

**51<sup>st</sup>**  
**ANNUAL REPORT**  
2014-15

TOWARDS A  
**SUSTAINABLE**  
**FUTURE**



## Alternate Sources of Water

Protection and conservation of limited fresh water resources is behind our thrust on recycle of industrial effluent and municipal waste water. Sensing the impending water scarcity that would assail the world much later, Ion Exchange began advocating the use of alternate source of water as early as the mid 1980s.

Customers who have installed our sea water desalination, recycle and zero liquid discharge systems have gained an excellent payback on their investments through:

- Assured availability of water for process needs as well as low end users
- Less requirement of fresh water, therefore, considerable savings in fresh water costs
- Additional savings through recovery of valuable by-products for re-use in process & energy recuperation
- Compliance with pollution control regulations and a clean environment through reduced / zero liquid discharge



Sea water reverse osmosis (desalination) plant at a thermal power project



Tertiary sewage treatment for use as water source for a power project



Effluent recycle system for a fertilizer project



Waste treatment and energy recuperation for a paper plant



Zero liquid discharge plant at a refinery complex



Zero liquid discharge plant at a downstream petrochemical project



Zero liquid discharge plant at a cement project



Zero liquid discharge plant for a textile project



# Taking the Vision Forward

The world is in a state of modernisation that is destroying the environment. Most developmental models have paid little attention to the steady neglect, pollution and depletion of natural resources. The disastrous effects are increasingly visible in the contamination of water bodies, pollution of air, poisoning of soil, denudation of forests and adverse climatic changes the world over. Simultaneously, due to the increasing demand, the pressure on existing natural resources, particularly water, is rising steeply.

Fortunately, it is now being realised that the economy and environment are closely inter-related. The eco-system is not only the foundation of natural resources but also the recipient for waste materials from socio-economic activities and its ability to absorb pollutants is at saturation point. Therefore, a healthy environment is essential for any socio-economic activity and ultimately for the survival of humanity itself.

At Ion Exchange, we believe that business growth must be accompanied by responsibility towards the environment and business activities must help sustain the environment. This belief is at the heart of our vision and it motivates us to continuously develop and promote total water and environment solutions that meet the business needs of our customers as well as address the challenges of environment sustainability.

Thus, over the years, we have pioneered and developed solutions for industries, municipalities, homes and communities to manage water resources efficiently and to use alternate sources like the sea and municipal & industrial water for utility and process requirements. We are proud that along with our water purification solutions that provide safe drinking water to millions, our technologies for sea water desalination, municipal sewage and industrial effluent recycle and zero liquid discharge systems have found a widespread acceptance.

Our vision of adding value to people's lives and enriching the environment will continue to guide us in delivering innovative solutions that minimise waste of our precious natural resources while conserving them for future generations.

To be the leader in our business which is so vital to people's lives and the environment.

**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. Sampathkumar	Director
Mr. Abhiram Seth	Director
Mr. Shishir Tamotia	Director
Mrs. K. 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 Ltd.  
Punjab National Bank  
Export-Import Bank of India

**SENIOR MANAGEMENT**

Rajesh Sharma	Chairman & Managing Director
Aankur Patni	Executive Director
Dinesh Sharma	Executive Director
Ajay A. Popat	President - Corporate Diversification & Marketing
N. M. Ranadive	Executive Vice President - Finance
Dinesh Sadasivan	Executive Vice President - Standard Systems, CSD & Services
S. V. Mehendale	Sr. Vice President - Resin & Membrane Division
Prashant K. Chitnis	Sr. Vice President - Technology
S. N. Iyengar	Sr. Vice President - Medium Industry Segment
Anil Khera	Sr. Vice President - Chemical Division
J. P. Pathare	Sr. Vice President - International Division
Vasant Naik	Sr. Vice President - Finance
C. K. Sandeep	Sr. Vice President - Env. 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 Ltd.  
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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*Kindly bring your copy of the Annual Report to the AGM as copies will not be distributed at the meeting  
in view of the high cost of paper and printing*



## NOTICE

NOTICE is hereby given that the Fifty First Annual General Meeting of the members of Ion Exchange (India) Limited will be held on Wednesday, 16<sup>th</sup> September, 2015 at 11.00 a.m. at Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai – 400 025 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements and Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2015, and the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend on equity shares.
3. To appoint a Director in place of Mr. M.P. Patni (DIN: 00515553) who retires by rotation and being eligible, offers himself for re-appointment.

### 4. Appointment of 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 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. B S R & Co. LLP, Chartered Accountants (Reg. No. 101248W/W-100022), be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Fifty Sixth AGM of the Company to be held in the year 2020 (subject to ratification of their appointment at every AGM), at such remuneration as may be mutually agreed between the Board of Directors of the Company and the 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. Charantimath Associates, Chartered Accountants (M No. – 23441), be and is hereby re-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, though fit, to pass, with our without modification(s), if any, the following as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act 2013 (“the Act”) and the rules made there under (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 as Cost Auditors by the Board of Directors of the Company, be paid a remuneration of Rs.2,00,000 /+=+ Service Tax + out of pocket expenses (Rupees Two Lacs plus service tax and put of pocket expenses) for the financial year ending March 31, 2016.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary or expedient to give effect to this resolution.

### Registered Office:

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

By Order of the Board

Milind Puranik  
Company Secretary

Mumbai, 25<sup>th</sup> May 2015

## NOTES :

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 8<sup>th</sup> September, 2015 to Wednesday, 16<sup>th</sup> September, 2015 (both days inclusive).
3. Details of Directors seeking appointment / re-appointment as required under clause 49(VI)(A) of the listing agreement entered with The Stock Exchange, Mumbai, are as below:

Name	Mr. M.P.Patni	
Date of Birth	25.09.1945	
Date of Appointment	28.09.2001	
Qualification	B.E. (Mechanical)	
Expertise	Mr. Patni has wide range of experience in the marketing of heavy and medium engineering equipments, water treatment plants and allied items since last 47 years. He has considerable exposure in handling large projects of national importance.	
Chairman/Director of Other Companies	1 2 3 4 5 6 7 8 9 10 11	Aartus & Associates Pvt. Ltd. Labhda Properties Pvt. Ltd. IEI Water Tech (M) Sdn. BHD. (Malaysia) IEI Environmental Management (M) SDN.BHD. (Malaysia) Ion Exchange Environmental Management (BD) Ltd. (Bangladesh) Ion Exchange Asia Pacific Pte. Ltd. (Singapore) Ion Exchange Infrastructure Ltd. Ion Exchange Asia Pacific (Thailand) Ltd. Ion Exchange Projects & Engineering Ltd. Ion Exchange PSS Ltd. (Thailand) Ion Exchange Safic (Pty.) Ltd. (South Africa)
Chairman/Member of the committees of the Company and other Company(s)	1. 2. 3.  1.	Member of the following committees of Ion Exchange (India) Limited Employee Stock Option Compensation Committee Nomination and Remuneration Committee Corporate Social Responsibility Committee  Member of the following committees of Ion Exchange Projects and Engineering Limited.  Audit Committee
Number of shares held in the Company		7,11,747

4. Dividend, if declared at the meeting will be paid on or before 21<sup>st</sup> September, 2015 to those members (holding shares in physical form) whose names appear on the Register of members as on 16<sup>th</sup> September 2015 and to those beneficial owners (holding shares in electronic form) whose names appear in the Beneficiary report furnished by the depositories.
5. 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 Limited (TSRDL) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to TSRDL.
6. Unclaimed Dividend for the period 2006-2007 has been transferred to Investors Education and Protection Fund, pursuant

to Sections 205A and 205C of the Companies act, 1956. Shareholders who have not claimed Dividend for the period 2007-2008 and subsequent years are advised to write to our R&T.

7. Nomination form can be obtained from our R&T, M/s.TSRDL. 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.
8. Members seeking any information with regard to the Accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
9. Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature(s) registered with the Company for admission to the meeting venue.
10. The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
11. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with TSRDL/Depositories.

12. **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 Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM 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. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. V.V. Chakradeo, Practicing Company Secretary, (Certificate of Practice No. 1705), at the Registered Office of the Company not later than 15th September, 2015 (5.00 p.m. IST).

Members have the option to request for physical copy of the Ballot Form by sending an e-mail to investorhelp@ionexchange.co.in by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than 15th September, 2015 (5.00 p.m. IST).

Ballot Form received after this date will be treated as invalid.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

- III. The facility for voting through ballot paper/ polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting/Ballot Form shall be able to exercise their right at the meeting through ballot paper.
- IV. The members who have cast their vote by remote e-voting/Ballot Form (prior to the AGM) may also attend the AGM but shall not be entitled to cast their vote again.
- V. The remote e-voting period commences on 12<sup>th</sup> September, 2015 (9:00 am) and ends on 15<sup>th</sup> September, 2015 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 9<sup>th</sup> September, 2015, 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.
- VI. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/

Depository Participants(s)] :

- (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 Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Ion Exchange (India) Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) 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](mailto:vvchakra@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided in the enclosed ballot form : Even (E-Voting Event Number), User ID and Password.
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VII. 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](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

VIII. 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.

IX. 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).

X. 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 9<sup>th</sup> September, 2015.

XI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 9<sup>th</sup> September, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Registrars M/s.TSR Darashaw Limited at [csg-unit@tsrdarashaw.com](mailto: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](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.



- XII. 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.
- XIII. 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 as well as voting at the AGM through ballot paper.
- XIV. 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.
- XIV. The Chairman shall, (at the AGM), at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XVI. 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.
- XVII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.ionindia.com](http://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.

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

By Order of the Board

Milind Puranik  
Company Secretary

Mumbai, 25<sup>th</sup> May 2015

### 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:

This explanatory statement is provided though strictly not required as per section 102 of the Act.

The Board of Directors of the Company at their meeting held on 16th October 2014, have appointed M/s. BSR & Co. LLP, Chartered Accountants, having firm's registration number 101248W/W-100022 as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants till the conclusion of this Annual General Meeting. Subsequently as provided under Companies Act, 2013 shareholders through a Postal Ballot approved the appointment of M/s. BSR & Co. LLP, Chartered Accountants as statutory auditors within three months of their appointment by Board of Directors. As provided under section 139 (8) they hold office of Statutory Auditors till the conclusion of ensuing AGM.

M/s. BSR & Co. LLP, Chartered Accountants have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

In view of the above M/s. BSR & Co. LLP, Chartered Accountants, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 25<sup>th</sup> May, 2015, proposed the appointment of M/s. BSR & Co. LLP, Chartered Accountants as the statutory auditors of the Company for a period of five years to hold office from the conclusion of this AGM till the conclusion of the fifty sixth AGM of the Company to be held in the year 2020 (subject to ratification of their appointment at every AGM).

The Board commends the Resolution at Item No. 4 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. 4 of the accompanying Notice.

#### Item No. 5

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

M/s. Charantimath Associates, Chartered Accountants have given their consent to act as the Branch auditors, if appointed.

The Board commends 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 Nos. 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, 2016.

Remuneration payable to M/s. Kishore Bhatia & Associates, Cost Auditors of the Company for the financial year ended March 31, 2016 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 May 25, 2015.

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 Commends the resolution at Item NO. 6 for approval by the Meembers.

None of the Directors or key managerial personnel (KMP) or relatives of Director or KMP is any way interested or concerned in the Resolution.

#### Registered Office:

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

By Order of the Board

Milind Puranik  
Company Secretary

Mumbai, 25<sup>th</sup> May 2015

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 51st Annual Report and Accounts for the year ended 31st March, 2015.

### FINANCIAL RESULTS

The highlights of the financial results are as follows:

	Year ended March 2015 (Rs. in Lacs)	Year ended March 2014 (Rs. in Lacs)
Profit before taxation	3,802	3,140
Less: Provision for taxation :		
Current tax	1,315	1,079
Deferred tax	(127)	9
Profit after tax	2,614	2,052
Add: Balance in Profit & Loss Account brought forward from Previous Year	7,684	6,128
Less: Additional Depreciation	163	-
Profit balance available for appropriation	10,135	8,180
Appropriations:		
Dividend including Proposed Dividend	436	292
Tax on dividend	69	49
Transfer to General Reserve	-	155
Balance in Profit & Loss Account Carried Forward to Balance Sheet	9,630	7,684

### OPERATIONS

During the financial year ended 31st March, 2015, the net profit after tax of the company has increased by 27% to Rs.2,614 lacs, as compared to previous year's net profit after tax of Rs. 2,052 lacs, although the turnover of the Company increased marginally at Rs. 762 crores as compared to Rs. 736 crores of the previous year.

### DIVIDEND

The Directors are pleased to recommend a dividend of Rs.2/- [20%] per equity share for the financial year ended 31st March, 2015 and a special dividend e.g. Re. 1/- [10%] per share on occasion of the Company's Golden Jubilee Year.

### FUTURE OUTLOOK

Overall, global growth is expected to rise moderately to 3 percent in 2015-16 and average about 3.3 percent through 2017. High-income countries are likely to see growth of 2.2 percent during 2015-17, up from 1.8 percent in 2014, on the back of gradually recovering labour markets, fiscal consolidation, and still-low financing costs.

India is likely to emerge as the fastest growing economy by clocking a growth rate of 7.5 percent in FY 2015-16 and 7.7 percent in 2016-17 on the back of recent policy initiatives, pick-up in investments and lower oil prices.

The various initiatives being proposed by the Government such as labour reforms and GST will help boost investments in the Indian economy. The Government's launch of Swachh Bharat Mission, Smart Cities and National Rural Drinking Water Programme aims to provide drinking water and sanitation to rural and urban regions. These developments are expected to result in more opportunities for a company like yours.

Also, with the projected growth in GDP of 7.5 percent, the water demand of various industries, institutions, communities and homes will continue to rise. With stricter enforcement of discharge norms and reduced water foot print, waste water treatment, recycle and zero liquid discharge plants will be in greater demand as they form an important part of the agenda for sustainable growth. Thus the future of the environment management industry, in which your Company is a prominent player, appears optimistic.

Your Company expects to benefit from the above mentioned growth initiatives as it offers advanced products and services for total environment solutions. We expect to increase our market share and improve profitability in the resurgent economic scenario.

Besides this, your Company's increased thrust in the international market will help strengthen its global position and we expect the share of international business in the overall turnover of the Company to go up.

## FINANCIAL RESOURCES

### Fixed Deposits

The Company discontinued accepting Fixed Deposits from Public and shareholders in the previous year. The Company has not accepted deposit from the public falling within the ambit of section 73 of the Companies Act 2013. and 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.

### Employees' Stock Option Schemes

The details of Employees' Stock Option Schemes ESOS – 2001, ESOS – 2003, ESOS 2005 and ESOS 2008 as required to be given under SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended, are given in the Report on Corporate Governance.

## SUBSIDIARY COMPANIES

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

During the year ended 31st March, 2015, the Subsidiary companies M/s.Aqua Investments (India) Limited posted profit of Rs. 27.72 lacs compared to Rs. 2.12 lacs of the previous year and M/s. Watercare Investments (India) Ltd. posted profit of Rs.8.27 lacs compared to Rs.7.85 lacs of the previous year.

### Ion Exchange Enviro Farms Limited (IEEFL)

During the year under review, company clocked a turnover of Rs. 56.80 Lacs as against Rs.106.69 Lacs in the previous year.

The farm production was adversely affected due to vagaries of nature.

The Company had approached SEBI to facilitate modalities of compliance of "SEBI Collective Investments Scheme (CIS) Regulations 1999". The company has submitted required documentation to SEBI and awaits direction.

### Ion Exchange Infrastructure Limited

The Company achieved turnover of Rs. 618.05 lacs as compared to Rs. 1,474.16 lacs for the previous year. The Company incurred a loss of Rs.400.15 lacs compared to loss of Rs. 96.91 lacs for the previous year. The performance of the company was affected mainly due to continued slow down in economic conditions which resulted in delay in finalization of large infrastructure projects.

The Company has been established with a view to undertake projects for intake water, water treatment, distribution and waste management on lump sum turn key basis.

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

The Company achieved a consolidated turnover of Rs.3,183.72 lacs for the year under review and has registered a growth of 67% over previous year.

The performance of the company improved and it has achieved financial stability during the year under review.

Thailand subsidiary has maintained its focus on petroleum, power and sugar segments and also has increased its presence in chemical business in Thailand and neighbouring countries.

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

The Company achieved a turnover of Rs.109.56 lacs for the year under review.

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 which would be crucial for increasing the overall Exports to the country.

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

The Company achieved a turnover of Rs. 864.45 lacs for the year under review showing improvement of 25% over the previous year. The company's main focus area is industrial water and waste water treatment. Company proposes to enter into infrastructure segment in near future.

### Ion Exchange WTS (Bangladesh) Limited, Bangladesh

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

The Company is currently not in operation.

### Ion Exchange & Co. LLC, Oman

The Company achieved a turnover of Rs.1,908.66 lacs for the year under review as against Rs.2118.23 lacs for the previous year. However it registered a higher profit at Rs. 329 lacs as compared to Rs. 43 lacs for previous year.

The company showed improvement over the previous year mainly due to cost optimization and improvement in operating efficiencies.

The company has started looking into possible in infrastructure sector for drinking water and sanitation projects.

### Ion Exchange LLC, USA

The Company achieved a turnover of Rs.1,559.70 lacs for the year under review.

This subsidiary is established to address the needs of U S and Canada markets.

The major focus continues to be marketing of Ion Exchange resins. Focus to promote speciality resins has helped in improving the Company's margins.

### Ion Exchange Projects and Engineering Limited

The Company achieved a turnover of Rs.3,364.78 lacs for the year under review.

The Company has acquired the Project Division (covering domestic turnkey projects) of Ion Exchange (India) Limited, the holding company, with effect from 1st August 2012, vide Business Transfer Agreement dated 29th October 2012.



### Global Composites and Structurals Limited

The Company achieved a turnover of Rs. 434.97 lacs for the year under review.

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

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

The Company achieved a turnover of Rs. 273.04 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.

Business volume did not pick up as anticipated due to local economic conditions in general and mining industry in particular. South Africa is a gateway to other African countries and the company intends to increase its presence in other African countries in the coming year.

### Total Water Management Services (India) Ltd.

The Company achieved a turnover of Rs. 15.53 lacs for the year under review.

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

### Ion Exchange Purified Drinking Water Pvt Ltd.

The Company was incorporated on 25th September 2013.

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). The project is under advance stage of implementation.

## ASSOCIATE AND JOINT VENTURE COMPANIES

A statement as required under Section 129 of the Companies Act, 1956, is attached to the Annual Report in form AOC-1.

## DIRECTORS

Mr. M. P. Patni, Director, 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 Clause 49 of the Listing Agreement.

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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, 2015, the applicable accounting standards have been followed along with proper explanation given relating to material departures;
- (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, 2015 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) systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## KEY MANAGERIAL PERSONNEL

During the under review, the Company has appointed 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 2014-15 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](http://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.

All related party transactions are placed before the audit committee as also to the board for approval. A statement giving details of all related party transactions are placed before the audit committee and board for review and approval on a quarterly basis. Suitable disclosure as required by accounting standards (AS-18) has been made in the notes to the financial statements.

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 or transactions 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**

The management of the company has always been committed to high quality products & services to its customers and ensuring safety to its customers and ensuring safety & occupation health of its employees. The integrated occupational health system, the Quality system namely ISO9001:2008 and Environmental Management system namely ISO14001:2004

have been adopted by all factories.

During the year (2014-15), the chemical factory, International Division & Customer Support Division have been re-certified for the ISO9001-2008 quality systems. In addition, the chemical factory has been recertified for ISO14001-2004 and OHSAS18001-2007 standards. Apart from this, our Resin, SSD Goa, Hosur factories and the subsidiary namely Ion Exchange Projects and Engineering Ltd has successfully cleared their Surveillance audits.

The resin facility at Ankleshwar has also obtained renewed prestigious certificates for various products and facilities, which are on follows :

WQA-Gold seal certificate from the Water Quality Association – USA, Kosher Certificate from the Kashruth council of Canada, Halal Certificate from the Manjellis Ulama Indonesia, The Indonesia Council of Ulama, cGMP (Current Good Manufacturing Practice) and cGLP(Good Laboratory Practice) certificate from the Food and Drug Control Administration – Gujarat state.

Our chemical factory obtained product certification of Halal from the Manjellis Ulama Indonesia, The Indonesia Council of Ulama.

The company uses Balance Scorecard as a tool for implementing and monitoring the business strategies and action plans. Our company also undertakes regular quality improvements projects to continuously improve level of operational performance.

### **AUDITORS**

The Statutory Auditors, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, resigned during the year. The Board of Directors at their meeting held on 16th October 2014 appointed M/s BSR & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants. Subsequently as provided under Companies Act 2013 shareholders approved the appointment of M/s BSR & Co LLP, Chartered Accountants as Statutory Auditors within three months by way of Postal Ballot. As provided under section 139 (8) they hold the office of Statutory Auditors till the conclusion of ensuing Annual General Meeting and are eligible for re-appointment.

Pursuant to the provisions of section 139 of the Companies Act 2013 and rules framed there under, it is proposed to appoint M/s BSR & Co LLP, Chartered Accountants as statutory auditors of the Company from the conclusion of forthcoming AGM till the conclusion of fifty sixth AGM to be held in the year 2020, subject to ratification of their appointment at every AGM.

### **Branch Auditors**

The Branch Auditors, M/s Charantimath Associates appointed to conduct Audit of Ion Exchange Services [ A division of Ion Exchange (India) Limited], Bangaluru, hold office until the conclusion of this meeting and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act 2013 and rules framed there under, it is proposed to appoint M/s Charantimath Associates as branch auditors of the

Company from the conclusion of forthcoming AGM till the conclusion of next AGM..

#### **Cost Audit**

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 2016. 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**

As required by Accounting Standard 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India, the audited Consolidated Financial Statements of the Group are enclosed.

As required by Accounting Standard 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India, the audited Consolidated Financial Statements of the Group are enclosed.

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. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

#### **CORPORATE GOVERNANCE**

A report on Corporate Governance as required under Clause 49 of the listing agreement forms part of this annual report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Report on Management discussion and analysis as required under Clause 49(V) of the listing agreement forms part of this

annual report.

#### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure I".

#### **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 Report of the Secretarial Audit Report is annexed herewith as "Annexure II".

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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

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

Information in accordance with Section 134 (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, 2015 is given in "Annexure IV".

#### **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

Mumbai  
Date : 25th May, 2015

**Rajesh Sharma**  
Chairman & Managing Director

## Annexure I Form No.MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March 2015

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies  
(Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L74999MH1964PLC014258
- ii) Registration Date : 6<sup>th</sup> March 1964
- iii) Name of the Company : Ion Exchange (India) Limited
- iv) Category/ Sub-Category of the Company : Public Company / Company Limited by Shares
- v) Address of the Registered office and contact details : Ion House, Dr. E.Moses Road, Mahalaxmi, Mumbai - 400 011  
Tel: 022 – 30472042 Fax: 022 – 24938737,  
Email: [ieil@ionexchange.co.in](mailto:ieil@ionexchange.co.in),  
Website: [www.ionindia.com](http://www.ionindia.com)
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : M/s. TSR Darashaw Limited  
Unit: Ion Exchange (India) Limited  
6-10, Haji Moosa Patrawala Industrial Estate,  
20, Dr. E. Moses Road,  
Mahalaxmi, Mumbai – 400 011  
Tel No.: 022-6656 8484  
Fax No.: 022-6656 8494  
Email: [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)  
Website: [www.tsrdarashaw.com](http://www.tsrdarashaw.com)

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Ion Exchange Resins	3029,20131	19.04%
2	Water Treatment Plant	37003, 36000	39.63%
3	Chemical Additives	20119	20.18%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sr. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Aqua Investments (India) Limited Ion House Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011	U65990MH1994PLC080386	Subsidiary	99.42	2 (87)



Sr. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
2	Watercare Investments (India) Limited Ion House Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011	U67120MH1994PLC080385	Subsidiary	99.43	2 (87)
3	Ion Exchange Enviro Farms Limited Ion House Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011	U01110MH1995PLC091478	Subsidiary	79.60	2 (87)
4	Global Composites & Structural Ltd. Village Nikhole Post - Khanivali Wada, Maharashtra India - 421303	U26102MH2006PLC161108	Subsidiary	76.78	2 (87)
5	Ion Exchange Infrastructure Limited Ion House Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011	U45201MH2006PLC163421	Subsidiary	76.00	2 (87)
6	Ion Exchange Projects & Engineering Ltd. Ion House Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011	U74200MH2011PLC216024	Subsidiary	100	2 (87)
7	Ion Exchange Purified Drinking Water Pvt. Ltd. Ion House Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011	U41000MH2013PTC248560	Subsidiary	100	2 (87)
8	Total Water Management Service (I) Limited Ion House Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011	U74999MH1991PLC062866	Subsidiary	99.87	2 (87)
<b>Foreign Subsidiaries</b>					
9	Ion Exchange Asia Pacific Pte. Ltd. 45 Cantonment Road Singapore 089748	Not Applicable	Subsidiary	100	2 (87)
10	IEI Environmental Management (M) Sdn. Bhd. D3-3-1, Block D3 Pusat Perdagangan Dana 1 Jalan PJU 1A/46,PJU 1A, 47301 Petaling Jaya Selangor Malayasia.	Not Applicable	Subsidiary	60	2 (87)

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
11	Ion Exchange Environment Management (BD) Limited House No.22, 4th Flr, Road # 13/C, Block No. E, Banani, Dhaka - 1213 Bangladesh	Not Applicable	Subsidiary	100	2 (87)
12	Ion Exchange LLC 4033 Clipper Court Fremont CA 94538 USA	Not Applicable	Subsidiary	100	2 (87)
13	Ion Exchange & Company LLC PO Box no. 69, Postal Code 112 Rwwi GSM 99448679 Oman	Not Applicable	Subsidiary	51	2 (87)
14	Ion Exchange Asia Pacific (Thailand) Limited 267/263 New Town, Sukhumvit Road, Amphur Muang, Map At Phut, Rayong 21150, Thailand	Not Applicable	Subsidiary of Subsidiary	100	2 (87)
15	Ion Exchange WTS (Bangladesh) Limited House No.22, 4th Floor, Road # 13/C, Block No. E, Banani, Dhaka - 1213 Bangladesh	Not Applicable	Subsidiary	100	2(87)
16	Ion Exchange Safic Pty. Ltd. Accenturate Business Part 32 Steele Street Steeledale Johannesburg 2197 South Africa	Not Applicable	Subsidiary	60	2(87)
<b>Associates</b>					
17	Ion Exchange Waterleau Limited Ion House Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011	U45204MH2005PLC157554	Associate	50	2 (6)
18	Astha Technical Services Limited CD - 69, Salt Lake. Sector - 1, Kolkata 700 064 Mahalaxmi, Mumbai 400 011	U74140WB2004PLC098283	Associate	46.53 (includes holding through subsidiary)	2 (6)
19	Aquanomics Systems Limited CIDCO Industrial Area, Plot No.61, Sector No.1, Shirvane, Nerul (E), Navi Mumbai 400 706	U67120MH1994PLC080387	Associate	48.42	2 (6)

Sr. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
20	Ion Exchange Financial Products Pvt. Ltd. Ion House Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011	U67190MH1994PTC080388	Associate	24.02 (holding through subsidiary companies)	2 (6)
21	IEI Water-Tech (M) Sdn. Bhd. Suite 1904, 19th Floor Kenanga International, Jalan Sultan Ismail 50250, Kuala Lumpur	Not Applicable	Associate	30 (holding through subsidiary company)	2 (6)
22	Ion Exchange PSS Co. Ltd 135/9 Amorpan Bldg 205 Tower II, 7th Flr, Soi Nathong, Ratchadapisek Rd, Dindaeng, Dindaeng, Bangkok	Not Applicable	Associate	49 (holding through subsidiary company)	2 (6)

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year (01.04.2014)				No. of Shares held at the end of the year (31.03.2015)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters (including Promoter Group)</b>										
(1)	<b>Indian</b>									
	a) Individual/HUF	32,97,867	50	32,97,917	22.69	32,97,917	0	32,97,917	22.69	0
	b) Central Govt	0	0	0	0.00		0			0
	c) State Govt (s)	0	0	0	0.00		0			0
	d) Bodies Corp.	0	4,88,296	4,88,296	3.36	2,53,803	2,34,493	4,88,296	3.36	0
	e) Banks/FI	0	0	0	0.00		0			0
	f) Any Other (Employee Welfare Trust)	1,22,500	25,50,014	26,72,514	18.39	1,22,500	25,50,014	26,72,514	18.39	0
	<b>Sub-total(A)(1):-</b>	<b>34,20,367</b>	<b>30,38,360</b>	<b>64,58,727</b>	<b>44.44</b>	<b>36,74,220</b>	<b>27,84,507</b>	<b>64,58,727</b>	<b>44.44</b>	<b>0</b>
(2)	<b>Foreign</b>	0	0	0	0.00	0	0	0	0	0
	a) NRIs-Individuals	0	0	0	0.00	0	0	0	0	0
	b) Other-Individuals	0	0	0	0.00	0	0	0	0	0
	c) Bodies Corp.	0	0	0	0.00	0	0	0	0	0
	d) Banks/FI	0	0	0	0.00	0	0	0	0	0
	e) Any Other....	0	0	0	0.00	0	0	0	0	0

Category of Shareholders		No. of Shares held at the beginning of the year (01.04.2014)				No. of Shares held at the end of the year (31.03.2015)				% Change during the year	
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
		<b>Sub-total(A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
		<b>Total share holding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>34,20,367</b>	<b>30,38,360</b>	<b>64,58,727</b>	<b>44.44</b>	<b>36,74,220</b>	<b>27,84,507</b>	<b>64,58,727</b>	<b>44.44</b>	<b>0</b>
<b>B. Public Shareholding</b>											
<b>1.</b>	<b>Institutions</b>										
	a)	Mutual Funds	50	5,184	5,234	0.04	50	5,184	5,234	0.04	0
	b)	Banks/FI	283	94	377	0.00	183	94	277	0	0
	c)	Central Govt	0	0	0	0.00	0	0	0	0	0
	d)	State Govt(s)	0	0	0	0.00	0	0	0	0	0
	e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0	0
	f)	Insurance Companies	1,66,230	0	1,66,230	1.14	1,66,230	0	1,66,230	1.14	0
	g)	FIs	0	50	50	0.00	69,738	50	69,788	0.48	0.48
	h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0	0
	i)	Others (specify)	0	0	0	0.00	0	0	0	0	0
		<b>Sub-total(B)(1):-</b>	<b>1,66,563</b>	<b>5,328</b>	<b>1,71,891</b>	<b>1.18</b>	<b>2,36,201</b>	<b>5,328</b>	<b>2,41,529</b>	<b>1.66</b>	<b>0.48</b>
<b>2.</b>	<b>Non-Institutions</b>										
	a)	Bodies Corp.									
		i) Indian	13,36,777	12,510	13,49,287	9.28	11,36,507	12,510	11,49,017	7.91	-1.37
		ii) Overseas	0	0	0	0.00	0	0	0	0	0
	b)	Individuals									
		i) Individual shareholders holding nominal share capital upto Rs.1lakh	32,89,612	5,90,757	38,80,369	26.70	30,45,011	5,79,428	36,24,439	24.94	-1.76
		ii) Individual shareholders holding nominal share capital in excess of Rs1 lakh	24,62,714	79,618	25,42,332	17.49	28,38,684	59,184	28,97,868	19.94	2.45
	c)	Others (specify)									
		i. Trust	1,010	0	1,010	0.01	1,010	0	1,010	0.01	0
		ii. NRI	1,26,736	1,807	1,28,543	0.88	1,57,862	1,707	1,59,569	1.1	0.22
		<b>Sub-total(B)(2):-</b>	<b>72,16,849</b>	<b>6,84,692</b>	<b>79,01,541</b>	<b>54.36</b>	<b>71,79,074</b>	<b>6,52,829</b>	<b>78,31,903</b>	<b>53.9</b>	<b>-0.46</b>
		<b>Total Public Share holding (B) = (B) (1) + (B) (2)</b>	<b>73,83,412</b>	<b>69,00,20</b>	<b>80,73,432</b>	<b>55.54</b>	<b>74,15,275</b>	<b>6,58,157</b>	<b>80,73,432</b>	<b>55.56</b>	<b>0.02</b>



Category of Shareholders		No. of Shares held at the beginning of the year (01.04.2014)				No. of Shares held at the end of the year (31.03.2015)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C.	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0
<b>Grand Total (A+B+C)</b>		<b>10,80,3779</b>	<b>37,28,380</b>	<b>1,45,32,159</b>	<b>100.00</b>	<b>110,89,495</b>	<b>34,42,664</b>	<b>1,45,32,159</b>	<b>100</b>	<b>0</b>

(ii) **Shareholding of Promoters (including Promoter Group)**

SI No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2014)			Shareholding at the end of the year (31.03.2015)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Rajesh Sharma	7,81,218	5.38	0	7,81,218	5.38	0	0
2	Mahabir Prasad Patni	7,11,747	4.90	0	7,11,747	4.90	0	0
3	Gopal Shankar Ranganathan	3,36,211	2.31	0	0	0	0	-2.31
4	Dinesh Sharma	5,88,521	4.05	0	5,88,521	4.05	0	0
5	Aankur Patni	2,54,668	1.75	0	2,54,668	1.75	0	0
6	Bimal Jain	4,14,098	2.85	0	4,14,098	2.85	0	0
7	Poonam Sharma	49,650	0.34	0	49,650	0.34	0	0
8	Aruna Sharma	1,07,895	0.74	0	1,07,895	0.74	0	0
9	Uma Ranganathan	29,065	0.20	0	3,73,274	2.57	0	2.37
10	Nirmala Patni	8,300	0.06	0	8,300	0.06	0	0
11	Ahalya Ranganathan	7,998	0.06	0	0	0	0	-0.06
12	Anita Jain	5,546	0.04	0	5,546	0.04	0	0
13	Pallavi Sharma	2,000	0.01	0	2,000	0.01	0	0
14	Nidhi Patni	1,000	0.01	0	1,000	0.01	0	0
15	Ion Exchange Financial Products Pvt. Ltd.	50,422	0.35	0	50,422	0.35	0	0
16	Aqua Investments (India) Ltd	2,53,803	1.75	0	2,53,803	1.75	0	0
17	Watercare Investments (India) Ltd	1,84,071	1.27	0	1,84,071	1.27	0	0
18	Trust (HMIL)	9,600	0.07	0	9,600	0.07	0	0
19	Trust (IEIL)	26,62,914	18.32	0	26,62,914	18.32	0	0
	<b>Total</b>	<b>64,58,727</b>	<b>44.44</b>		<b>64,58,727</b>	<b>44.44</b>		

## (iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year (01.04.2014)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Gopal Shankar Ranganathan</b>				
	At the beginning of the year	3,36,211	2.31	3,36,211	2.31
	Transmission on 20.06.2014	-3,36,211	-2.31	0	0
	At the end of the year	0	0	0	0
2	<b>Uma Ranganathan</b>				
	At the beginning of the year	29,065	0.20	29,065	0.20
	Transmission on 20.06.2014	+3,36,211	+2.31	3,65,276	2.51
	Transfer on 18.07.2014	+7,998	+0.05	3,73,274	2.56
At the end of the year	3,73,274	2.57	3,73,274	2.57	
3	<b>Ahalya Ranganathan</b>				
	At the beginning of the year	7,998	0.06	7,998	0.06
	Transfer on 18.07.2014	-7,998	-0.06	0	0
	At the end of the year	0	0	0	0

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
1	Rakesh Jhunjhunwala	875000	6.02	800000	5.51
2	Mukul Mahavir Prasad Agrawal	210466	1.45	243486	1.68
3	Popat Ajay	113492	0.78	113492	0.78
4	Devi Menon	110000	0.76	110000	0.76
5	Nitin Tandon	62670	0.43	62670	0.43
6	Jitendra Padmakar Pathare	45000	0.31	45000	0.31
7	Charmaine Sequeira	44700	0.31	44700	0.31
8	L V Keshav	44000	0.30	17275	0.12
9	Dinesh Sadasivan	42695	0.29	42695	0.29
10	Anil Manocha	41750	0.29	41750	0.29

(v) Share holding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Top 10 Shareholders	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Rajesh Sharma	781,218	5.38	781,218	5.38
2	Mahabir Prasad Patni	711,747	4.90	711,747	4.90
3	Dinesh Sharma	588,521	4.05	588,521	4.05
4	Aankur Patni	254,668	1.75	254,668	1.75
5	Thekkekara Meloth Mohan Nambiar	56,200	0.39	56,200	0.39
6	Vijay Narhar Gupchup	107,044	0.74	107,044	0.74
7	Abhiram Seth	75,000	0.52	75,000	0.52
8	Parthasarathy Sampath Kumar	25,000	0.17	25,000	0.17
9	Milind Puranik	19,500	0.13	9101	0.06
10	N M Ranadive	29,000	0.20	29,000	0.20

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(Amount in Rupees)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	<b>Indebtedness at the beginning of the financial year</b>				
i)	Principal Amount	671,869,861	35,225,000	23,252,000	730,346,861
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	1,327,640	73,622	7,65,000	2,166,262
	<b>Total(i+ii+iii)</b>	<b>673,197,501</b>	<b>35,298,622</b>	<b>24,017,000</b>	<b>732,513,123</b>
	<b>Change in Indebtedness during the financial year</b>				
•	Addition	142,527,787	55,000,000		197,527,787
•	Reduction	328,636,235	72,000,000	8,010,000	408,646,235
	<b>Net Change</b>	<b>(186,108,448)</b>	<b>(17,000,000)</b>	<b>(8,010,000)</b>	<b>(211,118,448)</b>
	<b>Indebtedness at the End of the financial year</b>				
i)	Principal Amount	485,761,413	18,225,000	15,242,000	519,228,413
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	1,428,775	150,495	525,000	2,104,270
	<b>Total(i+ii+iii)</b>	<b>487,190,188</b>	<b>18,375,495</b>	<b>15,767,000</b>	<b>521,332,683</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Rajesh Sharma	Dinesh Sharma	Aankur Patni	
1.	Gross salary				
(a)	Salary as per provisions contained in section 17 (1) of the Income-taxAct,1961	2,30,83,898	1,09,26,955	1,09,22,767	4,49,33,620
(b)	Value of perquisites u/s17(2) Income-taxAct,1961	7,72,353	1,47,300	8,876	9,28,529
(c)	Profits in lieu of salary under section 17(3) Income-taxAct,1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - As % of profit - others, specify...	-	-	-	-
5.	Others, please specify-Retirals	45,80,640	20,99,460	20,99,460	87,79,560
	<b>Total(A)</b>	<b>2,84,36,891</b>	<b>1,31,73,715</b>	<b>1,30,31,103</b>	<b>5,46,41,709</b>

## B. Remuneration to other directors:

## 1. Independent Directors

Sl. no.	Particulars of Remuneration	Name of Directors						Total Amount (Rs.)
		Dr. V. N. Gupchup	T M M Nambiar	P. Sampath Kumar	Abhiram Seth	Shishir Tamotia	Kishori Udeshi	
•	Fee for attending board/ committee meetings	8,80,000	3,65,000	2,20,000	4,25,000	2,70,000	4,15,000	25,75,000
•	Commission	-	-	-	-	-	-	-
•	Others, please specify	-	-	-	-	-	-	-
	<b>Total(1)</b>	<b>8,80,000</b>	<b>3,65,000</b>	<b>2,20,000</b>	<b>4,25,000</b>	<b>2,70,000</b>	<b>4,15,000</b>	<b>25,75,000</b>

## 2. Other Non- Executive Directors

Sl. no.	Name of Directors	Total Amount
	<b>M. P. Patni</b>	
	Fee for attending board/committee meetings	4,30,000
	Commission	-
	Others, please specify	-
	<b>Total(2)</b>	<b>4,30,000</b>
	<b>Total(B)=(1+2)</b>	<b>30,05,000</b>
	<b>Total Managerial Remuneration (A) + (B)</b>	<b>5,76,46,709</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary Mr. Milind Puranik	CFO Mr. N.M. Ranadive	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,41,140	35,57,681	<b>50,98,821</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	33,050	45,485	<b>78,535</b>
	(c) Profits in lieu of salary under section 17 (3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - As % of profit - others, specify...			
5.	Others, please specify-Retirals	2,09,946	4,58,064	<b>6,68,010</b>
	<b>Total</b>	<b>17,84,136</b>	<b>40,61,230</b>	<b>58,45,366</b>

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: Not Applicable**

On behalf of the Board of Directors

**Rajesh Sharma**  
Chairman & Managing Director

Mumbai

Date : 25th May, 2015



**Annexure II**  
**FORM MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2015**

[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 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- i. The Companies Act, 2013 and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 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 and Overseas Direct Investment.
- 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 Takeover) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
  - 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;
- vi. We have relied on the representation made by the company and its officers for systems and mechanism formed by the company for compliances under other applicable Acts, Laws and Regulations with respect to Factory related laws, Industry related laws, Employees related Laws of respective states, Environmental Laws, Acts prescribed under prevention and control of pollution, Intellectual Property Laws, Municipality Laws to the extent applicable, Direct and Indirect Tax Laws, Land Laws of respective States, Shops and Establishments Legislations and other local Laws as applicable.

We have also examined compliance with the applicable clauses of The Listing Agreements entered into by the Company with BSE Limited.

During the year under review, the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

All decisions are carried out unanimously at Board Meetings and Committee Meetings and recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are 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.

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 P. MAHESHWARI]**

**PARTNER**

**FCS No. : 2405**

**COP No. : 1432**

Place : Mumbai

Date : 25th May, 2015

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

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## **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 P. MAHESHWARI]**

**PARTNER**

**FCS No. : 2405**

**COP No. : 1432**

Place : Mumbai

Date : 25th May, 2015

### Annexure III 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 17 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](http://www.ionindia.com/pdf/ionindia/CSR%20Policy.pdf)

2. The Composition of the CSR Committee:

Name	
Dr V. N. Gupchup	Chairman
Mrs. 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 : Rs. 29,40,61,185/-

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs.58,81,224/-

5. Details of CSR spent during the financial year.

(a) Total amount spent for the financial year: Rs. 48,37,453/-

(b) Amount unspent, if any: Rs. 10,43,771/-

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

S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Over-heads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
1	Construction of toilets at Dr. Babasaheb Ambedkar, Vidyalaya-Dighi; Madhyamik Vidyalaya- Mahagaon; Madhamik Vidyalay Sakhar-Poladpur (total 856 students)	Sanitation	Raigad, Mah.	4,93,374	4,93,374	4,93,374	4,93,374

S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Over-heads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
2	Educational assistance through Paragon Charitable Trust (20 students)	Education	Mumbai, Maharashtra	3,65,000	3,52,653	3,52,653	3,52,653
3	Educational assistance to Chetna Learning Centre (60 students)	Education	Mumbai, Mah.	1,90,000	2,74,210	2,74,210	2,74,210
4	Drinking water treatment Project (5 students)	Education	Raigad, Mah.	37,821	28,619	28,619	28,619
5	Watershed development at Zainub Tobacowala Secular School (240 students)	Environment	Raigad, Mah.	2,33,730	2,33,730	2,33,730	2,33,730
6	Educational assistance at Vatsalya Foundation (20 students)	Education	Mumbai, Mah.	5,000	5,150	5,150	5,150
7	Drinking water treatment at Village Pindkappar (640 beneficiaries)	Water	Nagpur, Mah.	9,20,000	8,37,453	8,37,453	8,37,453
8	Educational assistance to Bethesda Life Centre (112 students)	Education	Santa Cruz, Goa	2,29,490	2,29,490	2,29,490	2,29,490
9	Educational assistance to Govt. Primary School (30 students)	Education	Malcornem, Quepem, Goa	25,000	25,000	25,000	25,000
10	Educational assistance to SoCare Ind (30 students)	Education	Rajajinagar, Bangalore	3,00,000	3,00,000	3,00,000	3,00,000
11	Educational assistance to Govt. schools through Magic Bus Foundation (100 students)	Education	Patrapalaya, Bangalore	1,20,000	96,000	96,000	96,000
12	Drinking water treatment to 19 Govt. schools through NGO T.I.D.E (total 1208 students)	Water	Tumkur, Bangalore	78,500	78,504	78,504	78,504
13	Educational assistance to Chitkul Primary School (416 students)	Education	Patancheru, (A.P)	3,48,939	2,71,073	2,71,073	2,71,073

S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Over-heads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
14	Educational assistance; Drinking water treatment to Zilla Parishad High School (510 students)	Education; Water	Lakdaram (A.P)	1,02,000	1,05,846	1,05,846	1,05,846
15	Drinking water treatment to Aanganwadi Play School (30 children)	Water	Lakdaram (A.P)	60,000	46,000	46,000	46,000
16	Tree plantation at New Gurukul Girls High School cum Jr College (640 students)	Environment	Patancheru (A.P)	45,000	52,280	52,280	52,280
17	Educational assistance to Govt. Schools through Magic Bus Foundation (100 students)	Education	Pashamylaram Village, Patancheru (A.P)	1,20,000	96,000	96,000	96,000
18	Educational assistance; Drinking water treatment to Timbaktu Collective (60 students)	Education; Water	Anantapur(A.P)	1,86,534	1,86,534	1,86,534	1,86,534
19	Educational assistance to Govt. Schools through Magic Bus Foundation	Education	Thenmelpakkam Kottan Kulathur Chennai (T.N)	1,20,000	96,000	96,000	96,000
20	Drinking water treatment to Hosur Boys School (860 students)	Water	Hosur (T.N)	1,90,644	1,90,644	1,90,644	1,90,644
21	Drinking water treatment Corporation School 500 students)	Water	Chennai (T.N)	8,000	8,000	8,000	8,000
22	Educational assistance to Rohid Prathamik Primary School (550 students)	Education	Ankleshwar (Guj)	1,40,000	1,40,000	1,40,000	1,40,000
23	Educational assistance to Sarangpur Prathamik Shala (102 students)	Education	Ankleshwar (Guj)	67,830	32,300	32,300	32,300
24	Educational assistance Kids Centre (46 students)	Education	Kolkatta (W.B)	1,16,300	1,16,300	1,16,300	1,16,300



S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Over-heads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
25	Drinking water treatment to 50 Govt. schools/ educational institutions (Total 18,316 students)	Water	Lucknow (6), Bhopal (3), Gwalior(2), Chhatisgarh (3), Khorda(3), Cuttack(1), Bhubaneswar(7), Chennai(1), Gujarat (6), Goa(3), Maharashtra (15)	4,54,002	4,88,219	4,88,219	4,88,219
**	Educational assistance to Red Cross Society	Education	Mumbai	5,05,000	0	0	0
**	Drinking water treatment Bhagalpur Primary School (185 students)	Water	Khordha, Odisha	35,000	0	0	0
**	Drinking water treatment to Dhabaleswar Polytechnic (1235 beneficiaries)	Water	Cuttack	60,000	0	0	0
**	Civic education to Zainub Tobaccowala Secular School & Adv.Chandrakant Adhikari Vidyalaya	Education	Mumbai & Wadgaon, Mah.	50,000	0	0	0
**	Drinking water treatment to 11 Govt. Schools (2671 students)	Water	Raisen, M.P.	3,85,000	0	0	0
	Administrative overheads (audit fees, printing & stationery, professional fees)				24,482	24,482	24,482
	Amount contributed for which activity is in progress				29,592	29,592	29,592
				<b>59,92,164</b>	<b>48,37,453</b>	<b>48,37,453</b>	<b>48,37,453</b>

\*\* Project under implementation stage.

\*Amount spent : Direct or through implementing agency

Mumbai: SWADES, Paragon Charitable Trust, Chetna Learning Centre, Zainub Tobaccowala Foundation, Vatsalya Foundation; Goa: Bethesda Life Centre, Govt. Primary School; Bangalore (Karnataka): SoCare Ind, Magic Bus Foundation, T.I.D.E; Patancheru (A.P): Chitkul Primary School, Zilla Parishad High School, Aanganwadi Play school;

New Gurukul Girls High School cum Jr College, Magic Bus Foundation, Timbaktu Collective; Chennai (T.N): Magic Bus Foundation; Hosur Boys School; Ankleshwar, Guj: Rohid Prathamik Shala, Sarangpur Prathamik Primary School; Kolkatta : Kids Centre

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.

The Board is committed to spend the allocated funds as soon as the milestones for completion of projects are reached.

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

Sd/-

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

Mumbai

Date : 25th May, 2015

## ANNEXURE IV

### 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 ;

The electricity consumption in the Patancheru Plant was controlled at the same level as previous year, despite production increase by over 30%. This was possible by installation of bigger capacity reactor vessel than remaining on earlier smaller capacity reactors.

- (ii) the steps taken by the company for utilizing alternate sources of energy; - NIL

- (iii) the capital investment on energy conservation equipments;

Capital Investment Rs. 60 Lakh.

Following is the breakup of capital amount spent for the energy conservation equipment.

1. 10 KL REACTORS:	Rs. 32.00 lacs
2. 6 KL REACTOR:	Rs. 5.66 lacs
3. INTEGRATION PROJECT:	Rs. 22.34 lacs

#### (B) Technology absorption –

- (i) the efforts made towards technology absorption;

Specific areas in which R&D has carried out by the company are as follows:

a. INDION ORC

R&D has developed the resin which is useful for dechlorination of water. The product can be useful for superchlorination, especially in Food & Beverage industries.

b. Easy Test Kit for COD ppm (Chemical Oxygen Demand)

It is useful to test COD of wastewater on field. It can be measured with or without Spectrophotometer.

c. LAB Q WATER MAKER

Developed a compact laboratory grade water maker that delivers ultrapure ASTM Type III water

d. PURILINE PURIFLUOR

Developed a unique storage type water purifier for removing excess fluoride and germs from ground waters.

e. ECO MBR

f. Polymeric adsorbants in smaller particle size.

g. Applied ion exchange systems

h. Special type II strong base anion resin

i. NSF Certified antiscalents.

j. Polymer for phosphate scale control in cooling water treatment.

k. Automatic chlorine dioxide system.

- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

a. INDION ORC can be used as alternate to activated carbon filter for dechlorination purpose, hence huge potential in Food & Beverage industries as well as for pretreatment to DM & RO system in water & wastewater treatment units.

b. Easy Test Kit for COD: The test range is 100-1000ppm and useful monitoring of STP, WTP or chemical industries. Easy test kit is user-friendly and can be used on field.

c. Lab Q Water Maker: Currently, high grade distilled water is supplied to labs and Institutions in packaged bottles or cans. The quality of this supply is unpredictable and the capital cost of procuring High Purity Water

- Makers for low end applications is very high. Lab Q Water Maker is an economic alternative for clinical labs, automobile industries and educational Institutes. It can be used as an accessory for Random access analyzer
- d. PURILINE PURIFLUOR: This unique gravity based water purifier has a replaceable fluoride removal cartridge and an indicator based germ remover cartridge that self blocks on exhaustion. This product is specifically designed for the rural sectors with problems of high levels of fluoride and microbial contaminants in ground water
  - e. ECO MBR is a compact unit to cater to residential segment and individual buildings having total occupants less than 175. The main advantages of ECO MBR is less electricity and chemicals required and comparatively lower capital cost.
  - f. Polymeric adsorbants with smaller particle size are being used in separation and purification area. This would be helpful in generating lot of business in separation and purification.
  - g. Applied ion exchange process is used by R&D to provide customized solution for purification of the process fluids. This type of custom made design has broader scope for product purification and recovery of valuable products.
  - h. Type II strong base anion exchange resin developed by R&D is having huge market potential for acid scavenging applications.
  - i. Antiscalents with NSF certification is having very high potential in the potable water application.
  - j. Polymer for phosphate scale control is going to helpful for cooling water treatment formulations.
  - k. Automatic chlorine dioxide system is being marketed for microbial control in cooling water circuit, portable water and waste water treatment. Such type of fully automatic system is having lot of scope in water treatment applications.
- (iii) 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
- and
- (iv) the expenditure incurred on Research and Development

		Location	
		Patancheru Rs.	Vashi, Navi Mumbai Rs
a.	Capital Expenditure	10,65,741	1,68,898
b.	Revenue Expenditure	1,85,60,619	2,85,74,043
c.	Total	1,96,26,360	2,87,42,941
d.	Total R & D Expenditure as percentage of Turnover: 0.66%		

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

During the year under review foreign exchange earnings were Rs.1,80,11,24,281 and foreign exchange outgo was Rs. 90,77,38,023.

On behalf of the Board of Directors

**Rajesh Sharma**  
Chairman & Managing Director

Mumbai

Date : 25th May, 2015

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### A. INDUSTRY STRUCTURE AND DEVELOPMENT

#### Global Economy:

Global growth in 2014 was lower than initially expected, continuing a pattern of disappointing performance over the past several years. Growth picked up only marginally, to 2.6 percent, from 2.5 percent in 2013. Further, increasingly divergent trends are at work in major economies.

Economic activity in the United States and the United Kingdom has gathered momentum as labour markets heal and monetary policy remains accommodative. However, the recovery has been sluggish in the Euro Zone and Japan as legacies of the financial crisis still linger, intertwined with structural bottlenecks. China, meanwhile, is undergoing a carefully managed slowdown. Disappointing growth in other developing countries also reflected weak external demand.

#### Indian Economy:

India's economy is slowly recovering with GDP growth of 7.3 percent for FY 2014 -15. At the same time, the external environment has turned in India's favour. In this fiscal year, there has been a substantial reduction in the global prices of India's major commodity imports, petroleum, gold, coal, vegetable oils, fertilisers and silver that together constitute 51 percent of total imports and 12 percent of GDP.

The collateral benefit has been an improvement in the current account, reduced inflation and relief for the fiscal situation as oil subsidies which accounted for about 1 percent of GDP have also come down. Reduced interest rates, increase in infrastructure spending, new investments through 'Make in India' campaign, and expediting of environmental clearances will further help towards growing the economy.

#### Indian Industry:

Market sentiments in India during the current financial year were positively affected due to an array of domestic and global factors such as positive macro economic data coupled with continued foreign portfolio investment (FPI) /foreign institutional investor (FII) inflows. Inability to push through some of the reforms agenda has had an adverse impact on sentiments.

For the second consecutive year the capital goods industry faced challenges in new order bookings from core industrial sectors of power, cement, steel, petroleum and refineries. As a result water treatment companies classified under this category faced pressures in managing top and bottom lines. In general, industry faced the problem of over capacity in a stagnant market resulting in poor profitability.

The industry continued to see new entrants both in the industrial and municipal sectors. While this has added further capacity to the industry, their entry has also created more awareness about advanced water and waste treatment technologies. This will benefit companies like yours which continues to remain a technology leader in the environment industry.

The competitive landscape in chemical business remains largely unchanged with relative complexities in manufacturing technology & application know-how and limited number of players.

In the service sector the competition remained fragmented. Companies like yours maintained leadership position, by providing value added services which offer significant benefits to customers to outsource operation and maintenance of their water and waste water treatment plants.

### B. Highlights of Performance

For the year under review the profit after tax registered a growth of 27% at Rs. 2614 Lacs as compared to Rs. 2052 Lacs in the previous year. The gross turnover however increased marginally at Rs. 762 Crores compared to Rs. 736 Crores of the previous year.

### C. Segmentwise Operational Performance

The business of your company can be segmented into:

1. Engineering
2. Chemicals
3. Consumer Products

#### **ENGINEERING**

In this segment the Company designs, manufactures and sells medium and large size equipment for water and waste water treatment plants. The segment achieved lower turnover of Rs.398 crores, compared to Rs.412 crores for the previous year, mainly because of the challenges faced by the Indian capital goods industry and the weak recovery in advanced economies. Also, announcements made by Government of major new projects are yet to materialise. All this adversely impacted the growth of your company's business in the engineering segment.

The outlook is expected to improve as the Government has taken concrete measures to resolve coal and mining issues. The Government's 'Make in India' programme aimed at facilitating investment, fostering innovation, enhancing skill development and building best in class manufacturing infrastructure is expected to generate new opportunities.

Your Company remains optimistic about the future of its business in this segment.



## CHEMICALS

The segment recorded increased sales turnover of Rs. 286 crores compared to Rs. 248 crores of the previous year.

During the year, domestic sales for conventional and speciality resins increased further. Our efforts to develop new applications in the speciality resin segment were successful and have given us new avenues of business. These new applications are likely to generate continuous business in the coming years. Exports of resin have also shown steady improvement. Development of new products for specific markets was a key factor and is likely to increase exports to Europe and USA. A new product for potable water treatment has good potential in the domestic and international markets. One of the drug actives manufactured in our new pharmaceutical facility in Ankleshwar is now well accepted in the Far East Asian market.

During the year domestic sales of water treatment chemicals in the refinery, steel and metal sectors showed improvement. Sales of polymers, RO chemicals, ceramic & textile process chemicals, and fireside chemicals grew significantly. Our initiatives for in house production of a few intermediates resulted in improved profitability. Additional reactors were installed to enhance production capacity commensurate with the increase in sales.

Further expansion of the chemical manufacturing facility is planned to meet the growing demand in India and abroad. Investment in R&D coupled with reduced material cost will further enhance your Company's competitiveness and market share.

With a strong portfolio of ion exchange resins, speciality water treatment chemicals for utilities and process chemicals, our chemical business is expected to grow at an average rate of around 15 percent with a healthy bottom line.

The outlook for this segment is positive.

## CONSUMER PRODUCTS

The segment achieved a turnover of Rs. 83 crores during the year.

Home Water Solutions division launched two new products. The Company launched Zero B UV Grande 2L and 4L water purification systems specially designed for water coolers. The ESS feature utilizes silver ions as an effective method to prevent slime build up in the storage tank after chlorine has been reduced through carbon filtration. The use of silver ions is an effective method to prevent the spread of harmful germs and bacteria in the storage tank.

The Zero B eco Chill RO water purifier cum storage cooler comes with revolutionary HRR (High Rate Recovery) technology that saves substantial amounts of

water as compared to other commercial RO products. The unique 'Water Saver Cartridge' and the complementing processes promote high recovery of water from the RO process. The eco Chill is a robust reverse osmosis unit for commercial establishments where consumption of water is quite high such as malls, restaurants, offices and institutions. The eco Chill also comes with a unique customized Dynamic Monitor and Controller (DMC) system which informs the user about the quality of water, the flow rate and total water consumed. It gives a warning with regard to the remaining life of the filter elements for planned cartridge replacement.

The institution division concentrates on construction, hospitality & healthcare, educational institutes, corporate offices and PSU segments. The division was under pressure primarily due to the slowdown in the construction segment and changes in the buying pattern of the hotel and hospital segment. However, new initiatives taken by the government to improve infrastructure for Indian railways and special focus on defence have opened up new avenues for business. Our efforts to design and develop new products suitable for these segments have already started showing positive results.

Your company is always looking at providing solutions which are best suited for the rural market. A new nitrate removal hand pump attachment system was launched in collaboration with Zilla Parishads. We also introduced a solar powered fluoride removal plant for Public Health Engineering Departments (PHEDs).

In the current year the Company is planning to introduce surface water treatment solutions by closely working with PHEDs & Rural Water Supply Departments of various states. We will continue to expand our portfolio of ground water treatment solutions by tailoring products to meet the requirements of specific markets.

## EXPORTS

During the year your Company has registered a growth of 37% in export turnover over the previous year, at Rs.179 Crores. The main growth has come from the Middle East South East Asia regions.

Despite aggressive competition, we successfully concluded contracts for water and waste treatment projects. We continued to register growth in the ion exchange resin and water treatment chemical business in established geographies.

The Company plans to further consolidate its position in markets in which it operates.

## D. Risks, Threats, Concerns and Risk Mitigation

Risk mitigation has been a priority of the management's agenda. A structured method of evaluating risk, its impact, evolving a mitigation plan and continuous monitoring of performance against the plan is operational.

In 2014-15, the Indian economy slowly started recovering. Controlled inflation, rise in domestic demand, increase in investments, drop in oil prices, etc. signified improved economic outlook. The Government launched the 'Make in India' initiative which has boosted the investment and employment opportunities in the country. However, the power sector which is a major revenue provider for projects business of the company suffered a setback due to coal block deallocation by the Supreme Court of India, only to be revived by March 2015 on its reallocation. Further to this, the banking sector's credit degrowth and non-softening of the monetary policy till the last quarter of 2014-15 continued to put pressure on the interest cost. Your management has been closely monitoring the situation and has been exercising caution in selection of business opportunities as well as in giving any future commitments.

Due to the subdued global economy and also depreciation of the rupee against the dollar, your company, as a norm, has maintained conservative Forex management policy and doesn't speculate in the Forex Market.

Apart from risk originating from the macro-economic scenario, continuous changes in water treatment industry requires the management to continuously reassess risks and opportunities. Your company remains vigilant of its market share and constantly focuses on reinforcing its credibility, quality, services and technology vis-a-vis major Indian and global players. Regular efforts are made to shore up competitiveness through cost reduction, value engineering and tie ups with vendors for quality products at competitive prices. Your company continues to invest in research and development and is also always on the lookout for technology assimilation through partnership with respected and reliable international parties.

Regulatory policies and the changes in the law of the land, though completely beyond the control of the company, affect business operations. One of the statutes to undergo a major change was the Companies Act, where your Company was already having internal controls and procedures in place. Wherever required, the company has augmented its practices and systems to ensure complete regulatory compliance.

#### **E. Human Resources & Training**

Employees are a company's greatest asset and we believe that the future progress of your Company depends upon the excellence of the people who work for it.

It is our endeavour to give employees an excellent, professionally rewarding and enriching work environment.

The thrust of Human Resources is to partner strategic

objectives of the company by managing performance, creating team competencies and enhancing career development. Thus, the agenda for the year focused on strengthening three key areas: enhancing individual and organizational capabilities, building a robust leadership and talent pipeline and driving greater employee engagement. Special emphasis was given to ensuring accountability and commitment.

Performance-based compensation, among other employee benefit initiatives under the Employee Value Proposition scheme has been implemented.

To ensure retention of talent, key employees have been identified and groomed to take up challenging responsibilities. To ensure uninterrupted excellence of delivery, your Company also has a well-designed succession plan in place. Specific training has been given to improve and hone skills towards opening up opportunities for growth. This initiative demonstrates that your Company recognises talent and growth "from within the organisation".

Emphasis on team work has resulted in synergy and better understanding of both internal and external customer satisfaction.

#### **F. Internal controls**

Control framework within the company is adequate. The existing review mechanism coupled with policy framework implemented by your Company provides reasonable assurance of the efficacy of the internal control operating within the company.

The Company has an in-house internal audit department staffed with qualified and experienced professionals. The annual audit plan takes into account the risk priorities assigned by the management and is approved by the audit committee. Major audit observations and progress of implementation of directives by the audit committee are reviewed by the committee that meets at regular intervals. The statutory auditors too review the audit observations and make suitable recommendations.

In line with the recent amendment to the Companies Act, your Company has initiated the process of reviewing the existing internal control framework.

#### **G. Social responsibility initiatives**

Corporate social and environmental responsibility is an integral part of your Company's value systems. Ion Foundation upholds these values by empowering the economically disadvantaged towards social equality through education, health, hygiene and environmental initiatives.

Education is the best enabler. Through education, talent is created and harnessed, which further strengthens society. To bridge the gap in education, we have partnered with NGOs who are dedicated to the cause of promoting education.

We continue our support in the areas of health and hygiene by providing drinking water treatment systems, renovation/construction of sanitation facilities. Wherever we provide water purification plants, we also ensure that they are well maintained through end user training.

With a focus on refreshing our environment, we engage in tree plantation drives, rain water harvesting projects and awareness programmes.

We believe that any business enterprise has an inherent obligation and responsibility towards society of which it forms a part. It is therefore important that we do the best we can to extend our vision to the communities around which we work and live in, enabling the disadvantaged to realize their potential and move towards a brighter future.

It gives us great satisfaction to state that within a short span of five years, we have made a difference to the lives of around 40,000 children. We have a long way to go and we

believe that "we will" make a difference, for the betterment of our community and our country, at large.

**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

Mumbai  
Date : 25<sup>th</sup> May 2015

**Rajesh Sharma**  
Chairman and Managing Director

## CORPORATE GOVERNANCE REPORT 2015

### 1. Philosophy

Ion Exchange applies the principles of sound corporate governance as an instrument to maintain an efficient organizational structure with clear areas of responsibility, that financial reporting is transparent and that the Company in all respects maintains good corporate citizenship. The Company's philosophy on corporate governance is to ensure that adequate control systems exist to enable the Board in effectively discharging its responsibilities to all the stakeholders of the Company, oversee the business strategies, ensuring fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising of regulators, employees, customers, vendors, investors and the society at large.

The Company focuses its resources, strengths and strategies to achieve its vision while upholding the core values of excellence integrity and responsibility which are fundamental to the Group. At Ion Exchange, the Board is at the core of our corporate governance practice and oversees how the management serves and protects the long-term interest of stakeholders.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements 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, 2015]

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
Mrs. 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 seven Board Meetings on 28.05.2014, 29.07.2014, 26.09.2014, 16-10-2014, 29.10.2014, 21.01.2015 and 17.03.2015. At every board meeting, the matters specified under clause 49(IV), Annexure 1 of the Listing Agreement 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 26<sup>th</sup> September, 2014 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	Director-ships in other Company(s) as on (31/3/15)	Member/ Chairman of committees of other company(s) (as on 31/3/15)
Mr. Rajesh Sharma	7	15	3
Mr. Dinesh Sharma	6	13	1 (chairman)
Mr. Aankur Patni	6	6	-
Dr. V. N. Gupchup	7	5	7 (includes 2 Chairmanships)
Mr. M. P. Patni	7	12	4
Mr. T. M. M. Nambiar	7	3	4 (includes 1 Chairmanships)
Mr. P. SampathKumar	5	1	1
Mr. Abhiram Seth	6	10	5
Mr. Shishir Tamotia	6	2	1
Mrs. K.J. Udeshi	4	7	8

#### iii. 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](http://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 2014-15.

**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 clause 49(II) of the Listing Agreement with the Stock Exchange. The Internal Auditor submits reports periodically to the Committee and suggestions are given for effective functioning of the internal control system.

The Committee held five meetings during the year on 28.05.2014, 29.07.2014, 16.10.2014, 29.10.2014 and 21.01.2015.

Name	Number of the Audit Committee meetings attended
Mr. T.M.M.Nambiar (Chairman)	4
Dr.V.N.Gupchup	5
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 and independent) along with the members of the Committee are Mr. Abhiram Seth (Non Executive & Independent) and Mr.M.P. Patni (Non-executive).

During the year Committee held 3 meetings on 28<sup>th</sup> May, 2014, 29<sup>th</sup> July, 2014 and 18<sup>th</sup> March, 2015.

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

#### REMUNERATION POLICY

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

###### 1. Qualifications of Independent Director:

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

###### 2. Positive attributes of Independent Directors:

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

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

##### 3. Independence of Independent Directors:

An Independent director should meet the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement 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 Rs. 50,000/- for every meeting of the board, Rs. 25,000 for other committees thereof and Rs. 10,000/- for Stakeholders Relationship Committee attended by them as 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.

Additional commission, apart from commission referred to above, may be paid to non-executive directors as may be decided by the board of directors of the company from time to time, depending on the extra time and effort as may be devoted and contribution as may be made by the non-executive directors.

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

###### B. MANAGING DIRECTOR & 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 above criteria and policy are subject to

review by the Nomination & Remuneration committee & the Board of Directors of the Company.

The remuneration paid to Managing Director Mr. Rajesh Sharma and Executive Directors Mr. Dinesh Sharma and Mr. Aankur Patni during the financial year 2014- 2015 is given hereunder.

Name	Tenure	Salary & Allowances (Rs.)	Contribution to Provident & other funds (Rs.)	Perquisites (Rs.)	Total (Rs.)
Mr. Rajesh Sharma	2014-15	2,30,83,998	45,80,640	7,72,353	2,84,36,891
Mr. Dinesh Sharma	2014-15	1,09,26,955	20,99,460	1,47,300	1,31,73,715
Mr. Aankur Patni	2014-15	1,09,22,767	20,99,460	8,876	1,30,31,103

During the year, the Company paid Rs.31,00,000/- as sitting fees to the non-executive Directors for attending the Board and Committee Meetings. The details are given below:

Name	Amount paid (Rs.)
Dr. V. N. Gupchup	8,80,000
Mr. M. P. Patni	4,30,000
Mr. T. M. M. Nambiar	3,65,000
Mr. P. Sampath Kumar	2,20,000
Mr. Abhiram Seth	4,25,000
Mr. S.L. Tamotia	2,70,000
Ms. K.J. Udeshi	4,15,000
Total	30,05,000

#### 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) along with the members of the Committee are, Dr. V. N. Gupchup, Mr. T. M. M. Nambiar and Mr. P. SampathKumar (independent).

The details of Employees' Stock Option Schemes ESOS – 2001, ESOS – 2003, ESOS - 2005 and ESOS - 2008 as required to be given under SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended, are given hereunder (As on 31st March 2015):

		ESOS-2001	ESOS-2003	ESOS - 2005	ESOS - 2008
A.	Options granted	First grant – 3,84,500 (20.07.2001) Second grant – 5,36,100 (08.08.2002) Third grant – 3,00,000 (05.06.2007)	First grant– 6,50,000 (02.04.2004) Second grant – 3,50,000 (05.06.2007)	First grant– 5,00,000 (29.03.2006) Second grant – 5,00,000 (24.07.2006)	12,00,000 (13.10.2008)

		<b>ESOS-2001</b>	<b>ESOS-2003</b>	<b>ESOS - 2005</b>	<b>ESOS - 2008</b>
B.	Pricing Formula	First grant @ Rs.12.50 Second grant @ Rs.19.00 Third grant @ Rs.94.00	First grant @ Rs.19.00 Second grant @ Rs.94.00	First grant @ Rs.67.00 Second grant @ Rs.54.50	First grant @ Rs.58.20
		Computed on the average of the weekly closing prices on The Stock Exchange, Mumbai during the 13 weeks prior to the date of grant or the closing price on the date of the grant whichever is lower or with a discount not exceeding 25% on the price as computed by the above formula as may be decided by the ESOS Compensation Committee. (The closing market price on BSE as on the date of grant – First grant Rs. 13.70, Second grant Rs. 24.50, Third grant Rs. 125.10)	Computed on the average of two weeks high and low price of the shares traded on The Stock Exchange, Mumbai, preceding the date of grant of option or the closing price on the date of the grant whichever is lower or with a discount not exceeding 25% on the price as computed by the above formula as may be decided by the ESOS Compensation Committee. (The Closing market price on BSE as on the date of grant – First grant Rs. 29.65, Second grant Rs.125.10)	Computed on the average of two weeks high and low price of the share traded on The Stock Exchange, Mumbai, preceding the date of grant of option or the closing market price prior to the date of grant. Exercise price shall be at a discount not exceeding 25% on the average price or the closing market price as computed by the above formula as may be decided by the ESOS Compensation Committee. (The closing market price on BSE as on the date of grant – First grant Rs. 96.65, Second grants Rs.72.65)	Computed on the average of two weeks high and low price of the share traded on The Stock Exchange, Mumbai, preceding the date of grant of option or the closing market price prior to the date of grant. Exercise price shall be at a discount not exceeding 25% on the average price or the closing market price as computed by the above formula as may be decided by the ESOS Compensation Committee. (The closing market price on BSE as on the date of grant – First grant Rs.77.55)
C.	Options Vested	First grant – 3,84,500 Second grant – 5,36,100 Third grant – 3,00,000	First Grant – 6,50,000 Second Grant – 3,50,000	First Grant – 4,80,000 Second Grant – 5,00,000	12,00,000
D.	Options Exercised	First grant – 2,77,000 Second grant – 3,89,700 Third grant – 5,000	First Grant – 5,78,675 Second Grant - Nil	First Grant – 3,26,000 Second Grant – 4,06,000	9,11,000
E.	The total no. of shares arising as a result of exercise of option	First grant – 2,77,000, Second grant – 3,89,700 Third grant - 5,000	First Grant – 5,78,675 Second Grant - Nil	First Grant – 3,26,000 Second Grant – 4,06,000	9,11,000
F.	Options Lapsed	First grant – 1,07,500 Second grant – 146,400 Third grant – 60,000	First Grant – 71,325 Second grant – 78,000	First Grant – 1,74,000 Second grant – 94,000	2,12,800

		ESOS-2001	ESOS-2003	ESOS - 2005	ESOS - 2008
G.	Variations of terms of options	Pursuant to the approval of shareholders at 44 <sup>th</sup> Annual General Meeting, the Employees' Stock Option Compensation Committee has decided to amend the vesting period for the options granted so that the date of vesting of all the options granted which were to be vested in tranches be advanced and all the options not vested as yet be vested simultaneously	i) Pursuant to the approval of shareholders at 42 <sup>nd</sup> Annual General Meeting the Employees' Stock Option Compensation Committee has decided to advance the date of vesting of options so that options not vested as yet be vested immediately. ii) Pursuant to the approval of shareholders at 44 <sup>th</sup> Annual General Meeting, the Employees' Stock Option Compensation Committee has decided to amend the vesting period for the options granted so that the date of vesting of all the options granted which were to be vested in tranches be advanced and all the options not vested as yet be vested simultaneously	None	None
H.	Money realised by exercise of options	First grant – Rs.34,62,500/- Second grant – Rs.74,04,300/- Third grant - 4,70,000	First Grant – Rs.1,09,94,825/- Second grant - Nil	First grant- Rs. 2,18,42,000/- Second Grant- Rs.2,21,27,000/-	Rs.5,30,20,200/-
I.	Total number of options in force	First grant – Nil Second grant – Nil Third grant – 2,35,000	First Grant – Nil Second Grant – 2,72,000	First Grant – Nil Second Grant – Nil	Nil
J.	Employee wise details of options granted to: i) Senior Management Personnel	Nil	Nil	Nil	Nil
	ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	None	None	None	None

		ESOS-2001	ESOS-2003	ESOS - 2005	ESOS - 2008
	iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	None	None	None	None
		Note: No fresh options were granted during the year			
K.	Diluted earnings per share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 earning per share – Rs. N.A.				
L.	where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	N.A.	N.A.	N.A.	N.A.
M	Weighted average exercise prices and weighted average fair value of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	N. A	N. A	N. A	N.A.

		ESOS-2001	ESOS-2003	ESOS - 2005	ESOS - 2008
N.	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information: i. Risk – free interest rate ii. Expected life iii. Expected volatility iv. Expected dividends, and v. The price of the underlying share in market at the time of option granted.	N. A	N. A	N. A	N.A.

#### 6. Stakeholders' Relationship (Grievance) Committee

The members of the Committee are Dr. V. N. Gupchup (Nonexecutive and Independent), Mr. Rajesh Sharma and Mrs. Kishori Udeshi. The Committee is headed by Dr. V. N. Gupchup and Company Secretary is the Compliance Officer. Number of Queries / Complaints / Requests received during the financial year from shareholders / investors:

Sr. No	QUERIES / COMPLAINTS/ REQUESTS RELATED TO	TOTAL RECEIVED	TOTAL REPLIED
<b>1</b>	<b>Payments</b>		
a	Instruments found already paid / payment sent for electronic credit to Bank	3	3
b	Outdated, Duplicate Warrants and Changes on live warrants (where new instruments being issued)	81	81
c	Issue of new Drafts against unencashed Drafts/ Recovery Drafts	6	6
d	Non Receipt of warrants (where recon in progress)	1	1
e	Non Receipt of payments (where new Instruments already issued)	1	1

Sr. No	QUERIES / COMPLAINTS/ REQUESTS RELATED TO	TOTAL RECEIVED	TOTAL REPLIED
f	Unclaimed and Unpaid amounts transferred to ROC / IEPF	0	0
g	Miscellaneous	5	5
2	Annual Report	0	0
3	Bonus Issue	0	0
4	Change In Name / Status	7	7
5	Communication received through SEBI and other statutory/ regulatory bodies	0	0
6	Conversion / Demerger - Scheme of Arrangement / Exchange/ Merger - Amalgamation of Cos/ Subdivision	23	23
7	Dematerialisation/ Re-materialisation of Securities	0	0
8	Dividend / Interest	14	14
9	Document Registration	8	8
10	Legal Matters	18	18
11	Loss of Securities	46	46
12	Nomination	0	0
13	Tax Exemption	2	2
14	Transfer of Securities	9	9

Sr. No	QUERIES / COMPLAINTS/ REQUESTS RELATED TO	TOTAL RECEIVED	TOTAL REPLIED
15	Transmission of Securities	34	34
16	Other Queries	29	29
	<b>TOTAL</b>	<b>287</b>	<b>287</b>
	<b>Request For</b>		
1	Change of Address	34	34
2	Change in Bank Details	14	14
3	Issue of New Certificates on Split/Consolidation/Renewal	31	31
4	Nomination	2	2
5	Pan Updation	0	0
	<b>TOTAL</b>	<b>81</b>	<b>81</b>
	<b>GRAND TOTAL :</b>	<b>368</b>	<b>368</b>

### 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 Ltd. 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 2014-2015 the Stakeholders' Relationship committee held 35 meetings. Dr. V.N. Gupchup (Non- Executive), Mr. Rajesh Sharma and Mrs.Kishori Udeshi 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 28<sup>th</sup> May, 2014, constituted "Corporate Social Responsibility Committee" pursuant to the provisions of Section 135 of the Companies Act, 2013.

During the year 2014-15, the Committee met thrice on 31.07.2014, 28.10.2014 and 30.01.2015. 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)	3
Mrs. K. J. Udeshi	1
Mr. M. P. Patni	2
Mr. Rajesh Sharma	3

The Company Secretary acts as the Secretary to the Committee.

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

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

### 8. Risk Management Committee

The Board of Directors at its Meeting held on 29<sup>th</sup> October, 2014 constituted a "Risk Management Committee", as required under the revised Clause 49 of the Listing Agreement. The Committee comprises of 3 Members viz. Mr. Shishir Tamotia (Non – Executive and Independent Director), Mr. Abhiram Seth (Non – Executive and Independent Director) and Mrs. K.J. Udeshi (Non – Executive and Independent Director).

The purpose of the risk management committee of the Board of Directors shall be to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and external environment risks. The Committee has overall responsibility for monitoring and approving the risk policies and associated practices of the Company.

The risk management committee is also responsible for reviewing and approving risk disclosure statements in any public documents or disclosures.

The Company Secretary acts as the Secretary to the Committee.

### 9. Independent Directors' Meeting

During the year under review, the Independent Directors met on March 18, 2015, 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.



## 10. Annual General Meetings

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

Year	Date	Time	Location	Special Resolution Passed
2011-2012	26.09.2012	11.00 a.m.	Ravindra Natya Mandir, P.L. Deshpande, Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Raod, Prabhadevi, Mumbai – 400 025	----
2012-2013	24.09.2013	11.00 a.m.	Ravindra Natya Mandir, P.L. Deshpande, Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Raod, Prabhadevi, Mumbai – 400 025	Re-Appointment of Mr. Rajesh Sharma as Chairman & Managing Director
2013-2014	26.09.2014	11.00 a.m.	Ravindra Natya Mandir, P.L. Deshpande, Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Raod, Prabhadevi, Mumbai – 400 025	1. Authority to Board to create charge / mortgage / hypothecation under section 180 (1) (a) of the Companies Act, 2013. 2. Authority to Board to borrow money under Section 180(1)(c) of the Companies Act, 2013.

### Postal Ballot:

During the year 2014 -15, one Postal Ballot was conducted in accordance with Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, as per the details given below:

Particulars of the Resolution	1.	Ordinary Resolution for Appointment of Statutory Auditors to fill casual vacancy.	
			Total
		Number of valid Postal / electronic ballot forms received	214
		Votes in favour of the Resolution	47,47,566
		Votes against the Resolution	297
		Number of invalid Votes (Postal/ Electronic)	11
		% Votes in favour	99.99%
	2.	Special Resolution for Consent for making of any investment/giving any loan or guarantee/providing security.	
		Number of valid Postal / electronic ballot forms received	206
		Votes in favour of the Resolution	47,08,909
		Votes against the Resolution	38,217
		Number of invalid Votes (Postal/ Electronic)	19
		% Votes in favour	99.19%
	3	Special Resolution for Consent for creating / providing security on Assets of the Company.	
		Number of valid Postal / electronic ballot forms received	205
		Votes in favour of the Resolution	47,46,113
		Votes against the Resolution	912
		Number of invalid Votes (Postal/ Electronic)	20
		% Votes in favour	99.98%
Name of Scrutinizer	Mr. Virendra Bhatt, Practicing Company Secretary		
Date of Report of Scrutinizer	29 <sup>th</sup> December 2014		
Date of Declaration of Results	29 <sup>th</sup> December 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. As required under clause 49, the Company. As required under clause 49, 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 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.
- c. With regard to matters related to capital markets, the Company has complied with all requirements of the Listing Agreement 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.
- d. 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.

**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 behaviour and actual or suspected frauds, the Company has adopted the Whistleblower Policy with Clause 7 of Annexure I D to Clause 49 of the Listing Agreement. 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.

**13 Means of Communication**

As per the requirements of listing agreement with The Stock Exchange, Mumbai, the quarterly, half yearly and annual financial results of the Company are faxed & 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 our company's website ([www.ionindia.com](http://www.ionindia.com)).

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  | : Wednesday, 16 <sup>th</sup> September 2015  |
| Time  | : 11.00 a.m.  |
| Venue | : Ravindra Natya Mandir, P.L. Deshpande, Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Raod, Prabhadevi, Mumbai – 400 025 |

**ii) Financial calendar year 2015-16**

- |                |  |
|----------------|--|
| Financial year | : 1st April to 31st March                          |
| Quarter ending | : Last week of July, 2015<br>June 30, 2015         |
| Quarter ending | : Last week of October,<br>September 30, 2015 2015 |
| Quarter ending | : Last week of January,<br>December 31, 2015 2016  |
| Year ending    | : Last week of May, 2016<br>March 31, 2016         |

**iii) Book closure date**

The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 8<sup>th</sup> September 2015 to Wednesday, 16<sup>th</sup> September 2015 (both days inclusive) for determining the entitlement of shareholders to receive dividend for the year ended 31st March, 2015, if declared at the Annual general meeting.

**iv) Dividend payment date**

Dividend, if declared shall be paid on or before 21<sup>st</sup> September 2015

**v) Listing on Stock Exchange**

The Company's equity shares are listed at The Stock Exchange, Mumbai.

**vi) Stock code and ISIN Number**

The Stock Exchange, Mumbai - 500214.

ISIN Number - INE570A01014.

**The Stock Exchange, Mumbai**

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

Month	High Price (Rs.)	Low Price (Rs.)
April 2014	112.20	92.25
May 2014	149.50	94.00
June 2014	195.05	139.30
July 2014	186.70	149.65
August 2014	179.50	139.00
September 2014	204.95	163.00
October 2014	223.80	189.00
November 14	274.25	196.00
December 14	279.00	218.00
January 2015	271.70	239.00
February 2015	290.00	239.00
March 2015	312.90	250.00

**Market Price v/s. S & P BSE Sensex**



**DISTRIBUTION OF HOLDINGS AS ON 31/03/2015**

DESCRIPTION	NO. OF SHARES	%	NO. OF HOLDERS	%	
1	500	1,347,242	9.27	11,045	86.06
501	1000	638,364	4.39	824	6.42
1001	2000	708,349	4.88	476	3.71
2001	3000	314,908	2.17	124	0.97
3001	4000	199,109	1.37	56	0.44
4001	5000	247,328	1.70	53	0.41
5001	10000	878,110	6.04	120	0.94
10001	999999999	10,198,749	70.18	136	1.05
<b>TOTAL</b>	<b>14,532,159</b>	<b>100.00</b>	<b>12,834</b>	<b>100.00</b>	

**Shareholding Pattern as on 31<sup>st</sup> March 2015**

Category	Holdings	%
Promoter & Promoter Group	64,58,727	44.44
Mutual Funds & UTI	5,234	0.04
Banks, Financial Institutions & Insurance Companies	1,67,517	1.15
FII's	69,788	0.48
Domestic Companies	11,49,017	7.91
Public	65,22,307	44.88
NRIs/OCBs	1,59,569	1.10
<b>Total</b>	<b>1,45,32,159</b>	<b>100.00</b>

**Dematerialisation of Shares and Liquidity**

The Company's Equity Shares are in compulsory demat i.e. electronic mode and as on 31<sup>st</sup> March, 2015, 76.31 % of the equity capital were held in dematerialised form.

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

**Plant Locations**

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

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

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

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

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

**Address for correspondence:**

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

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](mailto:csg-unit@tsrdarashaw.com)  
Website: [www.tsrdarashaw.com](http://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 31<sup>st</sup> March, 2015, as stipulated in Clause 49 of the listing Agreement of the Company with the Stock Exchange in India.

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 : May 25, 2015

## Independent Auditors' Report

To  
**The Members of  
Ion Exchange (India) Limited**

### Report on the standalone financial statements

We have audited the accompanying standalone financial statements of Ion Exchange (India) Limited ('the Company'), which comprise the balance sheet as at 31st March 2015, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the return for the year ended on that date audited by the branch auditor of the Company's branch at Bengaluru.

### Management's responsibility for the standalone financial statements

The Company's Board of Director's is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015, and its profits and its cash flows for the year ended on that date.

### Other matter

We did not audit the financial statements/information of one branch included in the standalone financial statements of the Company whose financial statements / financial information reflect total assets of Rs. 46,72,00,513 as at 31st March 2015 and total revenues of Rs. 89,59,56,054 for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of this 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 amounts and disclosures included in respect of this branch, is based solely on the report of such branch auditor.

Our opinion is not modified in respect of this matter.

### Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

2. 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 appears from our examination of those books and proper return adequate for the purposes of our audit have been received from the branch not visited by us;
- (c) The reports on the accounts of the branch office of the Company audited under Section 143 (8) of the Act by branch auditor have been sent to us and have been properly dealt with by us in preparing this report;
- (d) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account and with the return received from the branch not visited by us;
- (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (f) On the basis of written representations received from the directors as on 31 March 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015,

from being appointed as a director in terms of Section 164(2) of the Act; and

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 41 to the financial statements,
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

**Bhavesh Dhupelia**  
*Partner*  
Membership No: 042070

Place : Mumbai  
Date : 25th May 2015



## Annexure to the Independent Auditors' Report – 31st March 2015

(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.  | (v)   | requirements and alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.   |
|       | (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 our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification. |       |   |
| (ii)  | (a) | The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained.   | (v)   | In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 73, 74, 75 and 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. Accordingly, there have been no proceedings before the Company Law Board or National Company Law Tribunal (as applicable) or Reserve Bank of India or any Court or any other Tribunal in this matter and no order has been passed by any of the aforesaid authorities. |
|       | (b) | The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  | (vi)  | We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of products manufactured by the Company 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.  |
|       | (c) | The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.  | (vii) | (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, professional tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.  |
| (iii) | (a) | The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). In the case of loans granted to the companies listed in the register maintained under Section 189 of the Act, the borrowers have been regular in repaying the principal amounts as stipulated and in the payment of interest.  |       |   |
|       | (b) | There is no overdue amount of more than Rupees One Lac in respect of loans granted to the companies listed in the register maintained under Section 189 of the Act.  |       | According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, professional tax, cess and other material statutory dues were in arrears as at 31st March 2015 for a period of more than six months from the date they became payable.   |
| (iv)  |     | In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchase of certain items of inventories and fixed assets are for the Company's specialised  |       |   |

- (b) According to the information and explanations given to us, there are no dues of wealth tax and cess which have not been deposited with the appropriate authorities on account of any disputes, except dues of sales tax, service tax, duty of customs, income tax, duty of excise and value added tax as stated below:

Name of the Statute	Nature of the dues	Demand in Rupees	Amount paid under protest in Rupees	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty and penalty	16,78,600	-	2004-2005	Customs, Excise and Service Tax Appellate Tribunal
Sales Tax/VAT Act for Maharashtra, Gujarat, Andhra Pradesh and Goa states	Disallowance on account of non submission of required forms	34,31,863	8,00,000	1993-1994	Joint Commissioner Appeals
		59,14,792	8,00,000	1995-1996	Joint Commissioner Appeals
		1,42,13,050	70,00,000	1999-2000	Joint Commissioner Appeals
		30,29,440	10,00,000	2000-2001	Joint Commissioner Appeals
		26,21,528	-	2006-2007	Assistant Commissioner Appeals
		6,97,121	-	2007-2008	Assistant Commissioner Appeals
		12,84,683	3,25,000	2008-2009	Assistant Commissioner Appeals
		5,56,682	1,95,000	2009-2010	Assistant Commissioner Appeals
		1,23,78,969	-	2009-2010	Deputy Commissioner Appeals
Finance Act, 1994 – Service Tax	Disallowance of service tax taken on input services	12,03,183	4,91,444	2011-2014	Assistant Commissioner of Central Excise
		6,81,278	3,40,482	2006-2009	Additional Commissioner of Central Excise
The Customs Act, 1962	Liability on account of additional duty, interest and difference in valuation (to the extent ascertainable)	22,58,117	-	2003-2004	Joint Director General of Foreign Trade
Income Tax Act 1961	Income Tax demand	22,60,330	-	2007-2008	Commissioner of Income Tax (Appeal)
Income Tax Act 1961	Income Tax demand	1,08,31,992	-	2008-2009	Deputy Commissioner of Income Tax (Appeal)
Income Tax Act 1961	Income Tax demand	1,52,75,310	-	2010-2011	Commissioner of Income Tax (Appeal)
Income Tax Act 1961	Income Tax demand	8,91,856	-	2006-2007	Commissioner of Income Tax (Appeal)

- (c) According to the information and explanations given to us, the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers and financial institutions. The Company did not have any outstanding dues to debenture holders.
- (x) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company. According to the information and explanations given to us, the Company has not given any guarantee or loans taken by others from financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were obtained.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **BSR & Co. LLP**  
*Chartered Accountants*

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

**Bhavesh Dhupelia**  
*Partner*

Place : Mumbai  
Date : 25th May 2015

Membership No: 042070

**BALANCE SHEET as at 31st March 2015**

	Notes	31st March 2015 Rupees	31st March 2014 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
(a) Share capital	3	14,53,21,590	14,53,21,590
(b) Reserves and surplus	4	2,05,79,92,977	1,86,36,40,650
		<u>2,20,33,14,567</u>	<u>2,00,89,62,240</u>
<b>NON-CURRENT LIABILITIES</b>			
(a) Long-term borrowings	5	10,22,16,316	6,16,23,521
(b) Deferred tax liabilities (Net)	6	4,66,94,643	6,77,41,544
(c) Other long term liabilities	7	7,27,14,858	5,99,60,878
(d) Long-term provisions	8	6,11,66,224	5,30,41,891
		<u>28,27,92,041</u>	<u>24,23,67,834</u>
<b>CURRENT LIABILITIES</b>			
(a) Short-term borrowings	9	35,69,69,054	62,19,04,504
(b) Trade payables	10	2,80,15,22,950	2,62,59,07,123
(c) Other current liabilities	11	46,64,48,088	37,15,16,931
(d) Short-term provisions	8	21,02,63,621	15,07,13,958
		<u>3,83,52,03,713</u>	<u>3,77,00,42,516</u>
<b>TOTAL</b>		<b><u>6,32,13,10,321</u></b>	<b><u>6,02,13,72,590</u></b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Fixed assets			
(i) Tangible assets	12	68,81,43,025	75,78,51,006
(ii) Intangible assets	13	1,18,07,104	1,30,91,395
(iii) Capital work in progress		4,98,32,583	1,13,50,851
(b) Non-current investments	14	55,22,52,538	52,11,08,858
(c) Long-term loans and advances	15	59,74,35,445	63,69,18,763
(d) Trade receivables	16	6,59,14,502	6,80,02,995
(e) Other non-current assets	17	13,96,407	8,51,253
		<u>1,96,67,81,604</u>	<u>2,00,91,75,121</u>
<b>CURRENT ASSETS</b>			
(a) Current investments	18	4,92,224	4,92,224
(b) Inventories	19	45,25,49,680	41,74,52,262
(c) Trade receivables	16	3,26,50,48,602	2,91,57,03,436
(d) Cash and cash equivalents	20	14,81,43,544	14,21,13,048
(e) Short-term loans and advances	15	48,59,24,664	53,44,51,661
(f) Other current assets	17	23,70,003	19,84,838
		<u>4,35,45,28,717</u>	<u>4,01,21,97,469</u>
<b>TOTAL</b>		<b><u>6,32,13,10,321</u></b>	<b><u>6,02,13,72,590</u></b>
Summary of significant accounting policies	2		
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

BHAVESH DHUPELIA  
Partner  
Membership no.: 042070

Place : Mumbai  
Date : 25th May 2015

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

RAJESH SHARMA  
Chairman & Managing Director

N. M. RANADIVE  
Executive Vice President - Finance

M. P. PATNI  
Director

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 25th May 2015

**STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2015**

	Notes	31st March 2015 Rupees	31st March 2014 Rupees
<b>REVENUE</b>			
Revenue from operations (Gross)	21	7,61,52,98,482	7,35,50,89,837
Less: Excise duty	21	29,69,94,109	23,56,09,858
Revenue from operations (Net)	21	7,31,83,04,373	7,11,94,79,979
Other income	22	8,21,81,387	8,13,95,236
<b>TOTAL REVENUE</b>		<b>7,40,04,85,760</b>	<b>7,20,08,75,215</b>
<b>EXPENSES</b>			
Cost of materials and components consumed	23	4,71,58,83,356	4,68,90,33,389
Purchases of traded goods	24	26,48,82,649	28,31,17,513
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	24	(3,53,57,226)	2,50,67,086
Employee benefits expense	25	75,20,08,541	72,70,06,230
Finance costs	26	10,85,45,548	9,79,47,246
Depreciation and amortization	27	9,81,01,516	8,39,90,643
Other expenses	28	1,11,61,95,182	98,06,73,419
<b>TOTAL EXPENSES</b>		<b>7,02,02,59,566</b>	<b>6,88,68,35,526</b>
<b>PROFIT BEFORE TAX</b>		<b>38,02,26,194</b>	<b>31,40,39,689</b>
<b>TAX EXPENSE</b>			
Current tax		13,15,00,000	10,79,43,000
Deferred tax (Refer note 6)		(1,26,65,857)	8,91,377
<b>TOTAL TAX EXPENSE</b>		<b>11,88,34,143</b>	<b>10,88,34,377</b>
<b>PROFIT AFTER TAX</b>		<b>26,13,92,051</b>	<b>20,52,05,312</b>
<b>EARNINGS PER EQUITY SHARE:</b>			
[Nominal value of shares Rs. 10 (2013-2014 : Rs. 10)] (Refer note 29)			
Basic		17.99	14.13
Diluted		17.61	14.08

Summary of significant accounting policies 2

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

BHAVESH DHUPELIA  
Partner  
Membership no.: 042070

Place : Mumbai  
Date : 25th May 2015

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

RAJESH SHARMA  
Chairman & Managing Director

N. M. RANADIVE  
Executive Vice President - Finance

M. P. PATNI  
Director

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 25th May 2015

**CASH FLOW STATEMENT for the year ended 31st March 2015**

	31st March 2015 Rupees	31st March 2015 Rupees	31st March 2014 Rupees	31st March 2014 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
<b>Net profit before tax as per statement of profit and loss</b>		<b>38,02,26,194</b>		<b>31,40,39,689</b>
Adjustment to reconcile profit before tax to net cash flows:				
Depreciation and amortisation expense	9,81,01,516		8,39,90,643	
(Profit) / Loss on assets sold / discarded (Net)	18,114		(2,71,551)	
Employee compensation income	(3,11,000)		(45,84,179)	
Finance cost	10,85,45,548		9,79,47,246	
Dividend received	(1,06,01,106)		(5,29,364)	
Interest received	(5,33,49,108)		(4,26,32,164)	
Bad debts written off	2,99,95,426		3,34,23,124	
Backcharges on contracts	3,08,96,565		41,39,278	
Amount set aside for liabilities, no longer required, written back	(3,50,966)		-	
Unrealised exchange loss / (gain)	(50,85,202)		(2,05,42,735)	
		<u>19,78,59,787</u>		<u>15,09,40,298</u>
<b>Cash generated from operations before working capital changes</b>		<b>57,80,85,981</b>		<b>46,49,79,987</b>
Movements in working capital:				
(Increase) / Decrease in trade receivables	(40,49,06,799)		(22,80,79,778)	
(Increase) / Decrease in inventories	(3,50,97,418)		1,42,01,767	
(Increase) / Decrease in loans and advances	9,51,15,791		(15,10,05,974)	
(Increase) / Decrease in other current assets	14,72,737		(2,95,221)	
(Decrease) / Increase in trade payables	17,76,70,412		2,16,47,850	
(Decrease) / Increase in other liabilities	8,58,07,396		(2,91,91,008)	
(Decrease) / Increase in provisions	1,07,60,084		50,98,544	
		<u>(6,91,77,797)</u>		<u>(36,76,23,820)</u>
<b>Cash generated from operations</b>		<b>50,89,08,184</b>		<b>9,73,56,167</b>
Taxes paid		(8,87,96,660)		(11,59,90,039)
<b>Net cash from operating activities (A)</b>		<b>42,01,11,524</b>		<b>(1,86,33,872)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of fixed assets	(9,13,30,465)		(6,40,93,842)	
Proceeds from sale of fixed assets	3,52,133		4,62,85,964	
Investments made in subsidiaries	(3,11,43,680)		(1,00,000)	
Deposit made during the year (with maturity more than three months)	(4,55,40,877)		(2,00,06,329)	
Deposit matured during the year (with maturity more than three months)	4,58,69,401		1,60,32,844	
Dividend received	1,06,01,106		5,29,364	
Interest received	5,09,46,052		4,19,95,228	
<b>Net cash generated / (used) in investing activities (B)</b>		<b>(6,02,46,330)</b>		<b>2,06,43,229</b>



**Cash Flow Statement (Contd.)**

	31st March 2015 Rupees	31st March 2015 Rupees	31st March 2014 Rupees	31st March 2014 Rupees
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from issuance of share capital on exercise of options	-		27,81,960	
Repayment of borrowings	(40,86,46,235)		(19,21,51,414)	
Proceeds from borrowings	19,75,27,787		30,46,67,396	
Dividend paid	(2,90,64,318)		(2,90,64,318)	
Dividend tax paid	(49,39,481)		(49,39,481)	
Finance cost	(10,84,16,424)		(9,77,87,509)	
<b>Net cash used in financing activities (C)</b>		<b>(35,35,38,671)</b>		<b>(1,64,93,366)</b>
<b>Net Increase/ (Decrease) in cash and cash equivalents (A+B+C)</b>		<b>63,26,523</b>		<b>(1,44,84,009)</b>
Effect of exchange difference on cash and cash equivalent held in foreign currency		32,497		74,495
Cash and cash equivalents as at the beginning of the year		4,75,17,592		6,19,27,106
<b>Cash and cash equivalents as at the end of the year</b>		<b>5,38,76,612</b>		<b>4,75,17,592</b>
<b>Cash and cash equivalent comprises of :</b>				
<b>Cash in hand</b>		<b>1,01,07,222</b>		<b>20,51,570</b>
<b>Balance with banks</b> (Refer notes 2 and 3 below)		<b>4,37,69,390</b>		<b>4,54,66,022</b>
<b>Total</b>		<b>5,38,76,612</b>		<b>4,75,17,592</b>

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Notified Accounting Standard - 3 on Cash Flow Statements.
- Cash and cash equivalents excludes the following balances with bank:
  - On deposit account Rs. 29,86,167 (2013-2014 : Rs. 20,00,000)
  - On margin money account Rs. 9,12,80,765 (2013-2014 : Rs. 9,25,95,456)
- Balances with bank includes Rs. 32,88,006 (2013-2014 : Rs. 31,28,462) being unclaimed dividend and unclaimed interest on fixed deposits which are not available for use by the company as they represent corresponding Unpaid Liabilities.
- Previous years' figures have been regrouped/rearranged to conform with current years' classifications.

As per our report of even date

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

BHAVESH DHUPELIA  
Partner  
Membership no.: 042070

Place : Mumbai  
Date : 25th May 2015

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

RAJESH SHARMA  
Chairman & Managing Director

N. M. RANADIVE  
Executive Vice President - Finance

M. P. PATNI  
Director

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 25th May 2015

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015****1. Basis of Preparation:**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared under historical cost convention on accrual basis except in case of assets acquired before 30th April 1986 which are carried at revalued amounts. The financial statements comply in all material respects with the accounting standards as prescribed under section 133 of the Companies Act, 2013 (the "Act") read with rule 7 of the Companies (Accounts) Rules, 2014, provisions of the Act (to the extent notified). The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

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.

**2. Significant Accounting Policies:****(i) Fixed assets, depreciation, amortization and impairment:**Tangible assets

Fixed assets acquired before 30th April 1986 are stated at revalued amounts while assets acquired subsequent to that date are stated at historical cost of acquisition less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing cost relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

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

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

Site equipments are depreciated over 3 years.

Leasehold assets are amortized over the period of lease.

The incremental depreciation attributable to the revalued amount is transferred from the revaluation reserve to the statement of profit and loss.

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 least 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.

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.

## **NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

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

(ii) 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.

The premium or discount arising at the inception of forward exchange contracts is amortized as income or expense over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year. None of the forward exchange contracts are taken for trading or speculation purpose.

(iii) Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

(iv) 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 and excise duty. 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.

(v) Accounting for CENVAT:

The Company follows on a consistent basis, the "non-inclusive" method of accounting for CENVAT under Central Excise Act with regard to its inventories, purchases and consumption.

(vi) Research and development:

Capital expenditure on research and development is treated in the same manner as fixed assets. 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.

(vii) Retirement and other employee benefits:

a) Retirement benefit in the form of provident fund managed by Government Authorities, Employee State Insurance Corporation, Labour Welfare Fund and Superannuation Fund are defined contribution scheme and the contribution is charged to the statement of profit and loss of the year when the contribution to the respective fund is due. There is no other obligation other than the contribution payable.

b) 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.

c) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered. 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.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****2. Significant Accounting Policies (contd...)**

- d) 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, 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.
- e) Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

**(viii) Revenue recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sales are accounted for inclusive of excise duty but excluding sales tax / VAT. Sale of goods is recognized when the property and all significant risks and reward of ownership is transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods.

Contract revenue and contract costs in respect of construction contracts, execution of which is spread over different accounting periods, is recognized as revenue and expense respectively by reference to the basis of percentage of completion method of the project at the balance sheet date.

Determination of revenues under the percentage of completion method by the company is based on estimates (some of which are technical in nature) concerning the percentage of completion, costs to completion, contracted revenue from the contract and the foreseeable losses of completion.

Foreseeable losses, if any, which are based on technical estimates, are provided in the accounts irrespective of the work done. The company does not have outflow on account of warranty given to customers as all the outsourced work has a back to back guarantee.

Income from services:

Revenue from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered. Income from commission and management fees is recognized on completion of services. Service income is accounted net of service tax.

Interest:

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends:

Revenue is recognized when the shareholders' right to receive payment is established by the Balance Sheet date.

**(ix) Taxation:**

- a) Provision for current taxation has been made in accordance with the Indian income tax laws prevailing for the relevant assessment years.
- b) 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 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. If the company has unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each balance sheet date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**(x) Employee stock compensation cost:**

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and guidance note on accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight-line basis. The unamortized portion of the cost is shown under stock options outstanding.

**(xi) Provisions and contingent liabilities:**

Provisions are recognized when the company has a present obligation as a result of past event for which it is probable that an outflow of resources will be required and a reliable estimate can be made of the amount of obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates (without discounting to its present value).

## **NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

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

Contingent liability is disclosed for a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or a reliable estimate of the amount of the obligation cannot be made.

(xii) Earnings per share:

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

For the purpose of calculating diluted earnings per 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.

(xiii) Segment reporting policies:

Identification of segments:

Segments are identified and reported taking into account the nature of products and services, the differing risks and returns, the organization structure and the internal financial reporting system. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

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.

(xiv) 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.

(xv) Leases:

Where the company is the lessor

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

Where the company is the lessee

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

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

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

(xvi) 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. 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.

(xvii) Use of estimates:

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****3. SHARE CAPITAL**

	31st March 2015 Rupees	31st March 2014 Rupees
Authorised shares: 1,70,00,000 (2013-2014 : 1,70,00,000) Equity shares of Rs. 10 each.	17,00,00,000	17,00,00,000
Issued, subscribed and fully paid-up shares: 1,45,32,159 (2013-2014 : 1,45,32,159) Equity shares of Rs. 10 each.	14,53,21,590	14,53,21,590
	<b>14,53,21,590</b>	<b>14,53,21,590</b>

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

## Equity Shares

	31st March 2015		31st March 2014	
	No. of Shares	Rupees	No. of Shares	Rupees
At the beginning of the period	1,45,32,159	14,53,21,590	1,33,04,103	13,30,41,030
Add: Issued during the period - ESOS	-	-	47,800	4,78,000
Shares issued as per scheme of Amalgamation (Refer note 53)	-	-	11,80,256	1,18,02,560
Outstanding at the end of the period	1,45,32,159	14,53,21,590	1,45,32,159	14,53,21,590

(b) Terms/rights attached to equity shares

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

During the year ended 31st March 2015, the amount of per share dividend recognized as distribution to equity shareholders is Rs. 3 (2013-2014 : Rs. 2). This include special dividend of Re. 1 on the occasion of company's golden jubilee.

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

	31st March 2015		31st March 2014	
	No. of Shares	% of holding	No. of Shares	% of holding
Rakesh Jhunjhunwala	8,00,000	5.51%	8,75,000	6.02%
Rajesh Sharma	7,81,218	5.38%	7,81,218	5.38%

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.

	31st March 2015 No. of Shares	31st March 2014 No. of Shares
Shares issued as per scheme of Amalgamation (Refer note 53)	-	11,80,256

The company has issued 9,13,100 shares (2013-2014 : 9,46,500) during the period of five years immediately preceding the reporting date on exercise of options granted under the Employee Stock Option Scheme (ESOS) wherein part consideration was received in form of employee services.

(e) Shares reserved for issued under ESOS

For details of shares allotted under various Employee Stock Option Schemes (ESOS) and shares reserved for issue under the Employees Stock Option Scheme (ESOS) of the company please refer note 31.



**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**4. RESERVES AND SURPLUS**

	<b>31st March 2015</b>	<b>31st March 2014</b>
	<b>Rupees</b>	<b>Rupees</b>
<u>Security premium account</u>		
Balance as at April 1	81,21,28,504	80,88,99,614
Add: Transferred from employee stock option outstanding	-	32,28,890
	<u>81,21,28,504</u>	<u>81,21,28,504</u>
<u>Revaluation reserve [Refer note 2(i)]</u>		
Balance as at April 1	10,20,390	10,48,860
Less: Transfer to the statement of profit and loss	-	28,470
	<u>10,20,390</u>	<u>10,20,390</u>
<u>Employee stock options outstanding [Refer note 2(x) and note 31]</u>		
Balance as at April 1	1,60,78,701	2,15,87,810
Less: Transferred to securities premium account on excise of options	-	9,24,930
Less: Transferred to employee compensation income	3,11,000	45,84,179
	<u>1,57,67,701</u>	<u>1,60,78,701</u>
<u>Special reserve</u> (As per Section 45 - 1C of the Reserve Bank of India Act)	16,00,060	16,00,060
	<u>16,00,060</u>	<u>16,00,060</u>
<u>General reserve</u>		
Balance as at April 1	26,44,65,705	24,89,65,705
Add: Transfer from the statement of profit and loss	-	1,55,00,000
	<u>26,44,65,705</u>	<u>26,44,65,705</u>
<u>Surplus in the statement of profit and loss</u>		
Balance as per last financial statements	76,83,47,290	61,27,57,624
Less: Additional depreciation on fixed assets [Refer note 52]	1,62,69,085	-
Add: Profit for the year	26,13,92,051	20,52,05,312
Less : Appropriations		
Dividend [Refer note 48]	-	95,600
Tax on dividend [Refer note 48]	-	16,247
Proposed final dividend [(Amount per share Rs. 3 (2013-2014 : Rs. 2)]	4,35,96,477	2,90,64,318
Tax on proposed final dividend	68,63,162	49,39,481
Transfer to general reserve	-	1,55,00,000
Net Surplus in the statement of profit and loss	<u>96,30,10,617</u>	<u>76,83,47,290</u>
<b>Total reserves and surplus</b>	<u><b>2,05,79,92,977</b></u>	<u><b>1,86,36,40,650</b></u>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****5. LONG-TERM BORROWINGS:**

	Non-current portion		Current maturities	
	31st March 2015 Rupees	31st March 2014 Rupees	31st March 2015 Rupees	31st March 2014 Rupees
<u>Term loans (Secured)</u>				
Indian rupee loan from finance company [Refer note (a) below]	7,92,36,637	-	3,16,94,664	-
Indian rupee loan from bank [Refer note (b) below]	-	2,96,08,333	-	2,09,00,000
Indian rupee loan from financial institution [Refer note (c) below]	-	65,62,500	65,25,000	79,12,500
Indian rupee vehicle loan from banks and finance company [Refer note (d) below]	61,28,963	53,10,146	21,17,258	29,69,501
<u>Other loans and advances</u>				
Finance lease obligation (Secured) [Refer note (e) below]	1,18,96,716	60,59,542	94,18,121	58,67,835
Deposits (Unsecured) [Refer note (f) below]				
Deposit from shareholders	1,00,000	1,76,000	1,76,000	1,75,000
Deposit from public	48,54,000	1,39,07,000	84,32,000	74,04,000
	<b>10,22,16,316</b>	<b>6,16,23,521</b>	<b>5,83,63,043</b>	<b>4,52,28,836</b>
<u>The above amount includes</u>				
Secured borrowings	9,72,62,316	4,75,40,521	4,97,55,043	3,76,49,836
Unsecured borrowings	49,54,000	1,40,83,000	86,08,000	75,79,000
Amount disclosed under the head "Other current liabilities" (Refer note 11)	-	-	(5,83,63,043)	(4,52,28,836)
	<b>10,22,16,316</b>	<b>6,16,23,521</b>	<b>-</b>	<b>-</b>

- (a) Indian rupees loan from finance company for capital expenditure carries interest @ 13.00% p.a. Loan is repayable within 48 months from the month of first disbursement being 01.10.2014. The loan is secured by exclusive first charge on residential properties of the company situated at Mumbai and Thane.
- (b) Indian rupees loan from bank taken for capital expenditure carries interest @ 13.25% p.a. Indian rupees loan from bank is repayable within 36 months from the month following the month of first disbursement being 16.08.2013. The loan is secured by exclusive first charge on properties situated at Mumbai. The loan was repaid during the year.
- (c) Indian rupees loan from a financial institution carries interest @ 15.00% p.a. The loan is secured by first charge on property situated at Bangalore and is repayable in 6 years.
- (d) Indian rupee vehicle loans from banks and finance company carries interest @ 10.25% to 13.75% 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.
- (e) 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 3 to 4 years.
- (f) Deposits from shareholders and public carry interest @7.00% to 8.00% p.a for deposits repayable after 1 year to 3 years from the respective dates of deposits

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**6. DEFERRED TAX LIABILITY (NET)**

Particulars	31st March 2015		31st March 2014	
	Deferred Tax Liability Rupees	Deferred Tax Assets Rupees	Deferred Tax Liability Rupees	Deferred Tax Assets Rupees
Difference between book and tax depreciation (Refer note 52)	9,19,38,491	-	10,98,51,482	-
Provision for doubtful debts	-	20,26,482	-	20,26,482
Provision for doubtful advances	-	58,38,581	-	58,38,581
Effect of expenditure allowable for the tax purposes in following years	-	3,73,78,785	-	3,42,44,875
<b>Total</b>	<b>9,19,38,491</b>	<b>4,52,43,848</b>	<b>10,98,51,482</b>	<b>4,21,09,938</b>
<b>Deferred tax liability (Net)</b>	<b>4,66,94,643</b>		<b>6,77,41,544</b>	

**7. OTHER LONG TERM LIABILITIES**

	31st March 2015 Rupees	31st March 2014 Rupees
Deposits	6,96,58,964	5,56,88,590
Interest accrued but not due	1,60,403	2,55,961
Others	28,95,491	40,16,327
	<b>7,27,14,858</b>	<b>5,99,60,878</b>

**8. PROVISIONS**

	Long-term		Short-term	
	31st March 2015 Rupees	31st March 2014 Rupees	31st March 2015 Rupees	31st March 2014 Rupees
Provision for income tax [Net of advance tax Rs. 53,27,87,233 (2013-2014 : Rs. 43,57,45,305)]	-	-	13,90,04,962	9,85,46,890
Provision for leave encashment	6,11,66,224	5,30,41,891	1,87,51,620	1,60,26,669
Provision for warranties	-	-	20,47,400	21,36,600
Proposed dividend	-	-	4,35,96,477	2,90,64,318
Tax on proposed dividend	-	-	68,63,162	49,39,481
	<b>6,11,66,224</b>	<b>5,30,41,891</b>	<b>21,02,63,621</b>	<b>15,07,13,958</b>

**Provision for warranties**

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

	31st March 2015 Rupees	31st March 2014 Rupees
At the beginning of the year	21,36,600	27,00,000
Arising during the year	20,47,400	21,36,600
Utilised during the year	21,36,600	27,00,000
Unused amounts reversed	-	-
<b>At the end of the year</b>	<b>20,47,400</b>	<b>21,36,600</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****9. SHORT TERM BORROWINGS**

	31st March 2015 Rupees	31st March 2014 Rupees
Working capital loan from banks (Secured) - [Refer note (a) and (b) below]	33,87,44,054	58,66,79,504
Inter-corporate deposits (Unsecured)		
- from related parties [Refer note 34 (I)]	82,25,000	1,52,25,000
- from others	1,00,00,000	2,00,00,000
	<b>35,69,69,054</b>	<b>62,19,04,504</b>
<u>The above amount includes:</u>		
Secured borrowings	33,87,44,054	58,66,79,504
Unsecured borrowings	1,82,25,000	3,52,25,000
	<b>35,69,69,054</b>	<b>62,19,04,504</b>

- (a) Includes working capital loan of Rs. 33,87,44,054 (2013-2014 : Rs. 54,47,49,817) is secured by joint hypothecation of book debts and stocks and collateral security by way of pari passu first charge on all immovable and movable properties and plant and machinery situated at Hosur and Patancheru and pari passu second charge on movable and immovable properties situated at Mumbai (Office Premises), Vashi and Goa. The Working Capital Loan is repayable on demand and carries interest @ 10.70% to 14.75% p.a.
- (b) Includes working capital loan of Rs. Nil (2013-2014 : Rs. 4,19,29,687) from a bank is secured by joint hypothecation of book debts and stocks and collateral security by way of first charge on the immovable property situated at Kolkata and second charge of immovable property situated at Bangalore apart from fixed deposit of Rs. Nil (2013-2014 : Rs. 1,64,34,278). The working capital loan is repayable on demand.

**10. TRADE PAYABLE**

	31st March 2015 Rupees	31st March 2014 Rupees
Trade payable (including acceptances)	2,80,15,22,950	2,62,59,07,123
Refer note 43 for details of dues to Micro and small enterprises		
	<b>2,80,15,22,950</b>	<b>2,62,59,07,123</b>

**11. OTHER CURRENT LIABILITIES**

	31st March 2015 Rupees	31st March 2014 Rupees
Current maturities of long term borrowings (Refer note 5)	5,83,63,043	4,52,28,836
Interest accrued but not due	19,43,867	19,10,301
Creditors for capital goods	1,45,28,706	60,04,296
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
- Unpaid dividend	28,52,452	26,49,009
- Unclaimed interest on fixed deposit	4,35,554	4,79,453
- Unclaimed matured deposit	16,80,000	15,90,000
Advance from customers	34,34,71,385	27,46,23,849
Unearned revenue on AMC services	2,82,48,316	2,58,58,197
Taxes (Service tax, sales tax / VAT and TDS)	93,60,581	76,08,806
Others liabilities	55,64,184	55,64,184
	<b>46,64,48,088</b>	<b>37,15,16,931</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**12. TANGIBLE ASSETS**

	Amount (in Rupees)									
	Land (Freehold)	Land (Leasehold)	Road	Building on freehold land (Refer notes a,b,c and d)	Building on leasehold land	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments (Refer note e)	Total
<b>Gross block</b>										
As at 1st April 2013	2,04,29,053	2,39,84,441	61,54,777	24,37,90,420	27,31,97,279	80,80,96,074	9,88,96,284	2,92,98,755	17,91,07,436	1,68,29,54,519
Addition during the year	-	-	-	22,53,629	33,50,763	4,34,46,411	29,11,370	38,81,468	58,27,580	6,16,71,221
Disposal during the year	-	-	-	-	-	4,66,38,360	-	23,74,554	26,24,601	5,16,37,515
<b>As at 31st March 2014</b>	<b>2,04,29,053</b>	<b>2,39,84,441</b>	<b>61,54,777</b>	<b>24,60,44,049</b>	<b>27,65,48,042</b>	<b>80,49,04,125</b>	<b>10,18,07,654</b>	<b>3,08,05,669</b>	<b>18,23,10,415</b>	<b>1,69,29,88,225</b>
Addition during the year	-	-	-	17,40,115	-	3,29,94,067	11,82,479	31,60,635	89,24,295	4,80,01,591
Disposal during the year	-	-	-	-	-	73,572	-	6,44,332	2,34,225	9,52,129
<b>As at 31st March 2015</b>	<b>2,04,29,053</b>	<b>2,39,84,441</b>	<b>61,54,777</b>	<b>24,77,84,164</b>	<b>27,65,48,042</b>	<b>83,78,24,620</b>	<b>10,29,90,133</b>	<b>3,33,21,972</b>	<b>19,10,00,485</b>	<b>1,74,00,37,687</b>
<b>Depreciation</b>										
As at 1st April 2013	-	64,38,368	5,69,908	4,39,31,198	10,07,10,870	49,57,21,164	6,87,11,292	1,42,00,539	13,49,85,645	86,52,68,984
Depreciation during the year	-	3,02,993	1,55,502	47,03,803	82,21,433	4,75,40,438	52,28,209	29,58,791	1,15,17,331	8,06,28,500
Deduction during the year	-	-	-	-	-	91,74,299	-	15,82,604	3,362	1,07,60,265
<b>As at 31st March 2014</b>	<b>-</b>	<b>67,41,361</b>	<b>7,25,410</b>	<b>4,86,35,001</b>	<b>10,89,32,303</b>	<b>53,40,87,303</b>	<b>7,39,39,501</b>	<b>1,55,76,726</b>	<b>14,64,99,614</b>	<b>93,51,37,219</b>
Additional depreciation transfer to reserve and surplus (Refer note 52)	-	-	2,67,468	1,47,815	27,44,600	65,37,024	40,57,751	17,13,494	91,46,161	2,46,14,313
Depreciation during the year	-	3,02,424	7,59,536	47,62,845	80,86,730	5,38,59,177	54,61,758	47,47,222	1,47,45,323	9,27,25,015
Deduction during the year	-	-	-	-	-	57,090	-	4,23,969	1,00,826	5,81,885
<b>As at 31st March 2015</b>	<b>-</b>	<b>70,43,785</b>	<b>17,82,414</b>	<b>5,35,45,661</b>	<b>11,97,63,633</b>	<b>59,44,26,414</b>	<b>8,34,59,010</b>	<b>2,16,13,473</b>	<b>17,02,90,272</b>	<b>1,05,18,94,662</b>
<b>Net block</b>										
As at 31st March 2014	2,04,29,053	1,72,43,080	54,29,367	19,74,09,048	16,76,15,739	27,08,16,822	2,78,68,153	1,52,28,943	3,58,10,801	75,78,51,006
As at 31st March 2015	2,04,29,053	1,69,40,656	44,02,363	19,42,38,503	15,67,84,409	24,33,98,206	1,95,31,123	1,17,08,499	2,07,10,213	68,81,43,025

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**12. TANGIBLE ASSETS (contd...)**

- a. Buildings on freehold land includes residential flats, the cost of which includes:
- Rs. 250 (2013-2014 : Rs. 250) being the value of 5 Shares (unquoted) of Rs. 50 each, fully paid-up in Sunrise Co-operative Housing Society Limited.
  - Rs. 3,500 (2013-2014 : Rs. 3,500) being the value of 70 Shares (unquoted) of Rs. 50 each, fully paid-up in Usha Milan Co-operative Society Limited.
- b. Buildings on freehold land includes residential flats acquired at Mumbai, the society formation of which is in progress.  
Gross book value Rs. 62,16,250 (2013-2014 : Rs. 62,16,250)  
Net book value Rs. 42,18,471 (2013-2014 : Rs. 43,22,204)
- c. 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 Rs. 76,882 (2013-2014 : Rs. 76,882)  
Net book value Rs. Nil (2013-2014 : Rs. Nil)
- d. Buildings on freehold land includes office premises given on operating lease :  
Gross book value Rs. 2,30,77,146 (2013-2014 : Rs. 2,30,77,146)  
Accumulated depreciation Rs. 96,81,060 (2013-2014 : Rs. 90,10,859)  
Depreciation for the year Rs. 6,70,201 (2013-2014 : Rs. 5,66,774)  
Net book value Rs. 1,33,96,086 (2013-2014 : Rs. 1,40,66,287)
- e. Office equipment includes data processing items taken on finance lease :  
Gross book value Rs. 2,28,95,891 (2013-2014 : Rs. 2,17,75,889)  
Accumulated depreciation Rs. 1,47,18,981 (2013-2014 : Rs. 83,18,541)  
Depreciation for the year Rs. 64,00,438 (2013-2014 : Rs. 52,53,210)  
Net book value Rs. 81,76,910 (2013-2014 : Rs. 1,34,57,348)



**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**13. INTANGIBLE ASSETS**

Amount (in Rupees)

	Computer Softwares	Total
<b><u>Gross block</u></b>		
As at 1st April 2013	3,72,49,116	3,72,49,116
Addition during the year	28,24,080	28,24,080
Disposal during the year	-	-
<b>As at 31st March 2014</b>	<b>4,00,73,196</b>	<b>4,00,73,196</b>
Addition during the year	41,28,029	41,28,029
Disposal during the year	-	-
<b>As at 31st March 2015</b>	<b>4,42,01,225</b>	<b>4,42,01,225</b>
<b><u>Amortization</u></b>		
As at 1st April 2013	2,35,91,188	2,35,91,188
Amortized during the year	33,90,613	33,90,613
Deduction during the year	-	-
<b>As at 31st March 2014</b>	<b>2,69,81,801</b>	<b>2,69,81,801</b>
Additional amortized transfer to reserve and surplus (Refer note 52)	35,819	35,819
Amortized during the year	53,76,501	53,76,501
Deduction during the year	-	-
<b>As at 31st March 2015</b>	<b>3,23,94,121</b>	<b>3,23,94,121</b>
<b><u>Net block</u></b>		
<b>As at 31st March 2014</b>	<b>1,30,91,395</b>	<b>1,30,91,395</b>
<b>As at 31st March 2015</b>	<b>1,18,07,104</b>	<b>1,18,07,104</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****14. NON CURRENT INVESTMENTS**

	<b>31st March 2015</b>	<b>31st March 2014</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>TRADE INVESTMENTS (Valued at cost unless stated otherwise)</b>		
<b>EQUITY INSTRUMENTS (UNQUOTED)</b>		
<b>INVESTMENT IN SUBSIDIARIES</b>		
17,60,000 (2013-2014 : 17,60,000) equity shares of Rs. 10 each, fully paid-up in Aqua Investments (India) Limited	1,76,00,000	1,76,00,000
17,70,000 (2013-2014 : 17,70,000) equity shares of Rs. 10 each, fully paid-up in Watercare Investments (India) Limited	1,77,00,000	1,77,00,000
5,47,000 (2013-2014 : 5,47,000) equity shares of Rs. 10 each, fully paid-up in Ion Exchange Enviro Farms Limited (Refer note 36)	54,70,000	54,70,000
26,03,211 (2013-2014 : 19,53,211) equity shares of Singapore Dollars 1 each, fully paid-up in Ion Exchange Asia Pacific Pte Ltd.	10,80,96,815	7,70,24,565
1,50,000 (2013-2014 : 1,50,000) equity shares of Malaysian Ringgit 1 each, fully paid-up in IEI Environmental Management (M) Sdn. Bhd	18,10,111	18,10,111
7,00,000 (2013-2014 : 7,00,000) equity shares of United State Dollar 1 each, fully paid-up in Ion Exchange LLC, USA	3,72,01,000	3,72,01,000
1,53,000 (2013-2014 : 1,53,000) equity shares of Omani Rial 1 each, fully paid-up in Ion Exchange & Company LLC, Oman	1,80,85,140	1,80,85,140
55,862 (2013-2014 : 55,862) equity shares of Bangladeshi Taka 100 each, fully paid-up in Ion Exchange Environment Management (BD) Limited	35,74,493	35,74,493
27,469 (2013-2014 : 27,469) equity shares of Bangladeshi Taka 100 each, fully paid-up in Ion Exchange WTS (Bangladesh) Limited	2,45,000	2,45,000
31,20,000 (2013-2014 : 31,20,000) equity shares of Rs. 10 each, fully paid-up in Ion Exchange Infrastructure Limited	3,12,00,000	3,12,00,000
21,70,000 (2013-2014 : 21,70,000) equity shares of Rs. 10 each, fully paid-up in Global Composite & Structural Limited	2,17,00,000	2,17,00,000
1,00,00,000 (2013-2014 : 1,00,00,000) equity shares of Rs. 10 each, fully paid-up in Ion Exchange Projects and Engineering Limited	10,00,00,000	10,00,00,000
600 (2013-2014 : 600) equity shares of ZAR 1 each, fully paid-up in Ion Exchange Safic Pty Ltd.	40,66,949	40,66,949
49,933 (2013-2014 : 49,933) equity shares of Rs. 10 each, fully paid-up in Total Water Management Services (India) Limited	4,99,930	4,99,930
10,000 (2013-2014 : 10,000) Equity Shares of Rs. 10 each, fully paid-up in Ion Exchange Purified Drinking Water Private Limited.	1,00,000	1,00,000
(A)	36,73,49,438	33,62,77,188
<b>INVESTMENT IN JOINT VENTURES</b>		
24,99,500 (2013-2014 : 24,99,500) equity shares of Rs. 10 each, fully paid-up in Ion Exchange Waterleau Limited	2,49,95,000	2,49,95,000
(B)	2,49,95,000	2,49,95,000
<b>INVESTMENT IN ASSOCIATES</b>		
4,60,000 (2013-2014 : 4,60,000) equity shares of Rs. 10 each, fully paid-up in Aquanomics Systems Limited	46,00,000	46,00,000
1,30,000 (2013-2014 : 1,30,000) equity shares of Rs. 10 each, fully paid-up in Astha Technical Services Limited	13,00,000	13,00,000
(C)	59,00,000	59,00,000

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**14. NON-CURRENT INVESTMENTS (contd..)**

	<b>31st March 2015</b>	<b>31st March 2014</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>INVESTMENT IN OTHERS</b>		
6,000 (2013-2014 : 6,000) equity shares of Rs. 10 each, fully paid-up in IEK Plastics Limited [At cost less provision for other than temporary diminution in the value : Rs. 60,000 (2013-2014 : Rs. 60,000)]	-	-
113 (2013-2014 : 113) equity shares of Rs. 10 each, fully paid-up in Patancheru Enviro-tech Limited	1,130	1,130
10,500 (2013-2014 : 10,500) equity shares of Rs. 10 each, fully paid-up in Bharuch Enviro Infrastructure Limited	1,05,000	1,05,000
3,52,500 (2013-2014 : 3,52,500) equity shares of Rs. 10 each, fully paid-up in Bharuch Eco-Aqua Infrastructure Limited	35,25,000	35,25,000
21,518 (2013-2014 : 21,518) equity shares of Rs. 10 each, fully paid-up in Global Procurement Consultants Limited	2,45,540	2,45,540
1,000 (2013-2014 : 1,000) equity shares of Rs. 10 each, fully paid-up in Ion Foundation	10,000	10,000
7,143 (2013-2014 : Nil) equity shares of Rs. 10 each, fully paid-up in Water Quality India Association	71,430	-
(D)	<u>39,58,100</u>	<u>38,86,670</u>
<b>PREFERENCE SHARES (UNQUOTED)</b>		
<b>INVESTMENT IN OTHERS</b>		
75,000 (2013-2014 : 75,000) 14.25% preference shares of Rs. 100 each, fully paid-up in HMG Industries Limited [At cost less provision for other than temporary diminution in the value Rs. 74,50,000 (2013-2014 : Rs. 74,50,000)]	50,000	50,000
(E)	<u>50,000</u>	<u>50,000</u>
<b>DEBENTURES (UNQUOTED)</b>		
<b>INVESTMENT IN SUBSIDIARIES</b>		
15,00,000 (2013-2014 : 15,00,000) 7% secured redeemable non-convertible debenture of Rs. 100 each, fully paid-up in Ion Exchange Enviro Farms Limited	15,00,00,000	15,00,00,000
(F)	<u>15,00,00,000</u>	<u>15,00,00,000</u>
<b>Total non current investments</b>	<b>(A+B+C+D+E+F)</b>	
	<b><u>55,22,52,538</u></b>	<b><u>52,11,08,858</u></b>
Aggregate amount of quoted Investments	-	-
Aggregate amount of unquoted Investments	55,22,52,538	52,11,08,858
Aggregate provision for diminution in value of investments	75,10,000	75,10,000

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****15. LOANS AND ADVANCES**

	Non-current		Current	
	31st March 2015 Rupees	31st March 2014 Rupees	31st March 2015 Rupees	31st March 2014 Rupees
<u>Capital advances</u>				
Unsecured, considered good (Refer note 51)	1,58,64,504	66,20,981	-	-
(A)	1,58,64,504	66,20,981	-	-
<u>Tender, security and other deposits</u>				
Unsecured, considered good	3,98,57,688	3,37,35,051	69,30,435	1,05,53,692
Doubtful	8,48,733	7,68,733	-	-
	4,07,06,421	3,45,03,784	69,30,435	1,05,53,692
Less: Provision for doubtful deposits	8,48,733	7,68,733	-	-
(B)	3,98,57,688	3,37,35,051	69,30,435	1,05,53,692
<u>Loans and advances to related parties</u>				
[Refer note 34 (I) and (II)]				
Unsecured, considered good	45,36,59,006	48,53,00,680	13,54,54,121	20,62,53,289
Doubtful	24,75,134	25,55,134	-	-
	45,61,34,140	48,78,55,814	13,54,54,121	20,62,53,289
Less: Provision for doubtful loans and advances	24,75,134	25,55,134	-	-
(C)	45,36,59,006	48,53,00,680	13,54,54,121	20,62,53,289
<u>Advance to suppliers</u>				
Unsecured, considered good	-	-	6,12,11,151	4,66,58,579
Unsecured, considered good - related parties [Refer note 34(I)]	-	-	9,51,66,985	9,29,32,183
Unsecured, considered doubtful	14,19,526	14,19,526	-	-
	14,19,526	14,19,526	15,63,78,136	13,95,90,762
Less: Provision for doubtful advances	14,19,526	14,19,526	-	-
(D)	-	-	15,63,78,136	13,95,90,762
<u>Other Loans and advances</u>				
Unsecured, considered good				
- Prepaid expenses	-	50,21,289	3,85,71,139	3,08,13,276
- Claims receivables	-	-	64,93,675	1,70,90,464
- Balances with statutory authorities	4,65,71,490	6,25,12,737	13,94,88,449	12,76,04,019
- Loans and advance to Employees	-	-	26,08,709	25,46,159
- Income tax paid [Net of provision for taxation Rs. 5,59,53,322 (2013-14 : Rs. 5,59,53,322)]	4,14,82,757	4,37,28,025	-	-
(E)	8,80,54,247	11,12,62,051	18,71,61,972	17,80,53,918
Unsecured, considered doubtful				
- Inter corporate deposits	57,07,289	57,07,289	-	-
- Other loans and advances	55,06,962	55,06,962	-	-
	1,12,14,251	1,12,14,251	-	-
Less: Provision for doubtful advances	1,12,14,251	1,12,14,251	-	-
(F)	-	-	-	-
<b>Total (A+B+C+D+E+F)</b>	<b>59,74,35,445</b>	<b>63,69,18,763</b>	<b>48,59,24,664</b>	<b>53,44,51,661</b>
<u>Loans and advances to employees includes</u>				
Due from directors	-	-	1,56,331	5,16,389

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**16. TRADE RECEIVABLES**

	Non-current		Current	
	31st March 2015 Rupees	31st March 2014 Rupees	31st March 2015 Rupees	31st March 2014 Rupees
Outstanding for a period exceeding six months from the date they are due for payment				
- Unsecured, considered good	6,59,14,502	6,80,02,995	61,01,09,550	56,32,47,836
- Doubtful	59,61,994	59,61,994	-	-
	7,18,76,496	7,39,64,989	61,01,09,550	56,32,47,836
Less: Provision for doubtful receivable	59,61,994	59,61,994	-	-
(A)	6,59,14,502	6,80,02,995	61,01,09,550	56,32,47,836
Other receivables				
- Unsecured, considered good	-	-	2,65,49,39,052	2,35,24,55,600
- Doubtful	-	-	-	-
	-	-	2,65,49,39,052	2,35,24,55,600
Less: Provision for doubtful receivables	-	-	-	-
(B)	-	-	2,65,49,39,052	2,35,24,55,600
<b>Total</b>	<b>(A + B) 6,59,14,502</b>	<b>6,80,02,995</b>	<b>3,26,50,48,602</b>	<b>2,91,57,03,436</b>

**17. OTHER ASSETS**

	Non-current		Current	
	31st March 2015 Rupees	31st March 2014 Rupees	31st March 2015 Rupees	31st March 2014 Rupees
<u>Unsecured, considered good</u>				
Interest accrued on margin money	13,96,407	8,51,253	23,70,003	10,57,255
Rent receivables	-	-	-	9,27,583
(A)	13,96,407	8,51,253	23,70,003	19,84,838
<u>Unsecured, considered doubtful</u>				
Rent receivables	17,05,011	17,05,011	-	-
Less: Provision	17,05,011	17,05,011	-	-
(B)	-	-	-	-
<b>(A + B)</b>	<b>13,96,407</b>	<b>8,51,253</b>	<b>23,70,003</b>	<b>19,84,838</b>

**18. CURRENT INVESTMENTS**

	31st March 2015 Rupees	31st March 2014 Rupees
Current investments (valued at lower of cost or fair value unless stated otherwise)		
<u>Non Trade and Quoted</u>		
5,875 (2013-2014 : 5,875) equity shares of Rs. 2 each, fully paid-up in Sterlite Technologies Limited	2,05,000	2,05,000
70 (2013-2014 : 70) equity shares of Rs. 2 each, fully paid-up in Jain Irrigation Systems Limited	3,724	3,724
8,100 (2013-2014 : 8,100) equity shares of Rs. 10 each, fully paid-up in Canara Bank	2,83,500	2,83,500
	<b>4,92,224</b>	<b>4,92,224</b>
Aggregate amount of quoted investments	4,92,224	4,92,224
(Market value Rs. 33,06,252 (2013-2014 : Rs. 22,81,546)		
Aggregate provision for diminution in value of investments	-	-

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****19. INVENTORIES** (valued at lower of cost and net realizable value)

	31st March 2015 Rupees	31st March 2014 Rupees
Raw materials and components [includes in transit Rs. 2,13,48,232 (2013-2014 : Rs. 1,46,91,162)] (Refer note 23)	18,24,70,152	17,85,46,842
Work-in-progress (Refer note 24)	2,74,76,523	2,10,75,965
Finished goods (Refer note 24)	13,14,54,957	9,99,13,953
Traded goods (Refer note 24)	5,23,92,614	5,58,77,749
Stores and spares	4,20,81,812	4,62,64,930
Contract work-in-progress (Refer note 24)	1,66,73,622	1,57,72,823
	<b>45,25,49,680</b>	<b>41,74,52,262</b>

**20. CASH AND CASH EQUIVALENTS**

	Non-current		Current	
	31st March 2015 Rupees	31st March 2014 Rupees	31st March 2015 Rupees	31st March 2014 Rupees
<u>Balances with banks:</u>				
- On current accounts	-	-	3,96,64,797	4,15,53,470
- On Exchange Earner's Foreign Currency accounts	-	-	8,16,587	7,84,090
- On unclaimed dividend account	-	-	28,52,452	26,49,009
- On unclaimed interest on fixed deposits	-	-	4,35,554	4,79,453
<u>Cash on hand</u>	-	-	1,01,07,222	20,51,570
(A)	-	-	<b>5,38,76,612</b>	<b>4,75,17,592</b>
<u>Other bank balances:</u>				
On deposit account with original maturity for more than 12 months	-	-	29,86,167	20,00,000
On margin money account [Refer note (a) and (b) below]	-	-	9,12,80,765	9,25,95,456
(B)	-	-	<b>9,42,66,932</b>	<b>9,45,95,456</b>
<b>Total</b>	<b>(A+B)</b>	-	<b>14,81,43,544</b>	<b>14,21,13,048</b>

- (a) Margin money deposits with a carrying amount of Rs. 9,12,80,765 (2013-2014 : Rs. 7,61,61,178) are subject to first charge to secure bank guarantees issued by bank on our behalf.
- (b) Margin money includes fixed deposit of Rs. Nil (2013-2014 : Rs. 1,64,34,278), being security towards working capital of the company.



**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**21. REVENUE FROM OPERATIONS**

	<b>31st March 2015</b> Rupees	<b>31st March 2014</b> Rupees
Revenue from operations		
<u>Sale of products</u>		
Finished goods	6,32,28,26,219	6,22,98,92,036
Traded goods	46,44,04,492	46,78,48,800
<u>Sale of services</u>	80,57,72,629	64,28,87,717
<u>Others operating revenue</u>		
Scrap sale	1,75,20,782	99,61,284
Management fees	47,74,360	45,00,000
<b>Revenue from operations (Gross)</b>	<b>7,61,52,98,482</b>	<b>7,35,50,89,837</b>
Less: excise duty *	29,69,94,109	23,56,09,858
<b>Revenue from operations (Net)</b>	<b>7,31,83,04,373</b>	<b>7,11,94,79,979</b>

\* Excise duty on sales amounting to Rs. 29,69,94,109 (2013-2014 : Rs. 23,56,09,858) has been reduced from sales in the statement of profit and loss and excise duty on (increase)/decrease in stock amounting to Rs. 63,60,887 (2013-2014 : Rs. 28,22,788) has been considered as (income)/expenses in note 28 of financial statements.

**DETAILS OF PRODUCT SOLD**

	<b>31st March 2015</b> Rupees	<b>31st March 2014</b> Rupees
<u>Finished goods</u> (Net of excise duty)		
Ion Exchange resins	1,38,89,76,478	1,21,26,29,193
Water treatments plants and accessories	2,89,10,83,647	3,23,38,37,179
Chemicals additives	1,47,21,45,114	1,28,95,30,232
Consumer products	27,36,26,871	25,82,85,574
	<u>6,02,58,32,110</u>	<u>5,99,42,82,178</u>
<u>Traded goods</u>		
Consumer products	35,11,85,420	36,04,00,196
Spares	6,96,63,605	5,65,92,691
Others	4,35,55,467	5,08,55,913
	<u>46,44,04,492</u>	<u>46,78,48,800</u>
	<u>6,49,02,36,602</u>	<u>6,46,21,30,978</u>

**DETAILS OF SERVICES RENDERED**

	<b>31st March 2015</b> Rupees	<b>31st March 2014</b> Rupees
Civil, erection and commissioning	16,73,22,835	19,55,92,895
Operation and maintenance	56,18,66,569	36,50,76,417
Annual maintenance contracts	7,65,83,225	8,11,84,405
Consulting engineering	-	10,34,000
	<u>80,57,72,629</u>	<u>64,28,87,717</u>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****22. OTHER INCOME**

	31st March 2015 Rupees	31st March 2014 Rupees
Interest Income		
- From banks	73,59,687	81,69,485
- From subsidiaries	3,00,57,444	1,95,38,987
- From joint venture	1,48,57,114	1,45,51,000
- From others	10,74,863	3,72,692
Rent	1,63,74,652	84,26,933
Dividend income on		
- Investment in subsidiaries	98,83,532	-
- Current investments	1,59,713	10,578
- Long-term investments	5,57,861	5,18,786
Amount set aside for liabilities, no longer required, written back	3,50,966	-
Exchange gain (Net)	-	2,55,24,324
Profit on fixed assets sold/discarded (Net)	-	2,71,551
Other non operating income	15,05,555	40,10,900
	<b>8,21,81,387</b>	<b>8,13,95,236</b>

**23. COST OF RAW MATERIAL AND COMPONENTS CONSUMED**

	31st March 2015 Rupees	31st March 2014 Rupees
Inventory at the beginning of the year	17,85,46,842	17,84,29,203
Add: Purchases*	4,71,98,06,666	4,68,91,51,028
Less: Inventory at the end of the year	18,24,70,152	17,85,46,842
Cost of raw material and components consumed **	<b>4,71,58,83,356</b>	<b>4,68,90,33,389</b>
* Includes direct expenses incurred on contracts Rs. 16,84,76,359 (2013-2014 : Rs. 16,07,94,745)		
<u>Details of raw material and components consumed</u>		
Styrene	27,13,48,960	33,37,50,264
Divinyl Benzene	7,90,86,933	7,89,56,545
Dimethylethanolamine	1,22,05,161	1,11,36,354
Paraformaldehyde	1,88,546	2,61,175
Ethylene Dichloride	1,62,99,219	1,44,96,862
Others #	4,16,82,78,178	4,08,96,37,444
	<b>4,54,74,06,997</b>	<b>4,52,82,38,644</b>
<u>Inventory Details</u>		
<u>Raw materials and components</u>		
Styrene	18,40,433	28,35,543
Divinyl Benzene	38,87,214	39,91,916
Dimethylethanolamine	2,17,483	12,30,256
Ethylene Dichloride	5,99,182	13,17,005
Others #	17,59,25,840	16,91,72,122
	<b>18,24,70,152</b>	<b>17,85,46,842</b>

\*\* 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.

# It is not practicable to furnish information in view of the large number of items which differ in size and nature; each being less than 10% in value of the total.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**24. (INCREASE)/DECREASE IN INVENTORIES**

	31st March 2015 Rupees	31st March 2014 Rupees	(Increase) /Decrease Rupees
<u>Inventories at the end of the year</u>			
Traded goods	5,23,92,614	5,58,77,749	34,85,135
Work-in-progress	2,74,76,523	2,10,75,965	(64,00,558)
Finished goods	13,14,54,957	9,99,13,953	(3,15,41,004)
Contract work-in-progress	1,66,73,622	1,57,72,823	(9,00,799)
	<u>22,79,97,716</u>	<u>19,26,40,490</u>	<u>(3,53,57,226)</u>
<u>Inventories at the beginning of the year</u>			
Traded goods	5,58,77,749	5,41,26,352	(17,51,397)
Work-in-progress	2,10,75,965	2,50,74,109	39,98,144
Finished goods	9,99,13,953	10,72,90,809	73,76,856
Contract work-in-progress	1,57,72,823	3,12,16,306	1,54,43,483
	<u>19,26,40,490</u>	<u>21,77,07,576</u>	<u>2,50,67,086</u>
	<u>(3,53,57,226)</u>	<u>2,50,67,086</u>	

Details of purchase of traded goods

	31st March 2015 Rupees	31st March 2014 Rupees
Consumer products	18,93,58,886	21,07,37,187
Spares	3,96,73,943	3,38,91,298
Others	3,58,49,820	3,84,89,028
	<u>26,48,82,649</u>	<u>28,31,17,513</u>

Details of Inventory

	31st March 2015 Rupees	31st March 2014 Rupees
<u>Traded goods</u>		
Consumer products	3,89,02,799	3,90,33,013
Activated carbon	2,58,673	2,58,673
Spares	1,16,68,203	1,48,95,368
Others	15,62,939	16,90,695
	<u>5,23,92,614</u>	<u>5,58,77,749</u>
<u>Work-in-progress</u>		
Resins	1,96,54,037	1,31,76,292
Water treatment plants	78,22,486	78,99,673
	<u>2,74,76,523</u>	<u>2,10,75,965</u>
<u>Finished goods</u>		
Resins	4,88,89,926	3,86,76,204
Water treatments plants and accessories	3,01,09,246	2,95,32,766
Chemicals additives	4,25,83,921	2,67,48,096
Consumer products	98,71,864	49,56,887
	<u>13,14,54,957</u>	<u>9,99,13,953</u>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****25. EMPLOYEE BENEFITS EXPENSE**

	<b>31st March 2015</b>	<b>31st March 2014</b>
	<b>Rupees</b>	<b>Rupees</b>
Salaries, wages and bonus	66,42,58,113	64,94,35,116
Contribution to provident and other funds (Refer note 30)	4,57,35,996	4,91,92,230
Employee compensation expense / (income)	(3,11,000)	(45,84,179)
Staff welfare expense	4,23,25,432	3,29,63,063
	<b>75,20,08,541</b>	<b>72,70,06,230</b>

**26. FINANCE COSTS**

	<b>31st March 2015</b>	<b>31st March 2014</b>
	<b>Rupees</b>	<b>Rupees</b>
Interest	9,85,45,642	9,04,27,241
Other borrowing costs	99,99,906	75,20,005
	<b>10,85,45,548</b>	<b>9,79,47,246</b>

**27. DEPRECIATION AND AMORTIZATION EXPENSE**

	<b>31st March 2015</b>	<b>31st March 2014</b>
	<b>Rupees</b>	<b>Rupees</b>
Depreciation of tangible assets (Refer notes 12 and 52)	9,27,25,015	8,06,28,500
Amortization of intangible assets (Refer notes 13 and 52)	53,76,501	33,90,613
Less: Recoupment from revaluation reserve	-	28,470
	<b>9,81,01,516</b>	<b>8,39,90,643</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**28. OTHER EXPENSES** (Refer note 38)

	<b>31st March 2015</b>	<b>31st March 2014</b>
	<b>Rupees</b>	<b>Rupees</b>
Stores and spare parts consumed	40,84,077	7,56,896
Power and fuel	12,00,44,048	10,93,10,447
Repairs and Maintenance - Buildings	44,30,579	48,65,258
- Plant and machinery	2,93,62,694	2,59,75,792
- Others	1,98,14,726	1,84,17,391
Rent (Net of recoveries)	4,47,73,574	3,25,52,257
Rates and taxes	4,04,45,846	3,70,69,234
Insurance (Net of recoveries)	64,82,340	67,54,697
Travelling and conveyance	20,64,54,552	18,29,82,033
Excise duty (Net of recoveries) (Refer note 21)	63,60,887	28,22,788
Freight (Net of recoveries)	16,32,21,313	14,50,16,692
Packing (Net of recoveries)	3,94,38,644	3,18,57,779
Advertisement and publicity	5,20,55,721	5,39,43,555
Commission	1,33,82,973	1,29,57,078
Legal and professional charges	6,63,30,459	5,64,10,854
Telephone and telex	1,96,42,033	1,92,35,853
Bad debts written off	2,99,95,426	3,34,23,124
Auditors' remuneration (Refer note 28.1)	31,15,105	36,23,759
Directors' fees	30,05,000	12,40,000
Bank charges	1,53,23,605	1,17,94,154
Exchange loss (Net)	4,64,511	-
Loss on fixed assets sold/discarded (Net)	18,114	-
Backcharges on contracts (Refer note 49)	3,08,96,565	41,39,278
Establishment and other miscellaneous expenses	19,70,52,390	18,55,24,500
	<b>1,11,61,95,182</b>	<b>98,06,73,419</b>

**28.1 AUDITORS' REMUNERATION** (excluding service tax)

	<b>31st March 2015</b>	<b>31st March 2014</b>
	<b>Rupees</b>	<b>Rupees</b>
As auditor:		
- Audit fees	14,75,000	14,75,000
- Tax audit fees	3,00,000	3,00,000
- Limited review *	5,25,000	5,25,000
In other capacity:		
- Other services (Certification fees) *	3,60,000	8,55,000
Reimbursement of expenses *	1,76,355	1,86,259
Branch auditor		
- Audit fees	2,50,000	2,50,000
- Other services (Certification fees)	25,000	25,000
- Reimbursement of expenses	3,750	7,500
	<b>31,15,105</b>	<b>36,23,759</b>

\* inclusive of amount paid to erstwhile auditor

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****29. EARNINGS PER SHARE (EPS)**

Particulars		31st March 2015	31st March 2014
I	Profit computation for both basic and diluted earnings per share of Rs. 10 each		
	Net profit as per the statement of profit and loss available for equity shareholders (in Rupees)	26,13,92,051	20,52,05,312
II	Weighted average number of equity shares for earnings per share computation		
A)	For basic earnings per share		
	No. of equity share outstanding	1,45,32,159	1,33,40,033
	Add: Equity shares issued as per the scheme of amalgamation	Nil	11,80,256
	No. of shares for basic earnings per share	1,45,32,159	1,45,20,289
B)	For diluted earnings per Share		
	No. of shares for basic EPS as per IIA	1,45,32,159	1,45,20,289
	Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	3,09,270	58,361
	No. of shares for diluted earnings per share	1,48,41,429	1,45,78,650
III	Earnings per share in Rupees (Weighted average)		
	Basic	17.99	14.13
	Diluted	17.61	14.08

**30. 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 guidance note on implementing AS 15, 'Employee Benefits' issued by the Accounting Standard Board (ASB) of the Institute of Chartered Accountants of India states that provident funds set up by employers that guarantee a specified rate of return and which require interest shortfall to be met by the employer would be defined benefit plans in accordance with the requirements of paragraph 26(b) of AS 15.

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 and provident fund plan.

Amount (in Rupees)

Particulars		2014-2015 (Gratuity)	2013-2014 (Gratuity)	2014-2015 (Provident Fund)	2013-2014 (Provident Fund)
<b>I</b>	<b>The statement of profit and loss</b>				
	Net employee benefit expense (recognized in employee cost)				
	1. Current service cost	62,86,858	64,31,137	1,11,60,891	1,16,29,203
	2. Interest cost on benefit obligation	78,84,354	62,19,082	2,06,22,601	1,81,98,086
	3. Expected return on plan assets	(77,50,092)	(69,26,000)	(2,06,22,601)	(1,81,98,086)
	4. Net actuarial loss / (gain) recognized in the year	14,87,372	32,00,259	-	-
	Net benefit expenses	79,08,492	89,24,478	1,11,60,891	1,16,29,203
	Actual return on plan assets	97,85,989	54,55,086	2,06,22,601	1,81,98,086
<b>II</b>	<b>Net assets / (liability) recognized in the balance sheet</b>				
	1. Present value of defined benefit obligation	(10,17,58,952)	(8,74,29,504)	(30,07,19,234)	(26,28,39,456)
	2. Fair value of plan assets	10,30,36,547	8,90,04,787	31,29,42,471	27,22,69,335



**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**30. EMPLOYEE BENEFITS (contd...)**

Amount (in Rupees)

Particulars		2014-2015 (Gratuity)	2013-2014 (Gratuity)	2014-2015 (Provident Fund)	2013-2014 (Provident Fund)
<b>III</b>	<b>Changes in the present value of the defined benefit obligation are as follows:</b>				
	1. Opening defined benefit obligation	(8,74,50,440)	(7,77,38,525)	(26,28,39,456)	(24,32,84,287)
	2. Employee contribution	-	-	(2,02,89,139)	(1,93,92,264)
	3. Interest cost	(78,84,354)	(62,19,082)	(2,06,22,601)	(1,81,98,086)
	4. Current service cost	(62,86,858)	(64,31,137)	(1,11,60,891)	(1,16,29,203)
	5. Liability transferred in	(4,12,499)	-	(95,36,263)	(90,77,242)
	6. Opening balance adjustment	-	-	-	45,137
	7. Benefits paid	44,88,213	52,94,618	2,37,29,116	3,86,96,489
	8. Actuarial gains / (losses) on obligation	(42,13,014)	(23,35,378)	-	-
	Closing defined benefit obligation	(10,17,58,952)	(8,74,29,504)	(30,07,19,234)	(26,28,39,456)
<b>IV</b>	<b>Changes in the fair value of plan assets are as follows:</b>				
	1. Opening fair value of plan assets	8,90,18,096	7,97,32,275	27,22,69,335	25,00,84,390
	2. Expected returns	77,50,092	69,26,000	2,06,22,601	1,81,98,086
	3. Contributions by employer	76,18,431	85,06,011	3,14,50,030	3,10,21,467
	4. Transfer from others	4,12,499	-	95,36,263	90,77,242
	5. Benefits paid	(44,88,213)	(52,94,618)	(2,37,29,116)	(3,86,96,489)
	6. Actuarial gains / (losses)	27,25,642	(8,64,881)	27,93,358	25,84,639
	7. Closing fair value of plan assets	10,30,36,547	8,90,04,787	31,29,42,471	27,22,69,335
<b>V</b>	<b>Actuarial assumptions:</b>				
	1. Discount rate	8.02% & 8%	9.10% & 8%	8.02%	9.10%
	2. Expected rate of salary increase [Refer note (b) below]	8% & 7%	8% & 7%	8%	-
	3. Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
	4. Attrition rate	16%	16%	16%	16%
	5. Rate of return on plan assets	8.02%	8.70%	8.75%	8.75%

The Company expects to contribute Rs. 50,10,385 (2014-2015:Rs. 50,35,603) to gratuity in 2015-2016.

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)		% of holding (Provident Fund)	
		2014-2015	2013-2014	2014-2015	2013-2014
1	Central and State Government Bonds	12%	13%	45%	41%
2	Public Sector Undertaking	3%	4%	35%	33%
3	Insurance Policy	85%	83%	-	-
4	Special Deposit Scheme 1975	-	-	17%	19%
5	Other Assets	-	-	3%	7%

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 TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****30. EMPLOYEE BENEFITS (contd...)**

Details of defined benefit obligation, planned assets and experience adjustments:

<b>Gratuity</b>	<b>2014-2015</b>	<b>2013-2014</b>	<b>2012-2013</b>	<b>2011-2012</b>	<b>2010-2011</b>
Defined benefit obligation	(10,17,58,952)	(8,74,29,504)	(7,82,25,032)	(6,13,50,389)	(5,18,55,318)
Plan assets	10,30,36,547	8,90,04,787	7,97,32,275	6,14,99,782	5,22,31,181
Surplus / (deficit)	12,77,595	15,75,283	15,07,243	1,49,393	3,75,863
Experience adjustments on plan liabilities	(42,13,014)	(23,35,378)	23,35,049	21,24,453	24,00,079
Experience adjustments on plan assets	27,25,642	(8,64,881)	7,54,657	1,27,192	(14,10,826)

<b>Provident fund</b>	<b>2014-2015</b>	<b>2013-2014</b>	<b>2012-2013</b>
Defined benefit obligation	(30,07,19,234)	(26,28,39,456)	(24,32,84,287)
Plan assets	31,29,42,471	27,22,69,335	25,00,84,390
Surplus / (deficit)	1,22,23,237	94,29,879	68,00,103
Experience adjustments on plan liabilities	Nil	Nil	Nil
Experience adjustments on plan assets	27,93,358	25,84,639	35,44,793

Notes:

a) Amounts recognized as an expense and included in note 25:

Gratuity in "Contribution to provident and other funds" Rs. 75,84,506 (2013-2014 : Rs. 90,78,554)

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

B. Defined contribution plan:

Amount recognized as an expense and included in the note 25:

"Contribution to provident and other funds" of the statement of profit and loss Rs. 2,11,82,263 (2013-2014 : Rs. 1,97,66,567)

C. Other employee benefits:

Amounts recognized as an expense and included in note 25:

Leave encashment in "Salaries, wages and bonus" Rs. 1,74,39,841 (2013-2014 : Rs. 1,26,34,140)

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**31. EMPLOYEE STOCK OPTION SCHEME (ESOS)**

ESOS 2001

The employee stock compensation committee in its meeting held on 5th June 2007, granted 30,0,000 options to directors and other employees at a price of Rs. 94.00 per share, which constituted a discount of approximately 25% to the price as calculated on the basis of average of weekly closing price on The stock exchange, Mumbai for 13 weeks prior to the date of the grant. As in the case of first and second grant, 25% of these options shall vest and become exercisable in June every year. Pursuant to this, fourth 25% of the options vested in June 2012. The vested options are exercisable upto 5th June 2016.

ESOS 2003

The employee stock compensation committee in its meeting held on 5th June 2007, granted 3,50,000 options to directors and other employees at a price of Rs. 94.00 per share, which constituted a discount of approximately 25% to the price as calculated on the basis of average of weekly closing price on the stock exchange, Mumbai for 13 weeks prior to the date of the grant. As in the case of first grant, 25% of these options shall vest and become exercisable in June every year. Pursuant to this, the fourth 25% of the options vested in June 2012. The vested options are exercisable upto 5th June 2016.

ESOS 2008

Pursuant to the resolution passed by the shareholders at the annual general meeting held on 26th September 2008, the employee stock compensation committee at its meeting held on 13th October 2008 implemented the fourth employees stock options scheme (ESOS 2008) and granted 12,00,000 options to directors and other employees at a price of Rs. 58.20 per share which constituted a discount of approximately 25% of the closing market price prior to the date of the grant. Under the scheme, the options shall vest after one year from the date of the grant. The vested options were exercisable upto 13th October 2013.

The method of settlement of the above options is equity settled.

Details of options granted are as follows:

Particulars	ESOS Schemes			
	2001 (3 <sup>rd</sup> Grant)	2003 (2 <sup>nd</sup> Grant)	2008 (1 <sup>st</sup> Grant)	Total
Options outstanding as at 31st March 2014	2,40,000	2,77,000	-	5,17,000
	(2,50,000)	(2,82,000)	(2,60,600)	(7,92,600)
Granted during the year	-	-	-	-
	(-)	(-)	(-)	(-)
Lapsed during the year	5,000	5,000	-	10,000
	(10,000)	(5,000)	(2,12,800)	(2,27,800)
Exercised/ Allotted during the year	-	-	-	-
	(-)	(-)	(47,800)	(47,800)
Outstanding as at 31st March 2015	2,35,000	2,72,000	-	5,07,000
	(2,40,000)	(2,77,000)	(-)	(5,17,000)
Exercisable as at 31st March 2015	2,35,000	2,72,000	-	5,07,000

Figures in bracket denote previous year figures.

As at 31st March 2015, the company has received commitment deposit of Rs. 33,348 (2013-2014 : Rs. 33,348) from its directors and employees under ESOS 2001 and ESOS 2003.

Weighted average remaining contractual life is 1.2 years (2013-2014 : 2.2 years).

No options were exercised during the year. Weighted average share price at exercise date during the previous year was Rs. 96.72.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

The company has not granted stock options during the year.

The company uses the intrinsic value method for measuring the employee compensation cost. The impact on the reported net profit and earnings per share by applying the fair value method is as under:

Particulars	Amount (in Rupees)	
	2014-2015	2013-2014
Profit as reported	26,13,92,051	20,52,05,312
Add : Employee stock compensation under intrinsic value method	(3,11,000)	(45,84,179)
Less : Employee stock compensation under fair value method	(6,21,100)	(6,14,750)
Pro forma profit	26,17,02,151	20,12,35,883
<b>Earnings Per Share</b>		
Basic - As reported	17.99	14.13
- Pro forma	18.01	13.86
Diluted - As reported	17.61	14.08
- Pro forma	17.63	13.80

**32. CONTRACTS IN PROGRESS (CIP):**

Sr. No.	Particulars	Amount (in Rupees)	
		2014-2015	2013-2014
A.	Aggregate amount recognized as contract revenue	2,18,00,72,200	2,02,73,30,932
B.	In respect of contracts in progress as on 31st March :		
	1) Aggregate amount of costs incurred and recognized profits (less recognized losses)	9,76,16,61,689	6,95,33,15,434
	2) Amount of customer advance	20,04,33,917	11,09,55,192
	3) Amount of retentions	46,16,38,842	33,84,49,047
C.	Gross amount due from customers for contract work	15,32,043	1,17,59,115

### NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd....)

#### 33. SEGMENT

##### I. Information about Primary Business Segments

	Engineering		Chemicals		Consumer Products		Unallocated		Total	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	<b>Revenue</b>									
External sales and services (Gross)	3,78,68,44,088	3,92,65,14,384	2,98,57,87,027	2,55,59,44,080	83,78,80,038	86,81,80,996	47,87,329	45,50,377	7,61,52,98,482	7,35,50,89,837
Less: Excise duty recovered	(508,74,425)	(4,83,39,723)	(23,37,97,305)	(17,47,41,364)	(1,23,22,379)	(1,25,28,771)	-	-	(29,89,94,109)	(23,56,09,858)
External sales and services (Net)	3,73,59,89,663	3,87,81,74,661	2,75,19,89,722	2,38,11,02,716	82,55,57,659	85,56,52,225	47,87,329	45,50,377	7,31,83,04,373	7,11,94,79,979
Inter-segmental sales	24,35,56,015	23,82,96,065	11,08,66,707	10,37,95,120	16,241	4,52,251	-	-	35,44,38,963	34,25,43,436
Other income	57,67,544	1,12,27,598	2,06,528	1,24,84,139	6,07,274	9,79,476	2,22,50,933	1,40,71,859	2,88,32,279	3,87,63,072
Total revenue	3,98,52,93,222	4,12,76,98,324	2,86,30,62,957	2,49,73,81,975	82,61,81,174	85,70,83,952	2,70,38,262	1,86,22,236	7,70,15,75,615	7,50,07,86,487
Less: Eliminations									(35,44,38,963)	(34,25,43,436)
Add : Interest income							5,33,49,108	4,26,32,164	5,33,49,108	4,26,32,164
Total enterprise revenue							5,33,49,108	4,26,32,164	7,40,04,85,760	7,20,08,75,215
<b>Result</b>										
Segment results	15,11,53,157	16,95,61,250	40,44,62,029	30,17,68,266	(2,29,54,243)	(1,06,18,724)	-	-	53,26,60,943	46,07,10,792
Unallocated expenditure net of unallocated income							(9,72,38,308)	(9,13,56,021)	(9,72,38,308)	(9,13,56,021)
Finance cost										
Interest income							(10,85,45,549)	(9,79,47,246)	(10,85,45,549)	(9,79,47,246)
Profit before taxation							5,33,49,108	4,26,32,164	5,33,49,108	4,26,32,164
							(15,24,34,748)	(14,66,71,103)	38,02,26,194	31,4,039,689
<b>Other Information</b>										
Segment assets	2,90,09,55,352	2,69,71,30,591	1,66,12,60,179	1,54,35,20,631	31,44,14,566	28,20,01,822	1,44,46,80,224	1,49,87,19,546	6,32,13,10,321	6,02,13,72,590
Segment liabilities	2,10,29,70,437	2,02,60,88,587	92,66,40,148	79,93,94,396	21,56,52,936	13,39,29,268	87,27,32,233	1,05,29,98,099	4,11,79,95,754	4,01,24,10,350
Capital expenditure	97,35,762	1,09,17,272	3,34,63,837	4,60,62,127	9,62,096	10,17,585	79,67,925	64,98,317	5,21,29,620	6,44,95,301
Depreciation	1,33,65,178	85,28,931	6,02,53,835	5,51,36,083	26,49,574	32,92,439	2,18,32,929	1,70,33,190	9,81,01,516	8,39,90,643
Non cash expenditure other than depreciation	5,13,43,090	3,48,26,524	1,26,73,899	48,72,515	1,12,85,961	87,36,313	(26,85,128)	(94,08,824)	7,26,17,822	3,90,26,528

##### II. Information about Secondary Geographical Segments

	India		Outside India		Total	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	External revenue (Net)	5,53,17,85,094	5,81,21,21,637	1,78,65,19,279	1,30,73,58,342	7,31,83,04,373
Carrying amount of segment assets	5,19,47,85,623	5,23,25,10,426	1,12,65,24,698	78,88,62,164	6,32,13,10,321	6,02,13,72,590
Additions to fixed assets	5,20,18,759	6,39,69,690	1,10,861	5,25,611	5,21,29,620	6,44,95,301

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****33. SEGMENT (contd...)**

## 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, sugar chemicals and paper chemicals.  
 Consumer Products – comprising of domestic water purifiers.
- (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.

**34. RELATED PARTY DISCLOSURES (As identified by the Management):**Where control exists

a) Subsidiary Companies	Ion Exchange Enviro Farms Limited Watercare Investments (India) Limited Aqua Investments (India) Limited Ion Exchange Asia Pacific Pte. Ltd., Singapore Ion Exchange Asia Pacific (Thailand) Limited* IEI Environmental Management (M) Sdn. Bhd., Malaysia Ion Exchange Environment Management (BD) Limited, Bangladesh Ion Exchange Infrastructure Limited Ion Exchange LLC, USA Ion Exchange And Company LLC, Oman Ion Exchange WTS (Bangladesh) Limited Ion Exchange Projects and Engineering Limited Global Composites and Structurals Limited Ion Exchange Safic Pty. Ltd., South Africa Total Water Management Services (India) Limited Ion Exchange Purified Drinking Water Private Limited
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Others

b) Associates	Aquanomics Systems Limited IEI Water-Tech (M) Sdn. Bhd., Malaysia ** Astha Technical Services Limited Ion Exchange PSS Co. Limited, Thailand ** Ion Exchange Financial Products Pvt. Limited **
c) Joint Venture	Ion Exchange Waterleau Limited
d) Entity having significant influence	IEI Shareholding Trusts
e) Key Management Personnel	Mr. Rajesh Sharma - Chairman & Managing Director Mr. Dinesh Sharma - Executive Director Mr. Aankur Patni - Executive Director
f) 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
g) Enterprise owned or significantly influenced by key management personnel or their relatives	Ion Foundation

\*\* Subsidiary Company of Subsidiary

\* Associate Companies of Subsidiaries



**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**
**34. RELATED PARTY DISCLOSURES (contd...)**

I. Transactions during the year with related parties except entity having significant influence with outstanding balances as at year-end:

Amount (in Rupees)

Nature of transaction	Parties referred to in (a) above		Parties referred to in (b) and (c) above		Parties referred to in (e), (f) and (g) above		Total	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
<b>Sale of goods *</b>								
Aquanomics Systems Ltd	-	-	26,81,88,565	23,40,23,814	-	-	26,81,88,565	23,40,23,814
Global Composites And Structurals Ltd.	28,02,684	-	-	-	-	-	28,02,684	-
IEI Environmental Management (M) Sdn. Bhd., Malaysia	-	29,59,720	-	-	-	-	-	29,59,720
Ion Exchange Asia Pacific Pte. Ltd, Singapore	16,79,06,671	8,46,36,570	-	-	-	-	16,79,06,671	8,46,36,570
Ion Exchange And Company LLC, Oman	3,24,47,542	4,41,31,785	-	-	-	-	3,24,47,542	4,41,31,785
Ion Exchange Environment Management (BD) Ltd., Bangladesh	2,07,61,199	1,80,51,295	-	-	-	-	2,07,61,199	1,80,51,295
Ion Exchange Infrastructure Ltd.	1,01,805	5,02,207	-	-	-	-	1,01,805	5,02,207
Ion Exchange LLC, USA	10,65,90,163	10,70,91,763	-	-	-	-	10,65,90,163	10,70,91,763
Ion Exchange Waterleau Ltd.	-	-	2,25,539	47,11,524	-	-	2,25,539	47,11,524
Ion Exchange Asia Pacific (Thailand) Ltd	98,11,950	1,40,63,045	-	-	-	-	98,11,950	1,40,63,045
Ion Exchange Enviro Farms Ltd.	-	21,37,546	-	-	-	-	-	21,37,546
Ion Foundation	-	-	-	-	13,50,811	4,90,764	13,50,811	4,90,764
Ion Exchange Safic Pty Ltd., South Africa	1,05,88,813	1,18,39,480	-	-	-	-	1,05,88,813	1,18,39,480
Ion Exchange Projects And Engineering Ltd.	9,68,22,748	36,61,75,456	-	-	-	-	9,68,22,748	36,61,75,456
Ion Exchange PSS Co. Ltd., Thailand	-	-	50,56,288	2,88,87,983	-	-	50,56,288	2,88,87,983
Ion Exchange Purified Drinking Water Pvt. Ltd.	9,78,13,967	-	-	-	-	-	9,78,13,967	-
<b>Total</b>	<b>54,56,47,542</b>	<b>65,15,88,867</b>	<b>27,34,70,392</b>	<b>26,76,23,321</b>	<b>13,50,811</b>	<b>4,90,764</b>	<b>82,04,68,745</b>	<b>91,97,02,952</b>
<b>Sales returns</b>								
Ion Exchange PSS Co. Ltd., Thailand	-	-	82,78,377	-	-	-	82,78,377	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>82,78,377</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,78,377</b>	<b>-</b>
<b>Services rendered</b>								
Ion Exchange Waterleau Ltd.	-	-	1,13,31,448	1,16,49,985	-	-	1,13,31,448	1,16,49,985
Total Water Management Services (India) Ltd.	7,31,261	6,71,579	-	-	-	-	7,31,261	6,71,579
Aquanomics Systems Ltd	-	-	-	1,500	-	-	-	1,500
Ion Exchange Enviro Farms Ltd.	54,775	1,79,168	-	-	-	-	54,775	1,79,168
Ion Exchange Projects And Engineering Ltd.	71,25,895	86,68,891	-	-	-	-	71,25,895	86,68,891
Ion Exchange Infrastructure Ltd.	49,598	-	-	-	-	-	49,598	-
<b>Total</b>	<b>79,61,529</b>	<b>95,19,638</b>	<b>1,13,31,448</b>	<b>1,16,51,485</b>	<b>-</b>	<b>-</b>	<b>1,92,92,977</b>	<b>2,11,71,123</b>
<b>Rental income</b>								
Ion Exchange Waterleau Ltd.	-	-	14,87,375	12,04,500	-	-	14,87,375	12,04,500
Ion Exchange Infrastructure Ltd.	-	3,87,904	-	-	-	-	-	3,87,904
Ion Exchange Projects And Engineering Ltd.	54,09,600	52,62,400	-	-	-	-	54,09,600	52,62,400
<b>Total</b>	<b>54,09,600</b>	<b>56,50,304</b>	<b>14,87,375</b>	<b>12,04,500</b>	<b>-</b>	<b>-</b>	<b>68,96,975</b>	<b>68,54,804</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****34. RELATED PARTY DISCLOSURES (contd...)**

Amount (in Rupees)

Nature of transaction	Parties referred to in (a) above		Parties referred to in (b) and (c) above		Parties referred to in (e), (f) and (g) above		Total	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
<b>Interest income on loan and advances</b>								
IEI Environmental Management (M) Sdn. Bhd., Malaysia	2,26,366	2,02,976	-	-	-	-	2,26,366	2,02,976
Ion Exchange Asia Pacific Pte. Ltd, Singapore	3,20,270	-	-	-	-	-	3,20,270	-
Ion Exchange And Company LLC, Oman	3,908	-	-	-	-	-	3,908	-
Ion Exchange Waterleau Ltd.	-	-	1,48,57,114	1,45,51,000	-	-	1,48,57,114	1,45,51,000
Ion Exchange Asia Pacific (Thailand) Ltd	11,676	-	-	-	-	-	11,676	-
Ion Exchange Enviro Farms Ltd.	2,11,26,338	1,89,38,869	-	-	-	-	2,11,26,338	1,89,38,869
Ion Exchange Safic Pty Ltd., South Africa	6,09,260	3,97,142	-	-	-	-	6,09,260	3,97,142
Ion Exchange Projects And Engineering Ltd.	73,41,744	-	-	-	-	-	73,41,744	-
Total Water Management Services (India) Ltd.	23,300	-	-	-	-	-	23,300	-
Ion Exchange Purified Drinking Water Pvt. Ltd.	3,94,582	-	-	-	-	-	3,94,582	-
<b>Total</b>	<b>3,00,57,444</b>	<b>1,95,38,987</b>	<b>1,48,57,114</b>	<b>1,45,51,000</b>	-	-	<b>4,49,14,558</b>	<b>3,40,89,987</b>
<b>Management fees</b>								
Aquanomics Systems Ltd	-	-	53,64,470	45,00,000	-	-	53,64,470	45,00,000
<b>Total</b>	-	-	<b>53,64,470</b>	<b>45,00,000</b>	-	-	<b>53,64,470</b>	<b>45,00,000</b>
<b>Purchase of goods</b>								
Ion Exchange Infrastructure Ltd.	11,74,734	72,44,777	-	-	-	-	11,74,734	72,44,777
Aquanomics Systems Ltd.	-	-	1,22,20,216	1,37,27,975	-	-	1,22,20,216	1,37,27,975
Global Composites And Structural Ltd.	3,63,06,740	10,01,42,503	-	-	-	-	3,63,06,740	10,01,42,503
Ion Exchange Waterleau Ltd.	-	-	1,31,22,438	1,83,21,685	-	-	1,31,22,438	1,83,21,685
<b>Total</b>	<b>3,74,81,474</b>	<b>10,73,87,280</b>	<b>2,53,42,654</b>	<b>3,20,49,660</b>	-	-	<b>6,28,24,128</b>	<b>13,94,36,940</b>
<b>Services received</b>								
Ion Exchange Infrastructure Ltd.	-	1,13,86,160	-	-	-	-	-	1,13,86,160
Astha Technical Services Ltd.	-	-	90,61,361	1,09,08,202	-	-	90,61,361	1,09,08,202
Ion Exchange Waterleau Ltd.	-	-	1,08,98,844	1,30,98,029	-	-	1,08,98,844	1,30,98,029
Ion Exchange Projects And Engineering Ltd.	6,76,33,270	6,83,16,614	-	-	-	-	6,76,33,270	6,83,16,614
<b>Total</b>	<b>6,76,33,270</b>	<b>7,97,02,774</b>	<b>1,99,60,205</b>	<b>2,40,06,231</b>	-	-	<b>8,75,93,475</b>	<b>10,37,09,005</b>
<b>Purchase of miscellaneous items</b>								
Ion Exchange Enviro Farms Ltd.	50,71,651	45,44,375	-	-	-	-	50,71,651	45,44,375
<b>Total</b>	<b>50,71,651</b>	<b>45,44,375</b>	-	-	-	-	<b>50,71,651</b>	<b>45,44,375</b>
<b>Interest paid on inter corporate deposits</b>								
Watercare Investments (India) Ltd.	5,32,797	4,74,727	-	-	-	-	5,32,797	4,74,727
Aqua Investments (India) Ltd.	5,70,940	5,78,698	-	-	-	-	5,70,940	5,78,698
<b>Total</b>	<b>11,03,737</b>	<b>10,53,425</b>	-	-	-	-	<b>11,03,737</b>	<b>10,53,425</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**34. RELATED PARTY DISCLOSURES (contd...)**

Amount (in Rupees)

Nature of transaction	Parties referred to in (a) above		Parties referred to in (b) and (c) above		Parties referred to in (e), (f) and (g) above		Total	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
<b>Advance given</b>								
Astha Technical Services Ltd.	-	-	1,19,247	60,670	-	-	1,19,247	60,670
Global Composites And Structural Ltd.	-	1,34,084	-	-	-	-	-	1,34,084
Ion Exchange Asia Pacific Pte. Ltd., Singapore	-	52,698	-	-	-	-	-	52,698
Ion Exchange Enviro Farms Ltd.	12,60,551	12,98,988	-	-	-	-	12,60,551	12,98,988
Ion Exchange Infrastructure Ltd.	2,500	45,288	-	-	-	-	2,500	45,288
Ion Exchange LLC, USA	6,77,928	-	-	-	-	-	6,77,928	-
Ion Exchange Waterleau Ltd.	-	-	3,42,288	1,08,841	-	-	3,42,288	1,08,841
Total Water Management Services (India) Ltd.	55,144	1,62,537	-	-	-	-	55,144	1,62,537
Ion Foundation	-	-	-	-	-	32,448	-	32,448
Ion Exchange Projects And Engineering Ltd.	5,63,11,285	50,04,95,438	-	-	-	-	5,63,11,285	50,04,95,438
Ion Exchange Purified Drinking Water Pvt. Ltd.	40,931	5,19,293	-	-	-	-	40,931	5,19,293
<b>Total</b>	<b>5,83,48,339</b>	<b>50,27,08,326</b>	<b>4,61,535</b>	<b>1,69,511</b>	<b>-</b>	<b>32,448</b>	<b>5,88,09,874</b>	<b>50,29,10,285</b>
<b>Loans given</b>								
Ion Exchange Enviro Farms Ltd.	2,42,92,547	2,61,77,000	-	-	-	-	2,42,92,547	2,61,77,000
Ion Exchange LLC, USA	-	15,50,908	-	-	-	-	-	15,50,908
Ion Exchange Safic Pty Ltd., South Africa	-	18,60,000	-	-	-	-	-	18,60,000
Ion Exchange Asia Pacific Pte. Ltd., Singapore	-	5,32,37,120	-	-	-	-	-	5,32,37,120
Ion Exchange Waterleau Ltd.	-	-	1,16,45,000	-	-	-	1,16,45,000	-
Ion Exchange Projects And Engineering Ltd.	24,77,41,986	-	-	-	-	-	24,77,41,986	-
Ion Exchange Purified Drinking Water Pvt. Ltd.	1,02,56,772	-	-	-	-	-	1,02,56,772	-
<b>Total</b>	<b>28,22,91,305</b>	<b>8,28,25,028</b>	<b>1,16,45,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,39,36,305</b>	<b>8,28,25,028</b>
<b>Advance repaid</b>								
Ion Exchange Financial Products Pvt. Ltd.	-	-	-	1,60,000	-	-	-	1,60,000
Ion Exchange Projects And Engineering Ltd.	6,03,84,008	47,18,52,477	-	-	-	-	6,03,84,008	47,18,52,477
Ion Exchange Waterleau Ltd.	-	-	73,108	-	-	-	73,108	-
Ion Foundation	-	-	-	-	-	32,448	-	32,448
Ion Exchange Enviro Farms Ltd.	2,17,923	1,06,625	-	-	-	-	2,17,923	1,06,625
<b>Total</b>	<b>6,06,01,931</b>	<b>47,19,59,102</b>	<b>73,108</b>	<b>1,60,000</b>	<b>-</b>	<b>32,448</b>	<b>6,06,75,039</b>	<b>47,21,51,550</b>
<b>Loans repaid</b>								
Ion Exchange Enviro Farms Ltd.	93,00,000	7,00,000	-	-	-	-	93,00,000	7,00,000
Ion Exchange LLC, USA	-	22,15,543	-	-	-	-	-	22,15,543
Ion Exchange Financial Products Pvt. Ltd.	-	-	80,000	-	-	-	80,000	-
Ion Exchange Asia Pacific Pte. Ltd., Singapore	83,54,852	5,34,21,302	-	-	-	-	83,54,852	5,34,21,302
Ion Exchange Projects And Engineering Ltd.	40,27,95,041	-	-	-	-	-	40,27,95,041	-
<b>Total</b>	<b>42,04,49,893</b>	<b>5,63,36,845</b>	<b>80,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,05,29,893</b>	<b>5,63,36,845</b>
<b>Inter corporate deposits received</b>								
Water Care Investments (India) Ltd.	-	1,30,75,000	-	-	-	-	-	1,30,75,000
Aqua Investments (India) Ltd.	-	1,39,70,000	-	-	-	-	-	1,39,70,000
<b>Total</b>	<b>-</b>	<b>2,70,45,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,70,45,000</b>
<b>Inter corporate deposits repaid</b>								
Water Care Investments (India) Ltd.	35,00,000	52,75,000	-	-	-	-	35,00,000	52,75,000
Aqua Investments (India) Ltd.	35,00,000	65,45,000	-	-	-	-	35,00,000	65,45,000
<b>Total</b>	<b>70,00,000</b>	<b>1,18,20,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,00,000</b>	<b>1,18,20,000</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****34. RELATED PARTY DISCLOSURES (contd...)**

Amount (in Rupees)

Nature of transaction	Parties referred to in (a) above		Parties referred to in (b) and (c) above		Parties referred to in (e), (f) and (g) above		Total	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
<b>Inter corporate deposits (Outstanding)</b>								
Water Care Investments (India) Ltd.	43,00,000	78,00,000	-	-	-	-	43,00,000	78,00,000
Aqua Investments (India) Ltd.	39,25,000	74,25,000	-	-	-	-	39,25,000	74,25,000
<b>Total</b>	<b>82,25,000</b>	<b>1,52,25,000</b>	-	-	-	-	<b>82,25,000</b>	<b>1,52,25,000</b>
<b>Dividend received</b>								
Aquanomics Systems Ltd.	-	-	4,60,000	4,60,000	-	-	4,60,000	4,60,000
Ion Exchange And Company LLC, Oman	98,83,532	-	-	-	-	-	98,83,532	-
<b>Total</b>	<b>98,83,532</b>	-	<b>4,60,000</b>	<b>4,60,000</b>	-	-	<b>1,03,43,532</b>	<b>4,60,000</b>
<b>Dividend paid</b>								
Water Care Investments (India) Ltd.	3,68,142	3,68,142	-	-	-	-	3,68,142	3,68,142
Aqua Investments (India) Ltd.	5,07,606	5,07,606	-	-	-	-	5,07,606	5,07,606
Mr. Rajesh Sharma	-	-	-	-	15,22,436	15,22,436	15,22,436	15,22,436
Mr. Dinesh Sharma	-	-	-	-	11,37,042	11,37,042	11,37,042	11,37,042
Mr. Aankur Patni	-	-	-	-	4,69,336	4,69,336	4,69,336	4,69,336
Mr. Mahabir Prasad Patni	-	-	-	-	13,87,494	13,87,494	13,87,494	13,87,494
Relatives of Key Management Personnel	-	-	-	-	3,37,690	3,37,690	3,37,690	3,37,690
Ion Exchange Financial Products Pvt. Ltd.	-	-	1,00,844	1,00,844	-	-	1,00,844	1,00,844
Aquanomics Systems Ltd.	-	-	2,000	2,000	-	-	2,000	2,000
<b>Total</b>	<b>8,75,748</b>	<b>8,75,748</b>	<b>1,02,844</b>	<b>1,02,844</b>	<b>48,53,998</b>	<b>48,53,998</b>	<b>58,32,590</b>	<b>58,32,590</b>
<b>Remuneration</b>								
Mr. Rajesh Sharma	-	-	-	-	2,84,36,891	2,60,17,252	2,84,36,891	2,60,17,252
Mr. Dinesh Sharma	-	-	-	-	1,31,73,715	1,20,12,068	1,31,73,715	1,20,12,068
Mr. Aankur Patni	-	-	-	-	1,30,31,103	1,18,32,600	1,30,31,103	1,18,32,600
<b>Total</b>	-	-	-	-	<b>5,46,41,709</b>	<b>4,98,61,920</b>	<b>5,46,41,709</b>	<b>4,98,61,920</b>
<b>Director sitting fees</b>								
Mr. Mahabir Prasad Patni	-	-	-	-	4,30,000	1,50,000	4,30,000	1,50,000
<b>Total</b>	-	-	-	-	<b>4,30,000</b>	<b>1,50,000</b>	<b>4,30,000</b>	<b>1,50,000</b>
<b>Outstanding loans and advances (for business purpose)</b>								
Aquanomics Systems Ltd	-	-	1,864	1,864	-	-	1,864	1,864
Global Composites And Structurals Ltd.	1,34,084	1,34,084	-	-	-	-	1,34,084	1,34,084
IEI Environmental Management (M) Sdn. Bhd., Malaysia	26,49,343	23,26,531	-	-	-	-	26,49,343	23,26,531
Ion Exchange Asia Pacific Pte. Ltd, Singapore	2,92,737	81,19,570	-	-	-	-	2,92,737	81,19,570
Ion Exchange And Company LLC, Oman	45,816	40,207	-	-	-	-	45,816	40,207
Ion Exchange Enviro Farms Ltd.	12,31,74,629	10,86,84,680	-	-	-	-	12,31,74,629	10,86,84,680
Ion Exchange Infrastructure Ltd.	1,03,582	48,788	-	-	-	-	1,03,582	48,788
Ion Exchange Financial Products Pvt. Ltd.**	-	-	24,75,134	25,55,134	-	-	24,75,134	25,55,134
Ion Exchange Waterleau Ltd.	-	-	11,35,34,564	10,15,48,415	-	-	11,35,34,564	10,15,48,415
Total Water Management Services (India) Ltd.	2,50,145	3,40,045	-	-	-	-	2,50,145	3,40,045
Ion Exchange Asia Pacific (Thailand) Ltd	1,36,636	1,19,960	-	-	-	-	1,36,636	1,19,960
Astha Technical Services Ltd.	-	-	1,79,917	60,670	-	-	1,79,917	60,670
Ion Exchange Projects And Engineering Ltd.	11,18,49,377	24,06,02,117	-	-	-	-	11,18,49,377	24,06,02,117
Ion Exchange Safic Pty Ltd., South Africa	71,30,532	62,61,745	-	-	-	-	71,30,532	62,61,745
Ion Exchange Purified Drinking Water Pvt. Ltd.	1,09,94,901	5,19,293	-	-	-	-	1,09,94,901	5,19,293
<b>Total</b>	<b>25,67,61,782</b>	<b>36,71,97,020</b>	<b>11,61,91,479</b>	<b>10,41,66,083</b>	-	-	<b>37,29,53,261</b>	<b>47,13,63,103</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**
**34. RELATED PARTY DISCLOSURES (contd...)**

Amount (in Rupees)

Nature of transaction	Parties referred to in (a) above		Parties referred to in (b) and (c) above		Parties referred to in (e), (f) and (g) above		Total	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
<b>Advance to supplier</b>								
Ion Exchange Infrastructure Ltd.	36,77,249	1,71,46,973	-	-	-	-	36,77,249	1,71,46,973
Astha Technical Services Ltd.	-	-	1,83,08,068	30,00,000	-	-	1,83,08,068	30,00,000
Global Composites And Structural Ltd.	7,31,81,668	7,27,88,210	-	-	-	-	7,31,81,668	7,27,88,210
<b>Total</b>	<b>7,68,58,917</b>	<b>8,99,35,183</b>	<b>1,83,08,068</b>	<b>30,00,000</b>	-	-	<b>9,51,66,985</b>	<b>9,29,35,183</b>
<b>Outstanding receivable (Net of payable) excluding loans and advances</b>								
Aquanomics Systems Ltd	-	-	9,04,54,102	7,56,38,461	-	-	9,04,54,102	7,56,38,461
Global Composites And Structural Ltd.	13,97,302	-	-	-	-	-	13,97,302	-
IEI Environmental Management (M) Sdn. Bhd., Malaysia	1,62,30,676	1,62,28,069	-	-	-	-	1,62,30,676	1,62,28,069
IEI Water Tech (M) Sdn. Bhd., Malaysia	-	-	2,03,282	2,03,282	-	-	2,03,282	2,03,282
Ion Exchange Asia Pacific Pte. Ltd, Singapore	9,71,21,518	4,45,24,583	-	-	-	-	9,71,21,518	4,45,24,583
Ion Exchange And Company LLC, Oman	3,92,06,868	6,77,61,253	-	-	-	-	3,92,06,868	6,77,61,253
Ion Exchange Enviro Farms Ltd.	1,71,139	49,54,483	-	-	-	-	1,71,139	49,54,483
Ion Exchange Environment Management (BD) Ltd., Bangladesh	49,43,891	33,48,860	-	-	-	-	49,43,891	33,48,860
Ion Exchange LLC, USA	10,11,97,929	9,14,35,017	-	-	-	-	10,11,97,929	9,14,35,017
Ion Exchange Waterleau Ltd.	-	-	1,21,66,083	-	-	-	1,21,66,083	-
Ion Exchange Asia Pacific (Thailand) Ltd.	3,82,78,581	2,80,55,600	-	-	-	-	3,82,78,581	2,80,55,600
Ion Foundation	-	-	-	-	-	1,08,004	-	1,08,004
Ion Exchange Projects And Engineering Ltd.	30,43,55,724	31,70,48,356	-	-	-	-	30,43,55,724	31,70,48,356
Ion Exchange Safic Pty Ltd., South Africa	88,85,499	10,05,621	-	-	-	-	88,85,499	10,05,621
Ion Exchange PSS Co. Ltd., Thailand	-	-	1,62,73,701	1,97,70,985	-	-	1,62,73,701	1,97,70,985
Ion Exchange Purified Drinking Water Pvt. Ltd.	1,99,42,463	-	-	-	-	-	1,99,42,463	-
<b>Total</b>	<b>63,17,31,590</b>	<b>57,43,61,842</b>	<b>11,90,97,168</b>	<b>9,56,12,728</b>	-	<b>1,08,004</b>	<b>75,08,28,758</b>	<b>67,00,82,574</b>
<b>Outstanding payable (Net of receivable) excluding loans and advances</b>								
Global Composites And Structural Ltd.	-	2,12,91,989	-	-	-	-	-	2,12,91,989
Ion Exchange Infrastructure Ltd.	39,61,864	52,51,902	-	-	-	-	39,61,864	52,51,902
Ion Exchange Waterleau Ltd.	-	-	-	1,08,62,464	-	-	-	1,08,62,464
Total Water Management Services (India) Ltd.	20,790	20,790	-	-	-	-	20,790	20,790
Astha Technical Services Ltd.	-	-	16,96,430	2,70,761	-	-	16,96,430	2,70,761
<b>Total</b>	<b>39,82,654</b>	<b>2,65,64,681</b>	<b>16,96,430</b>	<b>1,11,33,225</b>	-	-	<b>56,79,084</b>	<b>3,76,97,906</b>
<b>Investments made during the year</b>								
Ion Exchange Asia Pacific Pte. Ltd, Singapore	3,10,72,250	-	-	-	-	-	3,10,72,250	-
Ion Exchange Purified Drinking Water Pvt. Ltd.	-	1,00,000	-	-	-	-	-	1,00,000
<b>Total</b>	<b>3,10,72,250</b>	<b>1,00,000</b>	-	-	-	-	<b>3,10,72,250</b>	<b>1,00,000</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****34. RELATED PARTY DISCLOSURES (contd...)**

Amount (in Rupees)

Nature of transaction	Parties referred to in (a) above		Parties referred to in (b) and (c) above		Parties referred to in (e), (f) and (g) above		Total	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
<b>Investment in equity shares / debentures</b>								
Aqua Investments (India) Ltd.	1,76,00,000	1,76,00,000	-	-	-	-	1,76,00,000	1,76,00,000
Aquanomics Systems Ltd.	-	-	46,00,000	46,00,000	-	-	46,00,000	46,00,000
Astha Technical Services Ltd.	-	-	13,00,000	13,00,000	-	-	13,00,000	13,00,000
Global Composites And Structural Ltd.	2,17,00,000	2,17,00,000	-	-	-	-	2,17,00,000	2,17,00,000
IEI Environmental Management (M) Sdn. Bhd., Malaysia	18,10,111	18,10,111	-	-	-	-	18,10,111	18,10,111
Ion Exchange Asia Pacific Pte. Ltd, Singapore	10,80,96,815	7,70,24,565	-	-	-	-	10,80,96,815	7,70,24,565
Ion Exchange And Company LLC, Oman	1,80,85,140	1,80,85,140	-	-	-	-	1,80,85,140	1,80,85,140
Ion Exchange Enviro Farms Ltd. ***	15,54,70,000	15,54,70,000	-	-	-	-	15,54,70,000	15,54,70,000
Ion Exchange Environment Management (BD) Ltd., Bangladesh	35,74,493	35,74,493	-	-	-	-	35,74,493	35,74,493
Ion Exchange WTS (Bangladesh) Ltd.	2,45,000	2,45,000	-	-	-	-	2,45,000	2,45,000
Ion Exchange Infrastructure Ltd.	3,12,00,000	3,12,00,000	-	-	-	-	3,12,00,000	3,12,00,000
Ion Exchange LLC, USA	3,72,01,000	3,72,01,000	-	-	-	-	3,72,01,000	3,72,01,000
Ion Exchange Waterleau Ltd.	-	-	2,49,95,000	2,49,95,000	-	-	2,49,95,000	2,49,95,000
Total Water Management Services (India) Ltd.	4,99,930	4,99,930	-	-	-	-	4,99,930	4,99,930
Watercare Investments (India) Ltd.	1,77,00,000	1,77,00,000	-	-	-	-	1,77,00,000	1,77,00,000
Ion Exchange Projects And Engineering Ltd.	10,00,00,000	10,00,00,000	-	-	-	-	10,00,00,000	10,00,00,000
Ion Foundation	-	-	-	-	10,000	10,000	10,000	10,000
Ion Exchange Safic Pty Ltd., South Africa	40,66,949	40,66,949	-	-	-	-	40,66,949	40,66,949
Ion Exchange Purified Drinking Water Pvt. Ltd.	1,00,000	1,00,000	-	-	-	-	1,00,000	1,00,000
<b>Total</b>	<b>51,73,49,438</b>	<b>48,62,77,188</b>	<b>3,08,95,000</b>	<b>3,08,95,000</b>	<b>10,000</b>	<b>10,000</b>	<b>54,82,54,438</b>	<b>51,71,82,188</b>
<b>Corporate guarantees given</b>								
Ion Exchange Projects And Engineering Ltd.	25,41,63,900	9,35,36,100	-	-	-	-	25,41,63,900	9,35,36,100
Ion Exchange Safic Pty Ltd., South Africa	-	13,29,94,000	-	-	-	-	-	13,29,94,000
Ion Exchange Purified Drinking Water Pvt. Ltd.	-	7,60,20,000	-	-	-	-	-	7,60,20,000
Ion Exchange Asia Pacific (Thailand) Ltd	2,61,42,008	-	-	-	-	-	2,61,42,008	-
<b>Total</b>	<b>28,03,05,908</b>	<b>30,25,50,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,03,05,908</b>	<b>30,25,50,100</b>
<b>Corporate guarantees discharged</b>								
Ion Exchange Waterleau Ltd.	-	-	-	3,00,00,000	-	-	-	3,00,00,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,00,00,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,00,00,000</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**34. RELATED PARTY DISCLOSURES (contd...)**

Amount (in Rupees)

Nature of transaction	Parties referred to in (a) above		Parties referred to in (b) and (c) above		Parties referred to in (e), (f) and (g) above		Total	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
<b>Corporate guarantees (Outstanding)</b> (For their banking facilities)								
Aquanomics Systems Ltd.	-	-	11,00,00,000	11,00,00,000	-	-	11,00,00,000	11,00,00,000
Ion Exchange Infrastructure Ltd.	22,50,00,000	22,50,00,000	-	-	-	-	22,50,00,000	22,50,00,000
Ion Exchange Asia Pacific Pte. Ltd, Singapore	9,07,56,660	8,71,44,710	-	-	-	-	9,07,56,660	8,71,44,710
Ion Exchange Environment Management (BD) Ltd., Bangladesh	82,42,000	82,42,000	-	-	-	-	82,42,000	82,42,000
Global Composites And Structural Ltd.	10,00,00,000	10,00,00,000	-	-	-	-	10,00,00,000	10,00,00,000
Ion Exchange PSS Co. Ltd., Thailand	-	-	5,39,07,683	5,50,50,000	-	-	5,39,07,683	5,50,50,000
Ion Exchange Projects And Engineering Ltd.	43,60,00,000	18,18,36,100	-	-	-	-	43,60,00,000	18,18,36,100
Ion Exchange Waterleau Ltd.	-	-	5,00,00,000	5,00,00,000	-	-	5,00,00,000	5,00,00,000
Ion Exchange Safic Pty Ltd., South Africa	13,45,01,820	13,03,63,120	-	-	-	-	13,45,01,820	13,03,63,120
Ion Exchange Purified Drinking Water Pvt. Ltd.	7,60,20,000	7,60,20,000	-	-	-	-	7,60,20,000	7,60,20,000
Ion Exchange Asia Pacific (Thailand) Ltd.	2,61,42,008	-	-	-	-	-	2,61,42,008	-
<b>Total</b>	<b>1,09,66,62,488</b>	<b>80,86,05,930</b>	<b>21,39,07,683</b>	<b>21,50,50,000</b>	<b>-</b>	<b>-</b>	<b>1,31,05,70,171</b>	<b>1,02,36,55,930</b>

\* Gross sales amount has been considered.

\*\* Provision has been made in respect of the said amount.

\*\*\* Includes Rs. 15,00,00,000 investment in debentures for both years.

II. Transactions during the year with Entity having significant influence with outstanding balances as at year-end:

Amount (in Rupees)

Name of the Related Party	Outstanding Receivable		Loan given during the year		Loans repaid during the year		Dividend paid during the year	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
IEI Shareholding Trusts	21,86,35,000	22,27,46,000	-	-	41,11,000	41,13,000	53,25,828	53,25,828

III. Stock options granted to key management personnel during the year: Nil (2013-2014 : Nil).

IV. Disclosure pursuant to clause 32 of the listing agreement:

(a) Loans and Advances in the nature of loans

Amount (in Rupees)

Name of the related party		As at 31st March 2015	Maximum Balance in 2014-2015	As at 31st March 2014	Maximum Balance in 2013-2014
Ion Exchange Enviro Farms Ltd.	Subsidiary	12,31,74,629	1,29,48,819	10,86,84,680	10,86,94,305
Ion Exchange LLC, USA	100% Subsidiary	-	-	-	15,63,072
Ion Exchange Asia Pacific Pte. Ltd, Singapore	100% Subsidiary	2,92,737	83,54,852	81,19,570	6,16,71,990
IEI Environmental Management (M) Sdn. Bhd., Malaysia	Subsidiary	26,49,343	26,77,992	23,26,531	23,94,648
Ion Exchange Projects and Engineering Ltd.	100% Subsidiary	11,18,49,377	24,18,64,594	24,08,53,114	35,14,08,006
Ion Exchange Safic Pty. Ltd., South Africa	Subsidiary	71,30,532	72,07,706	62,61,745	64,49,051
Ion Exchange Waterleau Ltd.	Joint Venture	11,35,34,564	11,35,43,855	10,15,48,415	10,69,64,597

Notes:

- Loans and advances shown above to the subsidiaries fall under the category of 'Loans and Advances in nature of Loans' where there is no repayment schedule.
- 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 2015 (contd...)****34. RELATED PARTY DISCLOSURES (contd...)**

(b) Investment made by the borrower in the shares of the Company

Name of the Related Party	No. of shares as at	
	31st March 2015	31st March 2014
IEI Shareholding Trusts	26,62,914	26,62,914

35. In early 90s, the company had given loans to Employees' IEI Shareholding Trusts. The amount outstanding as at 31st March 2015 is Rs.21,86,35,000 (2013-2014 : Rs. 22,27,46,000). The Company has carried out valuation of the assets held by the Trusts. Considering the valuation, book value of the corpus of the Trusts as on the Balance Sheet date and future opportunities, the Management does not anticipate any ultimate loss arising out of these loans.

36. The Company has an investment of Rs. 54,70,000 (2013-2014 : Rs.54,70,000) in Equity Shares and 15,00,000 (2013-2014 : 15,00,000) 7% secured redeemable non-convertible debentures of Rs. 100 each fully paid-up, in Ion Exchange Enviro Farms Limited (IEEFL), a subsidiary company, as at 31st March 2015 and it has also granted loans and advances aggregating Rs. 12,31,74,629 (2013-2014 : Rs. 10,86,84,680) as at 31st March 2015 to IEEFL. As at 31st March 2015, the accumulated losses of IEEFL have substantially exceeded its paid-up share capital.

IEEFL has undertaken various cost reduction programs and it expects better returns in the coming years from its organic farming activities, bio-pesticides and bio-fertilizers marketing. Moreover, 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 the company 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 company'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. The company does not envisage any liability on this account.

In view of the foregoing, the Management is of the opinion, that there is no diminution, other than temporary, in value of investment and the advances are fully recoverable. Hence, presently no provision is considered necessary.

**37. INTEREST IN JOINT VENTURE**

i) Jointly Controlled Entity by the Company:

Name of the Entity	Country of Incorporation	% Holding
Ion Exchange Waterleau Limited	India	50%

ii) Company's share of each of the assets, liabilities, income and expenses with respect to jointly controlled entity, based on the financial information of the joint venture are:

	31st March 2015 Rupees	31st March 2014 Rupees
Current assets	2,49,64,410	4,61,76,145
Non-current assets	36,80,062	44,84,790
Current liabilities	(8,63,04,182)	(9,55,21,957)
Non-current liabilities	(4,89,793)	(4,56,162)
<b>Equity</b>	<b>(5,81,49,503)</b>	<b>(4,53,17,184)</b>
Revenue	2,09,39,777	5,54,92,821
Cost of material consumed	(1,46,02,600)	(4,21,35,424)
Depreciation	(4,16,019)	(2,44,225)
Employee benefit expenses	(59,30,107)	(71,21,729)
Other expenses	(1,27,81,107)	(1,56,98,787)
<b>Profit/(loss) before tax</b>	<b>(1,27,90,056)</b>	<b>(97,07,344)</b>
Income tax expense / adjustment	Nil	Nil
<b>Profit/(loss) after tax</b>	<b>(1,27,90,056)</b>	<b>(97,07,344)</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

38. Capital expenditure incurred on research and development during the year is Rs. 12,34,639 (2013-2014 : Rs. 29,39,424). Revenue expenditure of Rs. 4,71,34,662 (2013-2014 : Rs. 4,02,22,666) 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 :

(Amount in Rupees)

Nature	2014-2015			2013-2014		
	Location		Total	Location		Total
	Patancheru	Vashi		Patancheru	Vashi	
Capital expenditure	10,65,741	1,68,898	<b>12,34,639</b>	19,12,299	10,27,125	<b>29,39,424</b>
Revenue expenditure	1,85,60,619	2,85,74,043	<b>4,71,34,662</b>	1,81,36,495	2,20,86,171	<b>4,02,22,666</b>

**39. LEASE**

**A. Operating Lease**

Company as lessee:

The Company has entered into lease agreements for certain items of plants and machineries. The lease agreement is for 5 years. There are no restrictions placed upon the company by entering into this lease.

Further minimum rentals payable under non-cancellable operating leases are as follows:

	31st March 2015 Rupees	31st March 2014 Rupees
Within one year	1,26,81,448	1,26,81,448
After one year but not more than five years	3,17,03,620	4,43,85,068
More than five years	Nil	Nil

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 payable under non-cancellable operating lease are as follows:

	31st March 2015 Rupees	31st March 2014 Rupees
Within one year	89,21,244	89,21,244
After one year but not more than five years	2,72,09,781	3,61,31,025
More than five years	Nil	Nil

**B. Finance Lease**

Company as lessee:

The Company has entered into lease agreement for certain items of plant and machineries (including capital work-in- Progress) and office equipments. The lease terms are between 3 and 4 years and can be renewed at the option of the company. There is no escalation clause in the lease agreement. There are no subleases. Future minimum lease payment (MLP) under finance leases together with the present value of the net MLP are as follows:

	31st March 2015 Rupees	31st March 2014 Rupees
Total minimum lease payments at the year end	75,76,092	70,19,640
Less : Amount representing finance charges	11,94,167	8,11,169
Present value of minimum lease payments (Rate of interest: 4.95% p.a. to 10.94% p.a.)	63,81,925	62,08,471
Minimum lease payments :		
Not later than one year [Present value Rs.91,72,552 as on 31.03.2015 (Rs.58,67,835 as on 31.03.2014)]	1,09,89,064	70,19,640
Later than one year but not later than five years [Present value Rs. 1,21,42,426 as on 31.03.2015 (Rs. 60,59,040 as on 31.03.2014)]	1,62,97,079	76,50,915

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****40. CAPITAL AND OTHER COMMITMENTS**

Estimated amount of contracts (net of advances) remaining to be executed on capital account not provided for is Rs. 4,31,54,846 (2013-2014 : Rs. 95,89,322).

**41. CONTINGENT LIABILITIES**

Contingent liabilities not provided for:

(a) Guarantee given by the company on behalf of :

- i) Subsidiaries – Rs. 1,09,66,62,488 (2013-2014 : Rs. 80,86,05,930)
- ii) Associates – Rs. 16,39,07,683 (2013-2014 : Rs. 16,50,50,000)
- iii) Joint venture – Rs. 5,00,00,000 (2013-2014 : Rs. 5,00,00,000)
- iv) Others – Rs. 38,88,000 (2013-2014 : Rs. 38,88,000)

(b) Demand raised by authorities against which the company has filed an appeal.

- i) Income tax – Rs. 53,82,201 (2013-2014 : Rs. Nil)
- ii) Excise duty – Rs. 16,78,600 (2013-2014 : Rs. 16,78,600)
- iii) Service tax – Rs. 10,52,535 (2013-2014 : Rs. 5,61,092)
- iv) Customs Duty – Rs. 22,58,117 (2013-2014 : Rs. 22,58,117)

(c) Claims against the company arising in the course of business not acknowledged as debts (to the extent ascertainable) Rs. 4,82,16,849 (2013-2014 : Rs. 1,79,72,673).

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

**42. UNHEDGED FOREIGN CURRENCY EXPOSURE**

Particulars of Unhedged foreign currency exposure as at Balance Sheet date.

Particulars	Particulars of derivative			
	2014-2015		2013-2014	
	Amount (Rs.)	Foreign currency	Amount (Rs.)	Foreign currency
Import Payables	22,56,62,807	USD 30,71,491 EUR 3,05,630 GBP 2,533 AED 3,23,371 SAR 3,32,914 QAR 8,492 JPY 25,50,000	14,76,73,585	USD 22,95,758 EUR 33,195 GBP 9,225 AED 94,320 SAR 2,71,454 QAR 8,492
Export Receivables	86,40,17,321	USD 1,04,07,009 EUR 1,43,560 OMR 59,644 AED 60,99,475 BHD 26,569 GBP 6,45,874 SAR 15,04,025	60,79,24,252	USD 69,59,464 EUR 1,52,804 OMR 71,187 AED 37,80,717 BHD 28,367 GBP 6,65,498 SAR 18,43,687 QAR 2,11,908
Foreign currency bank account	5,78,12,181	USD 31,620 AED 27,19,174 BHD 54,839 EUR 5,558	42,15,245	USD 31,625 AED 2,19,801 BHD (10,952) EUR 5,563
Foreign currency in hand	55,496	AED 2,076 BHD 121	5,81,072	AED 33,033 BHD 251
Advances to subsidiaries	1,02,55,064	USD 1,63,843	1,68,68,013	USD 2,80,666
Investments	17,30,79,508	USD 7,00,000 SGD 26,03,211 MYR 1,50,000 OMR 1,53,000 BDT 59,70,755 ZAR 6,00,000	14,20,07,258	USD 7,00,000 SGD 19,53,211 MYR 1,50,000 OMR 1,53,000 BDT 59,70,755 ZAR 6,00,000

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**43. 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 2015 Rupees	31st March 2014 Rupees
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	67,31,480	23,47,287
Interest due on above	1,76,648	1,62,320
	<b>69,08,128</b>	<b>25,09,607</b>
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	14,45,624	5,69,233
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.	-	-

**44. VALUE OF IMPORTS CALCULATED ON CIF BASIS**

Amount (in Rupees)

	2014-2015	2013-2014
Raw materials	77,78,19,569	57,17,37,228
Traded goods	Nil	14,92,969
Capital goods	67,06,561	Nil

**45. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)**

Amount (in Rupees)

	2014-2015	2013-2014
Foreign travel	2,66,87,891	2,59,21,615
Legal and professional fees	1,42,83,930	2,16,26,893
Other expenses	8,22,40,072	7,34,48,207

**46. IMPORTED AND INDIGENOUS RAW MATERIALS AND SPARE PARTS**

	2014-2015		2013-2014	
	Value Rupees	% of total Consumption	Value Rupees	% of total consumption
Imported: Raw materials	62,06,75,397	13.64	59,63,26,864	13.17
Indigenous: Raw materials	3,92,67,31,600	86.27	3,93,19,11,780	86.82
Indigenous: Spares parts	40,84,074	0.09	7,56,896	0.02
	4,55,14,91,071	100.00	4,52,89,95,540	100.00

**47. EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)**

Amount (in Rupees)

	2014-2015	2013-2014
Exports of goods calculated on F.O.B basis (Excluding exports to Bhutan and Nepal in Indian Rupees)	1,78,65,19,279	1,30,73,58,342
Freight and other recoveries (Refer note no. 28)	1,34,33,522	1,01,67,676
Interest	11,71,480	6,00,118

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

48. During the year 2013-2014, 47,800 equity shares were allotted to employees and directors under ESOS 2008 on 30th May 2013 and 24th July 2013. Accordingly, dividend of Rs. 2.00 per share (20%) declared at the annual general meeting held on 24th September 2013 was also paid to those shareholders (Book closure date being 24th September 2013).
49. Back charges represent reimbursement of costs incurred by customers on the company's behalf in the course of contract execution.
50. Book values of certain long term unquoted investments, aggregating to Rs. 32,14,34,875 (2013-2014 : Rs. 30,75,67,625) are lower than its cost. 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 decline in the book value of the aforesaid investments is of temporary nature, requiring no provision.
51. Capital advance includes amount of Rs. 25,33,481 (2013-2014 : Rs. 25,33,481) paid for acquiring furnished office premises at Hyderabad, the ownership of which is under legal dispute for which transfer formalities are in progress.
52. The Company with effect from 1st April 2014 has charged depreciation based on the revised remaining useful life of the assets as per the requirement of Schedule II of the Companies Act, 2013. Due to above, depreciation charge for the year ended 31st March 2015 is higher by Rs. 1,52,72,081. Further based on transitional provision provided in note 7(b) of Schedule II of the Companies Act, 2013 depreciation of Rs. 2,46,50,132 and deferred tax of Rs. 83,81,047 have been adjusted to retained earnings.
53. During the year ended 31st March 2013, Ion Exchange Services Limited was amalgamated with Ion Exchange India Limited (the Company) with effect from 1st April 2012, pursuant to a scheme of amalgamation sanctioned by the High Court. Consequent to this amalgamation, during the year 2013-2014, the company issued 11,80,256 equity shares of Rs. 10 each against the 'Share Capital suspense account' of Rs. 1,18,02,560 outstanding as at 31st March 2013.
54. **CORPORATE SOCIAL RESPONSIBILITY EXPENSES:**
- A. Gross amount required to be spent by the company during the year 2014-2015 : Rs. 58,81,224
- B. Amount spent during the year on:

Amount (in Rupees)

		In cash	Yet to be paid in cash	Total
(i)	Construction / Acquisition of any assets	-	-	-
(ii)	Purpose other than (i) above	48,37,453	-	48,37,453
	<b>Total</b>	<b>48,37,453</b>	<b>-</b>	<b>48,37,453</b>

- C. Related party transaction in relation to Corporate Social Responsibility : Rs. Nil
- D. Provision during the year 2014-2015 : Rs. Nil
55. The company has paid remuneration to the directors as per the terms of their respective service contracts with the company which were approved by the board of directors and shareholders. In view of inadequacy of profit in the current year, pursuant to provision of section 197 read with section II of part II of Schedule V of the Companies Act 2013, the company has made an application with the Central Government for payment of the excess remuneration amounting to Rs. 73,74,532 to the said directors, which is pending approval.
56. Previous year figures have been regrouped / reclassified wherever necessary, to conform to current year's classification. The Financial statement of the previous year have been audited by other auditors

As per our report of even date

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

BHAVESH DHUPELIA  
Partner  
Membership no.: 042070

Place : Mumbai  
Date : 25th May 2015

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

RAJESH SHARMA  
Chairman & Managing Director

N. M. RANADIVE  
Executive Vice President - Finance

M. P. PATNI  
Director

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 25th May 2015

## INDEPENDENT AUDITOR'S REPORT

To  
**The Members of  
Ion Exchange (India) Limited**

### Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Ion Exchange (India) Limited (it includes return of branch at Bengaluru for the year ended 31st March 2015 audited by the branch auditor) (hereinafter referred to as 'the Holding Company'), its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and jointly controlled company, comprising of the consolidated balance sheet as at 31st March 2015, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

### Management's responsibility for the consolidated financial statements

The Holding Company's Board of Director's is responsible for the preparation these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (particularly Accounting Standard 21 Consolidated Financial Statements, Accounting Standard 23 Accounting for Investment in Associates in Consolidated Financial Statements and Accounting Standard 27 Financial Reporting of Interest in Joint Ventures). The respective Board of Directors of the companies included in the Group, its associates and jointly controlled company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associates and jointly controlled 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those

Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

### Opinion

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 the subsidiaries, its associates and jointly controlled company, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of consolidated balance sheet, of the consolidated state of affairs of the Group, its associates and its jointly controlled company as at 31st March, 2015;
- b) in the case of the consolidated statement of profit and loss, of the consolidated profits for the year ended on that date; and
- c) in the case of the consolidated cash flow statement, of the consolidated cash flows for the year ended on that date.

### 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 the matters stated below:

- a) As stated in Note 40 to the consolidated 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 the Company has submitted relevant details to SEBI and have initiated actions in the line with the details submitted to SEBI.
- b) As stated in Note 41 to the consolidated financial statements, maintenance expenses aggregating Rs 3,18,50,064 (net of



**Independent Auditors' Report (Continued)**

provision) is considered as fully recoverable by IEEFL from future Crop Sales/Land Sales. In view of this no provision is considered necessary by IEEFL.

Our opinion on the consolidated financial statements and our report thereon on other legal and regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

These matters were qualified in the report of the predecessor auditors on the consolidated financial statements for the year ended 31st March 2014.

**Other matter**

We did not audit the financial statements of a branch at Bengaluru, certain subsidiaries and all associates as mentioned in Annexure III to this report, whose financial statements reflect total assets of Rs. 1,81,09,81,433 as at 31st March 2015, total revenues of Rs. 1,80,78,97,580 and net cash inflows amounting to Rs. 63,13,196 for the year then ended and certain associates whose financial statements reflect a total profit (net) of Rs. 25,932 for the year ended 31st March 2015, the Holding Company's share in the loss (net) of such associates being Rs. 3,38,150 whose financial statements/ financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report thereon on other legal and regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

**Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' report of the Holding Company, subsidiary companies (except one of the subsidiary companies to which the Order is not applicable), associate companies and jointly controlled company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by sub-section 3 of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of a subsidiary companies, associate companies and a jointly controlled company, as noted in the 'Other Matter' 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 and the consolidated cash flow statement 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;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- (e) On the basis of the relevant assertion contained in the audit reports on standalone financial statements of each subsidiaries companies, associates and the jointly controlled company which are incorporated in India, none of the Directors of any such company are disqualified as on 31st March 2015 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act; and
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of a subsidiaries, associates and a jointly controlled company, as noted in the 'Other Matter' paragraph:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled company – Refer Note 40 and 47 to the consolidated financial statements,
  - ii. The Group, its associates and jointly controlled company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, its associates and jointly controlled company incorporated in India except one associate which has not transferred to the Investor Education and Protection Fund a sum of Rs. 15,100 pertaining to year ended 31st March 2007.

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

Chartered Accountants

Firm's Registration Number: 101248W/W-100022

**Bhavesh Dhupelia**

Partner

Membership Number: 042070

Place : Mumbai

Date : 25th May 2015



## Annexure to the Independent Auditors' Report – 31st March 2015

As stated in Para 1 of 'Report on Other Legal and Regulatory Requirements' in our Auditors' Report of even date, the following statement is based on the comments in the auditors' reports on the standalone financial statements of the Holding Company, subsidiary companies, associate companies and jointly controlled company incorporated in India.

- (i) (a) The Holding Company and its subsidiary companies, associates and jointly controlled company incorporated in India have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Holding Company, its subsidiary companies, associates and jointly controlled company incorporated in India has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner largely over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the respective management of the Holding Company, its subsidiary companies, associate companies and jointly controlled company incorporated in India during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained.
- (b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the respective company and the nature of its business.
- (c) The Holding Company, its subsidiary companies, associate companies and jointly controlled company incorporated in India has maintained proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The Holding Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). In the case of loans granted to the companies listed in the register maintained under Section 189 of the Act, the borrowers have been regular in repaying the principal amounts as stipulated and in the payment of interest. The subsidiary companies, associate companies and jointly controlled company incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained by these companies under Section 189 of the Act.
- (b) There is no overdue amount of more than Rupees one Lacs in respect of loans 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 obtained by the statutory auditors of the Holding Company, its subsidiary companies, associate companies and jointly controlled company incorporated in India, and having regard to the explanation, that purchases of certain items of inventories, fixed assets and services are for specialised requirements and similarly certain goods sold are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, these companies have an adequate internal control system commensurate with the size of the each company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to the sale of goods and services. There are no major weaknesses in the internal control system in any of these companies.
- (v) In our opinion, and according to the information and explanations given to us, the Holding Company has complied with the provisions of Section 73, 74, 75 and 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. Accordingly, there have been no proceedings before the Company Law Board or National Company Law Tribunal (as applicable) or Reserve Bank of India or any Court or any other Tribunal in this matter and no order has been passed by any of the aforesaid authorities. The subsidiary companies, associate companies and jointly controlled company incorporated in India have not accepted any deposits in accordance with the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The statutory auditors of the Holding Company, one of its subsidiary company and jointly controlled company incorporated in India have broadly reviewed the books of account maintained by each company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act wherever applicable and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, the statutory auditors have not made a detailed examination of the records. For other subsidiary companies and associate companies incorporated in India, where the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act, for the products and services of these companies.
- (vii) (a) According to the information and explanations given to the statutory auditors and on the basis of the examination of the records of the Holding Company, its subsidiary companies, associate companies and jointly controlled company incorporated in India by their respective statutory auditors, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, professional tax, cess and other material statutory dues have generally been regularly deposited during the year by each of the respective companies with the appropriate authorities and to the extent applicable to these companies except in case of three subsidiary companies there are delays in few cases and in case of one associate, advance tax amounting to Rs.7.62 Lacs have not been deposited.

## Annexure to the Independent Auditors' Report – 31st March 2015 (Continued)

According to the information and explanations given to the statutory auditors of the Holding Company, its subsidiary companies, associate companies and jointly controlled company incorporated in India, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, professional tax, cess and other material statutory dues were in arrears as at 31st March 2015 for a period of more than six months from the date they became payable except in case of one subsidiary and one associate company the following dues are outstanding for more than six months from the date they become payable:

Sr. No.	Name of Dues	Amount in Rs.
1	VAT	5,53,541
2	CST	2,29,618
3	Service Tax	1,33,189

- (b) According to the information and explanations given to the statutory auditors of the Holding Company, its subsidiary companies, associate companies and jointly controlled company incorporated in India, there are no dues of cess, and wealth tax, which have not been deposited with the appropriate authorities on account of any disputes, other than those mentioned in Annexure II to this report.
- (c) According to the information and explanations given to the statutory auditors of the Holding Company, its subsidiary companies, associate companies and jointly controlled company incorporated in India, the amounts required to be transferred by the Holding Company to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time. One of the associate has not transferred to the Investor Education and Protection Fund a sum of Rs. 15,100 pertaining to year ended 31st March 2007. The subsidiary companies, other associate companies and the jointly controlled company incorporated in India did not have any dues on account of Investor Education and Protection Fund.
- (viii) Two of the subsidiary companies have accumulated losses exceeding fifty percent of its net worth at the end of the year on a standalone basis and three of the subsidiary companies have incurred cash losses on a standalone basis in the current financial year and immediately preceding financial year. One of the associate companies has accumulated losses exceeding fifty percent of its net worth at the end of the year on a standalone basis and has incurred cash losses on a standalone basis in the current financial year and immediately preceding financial year. The jointly controlled company has accumulated losses exceeding fifty percent of its net worth at the end of the year on a standalone basis and has also incurred cash losses on a standalone basis in the current financial year and in the immediately preceding financial year. The Holding Company and the remaining subsidiary companies do not have any accumulated losses at the end of

the year on a standalone basis, and have not incurred cash losses on a standalone basis, during the year and in the immediately preceding financial year. On a consolidated basis, the Holding Company, its subsidiary companies, associate companies and jointly controlled company incorporated in India do not have any accumulated losses at the end of the year, and have not incurred cash losses during the year and in the immediately preceding financial year.

- (ix) According to the information and explanations given to the respective statutory auditors, the Holding Company, its subsidiary companies, associate companies and jointly controlled company incorporated in India have not defaulted in repayment of their respective dues to their bankers and financial institutions, where applicable, except one of the subsidiary companies has defaulted in repayment of loans and interest to banks which ranges from 21-335 days in case of repayment of Interest on various term loans aggregating to Rs. 45 Lacs and the overdue unpaid interest and principal as at 31st March 2015 is Rs. 31.50 Lacs and Rs.132.87 Lacs respectively. The Holding Company, its other subsidiary companies, associate companies and jointly controlled company incorporated in India did not have any outstanding dues to any debentures holders during the year.
- (x) According to the information and explanations given to the statutory auditors of the Holding Company, the terms and conditions on which the Holding Company has given guarantees for loans taken by others from banks is not prima-facie prejudicial to its interest. The subsidiary companies, associate companies and jointly controlled company incorporated in India have not given any guarantees for the loans taken by others from bank. The Holding Company, its subsidiary companies, associate companies and jointly controlled company incorporated in India have not given any guarantees for loans taken by others from financial institutions.
- (xi) In our opinion and according to the information and explanations given to the respective statutory auditors, wherever applicable, the Holding Company, its subsidiary companies, associates companies and jointly controlled company incorporated in India, the term loans taken by the respective companies have been applied for the purpose for which they were obtained.
- (xii) According to the information and explanations given to the statutory auditors of the Holding Company, its subsidiary companies and jointly controlled company incorporated in India no instances of material fraud on or by each company have been noticed or reported during the course of audit by the statutory auditors of the Holding Company, its subsidiary companies, its associate companies and jointly controlled company incorporated in India.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration Number: 101248W/W-100022

**Bhavesh Dhupelia**  
Partner  
Membership Number: 042070

Place : Mumbai  
Date : 25th May 2015

## Annexure II to the Independent Auditors' Report - 31st March 2015

(Referred to in our report of even date)

Name of the Company	Relationship	Name of the Statute	Nature of the dues	Demand in Rupees	Amount paid under protest in Rupees	Period to which the amount relates	Forum where dispute is pending
Ion Exchange (India) Limited	Holding Company	Central Excise Act, 1944	Excise duty and penalty	16,78,600	-	2004-2005	Customs, Excise and Service Tax Appellate Tribunal
Ion Exchange (India) Limited	Holding Company	Sales Tax/ VAT Act for Maharashtra, Gujarat, Andhra Pradesh and Goa states	Disallowance on account of non submission of required forms	34,31,863	8,00,000	1993-1994	Joint Commissioner Appeals
Ion Exchange (India) Limited	Holding Company			59,14,792	8,00,000	1995-1996	Joint Commissioner Appeals
Ion Exchange (India) Limited	Holding Company			1,42,13,050	70,00,000	1999-2000	Joint Commissioner Appeals
Ion Exchange (India) Limited	Holding Company			30,29,440	10,00,000	2000-2001	Joint Commissioner Appeals
Ion Exchange (India) Limited	Holding Company			26,21,528	-	2006-2007	Assistant Commissioner Appeals
Ion Exchange (India) Limited	Holding Company			6,97,121	-	2007-2008	Assistant Commissioner Appeals
Ion Exchange (India) Limited	Holding Company			12,84,683	3,25,000	2008-2009	Assistant Commissioner Appeals
Ion Exchange (India) Limited	Holding Company			5,56,682	1,95,000	2009-2010	Assistant Commissioner Appeals
Ion Exchange (India) Limited	Holding Company			1,23,78,969	-	2009-2010	Deputy Commissioner Appeals
Ion Exchange (India) Limited	Holding Company			62,48,241	-	2010-2011	Commercial tax appeals
Ion Exchange (India) Limited	Holding Company	Finance Act, 1994 – Service Tax	Disallowance of service tax taken on input services	12,03,183	4,91,444	2011-2014	Assistant Commissioner of Central Excise
Ion Exchange (India) Limited	Holding Company			6,81,278	3,40,482	2006-2009	Additional Commissioner of Central Excise
Ion Exchange (India) Limited	Holding Company	The Customs Act, 1962	Liability on account of additional duty, interest and difference in valuation (to the extent ascertainable)	22,58,117	-	2003-2004	Joint Director General of Foreign Trade
Ion Exchange (India) Limited	Holding Company	Income Tax	Income Tax demand	22,60,330	-	2007-2008	Commissioner of Income Tax (Appeal)
Ion Exchange (India) Limited	Holding Company	Income Tax	Income Tax demand	1,08,31,992	-	2008-2009	Deputy Commissioner of Income Tax (Appeal)

## Annexure II to the Independent Auditors' Report - 31st March 2015 (Contd...)

(Referred to in our report of even date)

Name of the Company	Relationship	Name of the Statute	Nature of the dues	Demand in Rupees	Amount paid under protest in Rupees	Period to which the amount relates	Forum where dispute is pending
Ion Exchange (India) Limited	Holding Company	Income Tax	Income Tax demand	1,52,75,310	-	2010-2011	Commissioner of Income Tax (Appeal)
Ion Exchange (India) Limited	Holding Company	Income Tax	Income Tax demand	8,91,856	-	2006-2007	Commissioner of Income Tax (Appeal)
Aquanomics Systems Limited	Associate	MVAT, Maharashtra	Sales Tax demand	52,675	-	2007-2008	Joint Commissioner (Appeals)
Aquanomics Systems Limited	Associate	GVAT, Gujarat	Sales Tax demand	92,064	-	2010-2011	Joint Commissioner (Appeals)
Aquanomics Systems Limited	Associate	CST – Maharashtra	Sales Tax demand	13,90,153	-	2007-2008	Joint Commissioner (Appeals)
Aquanomics Systems Limited	Associate	CST – Maharashtra	Sales Tax demand	9,50,172	-	2009-2010	Joint Commissioner (Appeals)
Aquanomics Systems Limited	Associate	CST - Gujarat	Sales Tax demand	3,84,484	-	2010-2011	Joint Commissioner (Appeals)
Ion Exchange Infrastructure Limited	Subsidiary	Sales tax, West Bengal	Sales Tax demand	35,30,797	-	2011-2012	Commissioner of Sales tax, Kolkata
Ion Exchange Infrastructure Limited	Subsidiary	Central Sales Tax, Maharashtra	Sales Tax demand	12,45,616	-	2009-2010	Deputy Commissioner of Sales Tax (Appeals), Mumbai

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

Chartered Accountants

Firm's Registration Number: 101248W/W-100022

**Bhavesh Dhupelia**

Partner

Membership Number: 042070

Place : Mumbai

Date : 25th May 2015

### Annexure III to the Independent Auditors' Report - 31st March 2015

(Referred to in our report of even date)

(A) The following subsidiary companies, with accounting period from 1st April 2014 to 31st March 2015, have not been audited by B S R & Co. LLP which are considered for consolidation of Ion Exchange (India) Limited:

(Rupees)

Name of the Company	Relationship	Total Assets*	Total Revenue*	Net cash inflow / (outflow)*	Name of the Auditor
Aqua Investments (India) Limited	Subsidiary	1,81,41,115	30,43,290	66,68,621	L V Srinivasan & Associates
Watercare Investments (India) Limited	Subsidiary	1,60,60,141	10,78,684	43,28,458	L V Srinivasan & Associates
Ion Exchange Enviro Farms Limited	Subsidiary	10,35,93,011	1,16,03,723	3,36,665	GMJ & Co.
Ion Exchange Asia Pacific Pte Limited #	Subsidiary ##	29,45,37,927	31,87,77,673	2,52,99,359	Singapore Assurance PAC.
IEI Environmental Management (M) Sdn. Bhd	Subsidiary ##	2,01,39,700	1,09,56,055	4,59,701	Ravindra Krishna & Associates, Kuala Lumpur
Ion Exchange LLC, USA	Subsidiary	9,78,22,160	15,59,70,104	(19,87,062)	Mohan Nagpurkar & Associates
Ion Exchange and Company LLC	Subsidiary ##	16,56,62,212	19,08,90,011	(1,89,23,525)	Grant Thornton Oman
Ion Exchange Environment Management (BD) Limited	Subsidiary ##	5,20,13,271	8,64,44,588	(15,32,317)	Ahmed Mashuque & Co., Dhaka
Ion Exchange WTS (Bangladesh) Limited	Subsidiary ##	589	-	(837)	Ahmed Mashuque & Co., Dhaka
Ion Exchange Infrastructure Limited	Subsidiary	23,87,42,918	6,34,63,101	42,18,702	GMJ & Co.
Global Composite & Structural Limited	Subsidiary	20,99,79,574	4,07,21,865	352	GMJ & Co.
Ion Exchange Safic Pty Ltd.	Subsidiary ##	1,85,31,388	2,74,39,332	-	Mazars (Gauteng) INC, Pretoria
Total Water Management Services (India) Limited	Subsidiary	16,43,164	15,53,100	(1,29,366)	Mohan Nagpurkar & Associates
Ion Exchange Purified Drinking Water Private Limited	Subsidiary	10,69,13,750	-	7,60,677	Sudhir Karambelkar & Co.

# Represents figures of consolidated financial statements (as per Indian Generally Accepted Accounting Principles) of Ion Exchange Asia Pacific Pte. Limited, and its subsidiary Ion Exchange Asia Pacific (Thailand) Limited

## Fit for Consolidated Financial Statement – Sudhir Karambelkar & Co.

\* Total assets and Net cash flow are computed at closing conversion rate. Total revenue is computed at average conversion rate.

(B) Financial statements of a branch of Ion Exchange (India) Limited is audited by Charantimath Associates. It has total assets of Rs. 46,72,00,513 as at 31st March 2015 and total revenues of Rs. 89,59,56,054 for the year ended on that date.

(C) The following Associate companies, with accounting period from 1st April 2014 to 31st March 2015, have not been audited by B S R & Co. LLP which are considered for consolidation of Ion Exchange (India) Limited:

Name of the Company	Relationship	Total Profit/ (Loss)	% of holding	Adjusted Share in Profit/ (Loss)	Name of the Auditor
Aquanomics Systems Limited	Associate	23,66,309	48.42	6,38,489	GMJ & Co
Astha Technical Services Limited	Associate	(23,40,377)	46.53	(9,76,639)	KASG & Co.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration Number: 101248W/W-100022

**Bhavesh Dhupelia**  
Partner  
Membership Number: 042070

Place : Mumbai  
Date : 25th May 2015



**CONSOLIDATED BALANCE SHEET as at 31st March 2015**

	Notes	31st March 2015 Rupees	31st March 2014 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
(a) Share capital	7	14,09,42,850	14,09,42,850
(b) Reserves and surplus	8	1,41,96,66,926	1,38,12,20,608
		1,56,06,09,776	1,52,21,63,458
<b>MINORITY INTEREST</b>			
		8,49,38,665	7,81,02,665
<b>NON-CURRENT LIABILITIES</b>			
(a) Long-term borrowings	9	20,22,36,132	11,09,03,888
(b) Deferred tax liabilities (Net)	10	4,66,98,217	6,77,41,544
(c) Other long term liabilities	11	10,96,12,725	8,10,41,128
(d) Long-term provisions	12	6,99,44,087	6,06,89,536
		42,84,91,161	32,03,76,096
<b>CURRENT LIABILITIES</b>			
(a) Short-term borrowings	13	56,72,09,035	77,94,56,105
(b) Trade payables	14	3,26,78,63,510	3,15,44,58,257
(c) Other current liabilities	15	67,65,71,854	54,76,71,761
(d) Short-term provisions	12	21,56,44,068	15,27,34,732
		4,72,72,88,467	4,63,43,20,855
<b>TOTAL</b>		<b>6,80,13,28,069</b>	<b>6,55,49,63,074</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Fixed assets			
(i) Tangible assets	16	82,99,10,311	91,71,24,133
(ii) Intangible assets	17	1,54,64,673	1,92,47,966
(iii) Capital work-in-progress		14,39,05,408	1,16,56,311
(b) Non-current investments	18	2,38,32,232	2,45,58,952
(c) Deferred tax assets (Net)	10	78,46,404	74,42,465
(d) Long-term loans and advances	19	47,58,49,118	49,73,67,859
(e) Trade receivables	20	26,15,62,604	19,17,65,745
(f) Other non-current assets	21	13,98,379	8,53,225
		1,75,97,69,129	1,67,00,16,656
<b>CURRENT ASSETS</b>			
(a) Current investments	22	4,92,224	8,87,369
(b) Inventories	23	79,33,07,493	75,45,61,400
(c) Trade receivables	20	3,58,23,60,648	3,48,37,51,798
(d) Cash and cash equivalents	24	26,16,11,584	23,79,40,485
(e) Short-term loans and advances	19	40,10,07,277	40,46,59,661
(f) Other current assets	21	27,79,714	31,45,705
		5,04,15,58,940	4,88,49,46,418
<b>TOTAL</b>		<b>6,80,13,28,069</b>	<b>6,55,49,63,074</b>

Summary of Significant accounting policies

6

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

BHAVESH DHUPELIA  
Partner  
Membership no.: 042070

RAJESH SHARMA  
Chairman & Managing Director

M. P. PATNI  
Director

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 25th May 2015

N. M. RANADIVE  
Executive Vice President - Finance

Place : Mumbai  
Date : 25th May 2015

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2015**

	Notes	31st March 2015 Rupees	31st March 2014 Rupees
<b>REVENUE</b>			
Revenue from operations (Gross)	25	8,30,47,92,091	8,17,53,43,087
Less: Excise duty	25	29,99,70,532	24,51,55,199
Revenue from operations (Net)	25	8,00,48,21,559	7,93,01,87,888
Other income	26	4,32,61,809	4,82,72,780
<b>TOTAL REVENUE</b>		<b>8,04,80,83,368</b>	<b>7,97,84,60,668</b>
<b>EXPENSES</b>			
Cost of materials and components consumed	27	5,09,93,01,295	5,18,96,85,246
Purchases of traded goods	28	26,48,82,649	28,31,17,513
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	28	(6,08,77,097)	(3,89,56,499)
Employee benefits expense	29	97,50,42,614	96,50,20,491
Finance costs	30	14,97,69,395	13,61,35,773
Depreciation and amortization	31	12,11,40,960	10,56,40,551
Other expenses	32	1,26,03,52,045	1,19,02,29,345
<b>TOTAL EXPENSES</b>		<b>7,80,96,11,861</b>	<b>7,83,08,72,420</b>
<b>PROFIT BEFORE TAX</b>		<b>23,84,71,507</b>	<b>14,75,88,248</b>
<b>TAX EXPENSE</b>			
Current tax		13,80,95,886	10,99,74,688
Deferred tax (Refer note 10)		(1,37,28,541)	(1,01,96,176)
<b>TOTAL TAX EXPENSE</b>		<b>12,43,67,345</b>	<b>9,97,78,512</b>
<b>PROFIT AFTER TAX</b>		<b>11,41,04,162</b>	<b>4,78,09,736</b>
Add : Share of loss of associates (Net)		(3,38,150)	(1,82,498)
Less : Minority interest		1,61,69,148	21,08,148
<b>PROFIT AFTER MINORITY INTEREST</b>		<b>9,75,96,864</b>	<b>4,55,19,090</b>
<b>EARNINGS PER EQUITY SHARE:</b>			
[Nominal value of shares Rs. 10 (2013-2014 : Rs. 10)] (Refer note 33)			
Basic		6.92	3.23
Diluted		6.78	3.22

Summary of Significant accounting policies 6  
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

BHAVESH DHUPELIA  
Partner  
Membership no.: 042070

Place : Mumbai  
Date : 25th May 2015

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

RAJESH SHARMA  
Chairman & Managing Director

N. M. RANADIVE  
Executive Vice President - Finance

M. P. PATNI  
Director

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 25th May 2015



**CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March 2015**

	31st March 2015 Rupees	31st March 2015 Rupees	31st March 2014 Rupees	31st March 2014 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
<b>Net Profit before tax as per statement of profit and loss</b>		<b>23,84,71,507</b>		<b>14,75,88,248</b>
Adjusted for:				
Depreciation and amortization expense	12,11,40,960		10,56,40,551	
(Profit) / Loss on assets sold / discarded (Net)	7,86,312		(1,94,080)	
(Profit) / Loss on sale of current investments	(16,63,828)		-	
Employee compensation income	(3,11,000)		(45,84,179)	
Finance cost	14,97,69,395		13,61,35,773	
Dividend received	(4,38,912)		(2,50,702)	
Interest received	(1,95,22,561)		(1,83,74,374)	
Bad debts written off	4,27,00,709		3,34,23,124	
Backcharges on contracts	3,08,96,565		41,39,278	
Diminution in value of investments	-		8,43,750	
Amount set aside for liabilities, no longer required, written back	(3,50,966)		(1,35,473)	
Unrealised exchange loss / (gain)	51,34,727		(1,59,10,003)	
		<u>32,81,41,401</u>		<u>24,07,33,665</u>
<b>Cash generated from operations before working capital changes</b>		<b>56,66,12,908</b>		<b>38,83,21,913</b>
Movements in Working Capital:				
(Increase) / Decrease in trade receivables	(23,87,61,118)		10,10,15,997	
(Increase) / Decrease in inventories	(3,87,46,093)		(3,01,27,283)	
(Increase) / Decrease in loans and advances	2,98,15,045		8,76,22,487	
(Increase) / Decrease in other current assets	15,47,583		(10,62,137)	
(Decrease) / Increase in trade payables	11,54,59,838		(32,44,25,907)	
(Decrease) / Increase in other liabilities	10,18,94,995		(5,69,24,178)	
(Decrease) / Increase in provisions	1,26,03,039		69,38,819	
		<u>(1,61,86,711)</u>		<u>(21,69,62,202)</u>
<b>Cash generated from operations</b>		<b>55,04,26,197</b>		<b>17,13,59,711</b>
Taxes Paid		(9,71,04,905)		(11,91,89,196)
<b>Net cash from operating activities (A)</b>		<b>45,33,21,292</b>		<b>5,21,70,515</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of fixed assets	(17,27,03,334)		(7,30,30,890)	
Proceeds from sale of fixed assets	91,28,775		4,65,51,261	
Proceeds from sale of current investments	20,58,973		-	
(Increase) / Decrease in investments	(71,430)		-	
Deposit made during the year (with maturity more than three months)	(8,00,17,711)		(3,34,07,565)	
Deposit matured / received during the year (with maturity more than three months)	4,98,70,128		3,29,11,007	
Dividend received	4,38,912		2,50,702	
Interest received	1,77,95,815		1,81,16,916	
<b>Net cash used in investing activities (B)</b>		<b>(17,34,99,872)</b>		<b>(86,08,569)</b>

**Consolidated Cash Flow Statement for the year ended 31st March 2015 (contd...)**

	31st March 2015 Rupees	31st March 2015 Rupees	31st March 2014 Rupees	31st March 2014 Rupees
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from issuance of share capital on exercise of options	-		27,81,960	
Repayment of borrowings	(43,49,61,834)		(21,71,75,907)	
Proceeds from borrowings	34,09,56,516		31,64,83,421	
Dividend paid	(3,75,21,718)		(2,84,08,518)	
Dividend tax paid	(49,39,481)		(49,39,481)	
Finance cost	(14,98,31,387)		(13,49,62,411)	
<b>Net cash used in financing activities (C)</b>		<b>(28,62,97,904)</b>		<b>(6,62,20,936)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>		<b>(64,76,484)</b>		<b>(2,26,58,990)</b>
Cash and cash equivalents as at the beginning of the year		11,82,89,388		14,09,48,378
Cash and cash equivalents as at the end of the year		<b>11,18,12,904</b>		<b>11,82,89,388</b>
<b>Cash and cash equivalent comprises of :</b>				
<b>Cash in hand</b>		1,16,15,790		33,29,055
<b>Balance with banks</b> (See notes 2 and 3 below)		10,01,97,114		11,49,60,333
<b>Total</b>		<b>11,18,12,904</b>		<b>11,82,89,388</b>

Notes:

- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Notified Accounting Standard - 3 on Cash Flow Statements.
- Cash and cash equivalents excludes the following balances with bank:
  - On deposit account Rs. 1,38,92,079 (2013-2014 : Rs. 20,00,000)
  - On margin money account Rs. 13,59,06,601 (2013-2014 : Rs. 11,76,51,097)
- Balances with bank includes Rs. 32,88,006 (2013-2014 : Rs. 31,28,462) being unclaimed dividend and unclaimed interest on fixed deposits which are not available for use by the company as they represent corresponding unpaid liabilities.
- Previous years' figures have been regrouped/rearranged to conform with current years' classifications.

As per our report of even date

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

BHAVESH DHUPELIA  
Partner  
Membership no.: 042070

Place : Mumbai  
Date : 25th May 2015

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

RAJESH SHARMA  
Chairman & Managing Director

N. M. RANADIVE  
Executive Vice President - Finance

M. P. PATNI  
Director

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 25th May 2015

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015****1. Basis of preparation:**

The consolidated financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The consolidated financial statements have been prepared under historical cost convention on accrual basis except in case of assets acquired before 30th April 1986 which are carried at revalued amounts. The consolidated financial statements comply in all material respects with the accounting standards as prescribed under section 133 of the Companies Act, 2013 (the "Act") read with rule 7 of the Companies (Accounts) Rules, 2014, provisions of the Act (to the extent notified). The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year.

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.

**2. Principles of consolidation:**

The consolidated financial statements comprise the financial statements of Ion Exchange (India) Limited, its subsidiary companies, interest in jointly controlled entity and associates mentioned in note 3, 4 and 5 below which constitute the group.

Reference in these notes to 'the company' shall mean to include Ion Exchange (India) Limited, and/or any of its subsidiaries, jointly controlled entity, associates consolidated in the financial statements unless otherwise stated.

The consolidated financial statements have been prepared on the following basis:

- The financial statements of the company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits. Unrealized losses are eliminated unless costs cannot be recovered.
- Subsidiaries are consolidated from the date on which effective control is transferred to the group and are no longer consolidated from the date of disposal.
- The difference between the cost of investment in the subsidiaries over the company's portion of equity of the subsidiary is recognized in the financial statements as goodwill or capital reserve.
- Goodwill on consolidation is amortized over a period of 5 years.
- Investments of the company in associates are accounted as per the 'Equity Method' prescribed under Notified Accounting Standard 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements'.
- Interest in Jointly Controlled Entity is accounted as per the Proportionate Consolidation Method prescribed under Notified Accounting Standard 27 – 'Financial Reporting of Interests in Joint Venture in Consolidated Financial Statements'.
- Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in the subsidiary companies and further movements in their shares in the equity, subsequent to the dates of investments as stated above.
- The financial statement of the subsidiaries, associates and joint venture used for consolidation are drawn up to the same reporting date as that of the company i.e. 31st March, 2015.

**3. Subsidiary companies considered in the consolidated financial statements are:**

Name of the company	Country of incorporation	% of voting power as at	
		31st March 2015	31st March 2014
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	60.00	60.00
Ion Exchange Environment Management (BD) Limited	Bangladesh	100.00	100.00
Ion Exchange Infrastructure Limited	India	76.00	76.00
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
Ion Exchange WTS (Bangladesh) Limited	Bangladesh	100.00	100.00
Ion Exchange Projects And Engineering Limited	India	100.00	100.00

\* Holding through subsidiary company – Ion Exchange Asia Pacific Pte. Limited, Singapore

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

Name of the company	Country of incorporation	% of voting power as at	
		31st March 2015	31st March 2014
Global Composites And Structural Limited	India	76.78	76.78
Total Water Management Services (I) Limited	India	99.87	99.87
Ion Exchange Safic Pty. Limited	South Africa	60.00	60.00
Ion Exchange Purified Drinking Water Private Limited	India	100.00	100.00

**4. The Group's interest in jointly controlled entity considered in the consolidated financial statements:**

Name of the company	Country of incorporation	% of voting power as at	
		31st March 2015	31st March 2014
Ion Exchange Waterleau Limited	India	50.00	50.00

**5. The Associates considered in the consolidated financial statements are:**

Name of the company	Country of incorporation	% of voting power as at	
		31st March 2015	31st March 2014
IEI Water-Tech (M) Sdn. Bhd. *	Malaysia	30.00	30.00
Astha Technical Services Limited **	India	46.53	46.53
Aquanomics Systems Limited	India	48.42	48.42
Ion Exchange Financial Products Pvt. 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.

\*\* Inclusive of holding through subsidiary company – Ion Exchange Infrastructure Limited.

\*\*\* Holding through subsidiary companies – Aqua Investments (India) Limited and Watercare Investments (India) Limited.

**6. Significant accounting policies:**

(i) Fixed assets, depreciation and impairment:

Tangible assets:

Fixed assets acquired before 30th April 1986 are stated at revalued amounts while assets acquired subsequent to that date are stated at historical cost of acquisition less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing cost relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

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

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

- Lease hold assets are amortized over the period of lease.
- In respect of certain foreign subsidiaries, the depreciation has been made on pro-rata basis at the rates and methods as prescribed in the respective local regulations of the country of incorporation. The impact on account of the different rates and methods, is however not material.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****6. Significant accounting policies (contd...)**

The incremental depreciation attributable to the revalued amount is transferred from the revaluation reserve to the statement of profit and loss.

Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost.

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 least 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. Intangible assets comprise of goodwill and computer software.

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

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 amount 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.

## (ii) 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.

The premium or discount arising at the inception of forward exchange contracts is amortized as income or expense over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year. None of the forward exchange contracts are taken for trading or speculation purpose.

In respect of non-integral foreign operations, the assets and liabilities, both monetary and non-monetary are translated at the closing rates and income and expenses are translated at average exchange rates, where such rates approximate the exchange rate at the date of transaction and all the resulting exchange differences are accumulated in foreign exchange fluctuation reserve until disposal of the net investment.

## (iii) Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

## (iv) Inventories:

Inventories are valued at lower of cost and net realisable 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**6. Significant accounting policies (contd...)**

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 and excise duty. 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.

(v) Accounting for CENVAT:

The group follows on a consistent basis, the “non-inclusive” method of accounting for CENVAT under Central Excise Act with regard to its inventories, purchases and consumption.

(vi) Research and development:

Capital expenditure on research and development is treated in the same manner as fixed assets. 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.

(vii) Retirement and other employee benefits:

a. Retirement benefit in the form of provident fund managed by Government Authorities, Employee State Insurance Corporation, Labour Welfare Fund and Superannuation Fund are defined contribution scheme and the contribution is charged to the statement of profit and loss of the year when the contribution to the respective fund is due. There is no other obligation other than the contribution payable.

b. 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.

c. Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered. 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.

d. 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.

e. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

(viii) Revenue recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sales are accounted for inclusive of excise duty but excluding sales tax / VAT. Sale of goods is recognized when the property and all significant risks and reward of ownership is transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods.

Contract revenue and contract costs in respect of construction contracts, execution of which is spread over different accounting periods, is recognized as revenue and expense respectively by reference to the basis of percentage of completion method of the project at the balance sheet date.

Determination of revenues under the percentage of completion method by the company is based on estimates (some of which are technical in nature) concerning the percentage of completion, costs to completion, contracted revenue from the contract and the foreseeable losses of completion.

Foreseeable losses, if any, which are based on technical estimates, are provided in the accounts irrespective of the work done. The group does not have outflow on account of warranty given to customers as all the outsourced work has a back to back guarantee.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****6. Significant accounting policies (contd...)**Income from services:

Revenue from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered. Income from commission and management fees is recognized on completion of services. Service income is accounted net of service tax.

Interest:

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends:

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.

## (ix) Taxation:

- a) Provision for current taxation has been made in accordance with the tax laws of respective jurisdiction.
- b) 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 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. If the company has unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. The company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each balance sheet date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

## (x) Employee stock compensation cost:

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and guidance note on accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight-line basis. The unamortized portion of the cost is shown under stock options outstanding.

## (xi) Provisions and contingent liabilities:

Provisions are recognized when the group has a present obligation as a result of past event for which it is probable that an outflow of resources will be required and a reliable estimate can be made of the amount of obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates (without discounting to its present value).

Contingent liability is disclosed for a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or a reliable estimate of the amount of the obligation cannot be made.

## (xii) Earnings per share:

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

For the purpose of calculating diluted earnings per 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.

## (xiii) Segment reporting policies:

Identification of segments:

Segments are identified and reported taking into account the nature of products and services, the differing risks and returns, the organization structure and the internal financial reporting system. The analysis of geographical segments is based on the areas in which major operating divisions of the group operate.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**6. Significant accounting policies (contd...)**

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 financial statements of the company as a whole.

(xiv) 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.

(xv) Leases:

Where the group is the lessor

Leases in which the group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets given on operating leases by the company are included in fixed assets. 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 is the lessee

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

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

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

(xvi) 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. 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.

(xvii) Use of estimates:

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****7. SHARE CAPITAL**

	31st March 2015 Rupees	31st March 2014 Rupees
Authorised shares: 1,70,00,000 (2013-2014 : 1,70,00,000) equity shares of Rs. 10 each.	17,00,00,000	17,00,00,000
Issued, subscribed and fully paid-up shares*: 1,40,94,285 (2013-2014 : 1,40,94,285) equity shares of Rs. 10 each.	14,09,42,850	14,09,42,850
	<b>14,09,42,850</b>	<b>14,09,42,850</b>

\* Issued, subscribed and fully paid-up shares are net of elimination of shares held by subsidiaries.

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

	31st March 2015		31st March 2014	
	No. of Shares	Rupees	No. of Shares	Rupees
At the beginning of the period	1,40,94,285	14,09,42,850	1,29,76,203	12,97,62,030
Add: Issued during the period - ESOS	-	-	47,800	4,78,000
Add: Shares issued as per scheme of amalgamation (Refer note 52)	-	-	10,70,282	1,07,02,820
Outstanding at the end of the period	1,40,94,285	14,09,42,850	1,40,94,285	14,09,42,850

(b) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the boards of directors is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended 31st March 2015, the amount of per share dividend recognized as distribution to equity shareholders is Rs. 3 (2013-2014 : Rs. 2). This include special dividend of Re. 1 on the occasion of company's golden jubilee.

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

	31st March 2015		31st March 2014	
	No. of Shares	% of holding**	No. of Shares	% of holding**
Rakesh Jhunjhunwala	8,00,000	5.68%	8,75,000	6.21%
Rajesh Sharma	7,81,218	5.54%	7,81,218	5.54%
Mahavir Prasad Patni	7,11,747	5.05%	7,11,747	5.05%

\*\* the above share holding is computed after the effect of elimination of shares held by subsidiaries.

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 company has issued 9,13,100 shares (2013-2014 : 9,46,500 shares) during the period of five years immediately preceding the reporting date on exercise of options granted under the Employee Stock Option Scheme (ESOS) wherein part consideration was received in form of employee services.

(e) Shares reserved for issued under ESOS

For details of shares allotted under various Employee Stock Option Schemes (ESOS) and shares reserved for issue under the Employees Stock Option Scheme (ESOS) of the company please refer note 35.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**8. RESERVES AND SURPLUS**

	31st March 2015 Rupees	31st March 2014 Rupees
<u>Capital reserve on consolidation</u>		
Balance as at April 1	2,57,47,547	2,46,47,807
Add : Adjustment on change in investment in subsidiaries and associates	-	10,99,740
	<u>2,57,47,547</u>	<u>2,57,47,547</u>
<u>Security premium account</u>		
Balance as at April 1	81,80,02,624	81,47,73,734
Add: Received on exercise of employee stock option scheme	-	32,28,890
	<u>81,80,02,624</u>	<u>81,80,02,624</u>
<u>Revaluation reserve</u> [Refer note 6(i)]		
Balance as at April 1	10,20,390	10,48,860
Less: Transfer to the statement of profit and loss	-	28,470
	<u>10,20,390</u>	<u>10,20,390</u>
<u>Employee stock options outstanding</u>		
Balance as at April 1	1,60,78,701	2,15,87,810
Less: Transferred to securities premium account on excise of options	-	9,24,930
Less: Transferred to employee compensation income	3,11,000	45,84,179
	<u>1,57,67,701</u>	<u>1,60,78,701</u>
<u>Special reserve</u> (As per section 45 - IC of the Reserve Bank of India Act)		
Balance as at April 1	22,17,340	16,00,060
Add: Transfer from the statement of profit and loss	-	6,17,280
	<u>22,17,340</u>	<u>22,17,340</u>
<u>General reserve</u>		
Balance as at April 1	27,19,79,006	25,64,79,006
Add: Transfer from the statement of profit and loss	-	1,55,00,000
	<u>27,19,79,006</u>	<u>27,19,79,006</u>
<u>Legal reserve</u> (in accordance with Commercial Companies Law of Oman, 1974) The reserve is not available for distribution to the Members		
Balance as at April 1	65,54,642	61,31,859
Add: Transfer from the statement of profit and loss	33,67,516	4,22,783
	<u>99,22,158</u>	<u>65,54,642</u>
<u>Foreign currency translation reserve</u>		
Balance as at April 1	80,15,737	34,57,500
Add: Foreign currency translation profit during the year	1,01,87,432	45,58,237
	<u>1,82,03,169</u>	<u>80,15,737</u>
<u>Surplus in the statement of profit and loss</u>		
Balance as per last financial statements	23,16,04,621	23,58,65,492
Less: Additional depreciation / amortization (Refer note 51)	1,98,80,961	-
Add: Profit for the year	9,75,96,864	4,55,19,090
Less: Appropriations		
Dividend (Refer note 49)	-	95,600
Tax on dividend (Refer note 49)	-	16,247
Proposed final dividend [amount per share Rs. 3 (2013-2014 : Rs. 2)]	4,22,82,855	2,81,88,570
Tax on proposed final dividend	68,63,162	49,39,481
Transfer to special reserve	-	6,17,280
Transfer to legal reserve	33,67,516	4,22,783
Transfer to general reserve	-	1,55,00,000
Net Surplus in the statement of profit and loss	<u>25,68,06,991</u>	<u>23,16,04,621</u>
<b>Total Reserves and Surplus</b>	<u><b>1,41,96,66,926</b></u>	<u><b>1,38,12,20,608</b></u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****9. LONG-TERM BORROWINGS**

	Non-current portion		Current maturities	
	31st March 2015 Rupees	31st March 2014 Rupees	31st March 2015 Rupees	31st March 2014 Rupees
<u>Term loans (Secured)</u>				
Indian rupee loan from finance company [Refer note (a) below]	7,92,36,637	-	3,16,94,664	-
Indian rupee loan from bank [Refer note (b) below]	-	2,96,08,333	-	2,09,00,000
Indian rupee loan from financial institution [Refer note (c) below]	-	65,62,500	65,25,000	79,12,500
Indian rupee loans from bank [Refer note (d) below]	5,70,15,252	-	1,90,04,748	-
Indian rupee loans from bank [Refer note (e) below]	4,30,04,564	3,99,90,589	1,67,29,500	1,58,14,449
Loan from bank [Refer note (f) below]	-	92,89,778	-	61,91,741
Indian rupee vehicle loan from banks [Refer note (g) below]	61,28,963	53,10,146	21,17,258	30,12,258
<u>Other Loans and Advances</u>				
Finance lease obligation (Secured) [Refer note (h) below]	1,18,96,716	60,59,542	94,18,121	58,67,835
<u>Deposits (Unsecured) [Refer note (i) below]</u>				
Deposit from shareholders	1,00,000	1,76,000	1,76,000	1,75,000
Deposit from public	48,54,000	1,39,07,000	84,32,000	74,04,000
	<b>20,22,36,132</b>	<b>11,09,03,888</b>	<b>9,40,97,291</b>	<b>6,72,77,783</b>
<u>The above amount includes</u>				
Secured borrowings	19,72,82,132	9,68,20,888	8,54,89,291	5,96,98,783
Unsecured borrowings	49,54,000	1,40,83,000	86,08,000	75,79,000
Amount disclosed under the head "Other current liabilities" [Refer note 15]	-	-	(9,40,97,291)	(6,72,77,783)
	<b>20,22,36,132</b>	<b>11,09,03,888</b>	<b>-</b>	<b>-</b>

- (a) Indian rupees loan from finance company for capital expenditure carries interest @ 13.00% p.a. Loan is repayable within 48 months from the month of first disbursement being 01.10.2014. The loan is secured by exclusive first charge on residential properties situated at Mumbai and Thane.
- (b) Indian rupees loan from bank taken for capital expenditure carries interest @ 13.25% p.a. Indian rupees loan from bank is repayable within 36 months from the month following the month of first disbursement being 16.08.2013. The loan is secured by exclusive first charge on properties situated at Mumbai. The loan was repaid during the year.
- (c) Indian rupees loan from a financial institution carries interest @ 15.00% p.a. The loan is secured by first charge on property situated at Bangalore and is repayable in 6 years.
- (d) Indian rupees loan taken from bank for a specific project carrying interest @12.00% 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 a 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 Rs. 7,60,20,000 and lien marked margin money of Rs. 50,00,000.
- (e) (i) Term loan from a bank carries interest rate @ 13.35% to 14% p.a. The loan is repayable in 75 monthly installments of Rs. 4,18,000 along with interest, from the date of loan. The loan is secured against hypothecation of plant & machinery, tools and equipments, & furniture and fixtures, both present and future.
- (ii) Property loan from a bank carries interest rate @ 13.35% to 14% p.a. The loan is repayable in 71 monthly installments of Rs. 5,70,000 along with interest, from the date of loan. The loan is secured against equitable mortgage of land and building situated at village Nichole, Taluka Wada, District Thane.
- (iii) Corporate loan from a bank carries interest rate @ 13.35% p.a. The loan is repayable in 96 monthly installments of Rs. 9,19,139 along with interest, after six months from the date of loan. The loan is secured against supplementary mortgage of factory land and building situated at village Nichole, Taluka Wada, District Thane.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**9. LONG-TERM BORROWINGS (contd...)**

- (f) Borrowing from a bank has been taken at an interest rate of 6% p.a. Interest rate are renewable on quarterly basis at bank's discretion. The bank borrowing is secured by Joint and several guarantees of directors Ion Exchange & Co. LLC Oman, and assignment of specific receivables and corporate guarantee.
- (g) Indian Rupee vehicle loans from banks and finance company carries interest @ 10.25% to 13.75% 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.
- (h) Finance lease obligation is secured by hypothecation 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 3 to 4 years.
- (i) Deposits from shareholders and public carry interest @7.00% to 8.00% p.a. for deposits repayable after 1 year to 3 years from the respective dates of deposits

**10. DEFERRED TAX LIABILITY (NET)**

	31st March 2015		31st March 2014	
	Deferred Tax Liability Rupees	Deferred Tax Assets Rupees	Deferred Tax Liability Rupees	Deferred Tax Assets Rupees
Difference between book and tax depreciation (Refer note 51)	9,19,34,597	-	10,98,48,474	-
Provision for doubtful debts	-	20,26,482	-	20,26,482
Provision for doubtful advances	-	61,24,776	-	61,24,776
Effect of expenditure allowable for the tax purposes in following years	-	4,47,87,078	-	3,42,44,875
Business Losses and Depreciation	-	-	-	69,95,923
Provision for Leave Encashment and Gratuity	-	1,44,448	-	1,57,339
	<u>9,19,34,597</u>	<u>5,30,82,784</u>	<u>10,98,48,474</u>	<u>4,95,49,395</u>
	<b><u>3,88,51,813</u></b>		<b><u>6,02,99,079</u></b>	
<b>Disclosed as under</b>				
Deferred tax liabilities (Net)	<b>4,66,98,217</b>		<b>6,77,41,544</b>	
Deferred tax assets (Net)	<b>78,46,404</b>		<b>74,42,465</b>	
	<b><u>3,88,51,813</u></b>		<b><u>6,02,99,079</u></b>	

**11. OTHER LONG-TERM LIABILITIES**

	31st March 2015 Rupees	31st March 2014 Rupees
Deposits	6,97,20,644	5,57,47,494
Trade Payables	3,10,47,961	1,52,33,120
Interest accrued but not due	1,60,403	2,55,961
Other	86,83,717	98,04,553
	<b><u>10,96,12,725</u></b>	<b><u>8,10,41,128</u></b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****12. PROVISIONS**

	Long-term		Short-term	
	31st March 2015 Rupees	31st March 2014 Rupees	31st March 2015 Rupees	31st March 2014 Rupees
Provision for income tax (Net of advance tax)	-	-	14,23,83,734	9,88,40,852
Provision for leave encashment and gratuity	6,94,54,294	6,05,65,590	2,20,29,034	1,82,53,211
Others				
Provision for warranties	-	-	20,47,400	21,36,600
Proposed dividend	-	-	4,22,82,855	2,81,88,570
Tax on proposed dividend	-	-	68,63,162	49,39,481
Group's share in provisions of joint venture	4,89,793	1,23,946	37,883	3,76,018
	<b>6,99,44,087</b>	<b>6,06,89,536</b>	<b>21,56,44,068</b>	<b>15,27,34,732</b>

**Provision for warranties**

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

	31st March 2015 Rupees	31st March 2014 Rupees
At the beginning of the year	21,36,600	27,00,000
Arising during the year	20,47,400	21,36,600
Utilised during the year	21,36,600	27,00,000
Unused amounts reversed	-	-
<b>At the end of the year</b>	<b>20,47,400</b>	<b>21,36,600</b>

**13. SHORT TERM BORROWINGS**

	31st March 2015 Rupees	31st March 2014 Rupees
Working capital loan from banks (Secured) [See note (a) to (i) below]	55,72,09,035	75,94,56,105
Inter-corporate deposits (Unsecured)	1,00,00,000	2,00,00,000
	<b>56,72,09,035</b>	<b>77,94,56,105</b>
<u>The above amount includes:</u>		
Secured borrowings	55,72,09,035	75,94,56,105
Unsecured borrowings	1,00,00,000	2,00,00,000
	<b>56,72,09,035</b>	<b>77,94,56,105</b>

- (a) (Includes working capital loan of Rs. 33,87,44,054 (2013-2014 : Rs. 54,47,49,817) is secured by joint hypothecation of book debts and stocks and collateral security by way of pari passu first charge on all immovable and movable properties and plant and machinery situated at Hosur and Patancheru and pari passu second charge on movable and immovable properties situated at Mumbai (Office Premises), Vashi and Goa. The Working Capital Loan is repayable on demand and carries interest @10.70% to 14.75% p.a.
- (b) Includes working capital loan of Rs. Nil (2013-2014 : Rs. 4,19,29,687) from a bank is secured by joint hypothecation of book debts and stocks and collateral security by way of first charge on the immovable property situated at Kolkata and second charge of immovable property situated at Bangalore apart from fixed deposit of Rs. Nil (2013-2014 : Rs. 1,64,34,278). The working capital loan is repayable on demand.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**13. SHORT TERM BORROWINGS (contd...)**

- (c) Includes working capital loan of Rs. Nil (2013-2014 : Rs. Nil) from a bank secured against corporate guarantees and carries interest of 15.50% p.a.
- (d) Includes working capital loan of Rs. 50,36,619 (2013-2014 : Rs. 1,48,37,248) from a bank secured against fixed deposits and corporate guarantees and carries interest of 6% p.a.
- (e) Includes working capital loan of Rs. Nil (2013-2014 : Rs. 33,72,682) from a bank secured against corporate guarantees and carries interest of 12.50% p.a.
- (f) Includes working capital loan of Rs. 1,32,55,631 (2013-2014 : Rs. 78,88,251) 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.
- (g) Includes working capital loan of Rs. 2,04,21,389 (2013-2014 : Rs. 1,99,11,359) from a bank secured against charges on all stock, trade receivables and corporate guarantee. Working capital loan is repayable on demand and carries interest of 13.00% to 14.50% p.a.
- (h) Includes working capital loan of Rs. 12,21,49,049 (2013-2014 : Rs. 12,67,67,061) 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 @ 13.35% p.a.
- (i) Includes working capital loan of Rs. 5,76,02,293 (2013-2014 : Rs. Nil) from a bank secured by joint hypothecation of book debts and stocks. The working capital loan is repayable on demand and carries interest @13.00% p.a.

**14. TRADE PAYABLES**

	<b>31st March 2015</b>	<b>31st March 2014</b>
	<b>Rupees</b>	<b>Rupees</b>
Trade payable (including acceptances)	3,24,03,80,450	3,11,20,49,793
Group's share of trade payable of joint venture	2,74,83,060	4,24,08,464
<b>At the end of the year</b>	<b>3,26,78,63,510</b>	<b>3,15,44,58,257</b>

**15. OTHER CURRENT LIABILITIES**

	<b>31st March 2015</b>	<b>31st March 2014</b>
	<b>Rupees</b>	<b>Rupees</b>
Current maturities of long term borrowings (Refer note 9)	9,40,97,291	6,72,77,783
Interest accrued but not due	19,43,867	19,10,301
Creditors for capital goods	3,48,13,275	60,84,096
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
- Unpaid dividend	28,52,452	26,49,009
- Unclaimed interest on fixed deposit	4,35,554	4,79,453
- Unclaimed matured deposit	16,80,000	15,90,000
Advance from customers	47,90,37,825	41,40,89,466
Unearned revenue on AMC services	2,82,48,316	2,58,58,197
Taxes (Service tax, sales tax / VAT, TDS )	2,29,87,963	1,71,71,549
Others liabilities	85,13,584	82,66,424
Group's share of other current liabilities of joint venture	19,61,727	22,95,483
	<b>67,65,71,854</b>	<b>54,76,71,761</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)

## 16. TANGIBLE ASSETS

	Amount (in Rupees)										
	Land (Freehold)	Land (Leasehold)	Building on leasehold land	Building on freehold land (Refer notes a, b, c and d)	Road	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments (Refer note e)	Group's share in joint venture	Total
<b>Gross block</b>											
<b>As at 1st April 2013</b>	2,04,29,053	3,78,18,898	27,38,49,455	27,72,71,752	61,54,777	97,96,92,502	11,63,61,625	5,17,77,947	21,70,28,849	27,67,736	1,98,31,52,594
Addition during the year	-	-	33,58,130	33,82,119	-	4,34,46,411	32,52,634	43,06,505	65,49,541	1,58,913	6,44,54,253
Disposal during the year	-	-	-	-	-	4,66,38,565	1,11,958	35,63,019	31,87,718	-	5,35,01,260
Add : Exchange gain / (loss)	-	-	70,462	-	-	86,81,606	3,98,168	13,99,540	5,53,319	-	1,11,03,095
<b>As at 31st March 2014</b>	<b>2,04,29,053</b>	<b>3,78,18,898</b>	<b>27,72,78,047</b>	<b>28,06,53,871</b>	<b>61,54,777</b>	<b>98,51,81,954</b>	<b>11,99,00,469</b>	<b>5,39,20,973</b>	<b>22,09,43,991</b>	<b>29,26,649</b>	<b>2,00,52,08,682</b>
Addition during the year	-	-	74,934	17,40,115	-	3,53,60,800	14,35,766	45,03,287	1,06,73,306	98,093	5,38,86,301
Disposal during the year	-	-	-	-	-	2,53,649	13,89,024	6,44,332	3,17,937	27,846	26,32,788
Add : Exchange gain / (loss)	-	-	44,788	-	-	49,96,447	1,24,025	28,252	6,48,494	-	58,42,006
<b>As at 31st March 2015</b>	<b>2,04,29,053</b>	<b>3,78,18,898</b>	<b>27,73,97,769</b>	<b>28,23,93,986</b>	<b>61,54,777</b>	<b>1,02,52,85,552</b>	<b>12,00,71,236</b>	<b>5,78,08,180</b>	<b>23,19,47,854</b>	<b>29,96,896</b>	<b>2,06,23,04,201</b>
<b>Depreciation</b>											
<b>As at 1st April 2013</b>	-	64,38,368	10,08,91,304	5,12,73,616	5,69,908	56,41,18,764	7,82,70,835	3,28,57,292	15,88,16,278	13,85,657	99,46,22,022
Charge for the year	-	3,02,993	82,74,790	57,03,314	1,55,502	6,07,96,180	64,68,800	38,06,327	1,41,12,002	1,70,474	9,97,90,382
Deduction during the year	-	-	-	-	-	91,74,299	50,337	26,63,701	3,92,905	-	1,22,81,242
Add : Exchange (gain) / loss	-	-	19,144	-	-	26,06,224	2,86,062	12,39,153	18,02,804	-	59,53,387
<b>As at 31st March 2014</b>	<b>-</b>	<b>67,41,361</b>	<b>10,91,85,238</b>	<b>5,69,76,930</b>	<b>7,25,410</b>	<b>61,83,46,869</b>	<b>8,49,75,360</b>	<b>3,52,39,071</b>	<b>17,43,38,179</b>	<b>15,56,131</b>	<b>1,08,80,84,549</b>
Additional depreciation transfer to reserve and surplus (Refer note 5.1)	-	-	27,44,600	1,69,249	2,67,468	66,03,288	48,92,175	17,13,494	1,15,08,465	3,27,448	2,82,26,187
Charge for the year	-	3,02,424	81,43,636	56,99,873	7,59,536	6,70,69,406	64,59,523	57,58,387	1,87,48,400	3,24,272	11,32,65,457
Deduction during the year	-	-	-	-	-	98,292	4,41,971	4,23,969	1,25,751	8,763	10,98,746
Add : Exchange (gain) / loss	-	-	16,740	-	-	31,28,710	1,50,300	4,06,862	2,13,831	-	39,16,443
<b>As at 31st March 2015</b>	<b>-</b>	<b>70,43,785</b>	<b>12,00,90,214</b>	<b>6,28,46,052</b>	<b>17,52,414</b>	<b>69,50,49,981</b>	<b>9,60,35,387</b>	<b>4,26,93,845</b>	<b>20,46,83,124</b>	<b>21,99,088</b>	<b>1,23,23,93,890</b>
<b>Net block</b>											
<b>As at 31st March 2014</b>	<b>2,04,29,053</b>	<b>3,10,77,537</b>	<b>16,80,92,809</b>	<b>22,36,76,941</b>	<b>54,29,367</b>	<b>36,68,35,085</b>	<b>3,49,25,109</b>	<b>1,86,81,902</b>	<b>4,66,05,812</b>	<b>13,70,518</b>	<b>91,71,24,133</b>
<b>As at 31st March 2015</b>	<b>2,04,29,053</b>	<b>3,07,75,113</b>	<b>15,73,07,555</b>	<b>21,95,47,934</b>	<b>44,02,363</b>	<b>33,02,35,571</b>	<b>2,40,35,849</b>	<b>1,51,14,335</b>	<b>2,72,64,730</b>	<b>7,97,808</b>	<b>82,99,10,311</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****16. TANGIBLE ASSETS (contd...)**

- a. Buildings on freehold land includes residential flats, the cost of which includes:
- Rs. 250 (2013-2014 : Rs. 250) being the value of 5 shares (unquoted) of Rs. 50 each, fully paid up in Sunrise Co-operative Housing Society Limited.
  - Rs. 3,500 (2013-2014 : Rs. 3,500) being the value of 70 shares (unquoted) of Rs. 50 each, fully paid up in Usha Milan Co-operative Society Limited.
- b. Buildings on freehold land includes residential flats acquired at Mumbai, the society formation of which is in progress.  
Gross book value Rs. 62,16,250 (2013-2014 : Rs. 62,16,250)  
Net book value Rs. 42,18,471 (2013-2014 : Rs. 43,22,204)
- c. 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 Rs. 76,882 (2013-2014 : Rs. 76,882)  
Net book value Rs. Nil (2013-2014 : Rs. Nil)
- d. Buildings on freehold land includes office premises given on operating lease :  
Gross book value Rs. 2,30,77,146 (2013-2014 : Rs. 2,30,77,146)  
Accumulated depreciation Rs. 96,81,060 (2013-2014 : Rs. 90,10,859)  
Depreciation for the year Rs. 6,70,201 (2013-2014 : Rs. 5,66,774)  
Net book value Rs. 1,33,96,086 (2013-2014 : Rs. 1,40,66,287)
- e. Office equipment includes data processing items taken on finance lease :  
Gross book value Rs. 2,28,95,891 (2013-2014 : Rs. 2,17,75,889)  
Accumulated depreciation Rs. 1,47,18,981 (2013-2014 : Rs. 83,18,541)  
Depreciation for the year Rs. 64,00,438 (2013-2014 : Rs. 52,53,210)  
Net book value Rs. 81,76,910 (2013-2014 : Rs. 1,34,57,348)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****17. INTANGIBLE ASSETS**

	Amount (in Rupees)			
	Computer software	Goodwill on consolidation	Group's share in joint venture	Total
<b><u>Gross block</u></b>				
As at 1st April 2013	3,76,17,169	1,18,35,729	5,02,976	4,99,55,874
Addition during the year	28,24,080	-	-	28,24,080
Disposal during the year	-	-	-	-
<b>As at 31st March 2014</b>	<b>4,04,41,249</b>	<b>1,18,35,729</b>	<b>5,02,976</b>	<b>5,27,79,954</b>
Addition during the year	41,28,029	-	-	41,28,029
Disposal during the year	-	-	-	-
<b>As at 31st March 2015</b>	<b>4,45,69,278</b>	<b>1,18,35,729</b>	<b>5,02,976</b>	<b>5,69,07,983</b>
<b><u>Amortization</u></b>				
As at 1st April 2013	2,36,50,849	39,10,604	91,897	2,76,53,350
Charge for the year	34,57,294	23,47,594	73,750	58,78,638
Deduction during the year	-	-	-	-
<b>As at 31st March 2014</b>	<b>2,71,08,143</b>	<b>62,58,198</b>	<b>1,65,647</b>	<b>3,35,31,988</b>
Additional depreciation transfer to reserve and surplus (Refer note 51)	35,819	-	-	35,819
Charge for the year	54,36,163	23,47,594	91,746	78,75,503
Deduction during the year	-	-	-	-
<b>As at 31st March 2015</b>	<b>3,25,80,125</b>	<b>86,05,792</b>	<b>2,57,393</b>	<b>4,14,43,310</b>
<b><u>Net block</u></b>				
<b>As at 31st March 2014</b>	<b>1,33,33,106</b>	<b>55,77,531</b>	<b>3,37,329</b>	<b>1,92,47,966</b>
<b>As at 31st March 2015</b>	<b>1,19,89,153</b>	<b>32,29,937</b>	<b>2,45,583</b>	<b>1,54,64,673</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**18. NON-CURRENT INVESTMENTS**

**TRADE INVESTMENTS (Valued at cost unless stated otherwise)**

**EQUITY INSTRUMENTS (UNQUOTED)**

INVESTMENT IN ASSOCIATES

4,60,000 (2013-2014 : 4,60,000) equity shares of Rs. 10 each, fully paid-up in Aquanomics Systems Limited [includes goodwill Rs. Nil (2013-2014 : Rs. Nil)]

1,73,45,296

1,71,66,807

2,28,000 (2013-2014 : 2,28,000) equity shares of Rs. 10 each, fully paid-up in Astha Technical Services Limited [includes capital reserve Rs. 21,78,006 (2013-2014 : Rs. 21,78,006)]

19,78,886

29,55,525

14,700 (2013-2014 : 14,700) equity shares of THB 100 each, fully paid-up in Ion Exchange PSS Co. Limited [includes goodwill Rs. 5,43,814 (2013-2014 : Rs. 5,43,814)]

-

-

(A)

1,93,24,182

2,01,22,332

INVESTMENT IN OTHERS

6,000 (2013-2014 : 6,000) equity shares of Rs. 10 each, fully paid-up in IEK Plastics Limited

-

-

[Net of provision for diminution in the value: Rs. 60,000 (2013-2014 : Rs. 60,000)]

113 (2013-2014 : 113) equity shares of Rs. 10 each, fully paid-up in Patancheru Enviro-tech Limited

1,130

1,130

10,500 (2013-2014 : 10,500) equity shares of Rs. 10 each, fully paid-up in Bharuch Enviro Infrastructure Limited

1,05,000

1,05,000

3,52,500 (2013-2014 : 3,52,500) equity shares of Rs. 10 each, fully paid-up in Bharuch Eco-Aqua Infrastructure Limited

35,25,000

35,25,000

21,518 (2013-2014 : 21,518) equity shares of Rs. 10 each, fully paid-up in Global Procurement Consultants Limited

2,45,540

2,45,540

1,000 (2013-2014 : 1,000) equity shares of Rs. 10 each, fully paid-up in Ion Foundation

10,000

10,000

7,143 (2013-2014 : Nil) equity shares of Rs. 10 each, fully paid-up in Water Quality India Association

71,430

-

750 (2013-2014 : 750) equity shares of Rs. 10 each, fully paid-up in Process Automation Engineering.

-

-

[Net of provision for diminution in the value: Rs. 75,000 (2013-2014 : Rs. Nil)]

9,999 (2013-2014 : 9,999) equity shares of Rs. 50 each, fully paid-up in The Thane Janta Shakari Banks

4,99,950

4,99,950

(B)

44,58,050

43,86,620

**PREFERENCE SHARES (UNQUOTED)**

Investment in others

75,000 (2013-2014 : 75,000) 14.25% Preference Shares of Rs. 100 each, fully paid-up in HMG Industries Limited

50,000

50,000

[At cost less provision for other than temporary diminution in the value Rs. 74,50,000 (2013-2014 : Rs. 74,50,000)]

(C)

50,000

50,000

**Total Non Current Investments**

(A+B+C)

2,38,32,232

2,45,58,952

Aggregate amount of quoted Investments

-

-

Aggregate amount of unquoted Investments

2,38,32,232

2,45,58,952

Aggregate provision for diminution in value of investments

75,85,000

75,85,000

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****19. LOANS AND ADVANCES**

	Non-current		Current	
	31st March 2015 Rupees	31st March 2014 Rupees	31st March 2015 Rupees	31st March 2014 Rupees
<u>Capital advances</u>				
Unsecured, considered good	1,58,64,504	66,20,981	-	-
(A)	1,58,64,504	66,20,981	-	-
<u>Tender, security and other deposits</u>				
Unsecured, considered good	4,21,92,730	3,56,92,380	96,81,601	1,34,77,458
Doubtful	8,48,733	7,68,733	-	-
	4,30,41,463	3,64,61,113	96,81,601	1,34,77,458
Less: Provision for doubtful deposits	8,48,733	7,68,733	-	-
(B)	4,21,92,730	3,56,92,380	96,81,601	1,34,77,458
<u>Loans and advances to related parties</u> [refer note 38 (I) and (II)]				
Unsecured, considered good	21,86,35,000	22,27,46,000	5,69,49,063	5,08,36,741
Doubtful	24,75,134	25,55,134	-	-
	22,11,10,134	22,53,01,134	5,69,49,063	5,08,36,741
Less: Provision for doubtful loans and advances	24,75,134	25,55,134	-	-
(C)	21,86,35,000	22,27,46,000	5,69,49,063	5,08,36,741
<u>Advance to suppliers</u>				
Unsecured, considered good	17,73,652	31,27,455	9,47,11,414	8,77,48,025
Unsecured, considered doubtful	30,90,078	30,90,078	-	-
	48,63,730	62,17,533	9,47,11,414	8,77,48,025
Less: Provision for doubtful advances	30,90,078	30,90,078	-	-
(D)	17,73,652	31,27,455	9,47,11,414	8,77,48,025
<u>Other loans and advances</u> (Unsecured, considered good unless otherwise stated)				
- Prepaid expenses	41,858	50,66,184	4,66,37,871	4,20,55,123
- Claims receivables	-	-	1,06,22,225	2,33,08,525
- Balances with statutory authorities	5,71,12,757	7,12,15,865	16,21,79,514	15,86,84,674
- Loans and advance to employees	2,11,365	2,01,850	69,53,888	51,91,426
- Income tax paid (Net of provision for taxation)	5,27,21,794	5,78,88,618	8,62,490	87,65,266
- Inter corporate deposits (doubtful)	57,07,289	57,07,289	-	-
Less: Provision for doubtful advances	57,07,289	57,07,289	-	-
	-	-	-	-
- Other loans and advances (Refer note 41, 42 and 43)	8,46,58,785	9,20,31,582	82,22,659	1,01,79,258
- Other loans and advances (Doubtful)	2,25,14,884	2,25,14,884	-	-
	10,71,73,669	11,45,46,466	82,22,659	1,01,79,258
Less: Provision for doubtful advances	2,25,14,884	2,25,14,884	-	-
	8,46,58,785	9,20,31,582	82,22,659	1,01,79,258
(E)	19,47,46,559	22,64,04,099	23,54,78,647	24,81,84,272
Group's share in loans and advances of joint venture	(F) 26,36,673	27,76,944	41,86,552	44,13,165
<b>Total</b>	<b>(A+B+C+D+E+F) 47,58,49,118</b>	<b>49,73,67,859</b>	<b>40,10,07,277</b>	<b>40,46,59,661</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**20. TRADE RECEIVABLES**

	Non-current		Current	
	31st March 2015 Rupees	31st March 2014 Rupees	31st March 2015 Rupees	31st March 2014 Rupees
Outstanding for a period exceeding six months from the date they are due for payment				
- Unsecured considered good	26,15,62,604	19,17,65,745	53,10,31,587	57,93,32,916
- Doubtful	1,14,91,132	1,14,91,132	-	-
	<u>27,30,53,736</u>	<u>20,32,56,877</u>	<u>53,10,31,587</u>	<u>57,93,32,916</u>
Less: Provision for doubtful receivable	1,14,91,132	1,14,91,132	-	-
(A)	<u>26,15,62,604</u>	<u>19,17,65,745</u>	<u>53,10,31,587</u>	<u>57,93,32,916</u>
Other receivables				
- Unsecured, considered good	-	-	3,04,00,05,953	2,87,45,84,493
- Doubtful	-	-	-	-
	<u>-</u>	<u>-</u>	<u>3,04,00,05,953</u>	<u>2,87,45,84,493</u>
Less: Provision for doubtful receivables	-	-	-	-
(B)	<u>-</u>	<u>-</u>	<u>3,04,00,05,953</u>	<u>2,87,45,84,493</u>
Group's share in trade receivable of joint venture	-	-	1,13,23,108	2,98,34,389
(C)	<u>-</u>	<u>-</u>	<u>1,13,23,108</u>	<u>2,98,34,389</u>
<b>Total</b>	<b>(A+B+C) <u>26,15,62,604</u></b>	<b><u>19,17,65,745</u></b>	<b><u>3,58,23,60,648</u></b>	<b><u>3,48,37,51,798</u></b>

**21. OTHER ASSETS**

	Non-current		Current	
	31st March 2015 Rupees	31st March 2014 Rupees	31st March 2015 Rupees	31st March 2014 Rupees
Unsecured, considered good				
Non current bank balances	1,972	1,972	-	-
Interest accrued on margin money	13,96,407	8,51,253	27,79,714	15,98,122
Rent receivables	-	-	-	9,27,583
Others	-	-	-	6,20,000
(A)	<u>13,98,379</u>	<u>8,53,225</u>	<u>27,79,714</u>	<u>31,45,705</u>
Unsecured, considered doubtful				
Rent receivables	17,05,011	17,05,011	-	-
Less: Provision	17,05,011	17,05,011	-	-
(B)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b>(A+B) <u>13,98,379</u></b>	<b><u>8,53,225</u></b>	<b><u>27,79,714</u></b>	<b><u>31,45,705</u></b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****22. CURRENT INVESTMENTS**

	31st March 2015 Rupees	31st March 2014 Rupees
Current investments (valued at lower of cost or fair value unless stated otherwise)		
<u>Non trade and quoted</u>		
5,875 (2013-2014 : 5,875) equity shares of Rs. 2 each, fully paid-up in Sterlite Technologies Limited	2,05,000	2,05,000
70 (2013-2014 : 3,570) equity shares of Rs. 2 each, fully paid-up in Jain Irrigation Systems Limited	3,724	92,534
8,100 (2013-2014 : 8,100) equity shares of Rs. 10 each, fully paid-up in Canara Bank	2,83,500	2,83,500
Nil (2013-2014 : 83,600) equity shares of Rs. 10 each, fully paid-up in Fairdeal Filaments Limited	-	2,94,070
Nil (2013-2014 : 6,100) equity shares of Rs. 10 each, fully paid-up in Thambi Modern Spinning Mills Limited	-	12,265
Nil (2013-2014 : 87,000) equity shares of Rs. 10 each, fully paid-up in Somani Swiss Industries Limited [Net of provision for diminution in the value Rs. Nil (2013-2014 : Rs. 1,09,295)]	-	-
Nil (2013-2014 : 29,700) equity shares of Rs. 10 each, fully paid-up in Nova Steels Industries Limited [Net of provision for diminution in the value Rs. Nil (2013-2014 : Rs. 32,835)]	-	-
Nil (2013-2014 : 4,500) equity shares of Rs. 10 each, fully paid-up in Rajender Pipes Limited [Net of provision for diminution in the value Rs. Nil (2013-2014 : Rs. 7,240)]	-	-
Nil (2013-2014 : 3,700) equity shares of Rs. 10 each, fully paid-up in Mardia Steels Limited [Net of provision for diminution in the value Rs. Nil (2013-2014 : Rs. 6,880)]	-	-
Nil (2013-2014 : 3,75,000) equity shares of Rs. 10 each, fully paid-up in MTZ Polyester Limited [Net of provision for diminution in the value Rs. Nil (2013-2014 : Rs. 7,68,750)]	-	-
	<b>4,92,224</b>	<b>8,87,369</b>
Aggregate amount of quoted investments (Market value Rs. 33,06,252 (2013-2014 : Rs. 48,39,901))	4,92,224	8,87,369
Aggregate provision for diminution in value of investments	-	9,25,000



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**23. INVENTORIES** (valued at lower of cost and net realizable value)

	31st March 2015 Rupees	31st March 2014 Rupees
Raw materials and components (Refer note 27)	19,96,44,163	21,62,90,935
Work-in-progress	13,98,59,678	11,74,81,900
Finished goods	29,69,81,204	22,46,17,126
Traded goods	5,23,92,614	5,58,77,749
Stores and spares	4,52,40,323	4,95,88,044
Contract work-in-progress	5,89,28,820	8,93,08,444
Group's share in inventories of joint venture	2,60,691	13,97,202
	<b>79,33,07,493</b>	<b>75,45,61,400</b>

**24. CASH AND CASH EQUIVALENTS**

	Non-current		Current	
	31st March 2015 Rupees	31st March 2014 Rupees	31st March 2015 Rupees	31st March 2014 Rupees
<u>Balances with banks:</u>				
- On current accounts	-	-	9,29,81,503	10,59,47,624
- On Exchange Earner's Foreign Currency accounts	-	-	8,16,587	7,84,090
- On unclaimed dividend account	-	-	28,52,452	26,49,009
- On unclaimed interest on fixed deposits	-	-	4,35,554	4,79,453
<u>Cash on hand</u>	-	-	1,16,15,790	33,29,055
(A)	-	-	10,87,01,886	11,31,89,231
<u>Other bank balances</u>				
On deposit account with original maturity for more than 12 months	1,972	1,972	1,38,92,079	20,00,000
On margin money account [Refer notes (a) and (b) below]	-	-	13,59,06,601	11,76,51,097
(B)	1,972	1,972	14,97,98,680	11,96,51,097
Group's share in cash and cash equivalents of joint venture	-	-	31,11,018	51,00,157
(C)	-	-	31,11,018	51,00,157
Amount disclosed under non-current assets (Refer note 21)	(1,972)	(1,972)	-	-
(D)	(1,972)	(1,972)	-	-
<b>Total (A+B+C+D)</b>	<b>-</b>	<b>-</b>	<b>26,16,11,584</b>	<b>23,79,40,485</b>

(a) Margin money deposits with a carrying amount of Rs. 12,84,97,791 (2013-2014 : 9,41,21,112) are subject to first charge to secure bank guarantees issued by bank on our behalf.

(b) Margin money includes fixed deposit of Rs. 74,08,810 (2013-2014 : Rs. 2,35,29,985), being security towards working capital of the company.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****25. REVENUE FROM OPERATIONS**

	31st March 2015 Rupees	31st March 2014 Rupees
Revenue from operations		
<u>Sale of products</u>		
Finished goods	6,94,92,64,441	6,96,05,52,634
Traded goods	46,44,04,492	46,78,48,800
<u>Sale of services</u>	84,04,93,823	68,45,03,915
<u>Group's share of sales and services income of joint venture</u>	2,20,51,574	3,73,07,364
<u>Others operating revenue</u>		
Scrap sale	1,81,23,101	99,61,284
Management fees	47,74,360	45,00,000
Income from inputs and contract farming	56,80,300	1,06,69,090
<b>Revenue from operations (gross)</b>	<b>8,30,47,92,091</b>	<b>8,17,53,43,087</b>
Less: Excise duty*	29,99,70,532	24,51,55,199
<b>Revenue from operations (net)</b>	<b>8,00,48,21,559</b>	<b>7,93,01,87,888</b>

\* Excise duty on sales amounting to Rs. 29,99,70,532 (2013-2014 : Rs. 24,51,55,199) has been reduced from sales in statement of profit and loss account and excise duty on (increase)/decrease in stock amounting to Rs. 64,28,972 (2013-2014 : Rs. 28,78,546) has been considered as (income)/expenses in note 32 of financial statements.

**26. OTHER INCOME**

	31st March 2015 Rupees	31st March 2014 Rupees
Interest income		
- From banks	1,02,12,787	93,11,232
- From joint venture	74,28,557	72,75,500
- From others	18,81,217	17,87,642
Rent	1,02,21,364	21,74,379
Dividend income	4,38,912	2,50,702
Amount set aside for liabilities, no longer required, written back	3,50,966	1,35,473
Exchange gain (Net)	31,97,218	1,92,75,933
Profit on sale of current investments	16,63,828	-
Profit on assets sold/discarded (Net)	-	1,94,080
Other non operating income	75,81,774	75,07,278
Group's share of other income of joint venture	2,85,186	3,60,561
	<b>4,32,61,809</b>	<b>4,82,72,780</b>

**27. COST OF RAW MATERIAL AND COMPONENTS CONSUMED**

	31st March 2015 Rupees	31st March 2014 Rupees
Inventory at the beginning of the year	21,62,90,935	23,35,39,985
Add: Purchases*	5,07,38,62,880	5,13,76,36,231
Less: Inventory at the end of the year	19,96,44,163	21,62,90,935
Group's share in cost of goods sold of joint venture	87,91,643	3,47,99,965
<b>Cost of raw material and components consumed **</b>	<b>5,09,93,01,295</b>	<b>5,18,96,85,246</b>

\* Includes direct expenses incurred on contracts Rs. 10,52,58,502 (2013-2014 : Rs. 8,75,65,842)

\*\* 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**28. (INCREASE) / DECREASE IN INVENTORIES**

	31st March 2015 Rupees	31st March 2014 Rupees	(Increase)/Decrease Rupees
<b>Inventories at the end of the year</b>			
Traded goods	5,23,92,614	5,58,77,749	34,85,135
Work-in-progress	13,98,59,678	11,74,81,900	(2,23,77,778)
Finished goods	29,69,81,204	22,46,17,126	(7,23,64,078)
Contract work-in-progress	5,89,28,820	8,93,08,444	3,03,79,624
	<u>54,81,62,316</u>	<u>48,72,85,219</u>	<u>(6,08,77,097)</u>
<b>Inventories at the beginning of the year</b>			
Traded goods	5,58,77,749	5,41,26,352	(17,51,397)
Work-in-progress	11,74,81,900	12,01,41,229	26,59,329
Finished goods	22,46,17,126	18,46,44,400	(3,99,72,726)
Contract work-in-progress	8,93,08,444	8,94,16,739	1,08,295
	<u>48,72,85,219</u>	<u>44,83,28,720</u>	<u>(3,89,56,499)</u>
	<u><b>(6,08,77,097)</b></u>	<u><b>(3,89,56,499)</b></u>	

Details of purchase of traded goods

	31st March 2015 Rupees	31st March 2014 Rupees
Consumer products	18,93,58,886	21,07,37,187
Spares	3,96,73,943	3,38,91,298
Others	3,58,49,820	3,84,89,028
	<u><b>26,48,82,649</b></u>	<u><b>28,31,17,513</b></u>

**29. EMPLOYEE BENEFITS EXPENSE**

	31st March 2015 Rupees	31st March 2014 Rupees
Salaries, wages and bonus	86,74,40,665	85,97,12,494
Contribution to provident and other funds (Refer note 34)	5,21,04,860	5,91,28,034
Employee compensation expense / (income) (Refer note 35)	(3,11,000)	(45,84,179)
Staff welfare expense	4,98,77,981	4,35,43,586
Group's share in employee benefits expenses of joint venture	59,30,108	72,20,556
	<u><b>97,50,42,614</b></u>	<u><b>96,50,20,491</b></u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****30. FINANCE COSTS**

	31st March 2015 Rupees	31st March 2014 Rupees
Interest	13,10,05,797	12,53,53,259
Other borrowing costs	1,87,51,038	1,07,62,123
Group's share in finance costs of joint venture	12,560	20,391
	<b>14,97,69,395</b>	<b>13,61,35,773</b>

**31. DEPRECIATION AND AMORTIZATION EXPENSE**

	31st March 2015 Rupees	31st March 2014 Rupees
Depreciation of tangible assets (Refer note 16)	11,29,41,185	9,96,19,909
Amortization of intangible assets (Refer note 17)	77,83,756	58,04,887
Less: Recoupment from revaluation reserve	-	28,470
Group's share in depreciation and amortization expenses of joint venture	4,16,019	2,44,225
	<b>12,11,40,960</b>	<b>10,56,40,551</b>

**32. OTHER EXPENSES (Refer note 44)**

	31st March 2015 Rupees	31st March 2014 Rupees
Stores and spare parts consumed	40,84,077	49,92,621
Power and fuel	12,09,54,927	11,42,53,088
Repairs and maintenance - Buildings	44,30,579	48,65,258
- Plant and machinery	2,93,81,990	2,59,75,792
- Others	2,63,30,050	2,53,06,169
Rent (Net of recoveries)	5,50,67,886	4,67,98,536
Rates and taxes	4,56,73,685	4,34,29,480
Insurance (Net of recoveries)	76,91,086	89,85,881
Travelling and conveyance	24,73,75,436	23,19,63,799
Excise duty (Net of recoveries) (Refer note 25)	64,28,972	28,78,546
Freight (Net of recoveries)	16,90,22,066	15,05,41,003
Packing (Net of recoveries)	3,94,47,544	3,19,08,905
Advertisement and publicity	5,32,36,505	5,81,05,657
Commission and discount	2,03,36,167	6,30,77,097
Legal and professional charges	7,79,30,080	7,09,03,320
Telephone and telex	2,46,40,142	2,52,20,734
Project maintenance expenses	34,77,983	47,28,096
Bad debts written off	4,27,00,709	3,34,23,124
Auditors' remuneration (Refer note 32.1)	31,15,105	36,23,759
Directors' fees	39,15,000	12,40,000
Bank charges	1,92,57,203	1,47,74,572
Loss on fixed assets sold/discarded (Net)	7,86,312	-
Current investments written off	9,25,000	-
Less: Withdrawn from Provision for diminution in value of investment	9,25,000	-
	-	-
Diminution in value of investments	-	8,43,750
Backcharges on contracts (Refer note 50)	3,08,96,565	41,39,278
Establishment and other miscellaneous expenses	21,95,75,674	20,99,46,812
Group's share in operations and other expenses of joint venture	45,96,302	83,04,068
	<b>1,26,03,52,045</b>	<b>1,19,02,29,345</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**32.1 AUDITORS' REMUNERATION (excluding service tax)**

	31st March 2015 Rupees	31st March 2014 Rupees
As auditor:		
- Audit fees	14,75,000	14,75,000
- Tax audit fees	3,00,000	3,00,000
- Limited review *	5,25,000	5,25,000
In other capacity:		
- Other services (Certification fees)*	3,60,000	8,55,000
Reimbursement of expenses *	1,76,355	1,86,259
Branch auditor		
- Audit fees	2,50,000	2,50,000
- Other services (Certification fees)	25,000	25,000
- Reimbursement of expenses	3,750	7,500
	<b>31,15,105</b>	<b>36,23,759</b>

\* inclusive of amount paid to erstwhile auditor

**33. EARNINGS PER SHARE (EPS)**

Particulars		31st March 2015	31st March 2014
I	Profit computation for both basic and diluted earnings per share of Rs. 10 each		
	Net Profit as per statement of profit and loss available for equity shareholders (in Rupees)	9,75,96,864	4,55,19,090
II	Weighted average number of equity shares for earnings per share computation		
A)	For basic earnings per share		
	No. of equity share outstanding	1,40,94,285	1,29,02,159
	Add: Equity shares issued as per the scheme of amalgamation	-	11,80,256
	No. of Shares for basic earnings per share	1,40,94,285	1,40,82,415
B)	For diluted earnings per share		
	No. of shares for basic EPS as per IIA	1,40,94,285	1,40,82,415
	Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	3,09,270	58,361
	No. of Shares for diluted earnings per share	1,44,03,555	1,41,40,776
III	Earnings per share in rupees (Weighted average)		
	Basic	6.92	3.23
	Diluted	6.78	3.22

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****34. EMPLOYEE BENEFITS**

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 guidance note on implementing AS 15, 'Employee Benefits' issued by the Accounting Standard Board (ASB) of the Institute of Chartered Accountants of India states that provident funds set up by employers that guarantee a specified rate of return and which require interest shortfall to be met by the employer would be defined benefit plans in accordance with the requirements of paragraph 26(b) of AS 15.

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 and provident fund plan.

Amount (in Rupees)

Particulars		2014-2015 (Gratuity)	2013-2014 (Gratuity)	2014-2015 (Provident Fund)	2013-2014 (Provident Fund)
<b>I</b>	<b>The statement of profit and loss</b>				
	Net employee benefit expense (recognized in employee cost)				
	1. Current service cost	72,76,348	74,78,874	1,11,60,891	1,16,29,203
	2. Interest cost on benefit obligation	86,96,960	69,19,078	2,06,22,601	1,81,98,086
	3. Expected return on plan assets	(85,50,358)	(76,42,640)	(2,06,22,601)	(1,81,98,086)
	4. Net actuarial loss / (gain) recognized in the year	9,09,878	32,81,828	-	-
	Net benefit expenses	83,32,827	1,00,37,140	1,11,60,891	1,16,29,203
	Actual return on plan assets	1,05,68,415	54,55,086	2,06,22,601	1,81,98,086
<b>II</b>	<b>Net assets / (liability) recognized in the balance sheet</b>				
	1. Present value of defined benefit obligation	(11,19,83,528)	(9,63,96,757)	(30,07,19,234)	(26,28,39,456)
	2. Fair value of plan assets	9,38,04,968	9,81,85,130	31,29,42,471	27,22,69,335
<b>III</b>	<b>Changes in the present value of the defined benefit obligation are as follows:</b>				
	1. Opening defined benefit obligation	(9,64,04,862)	(8,64,91,612)	(26,28,39,456)	(24,32,84,287)
	2. Employee contribution	-	-	(2,02,89,139)	(1,93,92,264)
	3. Interest cost	(87,71,720)	(69,19,078)	(2,06,22,601)	(1,81,98,086)
	4. Current service cost	(66,13,033)	(74,78,874)	(1,11,60,891)	(1,16,29,203)
	5. Liability transferred in	(6,74,163)	-	(90,77,242)	(90,77,242)
	6. Opening balance adjustment	-	-	-	45,137
	7. Benefits paid	47,39,489	69,87,590	2,37,29,116	3,86,96,489
	8. Actuarial gains / (losses) on obligation	(36,70,685)	(24,94,784)	-	-
	Closing defined benefit obligation	(11,13,94,973)	(9,63,96,757)	(30,07,19,234)	(26,28,39,456)
<b>IV</b>	<b>Changes in the fair value of plan assets are as follows:</b>				
	1. Opening fair value of plan assets	9,81,98,440	8,81,85,547	27,22,69,335	25,00,84,390
	2. Expected returns	85,50,358	76,42,640	2,06,22,601	1,81,98,086
	3. Contributions by employer	79,21,604	-	3,14,50,030	3,10,21,467
	4. Transfer from others	6,74,163	98,45,230	95,36,263	90,77,242
	5. Benefits paid	(47,39,489)	(67,01,243)	(2,37,29,116)	(3,86,96,489)
	6. Actuarial gains / (losses)	27,60,807	(7,87,044)	27,93,358	25,84,639
	7. Closing fair value of plan assets	13,33,65,883	9,81,85,130	31,29,42,471	27,22,69,335
<b>V</b>	<b>Actuarial assumptions:</b>				
	1. Discount rate	8% - 8.50%	8% - 8.50%	8.02%	9.10%
	2. Expected rate of salary increase [Refer note below]	5% - 8%	5% - 8%		
	3. Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
	4. Attrition rate	2% - 16%	2% - 16%	16%	16%
	5. Rate of Return on Plan assets	8.02%	8.70% - 9%	8.75%	8.50%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)

### 34. EMPLOYEE BENEFITS (contd...)

Details of defined benefit obligation, planned assets and experience adjustments:

Gratuity	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
Defined benefit obligation	(11,19,83,528)	(9,63,96,757)	(8,69,78,119)	(6,28,08,122)	(5,23,31,234)
Plan assets	11,34,40,418	9,81,85,130	8,81,85,547	6,22,21,633	5,27,80,044
Surplus / (deficit)	14,56,890	17,88,373	12,07,428	(5,86,489)	4,48,810
Experience adjustments on plan liabilities	(50,43,839)	(24,94,784)	(1,09,97,305)	21,66,031	23,43,139
Experience adjustments on plan assets	27,60,807	(7,87,044)	(7,54,657)	1,27,192	(14,10,826)

Note:

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

### 35. EMPLOYEE STOCK OPTION SCHEME (ESOS)

#### ESOS 2001

The employee stock compensation committee in its meeting held on 5th June 2007, granted 3,00,000 options to directors and other employees at a price of Rs. 94.00 per share, which constituted a discount of approximately 25% to the price as calculated on the basis of average of weekly closing price on The stock exchange, Mumbai for 13 weeks prior to the date of the grant. As in the case of first and second grant, 25% of these options shall vest and become exercisable in June every year. Pursuant to this, fourth 25% of the options vested in June 2012. The vested options are exercisable upto 5th June 2016.

#### ESOS 2003

The employee stock compensation committee in its meeting held on 5th June 2007, granted 3,50,000 options to directors and other employees at a price of Rs. 94.00 per share, which constituted a discount of approximately 25% to the price as calculated on the basis of average of weekly closing price on the stock exchange, Mumbai for 13 weeks prior to the date of the grant. As in the case of first grant, 25% of these options shall vest and become exercisable in June every year. Pursuant to this, the fourth 25% of the options vested in June 2012. The vested options are exercisable upto 5th June 2016.

#### ESOS 2008

Pursuant to the resolution passed by the shareholders at the annual general meeting held on 26th September 2008, the employee stock compensation committee at its meeting held on 13th October 2008 implemented the fourth employees stock options scheme (ESOS 2008) and granted 12,00,000 options to directors and other employees at a price of Rs. 58.20 per share which constituted a discount of approximately 25% of the closing market price prior to the date of the grant. Under the scheme, the options shall vest after one year from the date of the grant. The vested options were exercisable upto 13th October 2013.

The method of settlement of the above options is equity settled.

Details of options granted are as follows:

Particulars	ESOS Schemes			Total
	2001 (3 <sup>rd</sup> Grant)	2003 (2 <sup>nd</sup> Grant)	2008 (1 <sup>st</sup> Grant)	
Options outstanding as at 31st March 2014	2,40,000	2,77,000	-	5,17,000
	(2,50,000)	(2,82,000)	(2,60,600)	(7,92,600)
Granted during the year	-	-	-	-
	(-)	(-)	(-)	(-)
Lapsed during the year	5,000	5,000	-	10,000
	(10,000)	(5,000)	(2,12,800)	(2,27,800)
Exercised/ Allotted during the year	-	-	-	-
	(-)	(-)	(47,800)	(47,800)
Outstanding as at 31st March 2015	2,35,000	2,72,000	-	5,07,000
	(2,40,000)	(2,77,000)	(-)	(5,17,000)
Exercisable as at 31st March 2015	2,35,000	2,72,000	-	5,07,000

Figures in bracket denote previous year figures.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****35. EMPLOYEE STOCK OPTION SCHEME (ESOS) (contd...)**

As at 31st March 2015, the company has received commitment deposit of Rs. 33,348 (2013–2014: Rs. 33,348) from its directors and employees under ESOS 2001 and ESOS 2003.

Weighted average remaining contractual life is 1.2 years (2013-2014 : 2.2 years).

No options were exercised during the year. Weighted average share price at exercise date during the previous year was Rs. 96.72.

The company has not granted stock options during the year.

The company uses the intrinsic value method for measuring the employee compensation cost. The impact on the reported net profit and earnings per share by applying the fair value method is as under

		Amount (in Rupees)	
Particulars		2014-2015	2013-2014
Profit as reported		9,75,96,864	4,55,19,090
Add : Employee stock compensation under intrinsic value method		(3,11,000)	(45,84,179)
Less : Employee stock compensation under fair value method		(6,21,100)	(6,14,750)
Pro forma profit		9,79,06,964	4,15,49,661
<b>Earnings Per Share</b>			
Basic	- As reported	6.92	3.23
	- Pro forma	6.95	2.95
Diluted	- As reported	6.78	3.22
	- Pro forma	6.80	2.94

**36. CONTRACTS IN PROGRESS (CIP):**

		Amount (in Rupees)	
Sr. No.	Particulars	2014-2015	2013-2014
A.	Aggregate amount recognized as Contract Revenue	2,52,84,10,528	2,77,72,60,719
B.	In respect of Contracts in Progress as on 31st March :		
	1) Aggregate amount of Costs incurred and recognized profits (less recognized losses)	11,427,434,527	9,07,18,37,836
	2) Amount of Customer Advance	25,16,54,182	15,72,69,274
	3) Amount of Retentions	68,27,96,234	57,55,32,408
C.	Gross amount due from customers for contract work	3,62,15,680	5,88,75,468

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**37. SEGMENT**

I. Information about Primary Business Segments

	Engineering		Chemicals		Consumer Products		Others Business		Unallocated		Total	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
<b>Revenue</b>												
External sales and services (Gross)	4,38,29,02,019	4,66,91,81,216	3,07,19,48,808	2,61,81,52,963	84,45,45,286	87,73,28,816	6,08,649	61,29,715	47,87,329	45,50,377	8,30,47,92,091	8,17,53,43,087
Less: Excise duty recovered	(5,38,50,848)	(5,78,85,064)	(23,37,97,305)	(17,47,41,364)	(1,23,22,379)	(1,25,28,771)	-	-	-	-	(29,99,70,532)	(24,51,55,199)
External sales and services (Net)	4,32,90,51,171	4,61,12,96,152	2,83,81,51,503	2,44,34,11,599	83,22,22,907	86,48,00,045	6,08,649	61,29,715	47,87,329	45,50,377	8,00,48,21,559	7,93,01,87,888
Inter-segmental sales	24,35,56,015	23,82,96,065	11,08,66,707	10,37,95,120	16,241	4,52,251	-	-	-	-	35,44,38,963	34,25,43,436
Other income	1,31,98,124	1,01,01,477	(34,18,514)	1,07,43,228	8,27,346	9,59,640	76,73,249	7,34,756	54,59,043	73,59,305	2,37,39,248	2,98,98,406
Total revenue	4,58,58,05,310	4,85,96,93,694	2,94,55,99,696	2,55,79,49,947	83,30,66,494	86,62,11,936	82,81,898	68,64,471	1,02,46,372	1,19,09,682	8,38,29,99,770	8,30,26,29,730
Less: Eliminations											(35,44,38,963)	(34,25,43,436)
Add: Interest income									1,95,22,561	1,83,74,374	1,95,22,561	1,83,74,374
Total enterprise revenue									1,95,22,561	1,83,74,374	8,04,80,83,368	7,97,84,60,668
<b>Result</b>												
Segment results	11,36,88,816	12,96,26,427	38,21,72,276	24,07,21,425	(1,57,44,734)	(25,91,530)	(29,03,981)	(89,21,570)	-	-	47,72,12,377	35,88,34,752
Unallocated expenditure net of unallocated income									(10,84,94,036)	(9,34,85,105)	(10,84,94,036)	(9,34,85,105)
Finance cost									(14,97,69,395)	(13,61,35,773)	(14,97,69,395)	(13,61,35,773)
Interest income									1,95,22,561	1,83,74,374	1,95,22,561	1,83,74,374
Profit before taxation									(23,87,40,870)	(21,12,46,504)	23,84,71,507	14,75,88,248
<b>Other Information</b>												
Segment assets	4,11,17,33,416	4,03,80,62,997	1,68,24,63,125	1,55,09,21,194	31,82,27,480	28,99,22,541	11,51,28,170	11,73,31,627	57,37,75,878	55,87,24,715	6,80,13,28,069	6,55,49,63,074
Segment liabilities	3,06,21,15,146	2,90,57,21,113	99,74,44,456	85,56,44,256	21,81,60,514	14,15,16,933	1,40,10,942	1,49,38,089	86,40,48,570	1,03,68,76,560	5,15,57,79,628	4,95,46,96,951
Capital expenditure	1,49,94,559	1,23,46,027	3,40,29,103	4,62,76,861	10,22,743	10,28,638	-	11,28,490	79,67,925	64,98,317	5,80,14,330	6,72,78,333
Depreciation	3,45,22,623	2,73,65,144	6,15,19,253	5,62,43,790	26,60,521	32,99,468	6,05,633	15,90,196	2,18,32,930	1,71,41,953	12,11,40,960	10,56,40,551
Non cash expenditure other than depreciation	6,32,71,374	3,63,33,319	1,59,55,850	50,89,462	1,15,47,779	87,36,313	2,57,723	8,45,262	(26,85,128)	(94,08,824)	8,83,47,598	4,15,95,532

	India		Outside India		Total	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
External revenue (Net)	5,43,59,41,154	5,94,67,70,694	2,56,88,80,405	1,98,34,17,194	8,00,48,21,559	7,93,01,87,888
Carrying amount of segment assets	5,37,70,69,287	5,17,77,59,801	1,42,42,58,782	1,37,72,03,273	6,80,13,28,069	6,55,49,63,074
Additions to fixed assets	5,32,86,600	6,59,47,085	47,27,730	13,31,248	5,80,14,330	6,72,78,333

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****37. SEGMENT (contd...)**

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, sugar chemicals and paper chemicals.
- Consumer Products – comprising of domestic water purifiers.
- (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..

**38. RELATED PARTY DISCLOSURES (As identified by the Management):**

a)	Associates	Aquanomics Systems Limited IEI Water-Tech (M) Sdn. Bhd., Malaysia * Astha Technical Services Limited Ion Exchange PSS Co. Limited, Thailand * Ion Exchange Financial Products Pvt. Limited *
b)	Joint Venture	Ion Exchange Waterleau Limited
c)	Entity having significant influence	IEI Shareholding Trusts
d)	Key Management Personnel	Mr. Rajesh Sharma - Chairman & Managing Director Mr. Dinesh Sharma - Executive Director Mr. Aankur Patni - Executive Director
e)	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
f)	Enterprise owned or significantly influenced by Key Management Personnel or their Relatives	Ion Foundation

\* Associate companies of subsidiaries

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**
**38. RELATED PARTY DISCLOSURES (contd...)**

I. Transactions during the year with related parties except entity having significant influence with outstanding balances as at year-end:

Amount (in Rupees)

Nature of transaction	Parties referred to in (a) and (b) above		Parties referred to in (d), (e) and (f) above		Total	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
<b>Sale of goods*</b>						
Aquanomics Systems Ltd.	26,84,05,705	24,54,97,467	-	-	26,84,05,705	24,54,97,467
Ion Exchange Waterleau Ltd.	1,22,697	29,27,619	-	-	1,22,697	29,27,619
Ion Exchange PSS Co. Ltd., Thailand	50,56,288	2,88,87,983	-	-	50,56,288	2,88,87,983
Ion Foundation	-	-	13,50,811	-	13,50,811	-
<b>Total</b>	<b>27,35,84,690</b>	<b>27,73,13,069</b>	<b>13,50,811</b>	<b>-</b>	<b>27,49,35,501</b>	<b>27,73,13,069</b>
<b>Management fees</b>						
Aquanomics Systems Ltd.	53,64,470	45,00,000	-	-	53,64,470	45,00,000
<b>Total</b>	<b>53,64,470</b>	<b>45,00,000</b>	<b>-</b>	<b>-</b>	<b>53,64,470</b>	<b>45,00,000</b>
<b>Rental income</b>						
Ion Exchange Waterleau Ltd.	7,43,688	6,02,250	-	-	7,43,688	6,02,250
<b>Total</b>	<b>7,43,688</b>	<b>6,02,250</b>	<b>-</b>	<b>-</b>	<b>7,43,688</b>	<b>6,02,250</b>
<b>Interest income on loans and advances</b>						
Ion Exchange Waterleau Ltd.	74,28,557	72,75,500	-	-	74,28,557	72,75,500
<b>Total</b>	<b>74,28,557</b>	<b>72,75,500</b>	<b>-</b>	<b>-</b>	<b>74,28,557</b>	<b>72,75,500</b>
<b>Services rendered</b>						
Aquanomics Systems Ltd.	-	1,500	-	-	-	1,500
Ion Exchange Waterleau Ltd.	56,65,724	3,35,790	-	-	56,65,724	3,35,790
<b>Total</b>	<b>56,65,724</b>	<b>3,37,290</b>	<b>-</b>	<b>-</b>	<b>56,65,724</b>	<b>3,37,290</b>
<b>Purchase of goods/materials</b>						
Aquanomics Systems Ltd.	1,22,20,216	1,37,66,450	-	-	1,22,20,216	1,37,66,450
Ion Exchange PSS Co Ltd, Thailand	-	1,95,173	-	-	-	1,95,173
Ion Exchange Waterleau Ltd.	65,61,219	91,60,843	-	-	65,61,219	91,60,843
<b>Total</b>	<b>1,87,81,435</b>	<b>2,31,22,466</b>	<b>-</b>	<b>-</b>	<b>1,87,81,435</b>	<b>2,31,22,466</b>
<b>Services received</b>						
Ion Exchange Waterleau Ltd.	54,49,422	65,49,014	-	-	54,49,422	65,49,014
Astha Technical Services Ltd.	1,08,67,048	1,54,04,024	-	-	1,08,67,048	1,54,04,024
<b>Total</b>	<b>1,63,16,470</b>	<b>2,19,53,038</b>	<b>-</b>	<b>-</b>	<b>1,63,16,470</b>	<b>2,19,53,038</b>
<b>Advances given</b>						
Ion Exchange Waterleau Ltd.	58,22,500	54,421	-	-	58,22,500	54,421
Ion Foundation	-	-	-	32,448	-	32,448
Astha Technical Services Ltd.	-	60,670	-	-	-	60,670
<b>Total</b>	<b>58,22,500</b>	<b>1,15,091</b>	<b>-</b>	<b>32,448</b>	<b>58,22,500</b>	<b>1,47,539</b>
<b>Advances repaid</b>						
Ion Exchange Waterleau Ltd.	4,00,000	-	-	-	4,00,000	-
Ion Foundation	-	-	-	32,448	-	32,448
Ion Exchange Financial Products Pvt. Ltd.	80,000	1,60,000	-	-	80,000	1,60,000
<b>Total</b>	<b>4,80,000</b>	<b>1,60,000</b>	<b>-</b>	<b>32,448</b>	<b>4,80,000</b>	<b>1,92,448</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)****38. RELATED PARTY DISCLOSURES (contd...)**

Amount (in Rupees)

Nature of transaction	Parties referred to in (a) and (b) above		Parties referred to in (d), (e) and (f) above		Total	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
<b>Dividend received</b>						
Aquanomics Systems Ltd.	4,60,000	4,60,000	-	-	4,60,000	4,60,000
<b>Total</b>	<b>4,60,000</b>	<b>4,60,000</b>	<b>-</b>	<b>-</b>	<b>4,60,000</b>	<b>4,60,000</b>
<b>Dividend paid</b>						
Mr. Rajesh Sharma	-	-	15,22,436	15,22,436	15,22,436	15,22,436
Mr. Dinesh Sharma	-	-	11,37,042	11,37,042	11,37,042	11,37,042
Mr. Aankur Patni	-	-	4,69,336	4,69,336	4,69,336	4,69,336
Mr. Mahabir Prasad Patni	-	-	13,87,494	13,87,494	13,87,494	13,87,494
Relatives of key management personnel	-	-	3,37,690	3,37,690	3,37,690	3,37,690
Ion Exchange Financial Products Pvt. Ltd.	1,00,844	1,00,844	-	-	1,00,844	1,00,844
Aquanomics Systems Ltd	2,000	2,000	-	-	2,000	2,000
<b>Total</b>	<b>1,02,844</b>	<b>1,02,844</b>	<b>48,53,998</b>	<b>48,53,998</b>	<b>49,56,842</b>	<b>49,56,842</b>
<b>Remuneration</b>						
Mr. Rajesh Sharma	-	-	2,84,36,891	2,60,17,252	2,84,36,891	2,60,17,252
Mr. Dinesh Sharma	-	-	1,31,73,715	1,20,12,068	1,31,73,715	1,20,12,068
Mr. Aankur Patni	-	-	1,30,31,103	1,18,32,600	1,30,31,103	1,18,32,600
Mr. Mahabir Prasad Patni	-	-	58,01,492	-	58,01,492	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6,04,43,201</b>	<b>4,98,61,920</b>	<b>6,04,43,201</b>	<b>4,98,61,920</b>
<b>Director sitting fees</b>						
Mr. Rajesh Sharma	-	-	1,35,000	-	1,35,000	-
Mr. Dinesh Sharma	-	-	1,25,000	-	1,25,000	-
Mr. Aankur Patni	-	-	1,25,000	-	1,25,000	-
Mr. Mahabir Prasad Patni	-	-	4,30,000	1,50,000	4,30,000	1,50,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>8,15,000</b>	<b>1,50,000</b>	<b>8,15,000</b>	<b>1,50,000</b>
<b>Outstanding advance to supplier</b>						
Astha Technical Services Ltd.	1,83,08,068	30,00,000	-	-	1,83,08,068	30,00,000
<b>Total</b>	<b>1,83,08,068</b>	<b>30,00,000</b>	<b>-</b>	<b>-</b>	<b>1,83,08,068</b>	<b>30,00,000</b>
<b>Outstanding loans and advances</b>						
Aquanomics Systems Ltd.	1,864	1,864	-	-	1,864	1,864
Ion Exchange Waterleau Ltd.	5,67,67,282	5,07,74,207	-	-	5,67,67,282	5,07,74,207
Astha Technical Services Ltd.	1,79,917	60,670	-	-	1,79,917	60,670
Ion Exchange Financial Products Pvt. Ltd.**	24,75,134	25,55,134	-	-	24,75,134	25,55,134
<b>Total</b>	<b>5,94,24,197</b>	<b>5,33,91,875</b>	<b>-</b>	<b>-</b>	<b>5,94,24,197</b>	<b>5,33,91,875</b>
<b>Outstanding receivables (Net of payable) excluding loans and advances</b>						
Aquanomics Systems Ltd.	9,04,54,102	7,56,38,461	-	-	9,04,54,102	7,56,38,461
IEI Water-Tech (M) Sdn. Bhd., Malaysia	82,15,608	23,36,360	-	-	82,15,608	23,36,360
Ion Exchange PSS Co. Ltd., Thailand	2,64,49,713	2,95,42,043	-	-	2,64,49,713	2,95,42,043
Ion Exchange Waterleau Ltd.	60,83,042	-	-	-	60,83,042	-
<b>Total</b>	<b>13,12,02,465</b>	<b>10,75,16,864</b>	<b>-</b>	<b>-</b>	<b>13,12,02,465</b>	<b>10,75,16,864</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**38. RELATED PARTY DISCLOSURES (contd...)**

Amount (in Rupees)

Nature of transaction	Parties referred to in (a) and (b) above		Parties referred to in (d), (e) and (f) above		Total	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
<b>Outstanding payables (Net of receivable) excluding loans and advances</b>						
Ion Exchange Waterleau Ltd.	-	51,95,392	-	-	-	51,95,392
Astha Technical Services Ltd.	14,71,105	30,56,407	-	-	14,71,105	30,56,407
<b>Total</b>	<b>14,71,105</b>	<b>82,51,799</b>	<b>-</b>	<b>-</b>	<b>14,71,105</b>	<b>82,51,799</b>
<b>Investment in equity shares</b>						
Aquanomics Systems Ltd.	46,00,000	46,00,000	-	-	46,00,000	46,00,000
Astha Technical Services Ltd.	22,83,800	22,83,800	-	-	22,83,800	22,83,800
Ion Exchange Waterleau Ltd.	2,49,95,000	2,49,95,000	-	-	2,49,95,000	2,49,95,000
Ion Exchange Financial Products Pvt. Ltd.	24,500	24,500	-	-	24,500	24,500
Ion Exchange PSS Co .Ltd., Thailand	16,71,129	16,71,129	-	-	16,71,129	16,71,129
Ion Foundation	-	-	10,000	10,000	10,000	10,000
<b>Total</b>	<b>3,35,74,429</b>	<b>3,35,74,429</b>	<b>10,000</b>	<b>10,000</b>	<b>3,35,84,429</b>	<b>3,35,84,429</b>
<b>Corporate guarantees discharged</b>						
Ion Exchange Waterleau Ltd.	-	3,00,00,000	-	-	-	3,00,00,000
<b>Total</b>	<b>-</b>	<b>3,00,00,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,00,00,000</b>
<b>Corporate guarantees (Outstanding)</b>						
Aquanomics Systems Ltd.	11,00,00,000	11,00,00,000	-	-	11,00,00,000	11,00,00,000
Ion Exchange PSS Co. Ltd., Thailand	5,39,07,683	5,50,50,000	-	-	5,39,07,683	5,50,50,000
Ion Exchange Waterleau Ltd.	5,00,00,000	5,00,00,000	-	-	5,00,00,000	5,00,00,000
<b>Total</b>	<b>21,39,07,683</b>	<b>21,50,50,000</b>	<b>-</b>	<b>-</b>	<b>21,39,07,683</b>	<b>21,50,50,000</b>

\* Gross sales amount has been considered.

\*\* Provision has been made in respect of the said amount.

II. Transactions during the year with entity having significant influence with outstanding balances as at year-end:

Amount (in Rupees)

Name of the Related Party	Outstanding Receivable		Loan given during the year		Loans repaid during the year		Dividend paid during the year	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
IEI Shareholding Trusts	21,86,35,000	22,27,46,000	-	-	41,11,000	41,13,000	53,25,828	53,25,828

III. Stock Options granted and outstanding to Key Management Personnel during the year: Nil (2013-2014: Nil).

Investment made by the borrower in the shares of the Company

Name of the Related Party	No. of shares as at	
	31st March 2015	31st March 2014
IEI Shareholding Trusts	26,62,914	26,62,914

39. In early 90s, the company had given loans to Employees' IEI Shareholding Trusts. The amount outstanding as at 31st March 2015 is Rs. 21,86,35,000 (2013-2014 : Rs. 22,27,46,000). The company has carried out valuation of the assets held by the trusts. Considering the valuation, book value of the corpus of the trusts as on the balance sheet date and future opportunities, the management does not anticipate any ultimate loss arising out of these loans.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

40. The company has an investment of Rs. 54,70,000 (2013-2014 : Rs. 54,70,000) in equity shares and 15,00,000 (2013-2014 : 15,00,000) 7% Secured Redeemable Non-Convertible Debentures of Rs. 100 each fully paid up, in Ion Exchange Enviro Farms Limited (IEEFL), a subsidiary company, as at 31st March 2015 and it has also granted Loans and Advances aggregating Rs. 12,31,74,629 (2013-2014 : Rs. 10,86,84,680) as at 31st March 2015 to IEEFL. As at 31st March 2015, the accumulated losses of IEEFL have substantially exceeded its paid-up share capital.

IEEFL has undertaken various cost reduction programs and it expects better returns in the coming years from its organic farming activities, bio-pesticides and bio-fertilizers marketing. Moreover, 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 the company 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 company'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. The company does not envisage any liability on this account.

41. Other loans and advances includes maintenance expenses recoverable of IEEFL, which 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 Rs. 3,18,50,064 (2013-2014 : Rs. 3,74,04,913) as future returns from crop sales and sale of land will be available to recover the same.

42. Other loans and advances includes security deposit of Rs. 2,56,97,178 (2013-2014 : Rs. 2,56,97,178) paid by IEEFL for acquiring agricultural land, inclusive of stamp duty and registration charges, which are unsold as at 31st March 2015. IEEFL has conducted valuation of land and accordingly, provision of Rs. 55,82,922 (2013-2014 : Rs. 55,82,922) has been made as at March 31, 2015.
43. Other loans and advances includes repurchase advance of Rs. 3,27,32,699 (2013-2014 : Rs. 3,42,99,239) paid by IEEFL to investors for repurchase of agricultural land sold to them in earlier years, at prices announced by IEEFL from time to time. These amounts are paid to investors on their execution of an irrevocable Power of Attorney in favor of IEEFL's nominees for sale thereof at future date.
44. Capital expenditure incurred on research and development during the year is Rs. 12,34,639 (2013-2014 : Rs. 29,39,424). Revenue expenditure of Rs. 4,71,34,662 (2013-2014 : Rs. 4,02,22,666) incurred on research and development has been expensed to the statement of profit and loss under various expense heads.

**45. LEASE****A. Operating Lease**Group as lessee:

The Company has entered into lease agreements for certain items of plants and machineries and office premises. The lease agreement is for 3 to 5 years. There are no restrictions placed upon the company by entering into this lease.

Further minimum rentals payable under non-cancellable operating leases are as follows:

	31st March 2015 Rupees	31st March 2014 Rupees
Within one year	1,92,32,474	1,99,58,136
After one year but not more than five years	3,40,11,481	4,46,16,014
More than five years	Nil	Nil

Group 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.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**

**45. LEASE (contd...)**

Further minimum rentals payable under non-cancellable operating lease are as follows:

	31st March 2015 Rupees	31st March 2014 Rupees
Within one year	90,17,244	90,17,244
After one year but not more than five years	2,73,05,781	3,62,27,025

**B. Finance Lease**

The company has entered into lease agreement for certain items of plant and machineries (including capital work in progress) and office equipments. The lease terms are between 3 and 4 years and can be renewed at the option of the company. There is no escalation clause in the lease agreement. There are no subleases. Future minimum lease payment (MLP) under finance leases together with the present value of the net MLP are as follows:-

	31st March 2015 Rupees	31st March 2014 Rupees
Total minimum lease payments at the year end	75,76,092	70,19,640
Less : Amount representing finance charges	11,94,167	8,11,169
Present value of minimum lease payments (Rate of interest: 4.95% p.a. to 10.94% p.a.)	63,81,925	62,08,471
Minimum lease payments :		
Not later than one year [Present value Rs. 91,72,552 as on 31.03.2015 (Rs.58,67,835 as on 31.03.2014)]	1,09,89,064	70,19,640
Later than one year but not later than five years [Present value Rs. 1,21,42,426 as on 31.03.2015 (Rs. 60,59,040 as on 31.03.2014)]	1,62,97,079	76,50,915

**46. CAPITAL AND OTHER COMMITMENTS**

Estimated amount of contracts (net of advances) remaining to be executed on capital account not provided for is Rs. 4,31,54,846 (2013-2014 : Rs. 1,45,85,400).

**47. CONTINGENT LIABILITIES**

Contingent liabilities not provided for:

(a) Guarantee given by the group on behalf of :

- i) Associates – Rs. 16,39,07,683 (2013-2014 : Rs. 16,50,50,000)
- ii) Joint venture – Rs. 5,00,00,000 (2013-2014 : Rs. 5,00,00,000)
- iii) Others – Rs. 38,88,000 (2013-2014 : Rs. 38,88,000)

(b) Demand raised by authorities against which the company has filed an appeal.

- i) Income tax – Rs. 53,82,201 (2013-2014 : Rs. Nil)
- ii) Excise duty – Rs. 16,78,600 (2013-2014 : Rs. 16,78,600)
- iii) Service tax – Rs. 10,52,535 (2013-2014: Rs. 5,61,092)
- iv) Sales tax / VAT – Rs. 35,30,797 (2013-2014 : Rs. 11,53,416)
- v) Customs duty – Rs. 22,58,117 (2013-2014 : Rs. 22,58,117)

(c) Claims against the company arising in the course of business not acknowledged as debts (to the extent ascertainable) Rs. 4,82,16,849 (2013-2014 : Rs. 1,79,72,673).

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 2015 (contd...)****48. UNHEDGED FOREIGN CURRENCY EXPOSURE**

Particulars of unhedged foreign currency exposure as at balance sheet date

Particulars	Particulars of derivative			
	2014-2015		2013-2014	
	Amount (Rs.)	Foreign currency	Amount (Rs.)	Foreign currency
Import Payables	22,66,58,001	USD 30,71,401 EUR 3,21,530 GBP 2,223 JPY 25,50,000 AED 3,23,371 SAR 3,32,914 QAR 8,492	14,88,17,765	USD 22,95,758 EUR 47,050 GBP 9,225 AED 94,320 SAR 2,71,454 QAR 8,492
Export Receivables	53,88,21,425	USD 54,19,887 EUR 1,43,560 AED 59,03,260 BHD 26,569 GBP 6,45,874 SAR 15,04,025	38,18,14,578	USD 33,82,326 EUR 1,52,804 AED 37,80,717 BHD 28,367 QAR 2,11,908 GBP 6,65,498 SAR 18,43,687
Foreign Currency Bank Account	5,78,12,181	USD 31,620 AED 27,19,174 BHD 54,839 EUR 5,558	42,15,245	USD 31,625 AED 2,19,801 BHD (10,952) EUR 5,563
Foreign Currency in hand	55,496	AED 2,076 BHD 121	5,81,072	AED 33,033 BHD 251

49. During the year 2013-2014, 47,800 equity shares were allotted to employees and directors under ESOS 2008 on 30th May 2013 and 24th July 2013. Accordingly dividend of Rs. 2.00 per share (20%) declared at the annual general meeting held on 24th September 2013 was also paid to those shareholders (book closure date being 24th September 2013).
50. Back charges represent reimbursement of costs incurred by customers on the Group's behalf in the course of contract execution
51. The Company with effect from 1st April 2014 has charged depreciation based on the revised remaining useful life of the assets as per the requirement of Schedule II of the Companies Act, 2013. Due to above, depreciation charge for the year ended 31st March 2015 is higher by Rs. 1,86,29,106. Further based on transitional provision provided in note 7(b) of Schedule II of the Companies Act, 2013 depreciation of Rs. 2,82,62,006 and deferred tax of Rs. 83,81,045 have been adjusted to retained earnings.
52. During the year ended 31st March 2013, Ion Exchange Services Limited was amalgamated with Ion Exchange India Limited (the Company) with effect from 1st April 2012, pursuant to a scheme of amalgamation sanctioned by the High Court. Consequent to this amalgamation, during the year 2013-14, the company issued 11,80,256 equity shares of Rs. 10 each against the 'Share capital suspense account' of Rs. 1,18,02,560 outstanding as at 31st March 2013.
53. Previous year figures have been regrouped / reclassified wherever necessary, to conform to current year's classification. The financial statement of the previous year have been audited by other auditors

As per our report of even date

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

BHAVESH DHUPELIA  
Partner  
Membership no.: 042070

Place : Mumbai  
Date : 25th May 2015

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

RAJESH SHARMA  
Chairman & Managing Director

N. M. RANADIVE  
Executive Vice President - Finance

M. P. PATNI  
Director

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 25th May 2015

**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														Rs. in Lacs		
Sr. no.	Name of the subsidiary	Financial year ending on	Country of Incorporation	Reporting currency	Exchange rate as at 31 March 2015	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments (excluding investment in subsidiaries)	Turnover (including Other Income)	Profit / (Loss) Before Tax	Provision for Tax	Profit / (Loss) After Tax	Proposed Dividend	% of share-holding
1	Ion Exchange Enviro Farms Ltd.	31.03.2015	India	INR	1.00	69.47	(1,903.17)	1,035.93	2,869.63	-	116.04	(206.07)	-	(206.07)	-	79.60
2	Watercare Investments (India) Ltd.	31.03.2015	India	INR	1.00	178.02	(19.45)	160.60	2.03	0.13	10.79	10.27	2.00	8.27	-	99.43
3	Aqua Investments (India) Ltd.	31.03.2015	India	INR	1.00	177.02	2.48	181.41	1.91	0.12	30.43	29.87	2.15	27.72	-	99.42
4	Ion Exchange Asia Pacific Pte. Ltd.	31.03.2015	Singapore	USD	62.5908	1,237.44	(691.19)	2,277.87	1,731.62	30.67	2,639.58	49.82	-	49.82	-	100.00
5	Ion Exchange Asia Pacific (Thailand) Ltd. *	31.03.2015	Thailand	THB	1.9215	57.65	(109.80)	705.96	758.11	-	548.19	34.55	-	34.55	-	100.00
6	IEI Environmental Management (M) Sdn. Bhd.	31.03.2015	Malaysia	MYR	16.8677	42.17	(118.74)	201.40	277.97	-	109.56	(54.39)	(10.79)	(43.60)	-	60.00
7	Ion Exchange Environment Management (BD) Ltd.	31.03.2015	Bangladesh	BDT	0.8044	44.94	141.13	520.13	334.06	-	864.45	61.38	21.48	39.90	-	100.00
8	Ion Exchange WTS (Bangladesh) Ltd.	31.03.2015	Bangladesh	BDT	0.8044	22.10	(26.41)	0.01	4.32	-	-	(0.19)	-	(0.19)	-	100.00
9	Ion Exchange LLC	31.03.2015	USA	USD	62.5908	438.14	(825.93)	978.22	1,366.01	-	1,559.70	(3.65)	0.60	(4.25)	-	100.00
10	Ion Exchange & Company LLC	31.03.2015	Oman	OMR	162.47	487.41	508.86	1,656.62	660.35	-	1,908.90	358.72	29.73	328.99	-	51.00
11	Ion Exchange Infrastructure Ltd.	31.03.2015	India	INR	1.00	410.00	209.87	2,387.43	1,767.56	9.84	634.63	(392.30)	7.85	(400.15)	-	76.00
12	Ion Exchange Projects And Engineering Ltd.	31.03.2015	India	INR	1.00	1,000.00	(978.73)	7,910.90	7,888.63	-	3,377.11	(452.16)	-	(452.16)	-	100.00
13	Global Composite And Structural Ltd.	31.03.2015	India	INR	1.00	283.00	(1,119.19)	2,099.80	2,935.99	5.00	407.22	(487.29)	-	(487.29)	-	76.78
14	Total Water Management Services (India) Ltd.	31.03.2015	India	INR	1.00	5.00	7.96	16.43	3.47	-	15.53	6.74	2.14	4.60	-	99.87
15	Ion Exchange Safic Pty. Ltd.	31.03.2015	South Africa	ZAR	5.1779	0.05	(171.44)	185.31	356.70	-	274.39	(101.75)	-	(101.75)	-	60.00
16	Ion Exchange Purified Drinking Water Pvt. Ltd.	31.03.2015	India	INR	1.00	1.00	(8.84)	1,069.14	1,076.98	-	-	(8.04)	0.17	(8.21)	-	100.00

\* Holding through subsidiary company – Ion Exchange Asia Pacific Pte. Limited, Singapore.

Note :

Subsidiaries yet to commence operation

Subsidiaries liquidated or sold during the year

: None

: None

Part B : Associates and Joint Ventures							
Sr. no.	Name of the Associates / Joint ventures	Joint venture		Associates			
		Ion Exchange Waterleau Ltd	IEI Water-Tech (M) Sdn. Bhd. *	Astha Technical Services Ltd. **	Aquanomics Systems Ltd	Ion Exchange Financial Products Pvt. Ltd.***	Ion Exchange PSS Co. Ltd.*
1	Latest audited balance sheet date	31.03.2015	31.12.2014	31.03.2015	31.03.2015	31.03.2015	31.03.2015
2	Share of Associate / Joint ventures held by company on year end						
	- Number of shares	25,00,000	3,00,000	2,28,000	4,60,000	2,450	14,700
	- Amount of investment (net of impairment, if any) (Rs. in Lacs)	250.00	-	22.84	46.00	0.25	30.67
	- Extent of holding %	50.00%	30.00%	46.53%	48.42%	24.02%	49.00%
3	Description of how there is significant influence	Joint Venture	Significant influence due to percentage of share capital				
4	Reason why the Associate / Joint ventures is not considered	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5	Networth attributable to shareholding as per latest audited balance sheet (Rs. in Lacs)	(581.50)	-	22.06	165.80	(5.71)	(107.88)
6	Profit / (Loss) for the year						
	i. Considered in consolidation # (Rs. in Lacs)	(125.05)	-	(9.76)	6.38	-	-
	ii. Not considered in consolidation (Rs. in Lacs)	(125.05)	-	(12.52)	12.21	0.66	(19.64)

\* Holding through subsidiary company – Ion Exchange Asia Pacific Pte. Limited, Singapore.

\*\* Inclusive of holding through subsidiary company – Ion Exchange Infrastructure Limited.

\*\*\* Holding through subsidiary companies – Aqua Investments (India) Limited and Watercare Investments (India) Limited.

# Considered in consolidation as per applicable accounting standard.

Note :

Associates / Joint Ventures yet to commence operation : None

Associates / Joint Ventures liquidated or sold during the year : None

As per our report of even date

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

BHAVESH DHUPELIA  
Partner  
Membership no.: 042070

Place : Mumbai  
Date : 25th May 2015

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

RAJESH SHARMA  
Chairman & Managing Director

N. M. RANADIVE  
Executive Vice President - Finance

M. P. PATNI  
Director

MILIND PURANIK  
Company Secretary

Place : Mumbai  
Date : 25th May 2015

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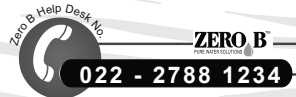
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*A. F. Balliwala*

\*Valid up to 31.03.2016

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Refreshing the Planet

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CIN: L74999MH1964PLC014258

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

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Venue)

51st Annual General Meeting on Wednesday, 16th September, 2015 at 11.00 a.m.

at Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai – 400 025

Regd. Folio No. \_\_\_\_\_ DP ID \_\_\_\_\_ Client ID \_\_\_\_\_ No. of Shares held \_\_\_\_\_

Signature \_\_\_\_\_

Name of the attending Member (in BLOCK letters)

Signature \_\_\_\_\_

Name of Proxy (in BLOCK letters)

Notes:

- 1. Interested Joint Shareholders may obtain attendance slips from the Registered Office of the Company.
2. Shareholders/Joint Shareholders and Proxy are requested to bring the attendance slip with them. Duplicate slips will not be issued at the entrance of the meeting venue..



Refreshing the Planet

Ion Exchange (India) Limited

CIN: L74999MH1964PLC014258

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

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Table with 2 columns: Field Name, Value. Fields include Name of the member(s), Registered Address, E-mail Id, Folio No./ Client ID, DP ID.

I/We, being the member (s) of \_\_\_\_\_ shares of Ion Exchange (India) Limited, hereby appoint

- 1. Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_
Address: \_\_\_\_\_ Signature: \_\_\_\_\_
or failing him
2. Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_
Address: \_\_\_\_\_ Signature: \_\_\_\_\_
or failing him
3. Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_
Address: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 51st Annual General Meeting of the company, to be held on the 16th day of September 2015 at 11.00 a.m. at Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai – 400 025 and at any adjournment thereof in respect of such resolutions as are indicated below:

- 1. Adoption of audited standalone and audited consolidated financial statements, Report of the Board of Directors and Auditors for the financial year ended March 31, 2015.
2. Approval of Dividend.
3. Appointment of Mr. M.P. Patni who retires by rotation and being eligible, offers himself for re-appointment.
4. Appointment of M/s. B S R & Co. LLP as Statutory Auditors.
5. Appointment of M/s. Charantimath Associates as Branch Auditors.
6. Ratification or remuneration of Cost Auditors.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 20....



Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



**NOTES**

## 10 Years at a Glance

Rs. in Lacs

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Turnover (including Other Income) *	76,975	74,365	80,078	68,274	59,975	51,840	45,474	50,979	44,486	32,457
Profit Before Tax	3,802	3,140	3,248	2,562	1,940	1,021	374	1,567	1,033	703
Tax (including Deferred Tax)	1,188	1,088	1,099	807	727	360	118	335	337	74
Fringe Benefit Tax	-	-	-	-	-	-	112	167	98	124
Profit After Tax	2,614	2,052	2,149	1,755	1,213	661	144	1,065	598	505
Dividend **	505	341	339	316	322	223	149	307	211	131
Dividend (%)	30%	20%	20%	20%	20%	15%	10%	20%	15%	10%
Retained Earnings	2,109	1,711	1,810	1,439	891	438	(5)	758	387	374
Share Capital ***	1,453	1,453	1,448	1,356	1,343	1,273	1,269	1,266	1,199	1,141
Reserves & Surplus ****	20,570	18,626	16,938	14,857	13,381	12,166	11,581	11,409	10,199	9,582

\* Turnover is inclusive of excise.

\*\* Includes tax on dividend, if any.

\*\*\* Including Share capital suspense account, if any.

\*\*\*\* Excluding Revaluation reserve



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Sanrangpur Prathmik Primary  
School, Gujarat



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Kolkata



Water Purification Plant at  
Government Secondary School,  
Tamil Nadu



Water Purification Plant at  
SoCare Ind, Karnataka



Running for a Cause at the  
Standard Chartered Mumbai  
Marathon



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Water Storage Tanks, Maharashtra,  
through NGO - Swades



Tree Plantation at Government  
Zilla Parishad School, Telangana



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**ION EXCHANGE (INDIA) LTD.**

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Tel: +91 22 3989 0909 Fax: +91 22 2493 8737 E-mail: [ieil@ionexchange.co.in](mailto:ieil@ionexchange.co.in)  
Website: [www.ionindia.com](http://www.ionindia.com)