274.23
Amortisation		
As at 1st April 2018	91.14	91.14
Addition on acquisition of subsidiary	2.63	2.63
Amortised during the year	42.96	42.96
Deduction during the year	-	-
As at 31st March 2019	136.73	136.73
Net carrying value as at 31st March 2019	137.50	137.50

7. Investment accounted using equity method

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
At cost in equity shares of associates		
Unquoted, fully paid-up		
460,000 (31st March 2019: 460,000) equity shares of INR 10 each, fully paid-up in Aquanomics Systems Limited	374.52	344.37
300,000 (31st March 2019: 300,000) equity shares of MYR 1 each, fully paid-up in IEI Water-Tech (M) Sdn. Bhd.	-	-
2,450 (31st March 2019: 2,450) equity shares of INR 10 each, fully paid-up in Ion Exchange Financials Products Private Limited of INR 10 each	-	-
14,700 (31st March 2019: 14,700) equity shares of THB 100 each, fully paid-up in Ion Exchange PSS Co. Limited	-	-
	374.52	344.37
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	374.52	344.37

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**8. Non-current investments**

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Measured at fair value through profit and loss in equity shares of others		
Unquoted, fully paid-up		
6,000 (31st March 2019: 6,000) equity shares of INR 10 each, fully paid-up in IEK Plastics Limited	-	-
113 (31st March 2019: 113) equity shares of INR 10 each, fully paid-up in Patancheru Enviro-tech Limited	0.01	0.01
10,500 (31st March 2019: 10,500) equity shares of INR 10 each, fully paid-up in Bharuch Enviro Infrastructure Limited	1.05	1.05
352,500 (31st March 2019: 352,500) equity shares of INR 10 each, fully paid-up in Bharuch Eco-Aqua Infrastructure Limited	35.25	35.25
71,518 (31st March 2019: 71,518) equity shares of INR 10 each, fully paid-up in Global Procurement Consultants Limited	27.46	27.46
1,000 (31st March 2019: 1,000) equity shares of INR 10 each, fully paid-up in Ion Foundation	0.10	0.10
11,000 (31st March 2019: Nil) equity shares of INR 10 each, fully paid-up in Haldia Water Services Pvt. Ltd.	1.10	-
7,143 (31st March 2019: 7,143) equity shares of INR 10 each, fully paid-up in Water Quality India Association	0.71	0.71
750 (31st March 2019: 750) equity shares of INR 10 each, fully paid-up in Process Automation Engineering	-	-
9,999 (31st March 2019: 9,999) equity shares of INR 10 each, fully paid-up in The Thane Janta Sahakari Bank Ltd.	5.00	5.00
(A)	70.68	69.58
Measured at amortised cost in preference shares of others		
Unquoted, fully paid-up		
75,000 (31st March 2019: 75,000) 14.25% preference shares of INR 100 each, fully paid-up in HMG Industries Limited	0.50	0.50
(B)	0.50	0.50
Total non current investments	(A+B) 71.18	70.08
Aggregate amount of unquoted Investments	71.18	70.08

9. Trade receivables

	Non-current		Current	
	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Trade receivables				
(a) Unsecured, considered good	-	-	50,187.46	42,416.76
(b) Unsecured, have significant increase in credit risk	624.55	1,420.03	-	-
(c) Unsecured, credit impaired	390.99	390.99	811.79	-
	1,015.54	1,811.02	50,999.25	42,416.76
Less: Provision for credit impaired	390.99	390.99	811.79	-
	624.55	1,420.03	50,187.46	42,416.76

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)
10. Loans

	Non-current		Current	
	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Tender, security and other deposits				
(a) Unsecured, considered good	1,176.80	998.89	361.28	139.01
(b) Unsecured, credit impaired	13.74	13.74	-	-
	1,190.54	1,012.63	361.28	139.01
Less: Provision for credit impaired	13.74	13.74	-	-
(A)	1,176.80	998.89	361.28	139.01
Loans and advances to related parties (Refer note 46)				
(a) Unsecured, considered good	-	-	209.49	225.72
(b) Unsecured, credit impaired	19.50	19.50	-	-
	19.50	19.50	209.49	225.72
Less: Provision for credit impaired	19.50	19.50	-	-
(B)	-	-	209.49	225.72
Claims receivables and others	(C)	-	1,012.52	455.20
Loans and advance to employees	(D)	-	149.02	88.16
Rent receivable (Unsecured, credit impaired)		17.05	-	-
Less: Provision for credit impaired		17.05	-	-
(E)	-	-	-	-
Others - Unsecured, credit impaired				
- Inter corporate deposits	57.07	57.07	-	-
- Other loans and advances	55.07	55.07	-	-
	112.14	112.14	-	-
Less: Provision for credit impaired	112.14	112.14	-	-
(F)	-	-	-	-
(A+B+C+D+E+F)	1,176.80	998.89	1,732.31	908.09

11. Other financial assets

	Non-current		Current	
	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Receivable from concession agreement (Refer note 60)	649.22	703.32	115.52	115.52
Interest accrued on margin money	-	-	2,256.94	1,849.88
	649.22	703.32	2,372.46	1,965.40

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**12. Deferred tax assets/liabilities****As at 31st March 2020****INR in Lacs**

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Other adjustments *	Closing balance
Deferred tax assets/ (liabilities)					
Property, plant and equipment	(1,395.03)	17.93	-	-	(1,377.10)
Trade Receivables and retention money	393.61	337.69	-	-	731.30
Loans and borrowings	65.49	3.28	-	-	68.77
Other items	930.35	(285.06)	31.00	2.98	679.27
Tax assets/(liabilities)	(5.58)	73.84	31.00	2.98	102.24

Disclosed as under

Deferred tax assets (Net)	104.83				148.31
Deferred tax liabilities (Net)	110.41				46.07
Tax assets/(liabilities)	(5.58)				102.24

* Other adjustments includes currency fluctuation on conversion of foreign subsidiaries.

As at 31st March 2019**INR in Lacs**

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Other adjustments *	Closing balance
Deferred tax assets/ (liabilities)					
Property, plant and equipment	(1,273.64)	(121.39)	-	-	(1,395.03)
Trade Receivables and retention money	321.80	71.81	-	-	393.61
Loans and borrowings	62.16	3.33	-	-	65.49
Other items	801.90	87.92	28.30	12.23	930.35
Tax assets/(liabilities)	(87.78)	41.67	28.30	12.23	(5.58)

Disclosed as under

Deferred tax assets (Net)	115.29				104.83
Deferred tax liabilities (Net)	203.07				110.41
Tax assets/(liabilities)	(87.78)				(5.58)

* Other adjustments includes currency fluctuation on conversion of foreign subsidiaries.

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)
13. Other assets

		Non-current		Current	
		As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Capital advances	(A)	132.37	53.60	-	-
Balance with statutory authorities	(B)	689.17	793.94	2,451.82	1,987.07
Advance to suppliers					
(a) Unsecured, considered good		-	-	4,556.26	3,820.72
(b) Unsecured, considered good - related parties [Refer note 46]		-	-	14.44	-
(c) Unsecured, credit impaired		30.90	30.90	-	-
		30.90	30.90	4,570.70	3,820.72
Less: Provision for credit impaired		30.90	30.90	-	-
	(C)	-	-	4,570.70	3,820.72
Security Deposit for Land and other loans and advances (Refer note 48, 49 and 50)					
(a) Unsecured, considered good		826.27	821.67	-	-
(b) Unsecured, credit impaired		186.78	186.78	-	-
		1,013.05	1,008.45	-	-
Less: Provision for credit impaired		186.78	186.78	-	-
	(D)	826.27	821.67	-	-
Prepaid expenses	(E)	-	-	700.52	583.30
	(A+B+C+D+E)	1,647.81	1,669.21	7,723.04	6,391.09

14. Tax assets

	Non-current		Current	
	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Income tax paid (Net of provision for tax)	50.47	47.17	145.63	136.21
	50.47	47.17	145.63	136.21

15. Inventories

(valued at lower of cost and net realizable value)

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Raw materials and components	5,056.11	4,923.04
Work-in-progress	1,153.65	498.50
Finished goods	4,788.72	5,133.89
Traded goods	1,135.10	778.28
Stores and spares	800.27	645.50
Contract work-in-progress	516.14	996.81
	13,449.99	12,976.02

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**16. Current investments**

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Investments measured at fair value through profit and loss		
Quoted, fully paid-up		
5,875 (31st March 2019: 5,875) equity shares of INR 2 each, fully paid-up in Sterlite Technologies Limited	3.75	12.84
70 (31st March 2019: 70) equity shares of INR 2 each, fully paid-up in Jain Irrigation Systems Limited	-	0.04
8,100 (31st March 2019: 8,100) equity shares of INR 10 each, fully paid-up in Canara Bank	7.32	23.65
	11.07	36.53
Aggregate amount of quoted Investments	11.07	36.53
Market value of quoted Investments	11.07	36.53

17. Cash and cash equivalents

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Balances with banks		
On current accounts [Refer note below]	10,014.50	4,438.97
On Exchange Earner's Foreign Currency accounts	17.05	15.65
Cash on hand	114.01	62.63
	10,145.56	4,517.25

Note:

Includes balance of INR 5,898.85 Lacs (31st March 2019: INR 839.41 Lacs) in escrow accounts for utilisation in the execution of a specific EPC contract.

18. Bank balances other than cash and cash equivalents

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Balances with banks		
On Unclaimed dividend account	65.92	43.26
On Unclaimed interest on fixed deposits	0.73	1.38
Other bank balances:		
On deposit account	10,476.15	8,699.38
On margin money account [Refer note below]	16,619.73	15,780.15
	27,162.53	24,524.17

Note:

Margin money deposits with a carrying amount of INR 16,619.73 Lacs (31st March 2019: INR 15,780.15 Lacs) are subject to first charge to secure bank guarantees issued by banks on our behalf.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

19. Equity share capital

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Authorised capital		
17,000,000 (31st March 2019: 17,000,000) equity shares of INR 10 each.	1,700.00	1,700.00
Issued, subscribed and fully paid-up capital*		
14,228,785 (31st March 2019: 14,228,785) equity shares of INR 10 each.	1,422.88	1,422.88
	1,422.88	1,422.88

* Issued, subscribed and fully paid-up shares are net of elimination of shares held by subsidiaries.

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

	As at 31st March 2020		As at 31st March 2019	
	No of shares	INR in Lacs	No of shares	INR in Lacs
At the beginning of the year	14,228,785	1,422.88	14,228,785	1,422.88
Add: Issued during the year	-	-	-	-
At the end of the year	14,228,785	1,422.88	14,228,785	1,422.88

(b) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the company **

	As at 31st March 2020		As at 31st March 2019	
	No of shares	% holding	No of shares	% holding
Mr. Rajesh Sharma	824,968	5.80%	781,218	5.49%
Mr. Rakesh Jhunjunwala	775,000	5.45%	800,000	5.62%

** As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) Aggregate number of share issued for consideration other than cash during the period of five years immediately preceding the reporting date.

The aggregate number of equity shares issued pursuant to exercise of options granted under the Employee Stock Option Scheme (ESOS) wherein part consideration was received in form of employee services preceding last five years ended on 31st March 2020: 134,500 shares (Previous period of five years ended 31st March 2019: 134,500 shares).

(e) Shares reserved for issue under ESOS

There are no pending shares reserved for issue under Employee Stock Option Schemes (ESOS).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**20. Other equity**

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Security premium account		
Balance as at 1st April	8,334.84	8,334.84
(A)	8,334.84	8,334.84
Special reserve		
Balance as at 1st April (As per section 45 - IC of the Reserve Bank of India Act, 1934)	22.17	22.17
(B)	22.17	22.17
General reserve		
Balance as at 1st April	2,719.79	2,719.79
(C)	2,719.79	2,719.79
Legal reserve		
Balance as at 1st April	151.54	151.54
(D)	151.54	151.54
Capital reserve on consolidation		
Balance as at 1st April	257.48	257.48
(E)	257.48	257.48
Foreign currency translation reserve		
Balance as at 1st April	185.81	119.92
Add: Foreign currency translation profit during the year	123.48	65.89
(F)	309.29	185.81
Retained earnings		
Balance as at 1st April	15,905.25	9,979.02
Proceeds from sale of treasury shares	2,189.41	-
Cost of treasury shares sold	(188.71)	-
Transition impact of Ind AS 116	29.51	-
Profit for the year	9,348.44	6,525.90
Other Comprehensive Income (OCI)	(103.57)	(54.26)
Appropriations		
- Dividend	(1,054.17)	(404.80)
- Tax on dividend	(230.46)	(89.77)
Others (Refer note 62)	-	(50.84)
(G)	25,895.70	15,905.25
Treasury shares		
Balance as at 1st April	(2,996.99)	(2,996.99)
Cost of treasury shares sold	188.71	-
(H)	(2,808.28)	(2,996.99)
(A+B+C+D+E+F+G+H)	34,882.53	24,579.89

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

Security premium account: Security premium account is used to record the premium on issue of shares. Securities premium also includes the difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to employee stock options scheme. The reserve is utilised in accordance with the provisions of the Act.

Special reserve: Special reserve is created by the company in past as per provision of section 45 - IC of the Reserve Bank of India Act, 1934 for repayment of fixed deposit holders.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)
20. Other equity (contd...)

General reserve: The company created a General Reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirement to transfer profits to General Reserve is not mandatory. General reserve represents appropriation of retained earnings and are available for distribution to shareholders.

Treasury shares: Treasury shares represents equity shares of the company held by IEI Shareholding (Staff Welfare) Trusts.

b) Dividend on equity shares paid during the year

	31st March 2020 INR in Lacs	31st March 2019 INR in Lacs
Dividend [INR 4.50 per equity share (31st March 2019 INR 3.50 per equity share)]	640.30	498.00
Interim dividend (INR 4.50 per equity share)	640.30	-
Less: Dividend on treasury shares	(226.42)	(93.20)
Dividend distribution tax	230.46	89.77
	1,284.64	494.57

21. Borrowings

	Non-current		Current	
	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Term loans (Secured)				
Indian rupee loan from financial institution [Refer note (a) below]	726.28	1,106.73	418.44	418.44
Indian rupee loan from a bank [Refer note (b), (c) and (d) below]	1,014.27	756.67	609.58	510.78
Indian rupee loan from a bank [Refer note (e) below]	-	-	-	31.68
Indian rupee vehicle loan from banks and finance companies [Refer note (f) below]	134.72	117.19	57.13	49.32
Other loans and advances				
Finance lease obligation (Secured) [Refer note (g) below]	-	629.66	-	671.73
	1,875.27	2,610.25	1,085.15	1,681.95
The above amount includes				
Secured borrowings	1,875.27	2,610.25	1,085.15	1,681.95
Unsecured borrowings	-	-	-	-
Amount included under the head "Other financial liabilities" [Refer note 28]	-	-	(1,085.15)	(1,681.95)
	1,875.27	2,610.25	-	-

Notes

- Indian rupee loan from financial institution for capital expenditure carries interest @ 11.00 to 11.30% p.a. The loan is secured by first charge on movable and immovable fixed assets pertaining to a manufacturing facility at Goa and is repayable in 54 months with moratorium of 6 months from the date of actual commercial operation date.
- Indian rupee loan from a bank for capital expenditure disbursed in two tranches of INR 683.22 Lacs and INR 816.78 Lacs. Loan is repayable in 26 months and 37 months respectively from the date of first disbursement and carries interest rate of 10.50% p.a. The loan is secured by exclusive first charge on three residential properties.
- Indian rupee loan of INR 1,500.00 Lacs from a bank for capital expenditure. Loan is repayable in 48 months from the date of the first disbursement and carries interest rate of 9.50% p.a. The loan is secured by exclusive first charge on three residential properties.
- Indian rupee loan of INR 925.00 Lacs from a bank for capital expenditure. Loan is repayable in 48 months from the date of the first disbursement and carries interest rate of 10.90% p.a. The loan is secured by exclusive first charge on three residential properties.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**21. Borrowings (Contd...)****Notes (contd...)**

- (e) Indian rupee loan taken from bank for a specific project carrying interest @ 11.50% p.a. The loan is repayable in equal installment within a period of 60 months from the date of first disbursement 22.05.2014, with an initial moratorium of 12 months. The loan is secured by charge on receivable, current assets, movable fixed assets. It is also secured by corporate bank guarantee of INR 760.20 Lacs and lien marked margin money of INR 50.00 Lacs.
- (f) Indian rupee vehicle loans from banks and finance companies carries interest @ 8.00% to 13.50% p.a. The loans are repayable within a period of 36 to 60 months in equal monthly installments along with interest, from the various dates of disbursements. The loans are secured by hypothecation of under lying vehicles.
- (g) Finance lease obligations are secured by hypothecation of under lying plant and machinery and equipment's taken on lease. Lease obligations are discharged by monthly / quarterly lease rental payments. The lease terms are for 2 to 4 years.

22. Other financial liabilities

	Non-current		Current	
	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Deposits	808.32	810.93	-	-
	808.32	810.93	-	-

23. Provisions

	Non-current		Current	
	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Provision for employee benefits	1,567.47	1,331.40	537.46	406.43
Provision for warranties	-	-	31.53	42.03
	1,567.47	1,331.40	568.99	448.46

Provision for warranties

A provision is recognised for expected warranty claims on Consumer Product Division's products sold and Engineering services during last one year, based on past experience of the level of repairs and returns.

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
At the beginning of the year	42.03	43.65
Arising during the year	31.53	42.03
Utilised during the year	42.03	43.65
Unused amounts reversed	-	-
At the end of the year	31.53	42.03

24. Other non-current liabilities

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Others	50.75	57.88
	50.75	57.88

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)
25. Tax Liabilities

	Non-current		Current	
	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Provision for income tax (Net)	190.54	152.82	1,712.59	1,538.59
	190.54	152.82	1,712.59	1,538.59

26. Borrowings - Current

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Working capital loan from banks (Secured) [Refer notes (a) to (f) below]	6,714.97	4,836.78
MSME finance scheme with a financial institution (Unsecured) [Refer note (g) below]	364.92	215.41
MSME finance scheme with Trade Receivable Discounting System (Unsecured) [Refer note (h) below]	1,356.84	970.01
Inter-corporate deposits (Unsecured) [Refer note (i) below]	145.16	650.62
	8,581.89	6,672.82
The above amount includes		
Secured borrowings	6,714.97	4,836.78
Unsecured borrowings	1,866.92	1,836.04
	8,581.89	6,672.82

Notes:

- Includes working capital loan of INR 4,725.42 Lacs (31st March 2019: INR 2,656.43 Lacs) is secured by joint hypothecation of book debts and stocks and collateral security by way of charge on the fixed assets at its manufacturing facilities situated in Hosur, Patancheru, Vashi, Goa, Ankleshwar and Mumbai (Office Premises). The working capital loan is repayable on demand and carries interest @ 8.00% to 12.35% p.a.
- Includes working capital loan of INR Nil (31st March 2019: INR Nil) from a bank secured against fixed deposits and corporate guarantees and carries interest of 2% p.a.
- Includes working capital loan of INR 208.67 Lacs (31st March 2019: INR 238.91 Lacs) from a bank secured against hypothecation of book debts and stocks and also secured by corporate guarantees and carries interest of 13.50% p.a. The working capital loan is repayable on demand.
- Includes working capital loan of INR 1,780.88 Lacs (31st March 2019: INR 1,795.47 Lacs) from a bank secured against hypothecation of stock and book debts and supplementary mortgage of factory land and building at village Nichole, Taluka Wada, District Thane, and hypothecation of plant and machinery present and future, and personal guarantee of directors and corporate guarantee. The cash credit is repayable on demand and carries interest @ 12.50% p.a.
- Includes working capital loan from bank of INR Nil (31st March 2019: INR 70.07 Lacs) is secured by hypothecation of book debts and stocks by way of first charge and corporate guarantee of Holding Company - Ion Exchange (India) Limited. The working capital loan is repayable on demand and currently carries an interest @ 14.30% p.a., computed on monthly basis on the actual amount utilised.
- Includes working capital loan of INR Nil (31st March 2019: INR 75.90 Lacs) is secured by hypothecation of book debts and stocks and collateral security by way of comfort letter / corporate guarantee. The working capital loan is repayable on demand and carries interest @ 13.50 % p.a.
- MSME Finance Scheme with a financial institution is MSME vendor bills discounting facility with a financial institution and carried interest @ 11.00% to 11.25% p.a.
- MSME Finance Scheme with Trade Receivable Discounting System is MSME vendor bills discounting facility and carries interest @ 8.50% to 11.00% p.a.
- Inter corporate deposit are for a period from 90 to 365 days and carried interest @ 9.50% to 12.25%. p.a.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**27. Trade payables**

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Trade payables (including acceptances)		
- Total outstanding dues of micro and small enterprises (Refer note 56)	915.01	616.72
- Total outstanding dues of creditors other than micro and small enterprises	47,084.09	40,892.82
	47,999.10	41,509.54

28. Other financial liabilities

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Current maturities of long term borrowings (Refer note 21)	1,085.15	1,681.95
Interest accrued but not due	24.83	39.81
Employee benefits payable	2,189.03	1,802.27
Creditors for capital goods	1,011.52	707.29
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
- Unpaid dividend	65.92	43.26
- Unclaimed interest on fixed deposit	0.72	1.38
- Unclaimed matured deposit	2.30	5.47
	4,379.47	4,281.43

29. Other current liabilities

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Advance from customers	21,547.81	29,188.26
Unearned revenue on construction contracts	9,078.15	-
Unearned revenue on AMC services	357.81	324.39
Statutory dues	766.10	1,049.72
Other liabilities	136.82	156.15
Deposits	11.05	60.10
	31,897.74	30,778.62

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

30. Revenue from operations

	Year ended 31st March 2020 INR in Lacs	As Year ended 31st March 2019 INR in Lacs
Sale of products		
Finished goods	107,450.44	89,668.77
Traded goods	7,183.73	6,979.70
Sale of services	31,233.01	18,865.57
Other operating revenues		
Scrap sale	251.09	221.00
Management fees	88.56	77.00
Other operating income	1,775.85	416.45
	147,982.68	116,228.49

Revenue disaggregation as per industry vertical and geography has been included in segment information (Refer note 45)

31. Other income

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Interest income at amortised cost		
- From banks	1,805.13	1,578.77
- From others	402.70	444.51
Rent	176.83	171.55
Dividend income on		
- Current investments	-	0.12
- Long-term investments	2.03	5.56
Amount set aside for liabilities, no longer required, written back	-	7.41
Exchange gain (Net)	930.66	743.74
Other non operating Income	219.20	381.96
	3,536.55	3,333.62

32. Cost of materials consumed

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Inventory at the beginning of the year	4,923.04	3,043.47
Add: Purchases *	92,483.78	71,485.17
Less: Inventory at the end of the year	5,056.11	4,923.04
Cost of raw material and components consumed	92,350.71	69,605.60

* Includes direct expenses incurred on contracts

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**33. Purchases of stock-in-trade**

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Consumer products	3,624.80	2,974.59
Spares	428.88	449.81
Others	314.75	712.62
	4,368.43	4,137.02

34. Change in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Inventories at the end of the year		
Traded goods	1,135.10	778.28
Work-in-progress	1,153.65	498.50
Finished goods	4,788.72	5,133.89
Contract work-in-progress	516.14	996.81
	(A) 7,593.61	7,407.48
Inventories at the beginning of the year		
Traded goods	778.28	654.91
Work-in-progress	498.50	983.16
Finished goods	5,133.89	4,310.61
Contract work-in-progress	996.81	468.48
	(B) 7,407.48	6,417.16
	(B)-(A) (186.13)	(990.32)

35. Employee benefits expense

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Salaries, wages and bonus	16,253.97	13,620.39
Contribution to provident and other funds (Refer note 42)	1,000.28	797.55
Staff welfare expense	821.15	684.50
	18,075.40	15,102.44

36. Finance costs

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Interest expense financial liabilities measured at amortised cost	1,435.24	1,696.05
Other borrowing costs	162.04	207.84
	1,597.28	1,903.89

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

37. Depreciation and amortisation expense

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Depreciation of property, plant and equipment (Refer note 4)	1,673.82	1,916.00
Depreciation on right-of-use assets (Refer note 5)	636.79	-
Amortisation of intangible assets (Refer note 6)	55.65	42.96
	2,366.26	1,958.96

38. Other expenses

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Stores and spare parts consumed	151.23	94.56
Power and fuel	1,610.78	1,578.92
Repairs and Maintenance - Buildings	84.80	69.71
- Plant and machinery	487.96	458.74
- Others	390.15	317.89
Rent (Net of recoveries)	522.63	666.96
Rates and taxes	566.03	525.39
Insurance (Net of recoveries)	245.82	127.18
Travelling and conveyance	3,661.47	3,210.50
Freight (Net of recoveries)	2,916.62	2,282.02
Packing (Net of recoveries)	1,633.81	1,765.38
Advertisement and publicity	900.43	802.96
Commission	312.08	299.01
Legal and professional charges	1,260.11	1,103.09
Telephone and telex	211.26	229.65
Bad debts written off	280.08	1,093.92
Provision for doubtful debts	811.79	-
Auditors' remuneration (Refer note 38.1)	51.84	46.62
Directors' fees	42.65	37.45
Directors' commission	129.50	98.00
Bank charges	327.87	231.42
Loss on fixed assets sold/discarded (Net)	9.69	10.05
Change in fair value of investments classified at FVTPL	25.46	3.29
Establishment and other miscellaneous expenses	3,282.89	2,664.66
	19,916.95	17,717.37

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**38.1 Auditors' remuneration (excluding taxes)**

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
As auditor:		
- Audit fees	22.75	22.75
- Tax audit fees	3.00	3.00
- Limited review	5.25	5.25
In other capacity:		
- Other services (Certification fees)	13.00	8.50
Reimbursement of expenses	3.44	3.12
Branch auditor		
- Audit fees	2.50	2.50
- Other services (Certification fees)	1.50	1.10
- Reimbursement of expenses	0.40	0.40
	51.84	46.62

39. Tax expense

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Current tax	3,746.80	3,635.21
Deferred tax	(73.84)	(41.67)
	3,672.96	3,593.54
Reconciliation of Tax Expense		
Profit before tax	13,030.33	10,127.15
Applicable tax rate	25.170%	34.944%
Computed tax expense (A)	3,279.73	3,538.83
Adjustments for:		
Non-deductible tax expenses	74.88	2.67
Tax-exempt income	(3.56)	(4.77)
Corporate social responsibility expenditure	40.35	43.47
Incremental deduction allowed for research and development costs	-	(68.62)
Deduction under house property	(15.29)	(12.67)
Subsidiaries chargeable at different rates	(4.31)	(66.23)
Deferred tax not recognised on losses	232.09	157.22
Others	69.07	3.64
Net adjustments (B)	393.23	54.71
Tax expense (A)+(B)	3,672.96	3,593.54

The group, to the extent applicable, elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Law (Amendment) Ordinance, 2019. Accordingly, the group has recognised provision for income tax and re-measured its deferred tax assets or liabilities basis the reduced tax rate prescribed in the said section.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)
40. Other comprehensive income

	Year ended 31st March 2020 INR in Lacs	Year ended 31st March 2019 INR in Lacs
Items that will not be reclassified to profit or loss		
(a) Remeasurement benefit of defined benefit plans	(134.57)	(82.56)
(b) Income tax expense on remeasurement benefit of defined benefit plans	31.00	28.30
Items that will be reclassified to profit or loss		
(a) Movement in foreign currency translation reserve	123.48	65.89
	19.91	11.63

41. Earnings per share (EPS)

Particulars		31st March 2020	31st March 2019
I	Profit computation for both basic and diluted earnings per share of INR 10 each		
	Net profit as per the statement of profit and loss available for equity shareholders (INR in Lacs)	9,401.32	6,590.85
II	Weighted average number of equity shares for earnings per share computation (equity shares are after elimination of shares held by subsidiaries)		
A)	For basic earnings per share		
	No. of shares	14,228,785	14,228,785
	Less: Treasury shares held by IEI Shareholding (Staff Welfare) Trusts (Weighted average)	2,557,683	2,662,914
	No. of shares for basic earnings per share	11,671,102	11,565,871
B)	For diluted earnings per share		
	No. of shares for basic EPS	11,671,102	11,565,871
	Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	-	-
	No. of shares for diluted earnings per share	11,671,102	11,565,871
III	Earnings per share in Rupees (Weighted average)		
	Basic (INR)	80.55	56.99
	Diluted (INR)	80.55	56.99

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**42. Employee benefits**

- A. The group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service. The scheme is funded to a separate trust duly recognized by Income tax authorities.

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.

INR in Lacs

Particulars		2019-20	2018-19
I	Change in defined benefit obligation		
	Defined benefit obligation, Beginning of period	1,915.66	1,780.73
	Interest cost	128.08	129.64
	Service cost	148.18	134.96
	Liability transferred in / acquisitions	-	9.18
	Actual plan participants' contributions	-	-
	Total actuarial (gains)/losses	147.33	87.52
	a. Effect of change in financial assumptions	44.58	51.47
	b. Effect of change in demographic assumptions	-	5.09
	c. Experience (gains) / losses	102.75	30.96
	Changes in foreign currency exchange rates	-	-
	Acquisition / Business combination/divestiture	-	-
	Benefits paid	(75.90)	(226.37)
	Past service cost	15.82	-
	Losses / (gains) on curtailments / settlements	-	-
	Defined benefit obligation, end of period	2,279.17	1,915.66
II	Change in the fair value of plan assets		
	Fair value of plan assets at the beginning of the period	1,745.00	1,624.80
	Interest income	123.94	123.24
	Contributions by the employer	206.74	161.06
	Expected contributions by the employees	-	-
	Assets transferred in / acquisitions	-	9.18
	(Assets transferred out / divestments)	-	-
	(Benefit paid from the fund)	(72.50)	(178.25)
	(Assets distributed on settlements)	-	-
	Effects of asset ceiling	-	-
	The effect of changes in foreign exchange rates	-	-
	Return on plan assets, excluding interest income	11.63	4.97
	Fair value of plan assets at the end of the period	2,014.81	1,745.00
III	Expenses recognized in the statement of profit or loss for current period		
	Current service cost	148.18	134.96
	Net interest cost	4.14	6.39
	Past service cost	15.81	-
	(Expected contributions by the employees)	-	-
	(Gains) / Losses on curtailments and settlements	-	-
	Net effect of changes in foreign exchange rates	-	-
	Expenses recognized	168.13	141.35
IV	Expenses recognized in the other comprehensive income (OCI) for current period		
	Actuarial (gains) / losses on obligation for the period	146.20	89.34
	Return on plan assets, excluding interest income	(11.63)	(6.78)
	Change in asset ceiling	-	-
	Net (income) / expense for the period recognized in OCI	134.57	82.56

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)
42. Employee benefits (contd...)
INR in Lacs

Particulars		2019-20	2018-19
V	Maturity analysis of the benefit payments		
	Projected benefits payable in future years from the date of reporting		
	1st following year	485.84	408.23
	2nd following year	298.48	291.95
	3rd following year	614.51	215.76
	4th following year	250.67	513.68
	5th following year	194.04	174.01
	Sum of years 6 to 10	571.97	491.74
	Sum of years 11 and above	312.72	278.43
VI	Sensitivity analysis		
	Projected benefit obligation on current assumptions	2,279.17	1,915.66
	Delta effect of +0.5% change in rate of discounting	(43.80)	(35.80)
	Delta effect of -0.5% change in rate of discounting	45.87	37.38
	Delta effect of +0.5% change in rate of salary increase	44.46	36.44
	Delta effect of -0.5% change in rate of salary increase	(41.54)	(34.69)
	Delta effect of +0.5% change in rate of employee turnover	(3.25)	(1.88)
	Delta effect of -0.5% change in rate of employee turnover	3.85	1.93

The group expects to contribute INR 147.25 Lacs (2019-20: INR 99.55 Lacs) to gratuity in 2020-21.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Sr. No.	Categories of Assets	% of holding (Gratuity)	
		2019-20	2018-19
1	Central and state government bonds	-	-
2	Public sector undertaking	-	-
3	Insurance policy	100%	100%
4	Special deposit scheme 1975	-	-
5	Other assets	-	-

The expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

B. Provident fund

The group's provident fund schemes which are administered through government of India are defined contribution plan. The group's contribution paid / payable under the scheme is recognized as expense in the statement of profit and loss during the year in which the employee renders the related services. There are no other obligations other than the contribution payable to the respective fund.

The group's provident fund scheme which is managed by trust set up by the group, the contribution to the provident fund is remitted to a separate trust established for this purpose based on a fixed percentage of the eligible employees' salary and charged to statement of profit and loss. Shortfall, if any, in the fund assets, based on the government specified minimum rate of return, will be made good by the group and charged to statement of profit and loss. The actual return earned by the fund has mostly been higher than the government specified minimum rate of return in the past years. There is no shortfall in the fund as on 31st March 2020 and 31st March 2019.

The details of fund obligations are given below:

INR in Lacs

Particulars	As at 31st March 2020	As at 31st March 2019
Present value of benefit obligation at period end	5,402.15	5,070.68

Note:

The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards provident fund. The group believes that there will be no significant impact on its contributions to provident fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon'ble Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards provident fund. The group will evaluate its position and act, as clarity emerges.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**43. Financial instruments**

Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

INR in Lacs

	As at 31st March 2020			As at 31st March 2019		
	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						
<u>At amortised cost</u>						
Trade receivables	624.55	-	624.55	1,420.03	-	1,420.03
Loans	1,176.80	-	1,176.80	998.89	-	998.89
Others	649.22	-	649.22	703.32	-	703.32
<u>At FVTPL</u>						
Investments *	71.18	-	71.18	70.08	-	70.08
Financial assets - Current **						
<u>At amortised cost</u>						
Trade receivables	50,187.46			42,416.76		
Cash and cash equivalents	10,145.56			4,517.25		
Bank balances other than above	27,162.53			24,524.17		
Loans	1,732.31			908.09		
Others	2,372.46			1,965.40		
<u>At FVTPL</u>						
Investments	11.07	11.07	-	36.53	36.53	-
Financial liabilities - Non-current						
<u>At amortised cost</u>						
Borrowings	1,875.27	-	1,875.27	2,610.25	-	2,610.25
Lease liabilities	1,057.35	-	1,057.35	-	-	-
Other financial liabilities	808.32	-	808.32	810.93	-	810.93
Financial liabilities - Current **						
Borrowings	8,581.89			6,672.82		
Lease liabilities	974.98			-		
Trade payables	47,999.10			41,509.54		
Other financial liabilities	4,379.47			4,281.43		

* Excludes investments measured at cost

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

43. Financial instruments (contd...)

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

Type	Valuation technique
Forward contracts for foreign exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies
Non current financial assets and liabilities measured at amortised cost	Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate.
Investments in unquoted preference shares	Discounted cash flow: The fair value is estimated considering net present value calculated using long term growth rate and discount rate.
Investments in unquoted equity shares	Discounted cash flow: Using long term growth rate.

C. Financial risk management

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

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

(i) Risk management framework

The audit committee members of the company and board of directors of the subsidiaries have overall responsibility for the establishment and oversight of the company's risk management framework.

The group's risk management policies are established to identify and analyses the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee members of the company and the board of directors of the subsidiaries oversees how management monitors compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The board of directors is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the major observations are periodically highlighted to the audit committee members of the company and the board of directors of the subsidiaries.

(ii) Credit risk

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

Trade receivables

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

The company has impaired its trade receivables using a provisioning matrix representing expected credit losses based on range of outcome.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**43. Financial instruments (contd...)**

As per policy, trade receivables are classified into different buckets based on the overdue period. There are different provisioning norms for each bucket which are ranging from 25% to 100%.

INR in Lacs

Particulars	Trade receivables
Balance as at 1 April 2018	390.99
Provision recognised	-
Amount utilised	-
Balance as at 31 March 2019	390.99
Provision recognized	811.79
Amount utilised	-
Balance as at 31 March 2020	1,202.78

Cash and cash equivalents

The group held cash and cash equivalents of INR 10,145.56 Lacs as at 31st March 2020 (as at 31st March 2019: INR 4,517.25 Lacs). The cash and cash equivalents are held with banks with good credit ratings.

Other bank balances

The group held other bank balances equivalents of INR 27,162.53 Lacs as at 31st March 2020 (as at 31st March 2019: INR 24,524.17 Lacs). The other bank balances are mainly temporary surplus fund invested in bank fixed deposits and margin money against bank guarantees issued by bank on our behalf.

Investments

The group has invested an insignificant amount in listed securities. The group does not expect any losses.

Other financial assets

Other financial assets mainly comprise of tender deposits and security deposits which are given to customers or governmental agencies in relation to contracts under bid / under execution and are assessed by the group for credit risk on a continuous basis.

(iii) Liquidity risk

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

The group has obtained fund and non-fund based working capital limits from various banks. The group invests its temporary surplus funds in bank fixed deposit.

Exposure to liquidity risk

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

As at 31st March 2020

INR in Lacs

	Carrying amount	Contractual cash flows *				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
(i) Borrowings **	2,960.42	3,419.05	1,339.96	1,866.79	212.30	-
(ii) Lease liabilities **	2,032.33	2,622.98	1,171.58	1,152.73	173.72	124.95
(iii) Other non-current financial liabilities	808.32	808.32	-	-	-	808.32
Current financial liabilities						
(i) Short term borrowings	8,581.89	8,581.89	8,581.89	-	-	-
(ii) Trade payables	47,999.10	47,999.10	47,999.10	-	-	-
(iii) Other financial liabilities	3,294.32	3,294.32	3,294.32	-	-	-
	65,676.38	66,725.66	62,386.85	3,019.52	386.02	933.27

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)
43. Financial instruments (contd...)

As at 31st March 2019

INR in Lacs

	Carrying amount	Contractual cash flows *				
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
(i) Borrowings **	4,292.20	5,034.30	2,036.78	2,600.49	397.03	-
(ii) Lease liabilities **	-	-	-	-	-	-
(iii) Other non current financial liabilities	810.93	810.93	-	-	-	810.93
Current financial liabilities						
(i) Short term borrowings	6,672.82	6,672.82	6,672.82	-	-	-
(ii) Trade payables	41,509.54	41,509.54	41,509.54	-	-	-
(iii) Other financial liabilities	2,599.47	2,599.47	2,599.47	-	-	-
	55,884.96	56,627.06	52,818.61	2,600.49	397.03	810.93

* Contractual cash flows includes interest payout in the respective years on borrowings.

** Includes current and non-current portions.

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:

Group's interest rate risk arises primarily from borrowings. The interest rate profile of the group's interest-bearing financial instruments is as follows.

	As at 31st March 2020 INR in Lacs	As at 31st March 2019 INR in Lacs
Fixed rate instruments		
Financial assets - measured at amortised cost		
Loans to related parties	209.49	225.72
Other bank balances - On deposit account	10,476.15	8,699.38
Other bank balances - On margin money account	16,619.73	15,780.15
	27,305.37	24,705.25
Financial liabilities - measured at amortised cost		
Long term borrowing *	1,815.70	2,735.35
Short term borrowings	510.08	866.03
	2,325.78	3,601.38
Variable rate loan		
Financial liabilities - measured at amortised cost		
Long term borrowings *	1,144.72	1,556.85
Short term borrowings	8,071.81	5,806.79
	9,216.53	7,363.64

* Including current maturity of long term borrowings

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**43. Financial instruments (contd...)**Fair value sensitivity analysis for fixed-rate instruments:

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

Cash flow sensitivity analysis for variable-rate instruments:

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

	31st March 2020		31st March 2019	
	Increase (-) INR in Lacs	Decrease + INR in Lacs	Increase (-) INR in Lacs	Decrease + INR in Lacs
1% Movement	(92.17)	92.17	(73.64)	73.64

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

(iv) Market risk

The group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates to the floating rate debt obligations.

Foreign currency risk

The group is exposed to currency risk on account of its revenue generating and operating activities in foreign currency. The functional currency of the group is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed in recent periods and may continue to fluctuate in the future.

Exposure to currency risk:

The currency profile of financial assets and financial liabilities as at 31st March 2020 and 31st March 2019 are as below:

As at 31st March 2020**INR in Lacs**

	USD	EUR	SAR	AED	Others
Financial assets					
Loans to subsidiaries	336.91	-	-	-	-
Cash and cash equivalents	3,514.01	-	-	370.10	224.06
Trade and other receivables	13,110.33	-	348.01	1,424.55	303.89
	16,961.25	-	348.01	1,794.65	527.95
Less: Forward exchange contracts	(1,779.11)	-	-	-	-
Less: Natural hedge	(4,542.72)	-	(12.99)	(402.33)	(498.91)
Net exposure on financial assets	10,639.42	-	335.02	1,392.32	29.04
Financial liabilities					
Trade and other payables	4,210.82	280.83	12.99	402.33	971.98
Borrowings	331.90	-	-	-	-
	4,542.72	280.83	12.99	402.33	971.98
Less: Forward exchange contracts	-	-	-	-	-
Less: Natural hedge	(4,542.72)	-	(12.99)	(402.33)	(498.91)
Net exposure on Financial liabilities	-	280.83	-	-	473.07
Total net exposure	10,639.42	280.83	335.02	1,392.32	502.11

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)
43. Financial instruments (contd...)

As at 31st March 2019

INR in Lacs

	USD	EUR	SAR	AED	Others
Financial assets					
Loans to subsidiaries	300.05	-	-	-	-
Cash and cash equivalents	973.06	-	-	382.81	129.73
Trade and other receivables	13,448.92	-	560.64	1,447.09	205.10
	14,722.03	-	560.64	1,829.90	334.83
Less: Forward exchange contracts	(1,941.42)	-	-	-	-
Less: Natural hedge	(4,549.48)	-	(37.48)	(43.38)	(315.86)
Net exposure on financial assets	8,231.13	-	523.16	1,786.52	18.97
Financial liabilities					
Trade and other payables	4,358.89	75.92	37.48	43.38	472.67
Borrowings	190.59	-	-	-	-
	4,549.48	75.92	37.48	43.38	472.67
Less: Forward exchange contracts	-	-	-	-	-
Less: Natural hedge	(4,549.48)	-	(37.48)	(43.38)	(315.86)
Net exposure on Financial liabilities	-	75.92	-	-	156.81
Total net exposure	8,231.13	75.92	523.16	1,786.52	175.78

Sensitivity analysis:

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currency at 31st March would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

INR in Lacs

	Profit or loss			
	31st March 2020		31st March 2019	
	Strengthening	Weakening	Strengthening	Weakening
1% movement				
USD	106.39	(106.39)	82.31	(82.31)
EUR	2.81	(2.81)	0.76	(0.76)
SAR	3.35	(3.35)	5.23	(5.23)
AED	13.92	(13.92)	17.87	(17.87)
Others	5.02	(5.02)	1.76	(1.76)
	131.49	(131.49)	107.93	(107.93)

44. Disclosure as per Ind AS 115

- (a) The group offers wide range of solutions across the water cycle from pre-treatment to process water treatment, waste water treatment, recycle, zero liquid discharge, sewage treatment, packaged drinking water, sea water desalination etc. The group is also engaged in manufacturing resins, speciality chemicals for water and waste water treatment as well as non-water applications.

The type of work in the contracts with the customers involves designing, engineering supply of materials, installation and commissioning of the plant, project management, operations and maintenance. The effect of initially applying Ind AS 115 on the group's revenue from contracts with customers is described in note 3.16.

- (b) Revenue disaggregation as per industry vertical and geography has been included in segment information - Refer note 45.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**44. Disclosure as per Ind AS 115 (contd...)**

(c) Contract balances

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

INR in Lacs

Particulars	As at 31st March 2020	As at 31st March 2019
Receivables which are included in trade and other receivables	27,444.51	21,901.41
Contract assets	Nil	Nil
- Accrued value of work done net off provision		
Contract liabilities		
- Unearned revenue on construction contracts	9,078.15	-
- Advance from clients	17,302.09	25,303.18

As on 31st March 2020, revenue recognised in the current year is INR Nil (2018-19 INR Nil) from performance obligations satisfied/partially satisfied in the previous year

(d) Performance obligation

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

The group recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the group's input methods of revenue recognition as the amounts are not reflective of our transferring control of the plant to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the group recognises the entire estimated loss in the period the loss becomes known.

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.

- (e) Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.
- (f) 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.
- (g) Revenue related to fixed price maintenance and support services contracts where the group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance
- (h) Reconciliation of revenue recognised in the statement of profit and loss

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

INR in Lacs

Particulars	31st March 2020	31st March 2019
Revenue recognised	147,982.68	116,228.49
Add: Incentives	-	-
Less: Liquidated damages	-	-
Revenue recognised in the statement of profit and loss	147,982.68	116,228.49

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)
45. Segment
I. Information about business segments
INR in Lacs

	Engineering		Chemicals		Consumer Products		Other Business		Unallocated		Total
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	
Revenue											
External sales	90,437.32	64,885.17	44,889.79	40,273.17	12,564.65	10,990.99	2.29	2.15	88.63	77.01	147,982.68
Inter-segmental sales	3,419.37	3,620.11	2,000.18	2,063.62	-	0.03	-	-	-	-	5,419.55
Total revenue	93,856.69	68,505.28	46,889.97	42,336.79	12,564.65	10,991.02	2.29	2.15	88.63	77.01	153,402.23
Less: Eliminations											(5,419.55)
Add : Interest income									2,207.83	2,023.28	2,207.83
Other income	1,074.34	627.65	34.61	62.08	2.40	0.06	67.19	118.20	150.18	502.35	1,328.72
Total enterprise revenue											151,519.23
Result											
Segment results	7,699.08	5,605.33	7,337.35	5,637.73	(703.44)	(268.76)	(58.66)	17.85	(1,854.55)	(984.39)	14,274.33
Unallocated expenditure net of unallocated income											(984.39)
Finance cost											
Interest income											
Profit before taxation											
Other Information											
Segment assets	93,767.89	80,963.48	28,279.28	23,613.12	3,819.37	3,523.79	1,297.41	939.24	11,054.56	7,484.99	138,218.51
Segment liabilities	72,151.41	63,750.37	12,314.05	12,730.63	2,818.22	2,297.74	227.93	230.57	14,198.92	11,293.84	101,710.53
Capital expenditure	329.28	590.96	2,958.75	1,846.01	17.47	36.99	-	-	197.34	224.92	3,502.84
Depreciation	831.75	757.14	1,116.52	978.83	45.09	42.05	5.68	6.04	367.22	174.90	2,366.26
Non cash expenditure other than depreciation	793.98	790.95	787.12	556.97	125.16	66.92	0.49	1.92	(202.84)	(112.78)	1,503.91

II. Information about geographical segments
INR in Lacs

	India		Outside India		Total
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	
External revenue	91,558.01	80,011.11	56,424.67	36,217.38	147,982.68
Carrying amount of segment assets	116,272.65	95,485.98	21,945.86	21,038.64	138,218.51
Additions to property, plant and equipment	3,461.65	2,634.33	41.19	64.55	3,502.84

III. Notes:

- (a) The group's operations are organized into three business segments, namely:
Engineering division – comprising of water treatment plants, spares and services in connection with the plants.
Chemicals – comprising of resins, water treatment chemicals and speciality chemicals.
Consumer Products – comprising of water purification equipments for homes, institutions and communities
- (b) The segment revenue in the geographical segments considered for disclosure are as follows:
Revenue within India includes sales to customers located within India and earnings in India. Revenue outside India includes sales to customers located outside India and earnings outside India.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**46. Related party disclosures** (As identified by the management):

a)	Associates	Aquanomics Systems Ltd. IEI Water-Tech (M) Sdn. Bhd., Malaysia * Ion Exchange PSS Co. Ltd., Thailand * Ion Exchange Financial Products Pvt. Ltd. *
b)	Key management personnel	Mr. Rajesh Sharma - Chairman & Managing Director Mr. Dinesh Sharma - Executive Director Mr. Aankur Patni - Executive Director
c)	Non-executive directors	Dr. V. N. Gupchup Mr. M. P. Patni Mr. T. M. M. Nambiar Mr. P. Sampathkumar Mr. Abhiram Seth Mr. Shishir Tamotia Mrs. Kishori Udeshi
d)	Relatives of key management personnel	Mr. Mahabir Patni - Father of Mr. Aankur Patni Mrs. Nirmala Patni - Mother of Mr. Aankur Patni Mrs. Aruna Sharma - Wife of Mr. Rajesh Sharma Mrs. Poonam Sharma - Wife of Mr. Dinesh Sharma Mrs. Nidhi Patni - Wife of Mr. Aankur Patni Ms. Pallavi Sharma - Daughter of Mr. Rajesh Sharma
e)	Enterprise owned or significantly influenced by key management personnel or their relatives	Ion Foundation
f)	Post-employment benefit plans	Ion Exchange (India) Ltd.'s Provident Institution Ion Exchange (India) Ltd.'s Management Staff Gratuity Fund Ion Exchange Staff Superannuation Scheme Ion Exchange India Ltd. – Gratuity Fund Trust

* Associate companies of subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)
46. Related party disclosures (contd...)

I. Transactions during the year with related parties with outstanding balances as at year-end:

INR in Lacs

Particulars	Associates		Others		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Sale of goods *						
Aquanomics Systems Ltd.	6,309.85	5,597.91	-	-	6,309.85	5,597.91
Ion Exchange PSS Co. Ltd., Thailand	123.81	105.45	-	-	123.81	105.45
Ion Foundation	-	-	12.87	22.81	12.87	22.81
Total	6,433.66	5,703.36	12.87	22.81	6,446.53	5,726.17
Management fees						
Aquanomics Systems Ltd.	88.56	77.00	-	-	88.56	77.00
Total	88.56	77.00	-	-	88.56	77.00
Purchase of goods *						
Aquanomics Systems Ltd.	170.54	81.25	-	-	170.54	81.25
Ion Exchange PSS Co. Ltd., Thailand	23.67	-	-	-	23.67	-
Total	194.21	81.25	-	-	194.21	81.25
Loans and advances given						
Ion Exchange PSS Co. Ltd.	-	116.59	-	-	-	116.59
Ion Foundation	-	-	-	0.03	-	0.03
Total	-	116.59	-	0.03	-	116.62
Loans and advances repaid						
Ion Exchange PSS Co. Ltd.	35.85	-	-	-	35.85	-
Ion Exchange Financial Products Pvt. Ltd.	-	2.75	-	-	-	2.75
Ion Foundation	-	-	-	0.03	-	0.03
Total	35.85	2.75	-	0.03	35.85	2.78
Dividend paid						
Aquanomics Systems Ltd.	0.09	0.04	-	-	0.09	0.04
Ion Exchange Financial Products Pvt. Ltd.	4.54	1.76	-	-	4.54	1.76
Mr. Rajesh Sharma	-	-	72.28	27.34	72.28	27.34
Mr. Dinesh Sharma	-	-	54.94	20.60	54.94	20.60
Mr. Aankur Patni	-	-	24.75	8.91	24.75	8.91
Mr. Mahabir Prasad Patni	-	-	66.03	24.91	66.03	24.91
Dr. V. N. Gupchup	-	-	9.88	3.80	9.88	3.80
Mr. Abhiram Seth	-	-	10.51	2.76	10.51	2.76
Mr. T. M. M. Nambiar	-	-	6.27	1.97	6.27	1.97
Mr. P. Sampath Kumar	-	-	4.87	0.88	4.87	0.88
Mr. Shishir Tamotia	-	-	0.15	-	0.15	-
Relatives of Key Management Personnel	-	-	15.20	5.91	15.20	5.91
Total	4.63	1.80	264.88	97.08	269.51	98.88

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**46. Related party disclosures (contd...)**

I. Transactions during the year with related parties with outstanding balances as at year-end: (contd...)

INR in Lacs

Particulars	Associates		Others		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Remuneration to directors						
Mr. Rajesh Sharma	-	-	442.70	409.22	442.70	409.22
Mr. Dinesh Sharma	-	-	188.46	177.41	188.46	177.41
Mr. Mahabir Prasad Patni	-	-	95.58	90.72	95.58	90.72
Mr. Aankur Patni	-	-	191.45	174.13	191.45	174.13
Total	-	-	918.19	851.48	918.19	851.48
Commission to executive directors						
Mr. Rajesh Sharma	-	-	100.00	75.00	100.00	75.00
Mr. Dinesh Sharma	-	-	50.00	37.50	50.00	37.50
Mr. Aankur Patni	-	-	50.00	37.50	50.00	37.50
Total	-	-	200.00	150.00	200.00	150.00
Director sitting fees						
Mr. Rajesh Sharma	-	-	1.25	1.25	1.25	1.25
Mr. Dinesh Sharma	-	-	1.00	1.00	1.00	1.00
Mr. Aankur Patni	-	-	1.00	1.25	1.00	1.25
Mr. Mahabir Prasad Patni	-	-	4.50	3.50	4.50	3.50
Dr. V. N. Gupchup	-	-	7.55	7.40	7.55	7.40
Mr. T. M. M. Nambiar	-	-	6.60	5.70	6.60	5.70
Mr. P. Sampath Kumar	-	-	3.75	2.75	3.75	2.75
Mr. Abhiram Seth	-	-	6.45	5.95	6.45	5.95
Mr. Shishir Tamotia	-	-	4.25	3.25	4.25	3.25
Mrs. Kishori Udeshi	-	-	4.85	3.85	4.85	3.85
Total	-	-	41.20	35.90	41.20	35.90
Directors commission						
Mr. Mahabir Prasad Patni	-	-	18.50	14.00	18.50	14.00
Dr. V. N. Gupchup	-	-	18.50	14.00	18.50	14.00
Mr. T. M. M. Nambiar	-	-	18.50	14.00	18.50	14.00
Mr. P. Sampath Kumar	-	-	18.50	14.00	18.50	14.00
Mr. Abhiram Seth	-	-	18.50	14.00	18.50	14.00
Mr. Shishir Tamotia	-	-	18.50	14.00	18.50	14.00
Mrs. Kishori Udeshi	-	-	18.50	14.00	18.50	14.00
Total	-	-	129.50	98.00	129.50	98.00
CSR expenses						
Ion Foundation	-	-	160.32	124.40	160.32	124.40
Total	-	-	160.32	124.40	160.32	124.40
Corporate guarantees discharged						
Ion Exchange PSS Co. Ltd.	39.38	-	-	-	39.38	-
Total	39.38	-	-	-	39.38	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)
46. Related party disclosures (contd...)

I. Transactions during the year with related parties with outstanding balances as at year-end: (contd...)

INR in Lacs

Particulars	Associates		Others		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Contribution to post-employment benefit plans						
Ion Exchange (India) Ltd.'s Provident Institution	-	-	202.68	164.16	202.68	164.16
Ion Exchange (India) Ltd.'s Management Staff Gratuity Fund	-	-	162.50	123.00	162.50	123.00
Ion Exchange Staff Superannuation Scheme	-	-	133.73	155.26	133.73	155.26
Ion Exchange India Ltd. – Gratuity Fund Trust	-	-	24.24	41.30	24.24	41.30
Total	-	-	523.15	483.72	523.15	483.72
Outstanding loans and advances						
Ion Exchange Financial Products Pvt. Ltd.**	19.50	19.50	-	-	19.50	19.50
Ion Exchange PSS Co. Ltd.	209.49	225.72	-	-	209.49	225.72
Total	228.99	245.22	-	-	228.99	245.22
Advance to suppliers						
Ion Exchange PSS Co. Ltd.	14.44	-	-	-	14.44	-
Total	14.44	-	-	-	14.44	-
Outstanding receivables (Net of payable) excluding loans and advances						
Aquanomics Systems Ltd.	1,733.07	1,411.16	-	-	1,733.07	1,411.16
IEI Water Tech (M) Sdn. Bhd., Malaysia	3.52	3.23	-	-	3.52	3.23
Ion Exchange PSS Co. Ltd., Thailand	574.03	436.99	-	-	574.03	436.99
Ion Foundation	-	-	4.87	-	4.87	-
Total	2,310.62	1,851.38	4.87	-	2,315.49	1,851.38
Corporate guarantees (Outstanding)						
Aquanomics Systems Ltd.	1,100.00	1,100.00	-	-	1,100.00	1,100.00
Ion Exchange PSS Co. Ltd., Thailand	115.58	148.46	-	-	115.58	148.46
Total	1,215.58	1,248.46	-	-	1,215.58	1,248.46

* Gross amount has been considered.

** Provision has been made in respect of the said amount.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**47. (a) Provisional registration by SEBI**

In response to the SEBI (Collective Investment Schemes) Regulations, 1999 (the "Guidelines"), notified by Securities and Exchange Board of India (SEBI) on 15th October 1999, Ion Exchange Enviro Farms Limited (IEEFL) had applied for registration to SEBI on 14th December 1999. In response, SEBI had granted provisional registration to IEEFL on 13th February 2001, subject to certain conditions. The provisional registration was subsequently extended and expired on 13th February 2003.

IEEFL applied to SEBI seeking exemptions from provisions of the regulations, because it was not able to comply with certain requirements of SEBI (CIS) Regulations, 1999. The SEBI did not grant exemption and further vide letter dated 7th January 2003, SEBI called upon IEEFL to show cause why the provisional registration granted to it should not be revoked. After hearing IEEFL's submission, SEBI vide order dated 27th November 2003 directed IEEFL to wind up the scheme and refund the monies with returns to investors.

Against the aforesaid order IEEFL filed an appeal before Securities Appellate Tribunal (SAT) which vide its order pronounced on 5th May 2006 upheld that SEBI order in so far as it relates to refund the monies along with the return to the investors by IEEFL and to wind up of the scheme.

IEEFL had filed appeal against the order of SAT in Hon'ble Supreme Court of India on 4th July 2006. The Hon'ble Supreme Court of India dismissed the IEEFL's appeal on 26th February 2013. IEEFL, in order to comply with SAT order dated 5th May 2006 had submitted a letter on 17th May 2013 to SEBI seeking its directions to comply with the SAT order.

Subsequent to this there was a meeting with SEBI officials on 27th November 2013, wherein some additional details about compliance of the scheme and financial results etc were called for which have been duly complied with vide letter dated 13th December, 2013. Pursuant to this, IEEFL has initiated actions in line with the aforesaid meetings with SEBI officials and letters submitted to SEBI.

Subsequent to SEBI order of 30th December 2015, for closure of the CIS Scheme (which inter-alia included directions to refund INR 2006 Lacs to investors, as per the earlier order of 27th November 2003) IEEFL was granted a personal hearing on 3rd February 2016 and additional information called for was submitted on 23rd March 2016. IEEFL had requested permission to wind up the scheme in terms of rule 73(1) to (9) of CIS Regulations as it has completed all obligations towards the investors, i.e. sale of lands and development and maintaining the lands thereafter, as per agreements.

As SEBI refused to accede to IEEFL's request, IEEFL has preferred a fresh appeal at Securities Appellate Tribunal (SAT) on 9th February 2017 - appeal No. (I) 40 of 2017- citing practical difficulties in execution of the SEBI order for refund to all investors as investors have already received their lands / refunds as per the agreements.

IEEFL's plea in SAT is for issuing suitable directions to SEBI for verifying the documentary proofs submitted by IEEFL for conveying of lands, refunds made and thereafter calling outstanding claims, if any, and thereafter declaring wind up of the scheme in terms of the CIS Regulations. Appeal has been already admitted by SAT and certain hearings have also taken place.

The appeal was heard and vide order dated 18th October, 2019 SAT has dismissed the appeal. IEEFL had filed a review petition before the SAT, Mumbai on 3rd December 2019 for correction of factual errors in the said order. Further, based on the legal advice, pending final order from SAT on the review petition, an appeal is filed in the Supreme Court against order of SAT on 18th February 2020.

(b) Administrators appointment:

SEBI on 25th April 2019 under SEBI (Appointment of Administrator and Procedure for Refunding of Investors) Regulations 2018 has appointed an administrator for selling the land at Goa (Quepam) of IEEFL and recovering the dues vide letter dated 30th April 2019. IEEFL has requested the Recovery Office of SEBI to keep the proceedings in abeyance. Further, in view of the above developments the proceedings are in abeyance or on hold as on date.

48. Maintenance expenses recoverable of Ion Exchange Enviro Farms Limited (IEEFL), represent expenses incurred on sites sold under the scheme, which are to be recovered from future income generated by sale of intercrops and main crops. The recovery is dependent on farm activities. The Management expects that there will be sufficient future returns from crop/land sales to completely recover all these expenses.

No provision is considered necessary by the management for the balance as at the end of INR 263.48 Lacs (31st March 2019: INR 263.48 Lacs) as future returns from crop sales and sale of land will be available to recover the same.

49. Security deposit for land INR 238.88 Lacs (31st March 2019: INR 238.88 Lacs) represents amount paid by Ion Exchange Enviro Farms Limited (IEEFL) for acquiring agricultural land, inclusive of stamp duty and registration charges, which are unsold as at 31st March 2020. IEEFL has conducted valuation of land and found the market value are higher than the original cost and hence IEEFL has not made provision for the same.

50. Advances for repurchase INR 323.91 Lacs (31st March 2019: INR 319.31 Lacs) represents amounts paid by Ion Exchange Enviro Farms Limited (IEEFL) to investors for purchase of sites sold to them in earlier years, at prices announced by the IEEFL from time to time. These amounts are paid to investors on their execution of an irrevocable Power of Attorney in favour of the IEEFL's nominees for sale thereof at future date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

51. Capital expenditure incurred on research and development during the year is INR 1,516.74 Lacs (2018-19: INR 65.00 Lacs). Revenue expenditure of INR 830.39 Lacs (2018-19: INR 736.96 Lacs) incurred on research and development has been expensed to the statement of profit and loss under various expense heads.

52. Lease

Operating Lease

Group as lessor:

The group has entered into commercial property lease of its surplus office. The lease agreement is for 5 years. The lease includes a clause to enable upward revision by 15% after completion of 3 years from the date of commencement of the lease agreement.

Further minimum rentals receivable under non-cancellable operating lease are as follows:

	31st March 2020 INR in Lacs	31st March 2019 INR in Lacs
Within one year	117.98	21.60
After one year but not more than five years	224.17	70.38
More than five years	Nil	Nil

53. Right-of-use assets

Effective 1st April 2019 the group has adopted Ind AS 116 "Leases" and applied to lease contracts existing on 1st April 2019 by electing "modified retrospective approach". Accordingly, comparatives for the year ended 31st March 2019 have not been retrospectively adjusted and the group has taken the cumulative adjustment to retained earnings on the date of initial application. On transition, the adoption of the new standard resulted in recognition of Right-of-use assets of INR 430.14 Lacs and a lease liability of INR 400.62 Lacs. The cumulative effective of applying the standard resulted in adjusting the retained earnings as at 1st April 2019 with INR 29.51 Lacs. Further WDV of Leasehold Lands, Plant and Machinery and Office Equipment of INR 335.99 Lacs, INR 1,608.86 Lacs, INR 251.14 Lacs respectively has been reclassified from Property, plant and equipment to Right-to-use 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 2020 is as follows

INR in Lacs

Particulars	Amount
Short-term lease expense	522.63
Low value lease expense	-
Total lease expenses	522.63

The break-up of Cash outflow on leases during the year ended 31st March 2020 is as follows

INR in Lacs

Particulars	Amount
Repayment of lease liabilities	1,089.39
Interest on lease liabilities	170.75
Short-term lease expense	522.63
Low value lease expense	-
Total cash outflow on leases	1,782.77

The break-up of current and non-current lease liabilities as at 31st March 2020 is as follows

INR in Lacs

Particulars	Amount
Current lease liabilities	974.98
Non-current lease liabilities	1,057.35
Total	2,032.33

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**53. Right-of-use assets (contd...)****The movement in lease liabilities during the year ended 31st March 2020****INR in Lacs**

Particulars	Amount
Balance at the beginning	-
Additions	3,151.23
Finance cost accrued during the period	170.75
Deletions	-
Payment of lease liabilities	(1,260.14)
Translation difference	(29.51)
Balance at the end	2,032.33

The details of the contractual maturities of lease liabilities as at 31st March 2020 on an undiscounted basis are as follows**INR in Lacs**

Particulars	Amount
Less than one year	150.80
One to five year	2,329.96
More than five year	147.50
Total	2,628.26

54. Capital and other commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account not provided for is INR 257.90 Lacs (31st March 2019: INR 304.14 Lacs).

55. Contingent liabilities

Contingent liabilities not provided for:

- (a) Guarantee given by the group on behalf of:
 - i) Associates – INR 1,215.58 Lacs (31st March 2019: INR 1,248.46 Lacs)
 - ii) Others – INR 38.88 Lacs (31st March 2019: INR 38.88 Lacs)
- (b) Demand raised by authorities against which the group has filed an appeal.
 - i) Income tax – INR 412.87 Lacs (31st March 2019: INR 329.56 Lacs)
 - ii) Excise duty – INR 22.80 Lacs (31st March 2019: INR 16.79 Lacs)
 - iii) Service tax – INR 5.61 Lacs (31st March 2019: INR 5.84 Lacs)
 - iv) Sales tax / VAT – INR 1,840.98 Lacs (31st March 2019: INR 1,664.89 Lacs)
- (c) Claims against the group arising in the course of business not acknowledged as debts (to the extent ascertainable) INR 1,747.41 Lacs (31st March 2019: INR 1,747.41 Lacs).

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

56. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 (on the basis of the information and records available with Management)

	31st March 2020 INR in Lacs	31st March 2019 INR in Lacs
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	842.03	553.91
Interest due on above	10.17	23.43
	852.20	577.34
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	72.98	62.81
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

57. Capital advance includes amount of INR 25.33 Lacs (31st March 2019: INR 25.33 Lacs) paid for acquiring furnished office premises at Hyderabad, the ownership of which is under legal dispute for which transfer formalities are in progress.

58. **Equity accounted investees**

Information of interest of the group in its equity accounted investees:

	Note reference	31st March 2020	31st March 2019
		INR in Lacs	INR in Lacs
Interest in Associates	See Note (A) below	374.52	344.37

[A] Interest in joint ventures

(I) List of material associates of the group

Sr No	Name	Country of Incorporation	Proportion of Ownership Interest	
			31st March 2020	31st March 2019
1	Aquanomics Systems Limited	India	48.42%	48.42%

The principal place of business of the entity listed above is the same as their respective country of incorporation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**58. Equity accounted investees (contd...)**Fair Value of material listed associates

There is no material listed associate of the Group

The following table comprises the financial information of the group's material associates and their respective carrying amount.

	Aquanomics Systems Limited	
	31st March 2020	31st March 2019
	INR in Lacs	INR in Lacs
Percentage ownership interest	48.42%	48.42%
Summarised financial information (Net of consolidated adjustments)		
Non-current assets	284.47	80.29
Current assets (Excluding cash and cash equivalent)	3,106.53	2,899.51
Cash and cash equivalent	163.36	292.68
Non Current liabilities (Non current liabilities other than trade payables and other Non-current liabilities and provisions)	(75.10)	(29.59)
Current liabilities (Current liabilities other than trade payables and other current liabilities)	(267.76)	(9.69)
Trade payables and other current liabilities	(2,402.30)	(2,521.99)
Net assets	809.20	711.21
Groups share of net assets	374.52	344.37
Carrying amount of interest in associates	374.52	344.37

	Aquanomics Systems Limited	
	Year ended 31st March 2020	Year ended 31st March 2019
	INR in Lacs	INR in Lacs
Revenue	8,871.64	7,740.41
Depreciation and amortization	54.47	8.25
Interest Expense	40.85	24.51
Income tax expense	62.21	74.24
Other Comprehensive Income	(4.62)	(0.01)
Total comprehensive income	79.76	118.22
Groups share of profit	38.62	57.24
Consolidated adjustments	5.33	3.00
Groups share of OCI	-	-
Groups share of total comprehensive Income	43.95	60.24
Dividend received from the associate	13.80	13.80

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

59. Non controlling interests

Below is the list of partly owned subsidiaries of the group and the respective share of the non-controlling interests.

Sr No	Name	Country of incorporation	Non-controlling interest	
			31st March 2020	31st March 2019
1	Ion Exchange And Co. LLC	Oman	49.00%	49.00%
2	Ion Exchange Safic Pty Ltd.	South Africa	40.00%	40.00%
3	Global Composites And Structural Ltd.	India	26.08%	26.08%
4	Ion Exchange Enviro Farms Ltd.	India	20.40%	20.40%
5	Ion Exchange Projects and Engineering Ltd.	India	8.19%	8.19%
6	Aqua Investments (India) Ltd.	India	0.58%	0.58%
7	Watercare Investments (India) Ltd.	India	0.57%	0.57%
8	Total Water Management Services (India) Ltd.	India	29.81%	29.81%
9	PT Ion Exchange Asia Pacific	Indonesia	5.00%	5.00%
10	Ion Exchange Arabia For Water	Saudi Arabia	40.00%	-

The following table comprises the information relating to each of the groups subsidiaries that has material NCI, before any intra group eliminations.

31st March 2020

INR in Lacs

Particulars	Ion Exchange And Co LLC - Oman *	Ion Exchange Safic Pty Ltd. *	Global Composites and Structural Ltd.	Ion Exchange Enviro Farms Ltd.
NCI percentage	49.00%	40.00%	26.08%	20.40%
Non current assets	105.56	90.39	469.68	1,247.43
Current assets	1,507.09	386.03	350.24	13.16
Non current liabilities	(52.38)	-	-	(3,760.80)
Current liabilities	(558.14)	(907.11)	(2,572.00)	(909.82)
Net assets	1,002.13	(430.69)	(1,752.08)	(3,410.03)
Net assets attributable to NCI	491.04	(172.28)	(456.94)	(695.65)
Revenue	2,266.59	805.76	1,046.65	135.26
Profit/(Loss)	289.68	(110.54)	27.62	(418.82)
Other comprehensive income	-	-	-	(1.13)
Total comprehensive income	289.68	(110.54)	27.62	(419.95)
Profit / (Loss) allocated to NCI	141.94	(44.22)	7.20	(85.44)
OCI allocated to NCI	-	-	-	-
Total comprehensive income allocated to NCI	141.94	(44.22)	7.20	(85.44)
Cash flow from operating activities	348.15	(157.34)	230.33	9.07
Cash flow from investing activities	(15.61)	(5.00)	(1.47)	-
Cash flow from financing activities	(233.43)	155.28	(228.83)	(13.65)
Net increase /(decrease) in cash and cash equivalents	99.11	7.06	0.03	4.58
Dividends paid to Non-controlling interest	107.80	-	-	-

* Adapted as per Ind AS for consolidation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**59. Non controlling interests (contd...)**

31st March 2019

INR in Lacs

Particulars	Ion Exchange And Co LLC - Oman *	Ion Exchange Safic Pty Ltd. *	Global Composites and Structurals Ltd.	Ion Exchange Enviro Farms Ltd.
NCI percentage	49.00%	40.00%	26.08%	20.40%
Non current assets	126.67	18.19	501.49	1,248.24
Current assets	1,181.77	356.86	451.00	23.87
Non current liabilities	(40.74)	-	-	(3,767.62)
Current liabilities	(406.18)	(764.89)	(2,751.18)	(495.69)
Net assets	861.52	(389.84)	(1,798.69)	(2,991.20)
Net assets attributable to NCI	422.14	(155.94)	(469.10)	(610.20)
Revenue	2,245.79	801.11	1,001.34	186.27
Profit/(Loss)	285.38	(101.02)	(58.93)	(300.25)
Other comprehensive income	-	-	-	0.18
Total comprehensive income	285.38	(101.02)	(58.93)	(300.07)
Profit / (Loss) allocated to NCI	139.84	(40.41)	(15.37)	(61.21)
OCI allocated to NCI	-	-	-	-
Total comprehensive income allocated to NCI	139.84	(40.41)	(15.37)	(61.21)
Cash flow from operating activities	485.95	(186.46)	236.33	32.17
Cash flow from investing activities	(46.77)	1.10	0.75	-
Cash flow from financing activities	(162.29)	198.97	(236.89)	(32.10)
Net increase /(decrease) in cash and cash equivalents	276.89	13.61	0.19	0.07
Dividends paid to Non-controlling interest	79.74	-	-	-

* Adapted as per Ind AS for consolidation

60. Service concession arrangement

Ion Exchange Purified Drinking Water Private Limited (IEPDWPL), has entered into a service concession arrangement with Indian Railways Catering and Tourism Corporation Limited (IRCTC) the regulator, to construct, operate and maintain a packaged drinking water plant ('The plant').

Under the terms of agreement, the IEPDWPL is to construct, operate and maintain the plant and supply packaged drinking water (PDW) in PET bottles exclusively to regulator for the period starting on the commencement date i.e. 20th December 2013 and ending on 30th September 2029.

The plant will be transferred to IRCTC at the end of the service concession period.

The IEPDWPL in turn has a right to charge the regulator at the agreed rate as stated in the service concession arrangement. Further, IRCTC has assured minimum sales volume during the concession period.

61. In the financial year 2018-19, Ion Exchange Environment Management Ltd. (formerly known as Ion Exchange Waterleau Ltd.) a joint venture of the company became a wholly owned subsidiary of the company w.e.f. 20th August 2018. On acquisition a goodwill of INR 863.10 Lacs had been created

62. In the financial year 2018-19, Ion Exchange And Company LLC, Oman had applied transition relief on introducing of expected credit loss method for the impairment of financial assets and difference arising from the adoption of expected credit loss method in relation to classification, measurement and impairment total amounting to INR 100.87 Lacs was recognized. The same was debited to retained earnings INR 50.84 Lacs and minority interest INR 50.03 Lacs.

63. Capital Management

The group'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 makes necessary adjustments in the capital structure for the development of the business.

The group's debt to equity ratio as at 31st March 2020 was 0.32 (31st March 2019: 0.42)

Note : For the purpose of computing debt to equity ratio, Equity includes Equity share capital and Other equity and Debt includes Long term borrowings, Short term borrowings and Current maturities of long term borrowings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)

64. Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interest for the year ending 31st March 2020

	Name of the entity	Country of incorporation	Net assets, i.e. total assets, minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount INR in Lacs	As % of consolidated profit and loss	Amount INR in Lacs	As % of consolidated other comprehensive income	Amount INR in Lacs	As % of consolidated comprehensive income	Amount INR in Lacs
	Ion Exchange (India) Limited	India	111.55	48,149.38	103.93	9,911.70	(11.11)	(92.14)	94.73	9,819.56
	Subsidiaries									
1	Ion Exchange Enviro Farms Ltd.	India	(7.90)	(3,410.03)	(4.39)	(418.82)	(0.14)	(1.13)	(4.05)	(419.95)
2	Watercare Investments (India) Ltd.	India	2.88	1,244.76	0.24	22.54	47.35	392.59	4.01	415.13
3	Aqua Investments (India) Ltd.	India	3.93	1,697.62	0.31	29.18	65.28	541.32	5.50	570.50
4	Ion Exchange Asia Pacific Pte. Ltd.	Singapore	(0.00)	(2.10)	(0.88)	(84.39)	-	-	(0.81)	(84.39)
5	Ion Exchange Asia Pacific (Thailand) Ltd.	Thailand	(1.58)	(683.57)	(0.38)	(35.89)	-	-	(0.35)	(35.89)
6	PT Ion Exchange Asia Pacific	Indonesia	(0.00)	(0.93)	(1.06)	(100.64)	-	-	(0.97)	(100.64)
7	IEI Environmental Management (M) Sdn. Bhd.	Malaysia	(0.57)	(244.07)	(0.50)	(47.45)	-	-	(0.46)	(47.45)
8	Ion Exchange Environment Management (BD) Ltd.	Bangladesh	0.72	310.98	(0.09)	(8.24)	-	-	(0.08)	(8.24)
9	Ion Exchange WTS (Bangladesh) Ltd.	Bangladesh	(0.01)	(4.78)	(0.01)	(0.38)	-	-	(0.00)	(0.38)
10	Ion Exchange LLC	USA	0.48	207.64	1.82	173.20	-	-	1.67	173.20
11	Ion Exchange And Company LLC *	Oman	2.32	1,002.13	3.04	289.68	-	-	2.79	289.68
12	Ion Exchange Projects And Engineering Ltd.	India	(3.28)	(1,417.86)	(1.67)	(159.40)	(1.25)	(10.33)	(1.64)	(169.73)
13	Global Composites And Structural Ltd.	India	(4.06)	(1,752.08)	0.29	27.62	-	-	0.27	27.62
14	Total Water Management Services (India) Ltd.	India	0.15	65.85	0.19	17.94	-	-	0.17	17.94
15	Ion Exchange Safic Pty. Ltd.	South Africa	(1.00)	(430.69)	(1.09)	(103.51)	-	-	(1.00)	(103.51)
16	Ion Exchange Purified Drinking Water Pvt. Ltd.	India	0.45	192.65	1.64	156.12	-	-	1.51	156.12
17	Ion Exchange Environment Management Ltd. (formerly known as Ion Exchange Waterleau Ltd.)	India	(4.22)	(1,823.00)	(1.00)	(95.62)	(0.13)	(1.09)	(0.93)	(96.71)
18	Ion Exchange Arabia For Water	Saudi Arabia	0.14	59.97	(0.39)	(37.25)	-	-	(0.36)	(37.25)
			100.00	43,161.87	100.00	9,536.39	100.00	829.22	100.00	10,365.61
	a) Adjustment arising out of consolidation			(6,856.46)		(187.95)		(809.31)		(997.26)
	b) Non controlling interest			202.57		52.88		-		52.88
	Total			36,507.98		9,401.32		19.91		9,421.23

*Adapted as per Ind AS for Consolidation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2020 (contd...)**65. 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.

66. Consequent to the government of India declaring a national lockdown on 24th March 2020, the business operations of the group were affected by way of interruption in production, supply chain disruption, unavailability of personnel, closure/ lock down of production facilities, etc.

However, pursuant to the permissions/directions received from the respective local government administration, the operations at its manufacturing locations partially resumed during the lockdown period. Currently with the phase wise lifting of the lockdown, all our manufacturing operations and offices at most of the locations are functional and are following enhanced internal safety guidelines.

Recently, the group has received the necessary permissions from the Sri Lanka Government to resume civil works for the major project being executed in Sri Lanka.

The group has assessed the potential impact of Covid-19 on its capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements. The group's liquidity position is adequate to meet its commitments.

The group has also assessed the potential impact of Covid-19 on the carrying value of property, plant and equipment, right of-use-assets, intangible assets, investments, trade receivables, inventories, and other current assets appearing in the financials of the group. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the group as at the date of approval of these financials has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financials and the group will continue to closely monitor any material changes to future economic conditions.

67. Information with regard to other matters, as required by Schedule III to the Act is either nil or not applicable to the group for the year.

As per our report of even date

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

For and on behalf of the board of directors of
ION EXCHANGE (INDIA) LIMITED
CIN - L74999MH1964PLC014258

BHAVESH DHUPELIA
Partner
Membership no.: 042070

RAJESH SHARMA
Chairman & Managing Director
DIN - 00515486

M. P. PATNI
Director
DIN - 00515553

MILIND PURANIK
Company Secretary

Place : Mumbai
Date : 25th June 2020

N. M. RANADIVE
Executive Vice President - Finance

Place : Mumbai
Date : 25th June 2020

FORM AOC - 1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rule, 2014]
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part A : Subsidiaries

Sr. no.	Name of the subsidiary	The date since when subsidiary	Financial year ending on	Country of incorporation	Reporting currency	Exchange rate as at 31.03.2020	Equity Share capital	Other Equity	Total assets	Total liabilities	Investments (including investments in holding company, subsidiaries and associates)	Total income (including other income)	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Other comprehensive income	Total comprehensive income	Proposed dividend (including dividend already paid, if any)	% of shareholding
1	Ion Exchange Enviro Farms Ltd.	21.08.1997	31.03.2020	India	INR	1.00	69.47	(3,479.50)	1,260.59	4,670.62	-	135.26	(418.82)	-	(418.82)	(1.13)	(419.95)	-	79.60
2	Watercate Investments (India) Ltd.	01.04.1999	31.03.2020	India	INR	1.00	178.02	1,066.74	1,267.00	22.24	1,109.18	28.37	27.18	4.64	22.54	392.59	415.13	-	99.43
3	Aqua Investments (India) Ltd.	01.04.1999	31.03.2020	India	INR	1.00	177.02	1,520.60	1,727.12	29.50	1,529.20	37.40	36.18	7.00	29.18	541.32	570.50	-	99.42
4	Ion Exchange Asia Pacific Pte. Ltd.	12.08.2004	31.03.2020	Singapore	USD	75.3859	1,490.40	(1,492.50)	987.21	989.31	130.04	256.84	(84.39)	-	(84.39)	-	(84.39)	-	100.00
5	Ion Exchange Asia Pacific (Thailand) Ltd. *	12.04.2007	31.03.2020	Thailand	THB	2.2804	91.22	(774.79)	602.20	1,285.77	-	74.33	(35.89)	-	(35.89)	-	(35.89)	-	100.00
6	PTI Ion Exchange Asia Pacific *	01.08.2017	31.03.2020	Indonesia	IDR	0.0046	94.92	(95.85)	208.73	209.66	-	182.10	(100.64)	-	(100.64)	-	(100.64)	-	95.00
7	IEI Environmental Management (M) Sdn. Bhd.	11.03.2004	31.03.2020	Malaysia	MYR	17.3154	43.29	(287.36)	125.66	369.73	-	9.47	(46.84)	0.61	(47.45)	-	(47.45)	-	100.00
8	Ion Exchange Environment Management (BD) Ltd.	01.04.2006	31.03.2020	Bangladesh	BDT	0.8601	48.05	(262.93)	782.18	471.20	-	1,145.70	8.32	16.56	(8.24)	-	(8.24)	-	100.00
9	Ion Exchange WTS (Bangladesh) Ltd.	31.01.2010	31.03.2020	Bangladesh	BDT	0.8601	23.63	(28.41)	-	4.78	-	-	(0.38)	-	(0.38)	-	(0.38)	-	100.00
10	Ion Exchange LLC	01.03.2007	31.03.2020	USA	USD	75.3859	527.70	(320.06)	2,019.30	1,811.66	-	6,822.22	208.43	35.23	173.20	-	173.20	-	100.00
11	Ion Exchange And Company LLC	01.08.2006	31.03.2020	Oman	OMR	193.5495	580.65	(596.71)	1,793.10	615.74	-	2,266.59	251.54	46.01	205.53	-	205.53	232.26	51.00
12	Ion Exchange Projects And Engineering Ltd.	11.04.2011	31.03.2020	India	INR	1.00	1,521.52	(2,939.38)	2,558.06	3,975.92	9.65	2,877.97	(159.40)	-	(159.40)	(10.33)	(169.73)	-	91.81
13	Global Composites And Structural Ltd.	29.03.2012	31.03.2020	India	INR	1.00	293.55	(2,045.63)	819.92	2,572.00	5.00	1,046.65	27.62	-	27.62	-	27.62	-	73.92
14	Total Water Management Services (India) Ltd.	01.04.2012	31.03.2020	India	INR	1.00	10.89	(54.96)	71.69	5.84	-	45.92	24.70	6.75	17.94	-	17.94	-	70.19
15	Ion Exchange Satic Ply. Ltd.	01.07.2012	31.03.2020	South Africa	ZAR	4.1735	0.04	(430.73)	476.43	907.12	-	833.43	(108.98)	(6.47)	(103.51)	-	(103.51)	-	60.00
16	Ion Exchange Purified Drinking Water Pvt. Ltd.	25.09.2013	31.03.2020	India	INR	1.00	1.00	(191.65)	1,245.61	1,052.96	-	1,628.00	211.88	55.77	156.12	-	156.12	-	100.00
17	Ion Exchange Environment Management Ltd. (Formerly known as Ion Exchange Waterleaf Ltd.) **	20.08.2018	31.03.2020	India	INR	1.00	500.00	(2,323.00)	97.09	1,920.09	-	202.37	(95.62)	-	(95.62)	(1.09)	(96.71)	-	100.00
18	Ion Exchange Arabia for Water	20.11.2019	31.03.2020	Saudi Arabia	SAR	19.8316	99.16	(39.19)	283.78	223.81	-	164.91	(37.25)	-	(37.25)	-	(37.25)	-	60.00

* Holding through subsidiary company – Ion Exchange Asia Pacific Pte. Ltd., Singapore

** Ion Exchange Environment Management Ltd. (Formerly known as Ion Exchange Waterleaf Ltd.), a joint venture of the company has become a wholly owned subsidiary of the company w.e.f. 20th August 2018.

Notes :
Subsidiaries yet to commence operation : None
Subsidiaries liquidated or sold during the year : None

Part B : Associates and Joint Ventures

Sr. no.	Name of the Associates / Joint Ventures	Associates			
		IEI Water-Tech (M) Sdn. Bhd. **	Aquanomics Systems Ltd	Ion Exchange Financial Products Pvt. Ltd.*	Ion Exchange PSS Co. Ltd.**
1	Latest audited Balance Sheet Date	31.12.2019	31.03.2020	31.03.2020	31.03.2020
2	Date on which the Associate or Joint Venture was associated or acquired	06.07.2005	31.03.2006	01.04.1999	30.09.2011
3	Share of Associate / Joint Ventures held by company on year end				
	- Number of shares	3,00,000	4,60,000	2,450	14,700
	- Amount of Investment (net of impairment, if any) (INR in Lacs)	-	79.00	0.25	26.65
	- Extent of holding %	30.00%	48.42%	24.02%	49.00%
4	Description of how there is significant influence	Significant influence due to percentage of share capital			
5	Reason why the Associate / Joint Ventures is not considered	N.A.	N.A.	N.A.	N.A.
6	Net worth attributable to shareholding as per latest audited balance sheet (INR in Lacs)	-	374.52	70.80	(256.31)
7	Total Comprehensive income				
	i. Considered in consolidation # (INR in Lacs)	-	79.76	4.13	(89.77)
	ii. Not considered in consolidation (INR in Lacs)	-	-	108.52	-

Note :

* Holding through subsidiary companies – Aqua Investments (India) Limited and Watercare Investments (India) Limited.

** Holding through subsidiary Ion Exchange Asia Pacific Pte. Ltd., Singapore

Considered in consolidation as per applicable Ind AS

Note :

Associates / Joint Ventures yet to commence operation : None

Associates / Joint Ventures liquidated or sold during the year : None

For and on behalf of the board of directors of
ION EXCHANGE (INDIA) LIMITED
CIN - L74999MH1964PLC014258

RAJESH SHARMA
Chairman & Managing Director
DIN - 00515486

M. P. PATNI
Director
DIN - 00515553

MILIND PURANIK
Company Secretary

N. M. RANADIVE
Executive Vice President - Finance

Place : Mumbai
Date : 25th June 2020



Educational & Skills Training using
Drama Therapy, Chattisgarh



Science on Wheels Project,
Vasundhara Science Centre,
Maharashtra



Health Check-up for
children from Orphanage,
Sri Saradha Niketan,
Karnataka



Supporting Snehalaya
Education Society for children
with Multiple Disabilities,
Maharashtra



School painting at Chitkul Primary School,
Telangana



Supporting Smile Foundation at the Tata Mumbai Marathon, 2020



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