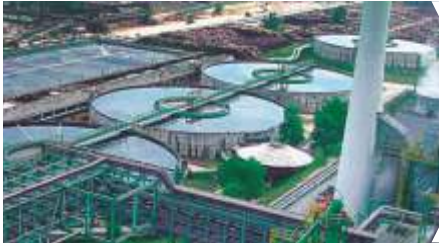


*Refreshing the Planet*

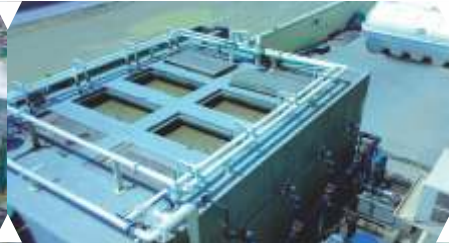


52<sup>nd</sup> Annual Report  
2015 - 16

## OUR INTERNATIONAL PROJECTS



High Rate Solids Contact Clarifiers at PT RAPP, Indonesia



Membrane Bio-reactor at a Civil Contracting Company, Wade Adams, Dubai



Ultra High Rate Clarifier at PT South Pacific Viscose, Indonesia



Membrane Bio-reactor for Sungbo, Abu Dhabi



Desalination Plant for Al Ghubrah Power, Oman



Membrane Bio-reactor Plant at Industrial Area, UAE



ETP Plant with containerised UF System for Air Liquide Global E&C Solutions



Reverse Osmosis Plant for Um Al Quain, UAE



Solar Powered Sea Water Reverse Osmosis for a Tourist Development Complex, Abu Dhabi



Pretreatment at OKPAI Power Plant, Nigeria

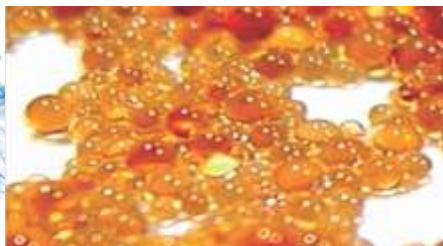


Reverse Osmosis System for Vedanta Group, Konkola Copper Mines, Zambia, Africa



Reverse Osmosis System for Global Spectrum Inc., USA

## EXPORT QUALITY



**INDION® Resins**



**INDION® Water Treatment Chemicals**

# ION EXCHANGE...

across the globe

At Ion Exchange, we take great pride in being forerunners of positive change. Today, we have become a global icon in the water and environment management domain in our endeavor to provide total integrated solutions to our customers for sustainable development.

In 1965, Ion Exchange pioneered the production of world class resins in India, and simultaneously commenced the design, engineering and supply of water treatment plants to India's industrial sector. We further expanded our technology base to provide integrated solutions, being the first in India to introduce many of these technologies.

Today, we have supplied more than 100,000 plants worldwide including over 1,000 major installations in the core sectors such as thermal and nuclear power stations, steel, fertilizer and refineries, as well as diverse industries such as chemicals, automobile, electronics, paper, food & beverage, pharmaceutical and textile.

Convinced that exports would impel us to enhance quality to international standards, we made a determined push into the intensely competitive international market.

In 1976, we set up our first international plant, through BHEL, at the Sultan Ismail Power Station of the National Electricity Board in Malaysia. This was followed by exports to Russia and Africa in the '80s. We formed an expert team to further explore the global markets. Benchmarking with the best was rewarded by a breakthrough in the quality conscious Japanese market in 1995. Since then, we have successfully executed a large number of projects globally with stringent requirements of customers. Besides this, more than 45% of resin produced by us is exported across the world.

Today, we cover the global market through our offices in Asia, Africa, North America and other continents through our business associates. We work with leading EPC companies and multinational customers in Japan, Europe, USA and Korea for export of our products and projects.

We continue to be guided by our vision – "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, Technology & Marketing
N. M. Ranadive	Executive Vice President - Finance
Dinesh Sadasivan	Executive Vice President - Standard Systems, CSD & Services
S. V. Mehendale	Executive Vice President - Resin & Membrane Division
S. N. Iyengar	Executive Vice President - Medium Industry Segment
Anil Khera	Executive Vice President - Chemical Division
Prashant K. Chitnis	Sr. Vice President - Technology
J. P. Pathare	Sr. Vice President - International Division
Vasant Naik	Sr. Vice President - Finance
C. K. Sandeep	Sr. Vice President - Env. Division
N. Anbananthan	Sr. Vice President - Research & Development
P. M. Nawathe	Sr. Vice President - Commercial
Paresh Ballikar	Sr. Vice President - Internal Audit & Information Technology
C.C. Pal	Sr. Vice President - Plant Operations & Product Management (ICD)
Atul Borkar	Sr. Vice President - Home Water Solutions

**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

**Contents**

Notice.....	3
Director's Report.....	9
Management Discussion and Analysis Report.....	35
Report on Corporate Governance.....	40
Auditor's Report.....	52
Standalone Financial Statements.....	58
Consolidated Financial Statements.....	102

*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 Second Annual General Meeting of the members of Ion Exchange (India) Limited will be held on Friday, 9<sup>th</sup> September, 2016 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 31<sup>st</sup> March, 2016, 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. **Ratification of 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, the Company hereby ratifies the appointment of M/s. B S R & Co. LLP, Chartered Accountants (Reg. No. 101248W/W-100022), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company to be held in the year 2017 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 AGM of the Company and the Board of Directors be and is hereby authorized to fix their remuneration.”

#### 6. **Approval of Cost Auditors Remuneration:**

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

“RESOLVED THAT pursuant to the provisions of Section 148 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.3,00,000/(Rupees Three Lacs Only) Plus Service Tax and out of pocket expenses for the financial year ending 31<sup>st</sup> March, 2017.

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.”

**7. To approve payment of Commission to Non - Executive Directors:**

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

“RESOLVED THAT in accordance with the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (the Act) including any statutory modification(s) or re-enactment(s) thereof, the Articles of Association of the Company and subject to all applicable approval(s) as may be required, consent of the Members be and is hereby accorded to the payment of commission for a period of five years commencing from 1<sup>st</sup> April, 2015 to the Non - Executive Directors of the Company as may be decided by the Board from time to time, provided that the total commission payable to the Non - Executive Directors per annum shall not exceed one percent of the net profits of the Company for that year as computed in the manner specified under Section 198 of the Act, with authority to the Board to determine the manner and proportion in which the amount be distributed among Non - Executive Directors.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and/or the Nomination and Remuneration Committee constituted by the Board be and are hereby authorized to take all actions and do all such acts, deeds and things, as may be necessary to give effect to the said 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, 24<sup>th</sup> May, 2016

**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 Thursday, 1<sup>st</sup> September, 2016 to Friday, 9<sup>th</sup> September, 2016 (both days inclusive).
3. Details of Directors seeking appointment / re-appointment as required under Regulation 36(3) of the Listing Regulation & Secretarial Standard on General Meetings.

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 48 years. He has considerable exposure in handling large projects of national importance.	
Chairman/Director of Other Companies	1	Aartus & Associates Pvt. Ltd.
	2	Labhda Properties Pvt. Ltd.
	3	IEI Water Tech (M) Sdn. BHD. (Malaysia)
	4	IEI Environmental Management (M) SDN.BHD. (Malaysia)
	5	Ion Exchange Environmental Management (BD) Ltd. (Bangladesh)
	6	Ion Exchange Asia Pacific Pte. Ltd. (Singapore)
	7	Ion Exchange Asia Pacific (Thailand) Ltd.
	8	Ion Exchange Projects & Engineering Ltd.
	9	Ion Exchange PSS Ltd. (Thailand)
	10	Ion Exchange Safic (Pty.) Ltd. (South Africa)

Chairman/Member of the committees of the Company and other Company(s)	<p>Member of the following committees of Ion Exchange (India) Limited</p> <ol style="list-style-type: none"> <li>1. Employee Stock Option Compensation Committee</li> <li>2. Nomination and Remuneration Committee</li> <li>3. Corporate Social Responsibility Committee</li> </ol> <p>Member of the following committees of Ion Exchange Projects and Engineering Limited.</p> <ol style="list-style-type: none"> <li>1. Audit Committee</li> </ol>
No of Board Meetings attended	Five
Number of shares held in the Company	7,11,747
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. M. P. Patni is related to Mr. Aankur Patni who is Executive Director.

4. Dividend, if declared at the meeting will be paid on or before 14<sup>th</sup> September, 2016 to those members (holding shares in physical form) whose names appear on the Register of members as on 9<sup>th</sup> September, 2016 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 (TSRD) 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 2007-2008 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 2008-2009 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 regards 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 2015-16 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 Regulation 44 of Listing Regulation the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- II. 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 8<sup>th</sup> September, 2016 (5.00 p.m IST).

Members have the option to request for physical copy of the Ballot Form by sending an email to [investorhelp@ionexchange.co.in](mailto: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 8<sup>th</sup> September, 2016 (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 postal 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 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 5<sup>th</sup> September, 2016 (9:00 am) and ends on 8<sup>th</sup> September, 2016 (5:00 pm). During this period member of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 2<sup>nd</sup> September, 2016, 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.nsd.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 Sr. No. (ii) to Sr. No. (xii) 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 2<sup>nd</sup> September 2016.
- 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. 2<sup>nd</sup> September 2016, 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 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.
- XV. 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 "Polling 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, 24<sup>th</sup> May, 2016

## 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. 5 to 7 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 No. 6:

M/s. Kishore Bhatia & Associates, Cost Accountants, are appointed as Cost Auditors of the Company to audit the accounts relating to cost records for the financial year ending March 31, 2017.

Remuneration payable to M/s. Kishore Bhatia & Associates, Cost Auditors of the Company for the financial year ended March 31, 2017 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 24, 2016.

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 Members.

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

### Item No. 7:

The current competitive business environment, stringent accounting standards and corporate governance norms require considerably enhanced levels of involvement of the directors in the decision making process. The responsibility of Directors has become more onerous and the Directors are required to give more time and attention to the business of the company. It is therefore proposed to make payment of the commission to Non - Executive Directors of the Company.

In accordance with Section 197, 198 of the Companies Act 2013, your Directors are seeking approval for payment of commission to the Non- Executive Directors not exceeding one percent per annum of the net profit of the company as computed in the manner provided under the Companies Act 2013 for a period of five years commencing from 1<sup>st</sup> April, 2015. The payment of commission would be in addition to the sitting fees payable for attending the Meetings of the Board and committees thereof.

The Board at its Meeting held on 24<sup>th</sup> May, 2016 subject to approval of shareholders, approved the payment of commission to Non - Executive directors.

The Board commends the Resolution at Item No. 7 for approval by the Members.

Except Non - Executive Directors and Mr. Aankur Patni- Executive Director none of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution.

### Registered Office:

Ion House  
Dr. E. Moses Road  
Mahalaxmi, Mumbai 400 011  
**CIN: L74999MH1964PLC014258**  
Mumbai, 24<sup>th</sup> May, 2016

By Order of the Board

Milind Puranik  
Company Secretary

## DIRECTORS' REPORT

To  
The Members,

Your Directors have pleasure in presenting the 52<sup>nd</sup> Annual Report and Accounts for the year ended 31<sup>st</sup> March, 2016.

### FINANCIAL RESULTS

The highlights of the financial results are as follows:

	Year ended March 2016 (Rs. in Lacs)	Year ended March 2015 (Rs. in Lacs)
Profit before taxation	5,136	3,802
Less: Provision for taxation :		
Current tax	1,720	1,315
Deferred tax	(33)	(127)
Profit after tax	<u>3,449</u>	<u>2,614</u>
Add: Balance in Statement of Profit & Loss brought forward from Previous Year	9,630	7,684
Less: Additional Depreciation	---	163
Profit balance available for appropriation	<u>13,079</u>	<u>10,135</u>
Appropriations:		
Dividend including Proposed Dividend	437	436
Tax on dividend	56	69
Balance in Statements Profit & Loss Carried Forward to Balance Sheet	<u>12,586</u>	<u>9,630</u>

### OPERATIONS

During the financial year ended 31<sup>st</sup> March, 2016, the net profit after tax of the company has increased by 32% to Rs.3,449 Lacs as compared to previous year's net profit after tax of Rs. 2,614 Lacs. The turnover was higher at Rs. 831 Crores as compared to Rs. 762 Crores of the previous year showing a increase of 9%.

### DIVIDEND

The Directors are pleased to recommend a dividend of Rs. 3/- [30%] per equity share for the financial year ended 31<sup>st</sup> March, 2016.

### FUTURE OUTLOOK

According to International Monetary Fund (IMF), growth in advanced economies is projected to rise by 0.2 percentage points in 2016 to 2.1 percent, and hold steady in 2017. Growth in emerging markets and developing economies is projected to increase from 4 percent in 2015 - the lowest since the 2008 - 09 financial crisis - to 4.3 and 4.7 percent in 2016 and 2017, respectively.

India continues to remain a bright spot in an overall gloomy global economy. As per the World Economic outlook released by the IMF, India will be the fastest growing major economy in 2016-17 growing at 7.5%, ahead of China, at a time when

global growth is facing increasing downside risks. India's growth is expected to continue to be driven by private consumption, which has benefited from lower energy prices and higher real incomes. With the revival of sentiment and pickup in industrial activity, a recovery of private investment is expected to further strengthen growth.

Your company is well poised to benefit from the revival of industrial activity in the Indian economy. The increasing government regulations and focus on water and water management such as the Swachh Bharat Mission, the Clean Ganga initiative, the National Rural Drinking Water Programme, along-with stricter enforcement of the environmental norms for polluted water discharge, reduced carbon footprint, waste water treatment and requirement of zero liquid discharge plants from various industries will also drive the demand for water and wastewater treatment solutions. Your company is simultaneously making good headway in the international markets where demand for such water and waste water management solutions continues to be good with increased requirement for Company's speciality chemical and resin products.

Your company is strategically well positioned as one of the leading players in the organised water solutions industry in India and one of the very few companies providing end-to-end water solutions to its customers, from engineering equipments to water treatment resins and chemicals to consumer products.

**FINANCIAL RESOURCES****Share Capital**

Under Employees Stock Option Scheme – ESOS – 2001 & 2003, the Employees Stock Option Compensation Committee (ESOCC) allotted 92,500 & 42,000 Equity shares respectively to the employees of the Company. The Paid-up equity capital of the Company increased from Rs. 14,53,21,590/- to Rs. 14,66,66,590/- after allotment.

**Fixed Deposits**

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

**Particulars of Loans, Guarantees or Investments**

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

**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 31<sup>st</sup> March, 2016, the subsidiary companies M/s. Aqua Investments (India) Limited posted profit of Rs.12.44 lacs compared to Rs. 27.72 lacs of the previous year and M/s. Watercare Investments (India) Ltd. posted profit of Rs.10.59 lacs compared to Rs. 8.27 lacs of the previous year.

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

During the year under review, Company clocked a turnover of Rs. 56.10 Lacs as against Rs. 56.80 Lacs in the previous year.

In response to earlier submissions to SEBI, Company received guidelines / directions on modalities which are being further discussed with SEBI for smooth implementation.

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

The Company achieved a consolidated turnover of Rs. 2,928.54 lacs for the year under review.

The performance of the Company was adversely affected due to uncertain economic conditions in South East Asia and resultant deferment of capital expenditure by customers. The focus is now to expand business activities in other geographies of South East Asia Region.

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

The Company achieved a turnover of Rs.70.07 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. 1,166.57 lacs for the year under review showing improvement of 34.94% over the previous year. The Company registered higher profit of Rs.50.53 lacs as compared to Rs.39.90 lacs of the previous year.

The Company continues to focus on industrial water and waste water treatment. Company's initiatives in infrastructure segment continue and company is confident of breakthroughs in this Segment.

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

The Company is currently not in operation.

**Ion Exchange & Co. LLC, Oman**

The Company achieved a turnover of Rs.1845.31 lacs for the year under review as against Rs. 1908.66 lacs for the previous year. However it registered a higher profit at Rs. 366.45 lacs as compared to Rs.328.99 lacs for previous year.

The Company is set up to address the need of Middle East market specially Oman.

The Company showed improvement in margins over the previous year mainly due to cost optimization and improvement in operating efficiencies. The focus is to consolidate the business considering the oil crisis and its impact on local economy.

**Ion Exchange LLC, USA**

The Company achieved a turnover of Rs.2,153.91 lacs for the year under review, showing an improvement of 30% over the previous year.

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

The major focus continues to be marketing of Ion Exchange resins. Continued focus to promote speciality resins in this market has helped in improving the turnover. Due to higher turnover and operational efficiencies company made profit of Rs. 31.46 lacs.

**Ion Exchange Projects and Engineering Limited**

The Company achieved a turnover of Rs.3,126.01 lacs for the year under review.

During the year Ion Exchange Infrastructure Ltd. (a Subsidiary of the Company) was amalgamated with Ion Exchange Projects and Engineering Ltd. The Bombay High Court approved the amalgamation vide its order dated 28<sup>th</sup> October, 2015. The above results reflect the position after considering the amalgamation.

#### **Global Composites and Structural Limited**

The Company achieved a turnover of Rs. 642.23 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. 291.76 lacs for the year under review.

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

During the year under review the business prospects from South Africa and neighboring countries improved. However considering the foreign exchange fluctuations the expected turnover was impacted. Opportunities for water projects grew due to the growing water scarcity in the region. The Company's strategic position and technical expertise to handle large projects in infrastructure segment will help the Company to grow in the near future.

#### **Total Water Management Services (India) Limited**

The Company achieved a turnover of Rs.37.42 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 achieved a turnover of Rs. 1,108.18 Lacs for the year under review.

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

#### **ASSOCIATE AND JOINT VENTURE COMPANIES**

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

#### **DIRECTORS**

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

All Independent Directors have given declarations that they

meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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, Key Managerial Personnel, 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 31<sup>st</sup> March, 2016, the applicable accounting standards have been followed along with proper explanation given relating to material departures, if any;
- (ii) appropriate accounting policies have been selected and applied consistently and judgments and estimates 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 31<sup>st</sup> March, 2016 on a going concern basis.
- (v) proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

- (vi) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### KEY MANAGERIAL PERSONNEL

The Company has following persons as Key Managerial Personnel.

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

#### NUMBER OF MEETINGS OF THE BOARD

The details of number of meetings of the Board held during the financial year 2015-16 forms part of the Corporate Governance Report.

#### WHISTLE BLOWER POLICY / VIGIL MECHANISM

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, and the rules made thereunder are not attracted. Thus disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. 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 vis a vis the Company.

#### PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 of the Companies Act, 2013 (the Act) 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 ISO 9001:2008 and Environmental Management system namely ISO 14001:2004 have been adopted by all factories.

During the year (2015-16) the chemical factory, International Division & Customer Support Division has been re-certified for the ISO 9001-2008 quality systems. In addition, the chemical factory has been recertified for ISO 14001-2004 and OHSAS 18001-2007 standards. Apart from this, our Resin, SSD, Goa, Hosur factories and subsidiary namely Ion Exchange Project & Engineering Ltd have successfully cleared their Surveillance audits.

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

WQA-Gold seal certificate from Water Quality Association-USA, Kosher Certificate from the Kashruth Council of Canada, Halal Certificate from the Manjellis Ulama Indonesia, The Indonesia Council of Ulama, EU certificate from Central Drugs Standard Control Organization, New Delhi, GMP (Good Manufacturing Practice) and GLP (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

##### Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, M/s. B S R & Co.

LLP, Chartered Accountants (Reg. No. 101248W/W-100022), were appointed as statutory auditors of the Company for a period of five years from the conclusion of the fifty first annual general meeting (AGM) of the Company held on September 16, 2015 till the conclusion of the fifty sixth AGM to be held in the year 2020. Ratification of appointment of Statutory Auditors is being sought from the members of the company at the ensuing 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], Bengaluru, hold office until the conclusion of this meeting and are eligible for re-appointment. Pursuant to the provisions of Section 139 and 143 (8) of the Companies Act, 2013 and rules framed there under, it is proposed to appoint M/s. Charantimath Associates as branch auditors of the Company from the conclusion of forthcoming AGM till the conclusion of next AGM.

#### **Cost Auditors**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its Chemicals 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 31<sup>st</sup> March, 2017. 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.

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 Regulation 34 of Listing Regulations read with Schedule V (Part C) forms part of this annual report.

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

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

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

The details forming part of the extract of the Annual Return in form MGT 9 as required under Section 92 of the Companies Act, 2013 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 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, health & hygiene, 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 the 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 31<sup>st</sup> March, 2016 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 and shareholders.

On behalf of the Board of Directors

Mumbai  
Date : 24<sup>th</sup> May, 2016

**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 2016  
[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 : 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:-

Sr. No.	Name and Description of main products/ services	NIC Code of the products/services	% to total turnover of the company
1	Ion Exchange Resins	3029,20131	19.46%
2	Water Treatment Plant	37003,36000	39.92%
3	Chemical Additives	20119	19.63%

### 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	73.92	2 (87)
5	Ion Exchange Projects & Engineering Ltd. Ion House Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011	U74200MH2011PLC216024	Subsidiary	100	2 (87)
6	Ion Exchange Purified Drinking Water Pvt. Ltd. Ion House Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011	U41000MH2013PTC248560	Subsidiary	100	2 (87)
7	Total Water Management Services (I) Limited Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011	U74999MH1991PLC062866	Subsidiary	99.99	2 (87)
<b>Foreign Subsidiaries</b>					
8	Ion Exchange Asia Pacific Pte. Ltd. 45 Cantonment Road Singapore 089748	Not Applicable	Subsidiary	100	2 (87)
9	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 Malaysia.	Not Applicable	Subsidiary	60	2 (87)
10	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)
11	Ion Exchange LLC 4033 Clipper Court Fremont CA 94538 USA	Not Applicable	Subsidiary	100	2 (87)

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
12	Ion Exchange & Company LLC PO Box no. 69, Postal Code 112 Rwwi GSM 99448679 Oman	Not Applicable	Subsidiary	51	2 (87)
13	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)
14	Ion Exchange WTS (Bangladesh) Limited House No.22, 4 <sup>th</sup> Floor, Road 13/C, Block No. E, Banani, Dhaka- 1213 Bangladesh	Not Applicable	Subsidiary	100	2 (87)
15	Ion Exchange Safic Pty. Ltd. Accenture Business Part, 32Steele Street Steeledale Johannesburg 2197 South Africa	Not Applicable	Subsidiary	60	2 (87)
<b>Associates</b>					
16	Ion Exchange Waterleau Limited Ion House Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011	U45204MH2005PLC157554	Associate	50	2 (6)
17	Astha Technical Services Limited New Alipore Market Complex,BlockM, Phasel, 5th Floor, Kolkata West Bengal 700053	U74140WB2004PLC098283	Associate	44.89 (holding through Subsidiary Companies)	2 (6)
18	Aquanomics Systems Limited "Ellora Fiesta", Office No. 605, Plot No. 8, Sector-11, Sanpada, Near Juinagar Railway Station, Navi Mumbai, Maharashtra - 400705	U67120MH1994PLC080387	Associate	48.42	2 (6)
19	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)
20	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)
21	Ion Exchange PSS Co. Ltd. 135/9 Amorpan Bldg 205 Tower II 7 <sup>th</sup> Flr, Soi Nathong, Ratchadapisek Rd, 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 (01.04.2015)				No. of Shares held at the end of the year (31.03.2016)				% 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	32,97,917	0	32,97,917	22.69	32,97,917	0	32,97,917	22.66	-0.03
	b) Central Govt	0	0	0	0.00		0			0
	c) State Govt (s)	0	0	0	0.00		0			0
	d) Bodies Corp.	2,53,803	2,34,493	4,88,296	3.36	2,53,803	2,34,493	4,88,296	3.35	-0.01
	e) Banks/Fl	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	18.36	-0.03
	<b>Sub-total(A)(1):-</b>	<b>36,74,220</b>	<b>27,84,507</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>44.37</b>	<b>-0.07</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/Fl	0	0	0	0.00	0	0	0	0	0
	e) Any Other....	0	0	0	0.00	0	0	0	0	0
	<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>0</b>
	<b>Total share holding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>36,74,220</b>	<b>27,84,507</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>44.37</b>	<b>-0.07</b>
<b>B. Public Shareholding</b>										
<b>1. Institutions</b>										
	a) Mutual Funds	50	5,184	5,234	0.04	119060	5184	1,24,244	0.85	0.81
	b) Banks/Fl	183	94	277	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) Flls	69,738	50	69,788	0.48	0	50	50	0.00	-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>2,36,201</b>	<b>5,328</b>	<b>2,41,529</b>	<b>1.66</b>	<b>2,85,473</b>	<b>5,328</b>	<b>2,90,801</b>	<b>2.00</b>	<b>0.34</b>
<b>2. Non-Institutions</b>										
	a) Bodies Corp.									
	i) Indian	11,36,507	12,510	11,49,017	7.91	11,45,487	12,510	11,57,997	7.95	0.04
	ii) Overseas	0	0	0	0	0	0	0	0	0

Category of Shareholders		No. of Shares held at the beginning of the year (01.04.2015)				No. of Shares held at the end of the year (31.03.2016)				% Change during the year	
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
b)	Individuals										
	i)	Individual shareholders holding nominal share capital upto Rs.1lakh	30,45,011	5,79,428	36,24,439	24.94	31,64,015	5,43,536	37,07,551	25.47	0.53
	ii)	Individual shareholders holding nominal share capital in excess of Rs.1 lakh	28,38,684	59,184	28,97,868	19.94	27,11,909	64,184	27,76,093	19.07	-0.87
c)	Others (specify)										
	i.	Trust	1,010	0	1,010	0.01	1,010	0	1,010	0.01	0
	ii.	NRI	1,57,862	1,707	1,59,569	1.1	1,63,273	1,707	1,64,980	1.13	0.03
		<b>Sub-total(B)(2):-</b>	<b>71,79,074</b>	<b>6,52,829</b>	<b>78,31,903</b>	<b>53.9</b>	<b>71,85,694</b>	<b>6,21,937</b>	<b>78,07,631</b>	<b>53.63</b>	<b>-0.27</b>
		<b>Total Public Share holding (B) = (B) (1) + (B) (2)</b>	<b>74,15,275</b>	<b>6,58,157</b>	<b>80,73,432</b>	<b>55.56</b>	<b>74,71,167</b>	<b>6,27,265</b>	<b>80,98,432</b>	<b>55.63</b>	<b>0.07</b>
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>1,10,89,495</b>	<b>34,42,664</b>	<b>1,45,32,159</b>	<b>100.00</b>	<b>1,11,45,387</b>	<b>34,11,772</b>	<b>1,45,57,159</b>	<b>100</b>	<b>0</b>

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			% 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	5.37	0	-0.01
2	Mahabir Prasad Patni	7,11,747	4.90	0	7,11,747	4.89	0	-0.01
3	Dinesh Sharma	5,88,521	4.05	0	5,88,521	4.04	0	-0.01
4	Aankur Patni	2,54,668	1.75	0	2,54,668	1.75	0	0
5	Bimal Jain	4,14,098	2.85	0	4,14,098	2.84	0	-0.01
6	Poonam Sharma	49,650	0.34	0	49,650	0.34	0	0
7	Aruna Sharma	1,07,895	0.74	0	1,07,895	0.74	0	0
8	Uma Ranganathan	3,73,274	2.57	0	3,73,274	2.56	0	-0.01
9	Nirmala Patni	8,300	0.06	0	8,300	0.06	0	0
10	Anita Jain	5,546	0.04	0	5,546	0.04	0	0
11	Pallavi Sharma	2,000	0.01	0	2,000	0.01	0	0
12	Nidhi Patni	1,000	0.01	0	1,000	0.01	0	0
13	Ion Exchange Financial Products Pvt. Ltd.	50,422	0.35	0	50,422	0.35	0	0
14	Aqua Investments (India) Ltd.	2,53,803	1.75	0	2,53,803	1.74	0	-0.01

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			% 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	
15	Watercare Investments (India) Ltd.	1,84,071	1.27	0	1,84,071	1.26	0	-0.01
16	Trust (HMIL)	9,600	0.07	0	9,600	0.07	0	0
17	Trust (IEIL)	26,62,914	18.32	0	26,62,914	18.29	0	-0.03
	<b>TOTAL</b>	<b>64,58,727</b>	<b>44.44</b>	<b>0</b>	<b>64,58,727</b>	<b>44.37</b>	<b>0</b>	<b>0.07</b>

(iii) *Change in Promoters' Shareholding (please specify, if there is no change)- Nil*

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

Sr. No.	Name of the Shareholders	No. of Shares at the beginning of the year April 1, 2015	% of total shares of the company	Date wise Increase / Decrease in Share holding during the year specifying the reasons			Cumulative Shareholding during the year	% of Total shares of the company
				Date	Reasons	Increase / Decrease		
1	Rakesh Jhunjhunwala	8,00,000	5.51	-	-	-	8,00,000	5.49
	<b>At the end of the year (31-03-2016)</b>	-	-	-	-	-	<b>8,00,000</b>	<b>5.49</b>
2	Hampton Investments Private Limited	4,53,424	3.12	-	-	-	4,53,424	3.12
				05-02-2016	Purchase	1,250	4,54,674	3.12
				10-07-2015	Purchase	340	4,55,014	3.13
				04-09-2015	Purchase	1,054	4,56,068	3.13
				16-10-2015	Purchase	767	4,56,835	3.14
				12-02-2016	Purchase	1,965	4,58,800	3.15
				04-03-2016	Purchase	752	4,59,552	3.16
	<b>At the end of the year (31-03-2016)</b>	-	-	-	-	-	<b>4,59,552</b>	<b>3.16</b>
3	Mukul Mahavir Prasad Agrawal	2,43,486	1.68	-	-	-	2,43,486	1.68
				24-07-2015	Purchase	2,560	2,46,046	1.69
				31-07-2015	Purchase	4,900	2,50,946	1.72
	<b>At the end of the year (31-03-2016)</b>	-	-	-	-	-	<b>2,50,946</b>	<b>1.72</b>
4	General Insurance Corporation Of India	1,66,230	1.14	-	-	-	1,66,230	1.14
	<b>At the end of the year (31-03-2016)</b>	-	-	-	-	-	<b>1,66,230</b>	<b>1.14</b>
5	SBI Mutual Fund	50	0	-	-	-	50	0
				22-01-2016	Purchase	2,326	2,376	0.02
				29-01-2016	Purchase	3,560	5,936	0.04

Sr. No.	Name of the Shareholders	No. of Shares at the beginning of the year April 1, 2015	% of total shares of the company	Date wise Increase / Decrease in Share holding during the year specifying the reasons			Cumulative Share-holding during the year	% of Total shares of the company
				Date	Reasons	Increase / Decrease		
				05-02-2016	Purchase	2,698	8,634	0.06
				12-02-2016	Purchase	22,001	30,635	0.21
				12-02-2016	Purchase	13,385	44,020	0.30
				19-02-2016	Purchase	12,446	56,466	0.39
				26-02-2016	Purchase	17,745	74,211	0.51
				11-03-2016	Purchase	12,954	87,165	0.60
				18-03-2016	Purchase	7,099	94,264	0.65
				25-03-2016	Purchase	5,035	99,299	0.68
				31-03-2016	Purchase	19,761	1,19,060	0.82
	<b>At the end of the year (31-03-2016)</b>	-	-	-	-	-	<b>1,19,060</b>	<b>0.82</b>
6	Ajay Popat	1,17,242	0.81	-	-	-	1,17,242	0.81
	<b>At the end of the year (31-03-2016)</b>	-	-	-	-	-	<b>1,17,242</b>	<b>0.81</b>
7	Devi Menon	1,10,000	0.76	-	-	-	1,10,000	0.76
	<b>At the end of the year (31-03-2016)</b>	-	-	-	-	-	<b>1,10,000</b>	<b>0.76</b>
8	Nitin Tandon	96,300	0.66	-	-	-	96,300	0.66
	<b>At the end of the year (31-03-2016)</b>	-	-	-	-	-	<b>96,300</b>	<b>0.66</b>
9	Maverick Share Brokers Limited	32,812	0.23	-	-	-	32,812	0.23
				17-04-2015	Sell	-309	32,503	0.22
				26-06-2015	Purchase	10,087	42,590	0.29
				30-06-2015	Purchase	2,772	45,362	0.31
				03-07-2015	Purchase	4,107	49,469	0.34
				10-07-2015	Purchase	24,322	73,791	0.51
				17-07-2015	Purchase	1	73,792	0.51
				24-07-2015	Purchase	2,091	75,883	0.52
				31-07-2015	Sell	-2,000	73,883	0.51
				07-08-2015	Sell	-2,000	71,883	0.49
				14-08-2015	Purchase	15,000	86,883	0.60
				14-08-2015	Sell	-66,493	20,390	0.14
				21-08-2015	Purchase	67,570	87,960	0.60
				21-08-2015	Sell	-15,000	72,960	0.50
				28-08-2015	Purchase	25	72,985	0.50
				04-09-2015	Sell	-50	72,935	0.50
				09-10-2015	Sell	-1597	71,338	0.49
				16-10-2015	Sell	-991	70,347	0.48
				23-10-2015	Sell	-50	70,297	0.48
				20-11-2015	Sell	-50	70,247	0.48

Sr. No.	Name of the Shareholders	No. of Shares at the beginning of the year April 1, 2015	% of total shares of the company	Date wise Increase / Decrease in Share holding during the year specifying the reasons			Cumulative Share-holding during the year	% of Total shares of the company
				Date	Reasons	Increase / Decrease		
	<b>At the end of the year (31-03-2016)</b>	-	-	-	-	-	<b>70,247</b>	<b>0.48</b>
10	Suman Vasant Rajadhyaksha	63,946	0.44	-	-	-	63,946	0.44
	<b>At the end of the year (31-03-2016)</b>	-	-	-	-	-	<b>63,946</b>	<b>0.44</b>

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of the Shareholders	No. of Shares at the beginning of the year April 1, 2015	% of total shares of the Company	Date wise Increase / Decrease in Share holding during the year specifying the reasons			Cumulative Share-holding during the year	% of Total shares of the company
				Date	Reasons	Increase / Decrease		
1	Rajesh Sharma	781,218	5.38	-	-	-	7,81,218	5.37
	<b>At the end of the year (31-03-2016)</b>	-	-	-	-	-	<b>7,81,218</b>	<b>5.37</b>
2	Mahabir Prasad Patni	7,11,747	4.90	-	-	-	7,11,747	4.89
	<b>At the end of the year (31-03-2016)</b>	-	-	-	-	-	<b>7,11,747</b>	<b>4.89</b>
3	Dinesh Sharma	58,8521	4.05	-	-	-	5,88,521	4.04
	<b>At the end of the year (31-03-2016)</b>	-	-	-	-	-	<b>5,88,521</b>	<b>4.04</b>
4	Aankur Patni	2,54,668	1.75	-	-	-	2,54,668	1.75
	<b>At the end of the year (31-03-2016)</b>	-	-	-	-	-	<b>2,54,668</b>	<b>1.75</b>
5	Vijay Narhar Gupchup	1,08,234	0.74	-	-	-	1,08,234	0.74
	<b>At the end of the year (31-03-2016)</b>	-	-	-	-	-	<b>1,08,234</b>	<b>0.74</b>
6	Abhiram Seth	75,000	0.52	-	-	-	75,000	0.52
	<b>At the end of the year (31-03-2016)</b>	-	-	-	-	-	<b>75,000</b>	<b>0.52</b>
7	Thekkekara Meloth Mohan Nambiar	56,200	0.39	-	-	-	56,200	0.39
	<b>At the end of the year (31-03-2016)</b>	-	-	-	-	-	<b>56,200</b>	<b>0.39</b>
8	Parthasarathy Sampath Kumar	25,000	0.17	-	-	-	25,000	0.17
	<b>At the end of the year (31-03-2016)</b>	-	-	-	-	-	<b>25,000</b>	<b>0.17</b>
9	Milind Puranik	9,101	0.06	-	-	-	9,101	0.06
				27-11-2015	ESOP Allotment	5,000	14,101	0.10
				25-12-2015	Sell	-449	13,652	0.09
				31-12-2015	Sell	-2,101	11,551	0.08

Sr. No.	Name of the Shareholders	No. of Shares at the beginning of the year April 1, 2015	% of total shares of the Company	Date wise Increase / Decrease in Share holding during the year specifying the reasons			Cumulative Share-holding during the year	% of Total shares of the company
				Date	Reasons	Increase / Decrease		
				31-03-2016	Sell	-200	11,351	0.08
	<b>At the end of the year (31-03-2016)</b>	-	-	-	-	-	11,351	0.08
10	Nandkumar Manohar Ranadive	29,000	0.20	-	-	-	29,000	0.20
				27-11-2015	ESOP Allotment	5,000	34,000	0.23
	<b>At the end of the year (31-03-2016)</b>	-	-	-	-	-	34,000	0.23

#### 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	48,57,61,413	1,82,25,000	1,52,42,000	51,92,28,413
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	14,28,775	1,50,495	5,25,000	21,04,270
<b>Total (i+ii+iii)</b>	<b>48,71,90,188</b>	<b>1,83,75,495</b>	<b>1,57,67,000</b>	<b>52,13,32,683</b>
<b>Change in Indebtedness during the financial year</b>				
● Addition	14,67,85,588	25,68,00,000	-	40,35,85,588
● Reduction	26,27,66,888	2,75,00,000	88,46,000	29,91,12,888
<b>Net Change</b>	<b>(11,59,81,300)</b>	<b>22,93,00,000</b>	<b>(88,46,000)</b>	<b>10,44,72,700</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	36,97,80,113	24,75,25,000	63,96,000	62,37,01,113
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	25,53,564	4,02,994	2,76,000	32,32,558
<b>Total (i+ii+iii)</b>	<b>37,23,33,677</b>	<b>24,79,27,994</b>	<b>66,72,000</b>	<b>62,69,33,671</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (Rs.)
		Rajesh Sharma	Dinesh Sharma	Aankur Patni	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17 (1) of the Income –tax Act,1961	2,64,68,628	1,19,31,008	1,18,58,011	5,02,57,647
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	8,06,532	1,82,806	3,487	9,92,825
	(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	50,57,790	22,90,320	22,90,320	96,38,430
	<b>Total(A)</b>	<b>3,23,32,950</b>	<b>1,44,04,134</b>	<b>1,41,51,818</b>	<b>6,08,88,902</b>

**B. Remuneration to other Directors:**

1. Independent Directors

Sr. 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	
1	Fee for attending board/ committee meetings	8,85,000	5,25,000	3,25,000	4,50,000	3,50,000	7,10,000	32,45,000
2	Commission	-	-	-	-	-	-	-
3	Others, please specify	-	-	-	-	-	-	-
	<b>Total(1)</b>	<b>8,85,000</b>	<b>5,25,000</b>	<b>3,25,000</b>	<b>4,50,000</b>	<b>3,50,000</b>	<b>7,10,000</b>	<b>32,45,000</b>

2. Other Non- Executive Directors

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount (Rs.)
		M. P. Patni	
1	Fee for attending board/committee meetings	3,00,000	3,00,000
2	Commission	-	-
3	Others, please specify	-	-
	<b>Total(2)</b>	<b>3,00,000</b>	<b>3,00,000</b>
	<b>Total(B)=(1+2)</b>		<b>35,45,000</b>
	<b>Total Managerial Remuneration (A+B)</b>		<b>6,44,33,902</b>

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

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	Chief Financial Officer	Total (Rs.)
		Mr. Milind Puranik	Mr. N. M. Ranadive	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17,65,262	42,02,014	<b>59,67,276</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	35,583	45,485	<b>81,068</b>
	(c) Profits in lieu of salary under section 17 (3) Income-tax Act, 1961	-	-	-
2.	Stock Option	8,63,000	8,63,000	<b>17,26,000</b>
3.	Sweat Equity	-	-	-
4.	Commission			
	- As % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify-Retirals	2,30,941	5,15,322	<b>7,46,263</b>
	<b>Total</b>	<b>28,94,786</b>	<b>56,25,821</b>	<b>85,20,607</b>

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

On behalf of the Board of Directors

**Rajesh Sharma**  
Chairman & Managing Director

Mumbai

Date : 24<sup>th</sup> May, 2016

**Annexure II**  
**FORM MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2016**

[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, 2016 complied with the statutory provisions of the applicable acts listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The 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);
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
  - f. 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;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

We further report that the Company has a compliance system in place and we have examined the relevant documents and records with respect to other Acts as applicable which are as under:

- vi. Other applicable acts:
- a) The Factories Act, 1948.
  - b) The Industrial Dispute Act, 1947. (ID Act)
  - c) The Equal Remuneration Act, 1976.
  - d) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
  - e) The Payment of Bonus Act, 1965.
  - f) The Payment of Gratuity Act, 1972.
  - g) The Payment of Wages Act, 1936.
  - h) The Child Labour (Prohibition and Regulation) Act, 1986.
  - i) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
  - j) The Environment (Protection) Act, 1986.
  - k) The Water (Prevention and Control of Pollution) Act, 1974.
  - l) The Air (Prevention and Control of Pollution) Act, 1981.
  - m) The Bombay Shops & Establishment Act, 1948.
  - n) The Central Sales Tax Act, 1956.
  - o) The Professional Tax Act, 1975.
  - p) The Income Tax Act, 1961.
  - q) The Service Tax (Finance Act, 1994).
  - r) The Water Cess Act, 1977.
  - s) The Maharashtra Value Added Tax, 2002.
  - t) The Sale of Goods Act, 1930.
  - u) The Customs Act, 1962.
  - v) The Negotiable Instrument Act, 1881
  - w) The Information Technology Act, 2000
  - x) The Indian Contract Act, 1872

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

- i. Secretarial Standards with respect to Board and General Meetings (SS-1 and SS-2) specified by The Institute of Company Secretaries of India;
- ii. The Listing Agreement entered into by the Company with The Stock Exchange;
- iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

The Board of Directors of the Company is duly constituted with respect to proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

seven days 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 meeting of the Board of Directors or Committees 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 : 24th May, 2016

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.

## **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 : 24th May, 2016

### 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 is available 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	Chairman / Member
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. 32,31,35,219/-

4. Prescribed CSR Expenditure (2% per cent of the amount as in item 3 above): Rs.64,62,704/-

5. Details of CSR spent during the financial year:

(a) Total amount spent during the financial year: Rs.75,63,577/-

(b) Amount unspent, if any: Nil

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

Sr. No.	CSR project or activity identified	Sector in which project covered	Projects or programs (1) Local area or other (2) Specify the State and Dist. Where projects or program was undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Over-heads	Cumulative exp up to reporting period	Amount spent : Direct or through implementing agency
1	Educational assistance towards tuition teaching; Drinking water equipment to SoCare Ind. (170 students)	Education; Water	Bangalore	1,75,000	1,62,259	1,62,259	1,62,259 (through implementing agency)
2	Educational assistance; Drinking water facility to Home of Faith Charitable Orphanage (35 students)	Education; Water	Bangalore	53,501	53,501	53,501	53,501 (through implementing agency)

Sr. No.	CSR project or activity identified	Sector in which project covered	Projects or programs (1) Local area or other (2) Specify the State and Dist. Where projects or program was undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Over-heads	Cumulative exp up to reporting period	Amount spent : Direct or through implementing agency
3	Educational assistance; Drinking water facility to Jnana Mandira Orphanage (24 students)	Education; Water	Bangalore	53,501	53,501	53,501	53,501 (through implementing agency)
4	Drinking water assistance to Shishu Mandir Orphanage (350 students)	Education; Water	Bangalore.	31,840	27,297	27,297	27,297 (through implementing agency)
5	Education thru medium of Sports thru Magic Bus Foundation (100 students)	Education	Bangalore	24,000	0	0	0 (through implementing agency)
6	Educational assistance & classroom infrastructure to Chitkul Primary School (400 students)	Education	Patancheru, Andhra Pradesh	4,00,000	4,13,159	4,13,159	4,13,159 (direct)
7	Educational assistance to Zilla Parishad High School (510 students)	Education	Lakdaram, Andhra Pradesh	1,39,000	1,19,315	1,19,315	1,19,315 (direct)
8	Education thru medium of Sports thru Magic Bus Foundation (100 students)	Education	Patancheru, Andhra Pradesh	24,000	0	0	0 (through implementing agency)
9	Educational assistance to Timbaktu Collective (60 students)	Education	Anantapur Andhra Pradesh	1,50,000	1,50,000	1,50,000	1,50,000 (through implementing agency)
10	Classroom infrastructure to Bethal Educational Social Service Organisation (BESSO) (89 students)	Education	Hosur, Tamil Nadu	1,52,000	1,52,000	1,52,000	1,52,000 (through implementing agency)
11	Education thru medium of Sports thru Magic Bus Foundation (100 students)	Education	Chennai, Tamil Nadu	24,000	0	0	0 (through implementing agency)
12	Indro 803 Drinking water facility to Melmaruvathur & Kesavrayanpet villages (10000 beneficiaries)	Water	Kancheepuram, Tamil Nadu	5,00,000	4,60,663	4,60,663	4,60,663 (direct)
13	Drinking water Disaster Mgt Unit for Chennai Flood Relief	Water	Chennai, Tamil Nadu	20,00,000	19,53,015	19,53,015	19,53,015 (through implementing agency)

Sr. No.	CSR project or activity identified	Sector in which project covered	Projects or programs (1) Local area or other (2) Specify the State and Dist. Where projects or program was undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Over-heads	Cumulative exp up to reporting period	Amount spent : Direct or through implementing agency
14	Iron Removal hand pump attachment to 11 govt. schools. (2671 beneficiaries)	Water	Raisen, Madhya Pradesh	3,85,000	3,26,040	3,26,040	3,26,040 (direct)
15	Education assistance to Kids Centre (46 students)	Education	Kolkatta	2,05,000	89,560	89,560	89,560 (through implementing agency)
16	Iron Removal tube well attachment – Rural Piped Water Supply Scheme (2227 beneficiaries)	Water	Ramdaspur, Cuttack, Odisha	3,00,000	3,20,050	3,20,050	3,20,050 (direct)
17	Iron Removal hand pump attachment to Bhagalpur Primary School (185 students)	Water	Khordha, Odisha	35,000	35,230	35,230	35,230 (direct)
18	Iron Removal Tube well attachment – Rural Water Supply & Sanitation (1235 beneficiaries)	Water	Angul, Odisha	60,000	70,210	70,210	70,210 (direct)
19	Educational assistance and Classroom infrastructure to Bethesda Life Centre (133 students)	Education	Santa Cruz, Goa	1,35,000	1,32,190	1,32,190	1,32,190 (through implementing agency)
20	Educational assistance to Govt. Primary School (25 students)	Education	Malcornem, Goa	40,000	35,380	35,380	35,380 (direct)
21	Classroom infrastructure to Lokvishwas Pratisthan (40 students)	Education	Ponda, Goa	20,000	22,100	22,100	22,100 (direct)
22	Educational assistance to St. Joseph's Convent, (150 students)	Education	Verna, Goa	50,000	45,450	45,450	45,450 (direct)
23	Educational Assistance; Drinking water facility to Hind Education Society (300 students)	Education; Water	Salcete, Goa	1,15,000	1,14,990	1,14,990	1,14,990 (direct)
24	Classroom infrastructure to Sarangpur Prathamik Shala (495 students)	Education	Bharuch, Gujarat	1,10,530	1,07,560	1,07,560	1,07,560 (direct)



Sr. No.	CSR project or activity identified	Sector in which project covered	Projects or programs (1) Local area & other (2) Specify the State and Dist. Where projects or program was undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Over-heads	Cumulative exp up to reporting period	Amount spent : Direct or through implementing agency
25	Educational assistance; classroom infrastructure to Chetna Learning Centre (75 students)	Education	Mumbai, Maharashtra	2,00,000	1,31,232	1,31,232	1,31,232 (through implementing agency)
26	Teaching assistance to The Anchorage (24 students)	Education	Mumbai, Maharashtra	1,58,000	1,28,000	1,28,000	1,28,000 (through implementing agency)
27	Support to Thalesmia patients at The Indian Red Cross Society (19057)	Health & Hygiene	Mumbai, Maharashtra	5,31,000	5,30,617	5,30,617	5,30,617 (through implementing agency)
28	Teaching assistance to Vasundhara Charitable Trust (15,000 beneficiaries)	Education	Sindhudurg, Maharashtra	1,20,000	1,18,000	1,18,000	1,18,000 (through implementing agency)
29	Children's Movement for Civic Awareness to students at Zainub Tobaccowala Secular School, Goregaon-Raigad (English medium) and Adv. Chandrakant Adhikari Vidyalaya, Wadgaon (Marathi medium) [80 students]	Education	Goregaon & Wadgaon in Raigad, Maharashtra	50,000	50,000	50,000	50,000 (through implementing agency)
30	Running for a Cause' at the Standard Chartered Mumbai Marathon 2016 in support of Paragon Charitable Trust (20 students)	Education	Mumbai, Maharashtra	4,08,000	3,96,598	3,96,598	3,96,598 (through implementing agency)
31	Drinking water facility to Yusuf Meherally Memorial Educ Soc (500 students)	Water	Mumbai, Maharashtra	20,001	20,001	20,001	20,001 (through implementing agency)
32	Sanitation facilities thru NGO SWADES/S.H.A.R.E. to 3 schools: Sainik Vikas Madhyamik Vidyalay Fauji, Aambavade 226 students; Shri Chhatrapati Shivaji High School, Mumurshi 202 students; New English School, Chandawe 279 students (Total 707 beneficiaries)	Sanitation	Raigad, Maharashtra	4,50,000 (Work in progress)	1,34,335	1,34,335	1,34,335 (through implementing agency)

Sr. No.	CSR project or activity identified	Sector in which project covered	Projects or programs (1) Local area or other (2) Specify the State and Dist. Where projects or program was undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Over-heads	Cumulative exp up to reporting period	Amount spent : Direct or through implementing agency
33	Lampak-10 Drinking water facility to village Pindkappar (Balance 2014-15)	Water	Nagpur, Maharashtra	2,42,740	2,42,740	2,42,740	2,42,740 (direct)
34	Towards Higher Education (5 students)	Education	Mumbai, Maharashtra	3,25,000	2,80,220	2,80,220	2,80,220 (direct)
35	Nitrate Removal Tube well attachment(around 450 beneficiaries in community)	Water	Mahoba, U.P.	4,00,000	4,42,580	4,42,580	4,42,580 (direct)
	Administrative overheads				73,011	73,011	73,011
	Amount Contributed for which activity is in progress				1,72,773	1,72,773	1,72,773
				<b>80,87,113</b>	<b>75,63,577</b>	<b>75,63,577</b>	<b>75,63,577</b>

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report - Not Applicable
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

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

Sd/-

**Rajesh Sharma**  
Chairman & Managing Director

Sd/-

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

Mumbai

Date : 24<sup>th</sup> May, 2016

## 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 with marginal increase. 8% increase was commensurate with production increase of 9%. However due to 6% better availability of power from State Grid, overall cost was lower by Rs.100/Ton of Production.

- (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. 70.40 lacs.

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

1.	10 KL REACTORS:	Rs.44.47 lacs
2.	8 KL REACTOR:	Rs.25.93 lacs

**(B) Technology absorption –**

- (i) the efforts made towards technology absorption;

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

- a) WATER VENDING MACHINE: A purified water vending machine specifically targeted for high footfall areas like Railway Stations, Malls etc was designed and developed by R&D .
- b) CUSTOMIZED RO PURIFIER FOR RAILWAY PANTRY CARS: R&D has developed customized RO purification systems for Indian Railways pantry car with the purpose of providing hygienic water for tea making and cooking
- c) HIGH TDS RO (Up to 3000 ppm TDS): R&D has developed high TDS home RO systems specifically for the very hard water regions with TDS up to 3000 ppm.
- d) High stress polymer for cooling water treatment.
- e) Automatic chlorine dioxide system with acid and chlorite technology.
- f) Primary amine with high total exchange capacity.
- g) Perchlorate selective ion exchange resins

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

- a) WATER VENDING MACHINE ( WVM ): At most railway stations, the general public have to either opt for unhygienic tap water for drinking or buy bottled water at a steep price. This WVM incorporating high recovery RO and an Electrolytic Sanitizing System (ESS), aims at providing chilled and purified drinking water at an affordable price. The operator uses a pre-paid smart card for dispensing water in various options. This WVM is also equipped with a smart system for storing and sending the daily business data to the franchisee.
- b) CUSTOMIZED RO PURIFIER FOR RAILWAY PANTRY CAR: This high recovery RO system on a SS skid is specifically designed to provide purified water at a peak demand of 100 LPH in the pantry car. Its in-built ESS system also ensures that all the in-loop tanks and plumbings of the pantry water system remain free of bacterial contamination 24X7. The design has a back-up UV purification in the event of a RO malfunction.
- c) HIGH TDS RO (Up to 3000 ppm TDS): Most home RO can perform satisfactorily in the TDS range upto 1500 TDS. In the very high TDS areas, users have little choice of either buying bottled water or putting up with dubious RO systems that do not survive in such hard waters. This high TDS RO is specifically designed to work in such hard water conditions and make way for a select market in such areas.

- d) High Stress polymer is used to control corrosion and scaling in cooling water system. Presently such products are being imported at high cost. This development will help us to reduce the end product cost with a competitive advantage in the market.
- e) Automatic chlorine dioxide system based on acid and chlorite are demanded by food and beverages industries. R&D developed this model and handed over to production. This helps us to penetrate the disinfection market in food and beverages industry.
- f) Primary amine with high total exchange capacity is a new development which is helpful for some speciality applications. As the capacity is high, the requirement of such product is having its own competitive advantage in the market.
- g) Perchlorate removal resin is used to remove perchlorate from water. This product is having high market demand both in national and international market.
- (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 and : NA
- (ii) the expenditure incurred on Research and Development

Sr. No.		Location	
		Patancheru (Rs.)	Vashi, New Mumbai (Rs.)
a.	Capital Expenditure	54,55,003	6,68,836
b.	Revenue Expenditure	2,29,66,317	3,17,75,295
c.	<b>Total</b>	<b>2,84,21,320</b>	<b>3,24,44,131</b>
d.	Total R & D Expenditure as percentage of Turnover: 0.76%		

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

During the year under review foreign exchange earnings were Rs.1,75,59,91,228 and foreign exchange outgo was Rs. 1,01,45,91,259.

On behalf of the Board of Directors

**Rajesh Sharma**  
Chairman & Managing Director

Mumbai

Date : 24<sup>th</sup> May, 2016

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### A. Industry Structure and Development

#### Overview:

Ion Exchange (India) Ltd. (IEIL) is a leading end to end water solution provider to industry and municipal corporations. The company is present across the entire water solution and management value chain including design, construction and maintenance of water and wastewater treatment plants, manufacturing and supply of water treatment chemicals. The company has a wide range of products offering in water treatment, specialty chemical and customized chemical treatment, which complements its engineered water treatment solutions and also provides optimum plant performance. The company's water management solution also extends beyond industrial to home, hotels, and hospitals under the brand name Zero B.

#### Global Economy:

In the financial year 2015-16, global economic activity continued to remain subdued. The emerging markets and developing economies, which account for around 70 percent of the global growth, declined for the fifth consecutive year, while the advanced economies continued to recover slowly. There were few key influencing factors to the global economy.

China's economy witnessed a faster than expected slowdown due to rebalancing economic activities moving away from investment and manufacturing towards consumption and service related activities.

Energy and various commodity prices witnessed a decline. Lower oil prices strained the fiscal positions of fuel exporters and weighed on their growth prospects, while supporting household demand and lowering business energy costs of importers. However, strain due to oil shock and its impact on investment climate and weak pick-up in oil-consuming economies due to limited pass-on of lower prices has resulted in global growth stalling.

The United States has been going through a gradual monetary policy tightening scenario where the U.S. Federal Reserve lifted the federal funds rate from the zero lower bound, while monetary easing continued in the euro area and Japan. Prospects of a gradual increase in policy interest rates in the United States as well as bouts of financial volatility amid concerns about emerging market growth prospects have contributed to tighter external financial conditions, declining capital flows, and further currency depreciations in many emerging market economies.

According to International Monetary Fund (IMF), Growth in advanced economies is projected to rise by 0.2 percentage points in 2016 to 2.1 percent, and hold steady in 2017. Growth in emerging market and

developing economies is projected to increase from 4 percent in 2015 - the lowest since the 2008-09 financial crisis - to 4.3 and 4.7 percent in 2016 and 2017, respectively.

#### Indian Economy:

India remained a relatively bright spot in the global economy with its growth story continuing to bloom. One of the contributors to the strong growth experienced by the Indian economy was the sharp decline in crude oil prices. The Indian economy grew at 7.6% in FY 2015 (ending 31<sup>st</sup> March 2016). Despite a weak monsoon for a second consecutive year, agriculture grew by 1.1% in FY2015. While the industry and private consumption accelerated to a growth of 7.3% and 7.6% respectively, the services growth moderated to 9.2%.

India continued to remain at the top of Nielsen's global consumer confidence index for the sixth quarter in a row. The Foreign Direct Investment (FDI) inflows increased 40 percent during April-December 2015 to reach USD 29.44 billion, compared to same period last year. Also, India's foreign exchange reserves remained comfortable at USD 356 billion in the week up to March 25<sup>th</sup>, 2016.

The regulatory regime witnessed easing and the Reserve Bank of India (RBI) cut interest rates as inflation eased sharply. The government's strong focus on reviving growth was evident from the Union budget, where the Finance Minister gave relief to small tax payers, nudged the affluent to shell out more while focusing on the rural economy with much higher fiscal outlays. The Finance Minister also reaffirmed that the government would continue the reform agenda to usher in the long awaited GST by passing the Constitutional Amendment Bill in the Parliament.

On the government initiative front, the "Make in India scheme", "Smart cities plan", "Jan-Dhan Yojna", "Digital India plan", "Skill Development & Start-up India initiatives", "Power for All", "UDAY", "Housing for All", "Scheme to revitalise public sector banks", "Ease of Doing Business (EoDB) initiative" and other ambitious infrastructure programmes present significant opportunities for investors to be part of one of the largest development programmes in the world. These programmes are expected to transform not only the cities and the country as a whole, but also the way business is done in India.

As per the World Economic outlook released by the IMF, India will be the fastest growing major economy in 2016-17 growing at 7.5%, ahead of China, at a time when global growth is facing increasing downside risks. India's growth is expected to continue to be driven by private consumption, which has benefited from lower energy prices and higher real incomes. With the revival of sentiment and pickup in industrial activity, a recovery

of private investment is expected to further strengthen growth.

#### **Indian Industry:**

After a few years of poor industrial growth and low market sentiments, the financial year 2015-16 has clearly brought a positive in the Indian economy as multiple reforms were rolled out to provide positive impetus to industrial capex.

The Industrial sector in India has been growing at a Compound Annual growth rate CAGR of 5% to 7%. But with the recent push on the government reforms, this is expected to pick up significantly in coming years. Industrial production in India increased 1.2 percent year-on-year in May of 2016, recovering from an upwardly revised 1.3 percent drop in April and beating market expectations for 0.4 percent decline. The contraction in capital goods abated in May and consumer goods production returned to growth. In addition, intermediate goods production gained steam.

As industrial capex picks up, demand for water and wastewater management solutions has also shown improvement as they are directly co-related. The Make in India Initiatives and Swachh Bharat Abhiyan are expected to create significant opportunities in this segment. It is estimated that Capital expenditure on water and wastewater infrastructure in India is set to increase by 83% over the next five years. The projected wastewater treatment CAGR is expected to be 8-10% through 2015-2020.

The water sector is predominantly driven by the government in areas related to its universal service obligation. Beyond the government's push in the betterment of water sanitation and availability, the world's second most populous country is also attracting supplementary financial and technological contributions from the private sector in the development of sustainable water solutions. Wastewater management in India has become an extremely important area of focus due to increasing health awareness and population pressure. Despite the wastewater sector witnessing major growth in the last decade due to increasing government support and private participation, the scale of the problem remains enormous. For instance, it is estimated that less than 20% of domestic and 60% of industrial wastewater is treated. Metros and large cities (more than 100,000 inhabitants) are treating only about 29.2% of their wastewater; smaller cities treat only 3.7% of their wastewater.

The water treatment chemicals and resins industry in India continue to see stable growth. However the outlook for this segment of the industry remains positive on the back of the growing investments of MNCs, urbanization and Government in sewage treatment plants. The target industries include Oil & Gas, Power, Chemicals & Fertilisers, F&B, Paper, Textile, Auto and Pharma.

Overall, your company is well positioned to benefit from the changing Industrial landscape in India and also the government reforms. Its presence across the water management value chain provides it with a superior edge in this industry. Your company is one of the few companies in India which can provide its customers an end to end water management solution.

#### **B. Highlights of Performance**

For the year under review the profit after tax registered a growth of 32% at Rs. 3,449 Lacs as compared to Rs. 2,614 Lacs in the previous year. The gross turnover however increased at Rs. 831 Crores compared to Rs. 762 Crores of the previous year.

#### **C. Segment-wise Operational Performance**

The company's business segments can be broadly categorised as following:

1. Engineering
2. Chemicals
3. Consumer Products

#### **ENGINEERING**

The segment achieved higher turnover of Rs. 449 crores compared to Rs. 398 crores for the previous year. Engineering is one of the key business segments of the company. In this segment, the company designs, engineers, builds and maintains medium and large sized water and waste water treatment plants including recycling and zero liquid discharge plants. Your company caters to diverse industries under this segment such as petrochemical & refinery, power, steel, auto, sugar, electronics, pharma, pulp & paper, textile, cement, F&B etc. The company is one of the leading players in this segment and has played a major role in industrial desalination plants in India.

Water and wastewater management is key priority area for Government and your company is well positioned to benefit from the strong government focus on water investment.

As a result of the changing landscape, the company has also selectively increased focus on government projects to benefit from the growing demand in this area. Simultaneously, the company has taken significant steps to diversify its geographical footprints and has also expanded presence in the international market like the Middle East. These initiatives have started showing traction. The company currently has a strong order book in this segment.

Going forward, the company is taking multiple strategic steps to improve growth in this segment such as selectively targeting projects in the Infrastructure and Municipal Segments and capitalising on technology and application knowledge in SWRO, Recycle and ZLD, increasing application coverage of resin and membrane

technologies and providing value engineering to maintain superior value to customers, gain market share and ensure better profitability.

## **CHEMICALS**

The segment achieved Sales turnover of Rs. 305 crores compared to Rs. 286 crores of the previous year.

During the year the domestic sales for conventional resin was steady whereas the sales of speciality resins continued to show good growth and continued the upward trend of previous two years. Number of new applications and customers in the speciality resin segment were identified and this will provide us new avenues of growth in coming years. The resins for potable water treatment achieved much higher sales compared to the last year and the trend is likely to continue next year. Exports of resins to USA increased substantially and exports to Europe and Far Asian markets have remained steady.

The company successfully renewed the WHO-GMP certification for the Pharma facility at Ankleshwar. Company also received US FDA nod for the manufacturing of resins for pharma industry in this facility. Your company is also filing the EU-DMF for this drug active. Thus the company is now ready to tap the large potential markets in US and Europe for Drug Active resins.

Combination of subdued raw material prices, higher sales in anion and speciality resins and controlled overheads saw significant improvement in profitability. Water treatment and Industrial Chemical segment also achieved improvement in bottom line due to much higher production of intermediates, sourcing of quality raw material at lower prices and controlled overheads.

During the year Industrial Chemical Division took a significant step of installing a Blending Facility in Bahrain to cater to Customers in Gulf Countries. Thus in coming years company will be able to cater to the growing demand of this market and increase the market share.

Your company will continue investments in R&D to develop new products, improve the processes and reduce the cost.

Company's business prospective of Specialty Chemicals and Resins are on strong footings and is expected to grow year on year with healthy net profits.

## **CONSUMER PRODUCTS**

The segment achieved a turnover of Rs. 87 crores during the year.

Home Water Solutions (HWS) division has relaunched the automatic softener 'Zero B Auto Soft'. It is an advanced softener that contains the revolutionary Purple Soft resin and an upgraded automatic valve. Softener converts hard water into soft water.

The product has been launched in two versions, the original 3 AS version and 6AS version for higher water usage. HWS also introduced a food grade resin which does not leach out harmful chemicals from the resin beads unlike other resins for softening application. 'It is named as Zero B PURPLE SOFT'.

HWS division has also launched an upgraded Zero B Kitchen Mate RO with a unique inbuilt ESS (electrolytic sanitisation system) technology which releases trace amounts of silver and hydroxyl ions in the water. These ions prevent slime buildup in the storage tank and thus keep the stored water fresh for a longer time.

Your company received Water Digest Water Awards in association with UNESCO for the year 2015-16 for the Best Water Company – Made In India (2015-16) and Best Complete Domestic Water Management Solutions Provider Domestic & Institutions (2015-16).

The institution division primarily focuses on Construction, Hospitality & Healthcare, Educational institutes, Corporate offices & PSU segments such as Defense, Railways, State transport Corporations, CPWD etc. During last year this division has registered an impressive top line growth of 22% year over year. All the regions have shown good growth in order bookings & have also built a healthy offer bank.

During this year your company has worked closely with the Indian Railways & IRCTC to offer economical drinking water options for the community. First set of such carefully designed "Water Vending Stations" are supplied & installed at identified locations in state of Tamil Nadu. We hope to expand our foot print in Railways & IRCTC with an aim to take 10% share of drinking water needs.

This division continued to increase its presence by expanding dealer network which will help your Company to increase market presence and business growth. Your company continues efforts to design & develop new range of treatment options in this segment. During this year, Company introduced new sewage treatment options like INDION "ECO-Membranes Bio Reactor" (ECO MBR) & INDION "Sequential Batch Reactor" SBR technology in line with companies philosophy to develop environmentally friendly treatment solutions.

Your company continued to increase its presence in the rural market by introducing new technologies and adapting existing ones to meet the requirements of the rural communities. INDION Lampak - a compact, single tank unit to treat highly contaminated surface water and solar powered gravity based fluoride & iron removal systems were launched.

Besides this, the company expanded its presence by entering new territories and states by partnering with local & state Government authorities (Zilla Parishads, PHEDs, Jal Nigams, Rural Drinking Water & Sanitation Departments, etc.) as well Non Government Organisations (NGOs).

In the current year, your company will work towards increasing its penetration across rural India and introduce ground and surface water treatment solutions as well as other products and technologies to meet their specific requirements.

#### EXPORTS

During the year, your company has registered export turnover of Rs. 175 crores which was marginally lower as compared to previous year due to the slowdown in Middle East as a result of which many project got deferred. The drop in oil prices has affected the Company's performance in many of the markets where your Company is operating. However, growth of resin market in North America has substantially improved the export business.

With the increased demand for water & wastewater management solutions in the international markets your company is poised to register growth in the export business.

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

Risk mitigation has been a priority of the management's agenda. Our risk management framework is designed to be simple, consistent and clear for managing and reporting risks related to group's business to the board. The multi-layered risk management framework implemented by your company is aimed at achieving strategic objective of increasing the market share, optimal utilization of the assets to increase productivity, comprehensive financial reporting and compliance to regulatory and social obligations.

Though India remained a relatively bright spot in the global economy with its growth story continuing to bloom, recent events viz the Brexit has put pressure on the exchange rates and is impacting the international business scenario. The sharp decline in crude oil prices, though have favourable impact to the internal economics of India, has created widespread crisis particularly in the Gulf region where your company has business interest. During the year, the Reserve Bank of India (RBI) cut interest rates four times as inflation eased sharply, however, till the end of the year due to the global scenario and also domestic water scarcity inflationary trends resulting in upward movement of Raw Material prices were visible. The recent introduction of GST and IND AS has posed fresh challenges on the domestic industry front. Your management has been vigilant about the risk emanating from the Global as well as domestic events and has adopted sound strategies to mitigate these risks.

The management keeps a track of continuous changes in water treatment industry pre-dominantly to reassess risk and opportunities. Your company remains vigilant of its credibility, quality, services and technology vis-à-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. Many compliance regulations are enacted to ensure that organizations operate fairly and ethically. Your company takes utmost care about meeting the legal and social compliances in the geographies in which they operate. Your company has augmented its practice and systems to ensure complete regulatory compliance with the amendments to the Companies Act. .

#### E. Human Resources & Training

Your Company believes that human resources play a critical role in its future growth.

The function is linked with the strategic goals and objectives of the business, to improve productivity and efficiency, companywide.

Global benchmarking is a powerful instrument that helps us compete with the best and serve our customers better. With an unswerving focus on nurturing and retaining talent, your Company provides avenues for learning and development through functional, behavioral and leadership training programs, knowledge exchange programs, and communication channels for information sharing.

In keeping pace with today's competitive business environment, specialized programmes have been conducted by prestigious and reputed Training Institutes. Technical training in total environment solutions and soft skill training including executive/ management development workshops as well as job-function related training are an on-going feature.

Your Company recognizes that talent management is a constantly evolving discipline that needs to be addressed. This stems from our belief that performance leads to recognition. Identifying and grooming high potential employees for greater responsibility and leadership roles has indeed enabled employee retention. Every effort is therefore made to ensure that recruitment processes are in place and candidates are suitably selected.

The Human Resource function plays a key role in building a conducive and performance-oriented work environment with a focus on fairness, transparency, and accountability. Introduction of reward & recognition incentive schemes have also acted as motivating factors for employee satisfaction.

#### F. Internal controls

The Directors of your company carry the ultimate responsibility for ensuring that the group maintains a robust internal control framework to provide them with



reasonable assurance that all information within the business and available for external publication is correct and adequate. The existing governance and policy framework implemented by your company provides reasonable assurance of the efficacy of the internal control operating within the company.

The company has well qualified internal audit department. The planning of internal audit is approached from risk perspective. In preparing the annual audit plan reference is made to past audit experience, current economic and business environment, the Group's risk matrix, inputs sought from the top, senior management and Audit committee members. Major observations are periodically highlighted to the Audit committee members and are also reviewed by the statutory auditors.

In line with the amendments to the Companies Act, 2013, your Company initiated and implemented improved internal control framework to ensure and provide reasonable assurance on the efficacy of operating controls.

**G. Social responsibility initiatives**

At Ion Foundation, we continue to be involved in meaningful social initiatives giving back to society what we owe it, impacting the quality of lives of the disadvantaged sections of society.

Our projects emanate from an understanding of the needs of the economically disadvantaged communities and reflect our values. Some of the initiatives in our focus areas of Education, Health & Hygiene and the Environment include: sponsorship of tuition fees, higher education, supporting teaching expenses, computer education, infrastructural development, installation of drinking water purification plants, providing relief during natural calamities like floods, construction of sanitation facilities; spreading environmental awareness through campaigns and tree plantation drives.

Corporate Social Responsibility at Ion Foundation, not only touches the hearts and lives of the underprivileged but also its employees and their family members, who are actively involved in various activities. Remarkable is the fact that we have the support of top management, at all our locations and our involvement is a way of telling the people among whom we operate that 'we care'.

Our strong all-India Service and Rural Marketing network gives us the added advantage of monitoring and gaining feedback on previous years' projects.

With our consistent effort, we are happy to make a difference to the lives of over 68,000 beneficiaries during this year and to over 1,62,000 beneficiaries since the inception of Ion Foundation in 2010.

Employees appreciate working for organizations that have strong values, alignment & integration of CSR in their employee programs, which helps motivate, develop and retain employees.

**Cautionary Statement**

The statements or explanations given in this report may contain some forward looking statements based on assumptions having regard to the government policies, economic conditions etc. The management cannot guarantee the accuracy of the assumptions and expected performance of the Company in future. Hence, the actual results may substantially differ from those expressed or implied herein.

**On behalf of the Board of Directors**

**Rajesh Sharma**  
**Chairman and Managing Director**

Mumbai

Date: 24<sup>th</sup> May 2016

## CORPORATE GOVERNANCE REPORT 2016

### 1. Philosophy

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

The Company is in compliance with the requirements stipulated under Listing Regulations entered with the Bombay Stock Exchange with regard to Corporate Governance.

### 2. Board of Directors (The Board)

#### i. Composition & Category of Directors [as on 31<sup>st</sup> March, 2016]

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 during the year on 25.05.2015, 27.07.2015, 16.09.2015, 05.10.2015, 30.10.2015, 28.01.2016 and 21.03.2016. At every board meeting, the matters specified under Section 17 read with Schedule II (Part A) of Listing Regulations were placed and discussed.

The notice of each Board meeting is given in writing to each Director. The Agenda along with

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

The previous Annual General Meeting (AGM) of the Company held on 16<sup>th</sup> September, 2015 was attended by all ten Directors.

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

Name	Number of Board Meetings attended	Directorships in other Company(s) as on (31/3/16)	Member/ Chairman of committees of other company(s) (as on 31/3/16)
Mr. Rajesh Sharma	7	15	1
Mr. Dinesh Sharma	7	11	1 (Chairman)
Mr. Aankur Patni	7	9	-
Dr. V. N. Gupchup	7	5	2 (includes 1 Chairmanship)
Mr. M. P. Patni	5	11	1
Mr. T. M. M. Nambiar	7	3	2 (includes 1 Chairmanship)
Mr. P. SampathKumar	5	0	0
Mr. Abhiram Seth	6	10	10 (includes 3 Chairmanships)
Mr. Shishir Tamotia	6	1	0
Mrs. K.J. Udeshi	6	7	11

#### 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 2015-16.

**Rajesh Sharma**  
Chairman & Managing Director

### 3. Audit Committee

The Audit Committee regularly reviews and analyses the adequacy of internal control system, the financial and risk management policies of the Company and other matters as laid down under Regulation 18 (3) read with Part C of Schedule II of the Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015. The Internal Auditor submits reports periodically to the Committee and suggestions are given for effective functioning of the internal control system.

The Committee held four meetings during the year on 25.05.2015, 27.07.2015, 30.10.2015 and 27.01.2016.

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

### 4. Nomination and Remuneration Committee

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

#### REMUNERATION POLICY

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

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

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

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

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced

decision making; and assist the company in implementing the best corporate governance practices.

### 3. Independence of Independent Directors:

An Independent director should meet the requirements of the Companies Act, 2013 and perform the obligations as specified under Regulation 16(1)(b) of Listing Regulations concerning independence of directors.

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

###### A. NON-EXECUTIVE DIRECTORS (NEDs)

NEDs shall be paid a sitting fee of 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 (MD's) & KEY MANAGERIAL PERSONNEL & OTHER EMPLOYEES

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

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

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

Remuneration to Directors, Key Managerial

Personnel and Senior Management will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The above criteria and policy are subject to review by the Nomination & Remuneration

committee & the Board of Directors of the Company.

The remuneration paid to Chairman & Managing Director, Mr. Rajesh Sharma and Executive Directors, Mr. Dinesh Sharma and Mr. Aankur Patni during the financial year 2015- 2016 is given hereunder.

Name	Tenure	Salary & Allowances (Rs.)	Contribution to Provident & other funds (Rs.)	Perquisites (Rs.)	Total (Rs.)
Mr. Rajesh Sharma	2015-16	2,64,68,628	50,57,790	8,06,532	<b>3,23,32,950</b>
Mr. Dinesh Sharma	2015-16	1,19,31,008	22,90,320	1,82,806	<b>1,44,04,134</b>
Mr. Aankur Patni	2015-16	1,18,58,011	22,90,320	3,487	<b>1,41,51,818</b>

During the year, the Company paid Rs.35,45,000/- 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	8,85,000
Mr. M. P. Patni	3,00,000
Mr. T. M. M. Nambiar	5,25,000
Mr. P. Sampath Kumar	3,25,000
Mr. Abhiram Seth	4,50,000
Mr. Shishir Tamotia	3,50,000
Mrs. K.J. Udeshi	7,10,000
<b>Total</b>	<b>35,45,000</b>

#### 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. Sampath Kumar (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 31<sup>st</sup> March 2016):

		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.	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

		<b>ESOS-2001</b>	<b>ESOS-2003</b>	<b>ESOS - 2005</b>	<b>ESOS - 2008</b>
		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 – 28,000	First Grant – 5,78,675 Second Grant – 2,000	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 - 28,000	First Grant – 5,78,675 Second Grant – 2000	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 – 64,000	First Grant – 71,325 Second grant – 83,000	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 - 26,32,000	First Grant – Rs.1,09,94,825/- Second grant – 1,88,000	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 – 2,08,000	First Grant – Nil Second Grant – 2,65,000	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
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 (Non-Executive 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	2	2
b	Outdated, Duplicate Warrants and Changes on live warrants (where new instruments being issued)	101	101
c	Issue of new Drafts against unencashed Drafts/ Recovery Drafts	7	7
d	Non Receipt of warrants (where recon in progress)	8	8
e	Non Receipt of payments (where new Instruments already issued)	12	12
f	Unclaimed aAnd Unpaid amounts transferred to ROC / IEPF	7	7
g	Miscellaneous	0	0
2	Annual Report	4	4
3	Bonus Issue	0	0
4	Change In Name / Status	4	4
5	Communication received through SEBI and other statutory/ regulatory bodies	0	0
6	Conversion / Demerger - Scheme of Arrangement / Exchange/ Merger - Amalgamation of Cos/ Subdivision	21	21

Sr. No	QUERIES / COMPLAINTS/ REQUESTS RELATED TO	TOTAL RECEIVED	TOTAL REPLIED
7	Dematerialisation/ Rematerialisation of Securities	1	1
8	Dividend / Interest	23	23
9	Document Registration	6	6
10	Legal Matters	0	0
11	Loss of Securities	107	106
12	Nomination	0	0
13	Tax Exemption	0	0
14	Transfer of Securities	5	5
15	Transmission of Securities	22	22
16	Other Queries	41	38
	<b>TOTAL</b>	<b>371</b>	<b>367</b>
	<b>Request For</b>		
1	Change of Address	38	38
2	Change in Bank Details	23	23
3	Issue of New Certificates on Split/Consolidation/ Renewal	32	32
4	Nomination	3	3
5	Pan Updation	62	62
	<b>TOTAL</b>	<b>158</b>	<b>158</b>
	<b>GRAND TOTAL :</b>	<b>529</b>	<b>525</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 2015 - 2016 the Stakeholders' Relationship committee held 36 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 2015-16, the Committee met four times on 27.05.2015, 04.08.2015, 18.11.2015 and 29.03.2016.



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)	4
Mrs. K. J. Udeshi	4
Mr. M. P. Patni	1
Mr. Rajesh Sharma	4

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. Independent Directors' Meeting

During the year under review, the Independent Directors met on May 24, 2015 inter alia, to discuss:

#### 9. Annual General Meetings

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

Year	Date	Time	Location	Special Resolutions Passed
2012-2013	24.09.2013	11.00 a.m.	Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, 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 Road, 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.
2014-2015	16.09.2015	11.00 a.m	Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai – 400 025	---

- 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.

#### Familiarization Programme for Directors

At the time of appointing a Director, a formal letter of appointment is given, which inter alia explains the role, functions, duties and responsibilities expected as a Director of the Company. The Director is also explained in details the Compliance required under Companies Act, 2013, Listing Regulations and other various statutes and an affirmation is obtained. The Chairman and Managing Director also has a one to one discussion with the newly appointed Directors to familiarise them with the Company's operations. Further, on an ongoing basis as a part of Agenda of Board / Committees Meetings, presentations are regularly made to the Independent Directors on various matters inter alia covering the Company's and its subsidiaries / associates, businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.

The details of the familiarization programme for Directors are available on the Company's website- [www.ionindia.com](http://www.ionindia.com).

**10. Postal Ballot:**

During the year 2015 -16, 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. <b>Special Resolution for Appointment of Mr. Rajesh Sharma as Chairman and Managing Director.</b>	
		<b>Total</b>
	Number of valid Postal / electronic ballot forms received	<b>260</b>
	Votes in favour of the Resolution	<b>64,92,847</b>
	Votes against the Resolution	<b>7,634</b>
	Number of invalid Votes (Postal/ Electronic)	<b>25</b>
	% Votes in favour	<b>99.88%</b>
Name of Scrutinizer	Mr. Virendra Bhatt, Practicing Company Secretary	
Date of Report of Scrutinizer	7 <sup>th</sup> November 2015	
Date of Declaration of Results	7 <sup>th</sup> November 2015	

**11. Disclosures**

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

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

b. The Board of Directors of the Company has adopted the policy and procedures with regard to determination of Material Subsidiaries. The details of the Policy are available on the website of the Company at [http://www.ionindia.com/pdf/ionindia/subsidiaries\\_policy.pdf](http://www.ionindia.com/pdf/ionindia/subsidiaries_policy.pdf)

c. The Company has not entered into any transaction of a material nature with the Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company at large.

d. With regard to matters related to capital markets, the Company has complied with all requirements of the Listing Regulation as well as SEBI regulations and guidelines. No penalties were imposed or strictures passed against the Company by the Stock Exchanges, SEBI or any other statutory authority during the last three years in this regard.

e. Disclosures have also been received from the senior management personnel relating to the

financial and commercial transactions in which they or their relatives may have a personal interest. However, none of these transactions have potential conflict with the interests of the Company at large.

f. As required by Regulation 17(8) of SEBI LODR, the Compliance Certificate on the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting has been obtained from Mr. Rajesh Sharma (Chairman & Managing Director) and Mr. N.M. Ranadive (Chief Financial Officer).

g. The Company has complied with the compliances as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations.

h. Adoption of non-mandatory requirements of Listing Regulations is being reviewed by the Board from time to time.

**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 Directors and employees to report unethical behavior and actual or suspected frauds, the Company has adopted the Whistleblower Policy as per Regulation 22 of Listing Regulation.

No personnel have been denied access to the Audit Committee.

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

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

### 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 emailed & 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)).

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

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

### 14. Risks and concerns and their management

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

Strategic : High – level goals, aligned with and supporting its mission.

Operations : Effective and efficient use of its resources

Reporting : Reliability of financial reporting.

Compliance : Compliance with applicable laws and regulations.

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

### 15. General Shareholder Information

#### i) Annual General Meeting

Date : Friday, 9<sup>th</sup> September 2016

Time : 11.00 a.m.

Venue : Ravindra Natya Mandir,  
P.L.Deshpande Maharashtra Kala  
Academy, Near Siddhivinayak  
Temple, Sayani Road, Prabhadevi,  
Mumbai – 400 025

#### ii) Financial Calendar Year 2016-17

Financial year : 1st April to 31st March

Quarter ending  
June 30, 2016 : Last week of July, 2016

Quarter ending  
September 30, 2016 : Last week of October,  
2016

Quarter ending  
December 31, 2016 : Last week of January,  
2017

Year ending March  
31, 2017 : Last week of May, 2017

#### iii) Book closure date

The Register of Members and the Share Transfer Books of the Company will remain closed from

Thursday, 1<sup>st</sup> September, 2016 to Friday, 9<sup>th</sup> September, 2016 (both days inclusive) for determining the entitlement of shareholders to receive dividend for the year ended 31<sup>st</sup> March, 2016, if declared at the Annual general meeting,

#### iv) Dividend payment date

Dividend, if declared shall be paid on or before 14<sup>th</sup> September, 2016.

#### v) Listing on Stock Exchange

The Company's equity shares are listed at The Stock Exchange, Mumbai. Annual listing fees for the Financial year 2016-17 has been paid to BSE.

#### vi) Stock code and ISIN Number

The Stock Exchange, Mumbai - 500214.

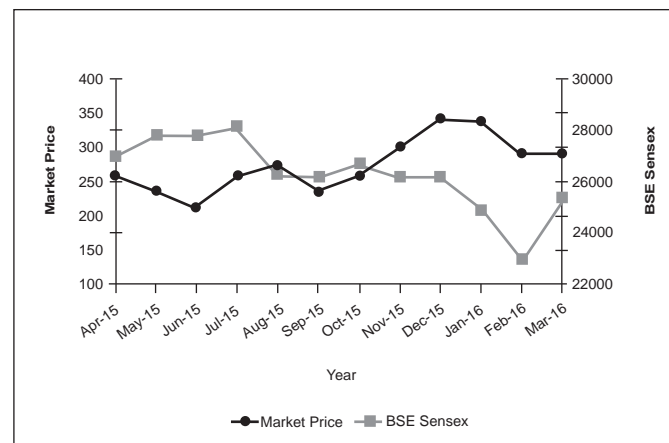
ISIN Number - INE570A01014.

### The Stock Exchange, Mumbai

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

Month	High Price (Rs.)	Low Price (Rs.)
April 2015	279.00	237.50
May 2015	259.80	216.00
June 2015	234.90	192.00
July 2015	299.20	221.00
August 2015	318.90	224.60
September 2015	249.30	222.10
October 2015	283.00	232.50
November 2015	336.40	266.00
December 2015	370.80	314.00
January 2016	394.20	281.30
February 2016	334.00	249.00
March 2016	321.90	260.00

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



**Distribution of Holdings as on 31<sup>st</sup> March 2016**

DESCRIPTION		NO. OF SHARES	%	NO. OF HOLDERS	%
1	500	13,93,670	9.58	11,914	86.97
501	- 1000	6,62,349	4.56	847	6.20
1001	- 2000	7,03,691	4.96	464	3.48
2001	- 3000	2,92,470	2.02	115	0.85
3001	- 4000	2,31,072	1.61	64	0.47
4001	- 5000	2,55,149	1.90	50	0.40
5001	- 10000	8,54,610	6.20	111	0.86
10001	- 999999999	1,01,64,148	69.16	134	0.77
<b>TOTAL</b>		<b>1,45,57,159</b>	<b>100.00</b>	<b>13,699</b>	<b>100.00</b>

**Shareholding Pattern as on 31<sup>st</sup> March 2016**

Category	Holdings	%
Promoter & Promoter Group	64,58,727	44.37
Mutual Funds & UTI	1,24,244	0.85
Banks, Financial Institutions & Insurance Companies	1,66,507	1.14
FII's	50	0.00
Domestic Companies	11,59,007	7.96
Public	64,83,644	44.55
NRIs/OCBs	1,64,980	1.13
<b>Total</b>	<b>1,45,57,159</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, 2016, 76.56 % 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, Tamil Nadu, Hosur - 635 126

Water Treatment Chemicals, : 19/A, Phase II Sugar Treatment Chemicals, Industrial Development Area, Medak, Andhra Pradesh Polymer products 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, 2016, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange for the period 1<sup>st</sup> April 2015 to 30<sup>th</sup> November, 2015 and as per the relevant provisions of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15(2) of Listing Regulations for the period 1<sup>st</sup> December, 2015 to 31<sup>st</sup> March, 2016.

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 24, 2016

## 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 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, 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 Directors is responsible for the matters stated in sub-section 5 of Section 134 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 ("the Rules"). 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 misstatement, 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 sub-section 10 of Section 143 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls 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. An audit also includes evaluating the appropriateness of the 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 31 March 2016 and its profit 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. 44,08,04,498 as at 31st March 2016 and total revenues of Rs. 86,70,66,666 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

- As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in exercise of powers conferred by sub-section 11 of section 143 of the Act, we enclose in 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by sub-section 3 of Section 143 of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The reports on the accounts of the branch office of the Company audited under Section 143 (8) of the Act by the 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.
- (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Rules.
- (f) On the basis of the written representations received from the Directors as on 31st March 2016 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March 2016 from being appointed as a Director in terms of sub-section 2 of Section 164 of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' and
- (h) 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 : 24th May 2016

## Annexure A to the Independent Auditor's Report - 31st March 2016

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 12 to the standalone financial statements, are held in the name of the Company, except for the following:

(Amount in Rupees)

Particulars	Freehold Land	Buildings
Gross block as at 31st March 2016	18,44,060	76,882
Net block as at 31st March 2016	18,44,060	Nil

- (ii) The inventory, except goods-in-transit and stock lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has granted unsecured loans to eleven companies covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').
- (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the companies listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
- (b) The loans granted are repayable on demand. We are informed that the Company has not demanded repayment of such loan from five such companies during the year and other companies has paid the loan as per demand, and thus, there has been no default on the part of the companies covered in the register maintained under section 189 of the Act. The payment of interest has not been regular incase of five subsidiaries.
- (c) There are no overdue amounts in respect of the loan granted to a companies listed in the register maintained under section 189 of the Act.
- (iv) In our opinion, and according to the information and explanations given to us, in respect of investments, loans, guarantee and security, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) In our opinion, and according to the information and explanations given to us, during the year the Company has not accepted any new deposits. The Company has complied with the provisions of Section 73 to 76 of the Act or other relevant provisions of the Act and the rules framed thereunder/the directives issued by the Reserve Bank of India (as applicable) with regard to deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal (as applicable) or Reserve Bank of India or any Court or any other Tribunal.
- (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under sub section 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, professional tax and other material statutory dues, as applicable, with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, professional tax and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Value added tax, Service tax, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Annexure I to this report.



- |  |  |
|--|--|
| <p>(viii) According to the information and explanations given to us, the Company has not defaulted in repayments of loans or borrowings to financial institutions or banks. The Company neither have any loans or borrowings from any Government nor has it issued any debentures, as at the balance sheet date.</p> <p>(ix) According to the information and explanations given to us, the term loans have been applied by the Company for the purpose for which they were obtained. The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.</p> <p>(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.</p> <p>(xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.</p> <p>(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.</p> <p>(xiii) According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where</p> | <p>applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.</p> <p>(xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.</p> <p>(xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.</p> <p>(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.</p> |
|--|--|

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

**Bhavesh Dhupelia**  
Partner  
Membership No: 042070

Place : Mumbai  
Date : 24th May 2016

**Annexure B to the Independent Auditor's Report- 31st March 2016**  
(Referred to in our report of even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of Ion Exchange (India) Limited ("the Company") as of 31 March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the

Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013 ("the Act").

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing,

issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

#### **Other Matters**

We did not audit the internal financial controls over financial reporting of a branch of the Company's branch at Bengaluru. The internal financial control over financial reporting of this branch have been audited by the branch auditors whose report have been furnished to us, and our opinion in so far as it relates to such internal financial controls over financial reporting included in respect of this branch, is based solely on the report of such branch auditor.

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

Chartered Accountants

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

**Bhavesh Dhupelia**

Partner

Membership No: 042070

Place : Mumbai

Date : 24th May 2016

### Annexure I to the Independent Auditors' Report - 31st March 2016

(Referred to in our report of even date)

Name of the Statute	Nature of the dues	Demand including interest 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/CST/ VAT Act for Maharashtra, Gujarat, Uttar Pradesh, Andhra Pradesh, Delhi and Goa states	Disallowance on account of non-submission of required forms	2,65,89,145	96,00,000	1993-1994 1995-1996 1999-2000 2000-2001	Joint Commissioner Appeals
		1,19,18,367	5,74,619	2006-2010 2011-2014	Assistant Commissioner Appeals
		1,23,78,969	-	2009-2010	Deputy Commissioner Appeals
		62,48,241	-	2010-2011	Commercial tax Appeals
		1,20,57,171	60,000	2010-2011	Objection Hearing Authority
		56,51,270	-	2008-2012	Deputy Commissioner Of Commercial Taxes
		1,31,72,276	5,03,485	2009-2012	Deputy Commissioner Of Sales Tax, Appeals
		4,20,427	-	2008-2009	Additional Commissioner Of Commercial Taxes
		26,94,309	8,00,000	2006-2007 2009-2010	Joint Commissioner Of Sales Tax, Appeals
		46,22,242	-	2010-2011	Objection Hearing Authority-Appeal
51,34,472	-	2004-2005 2007-2008	Senior Joint Commissioner Of Commercial Tax, Appeal		
Finance Act, 1994 – Service Tax	Disallowance of service tax taken on input services	12,18,443	5,06,673	2009-2010 2010-2011 2011-2012	Assistant Commissioner of Central Excise
		7,19,979	3,40,482	2006-2007 2007-2008 2008-2009	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	8,91,856	-	2006-2007	Commissioner of Income Tax (Appeal)
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	1,63,82,926	-	2009-2010	Commissioner of Income Tax (Appeal)
Income Tax act, 1961	Income Tax Demand	1,52,75,313	-	2010-2011	Commissioner of Income Tax (Appeal)
Income Tax act, 1961	Income Tax Demand	95,37,137	-	2011-2012	Commissioner of Income Tax (Appeal)

**BALANCE SHEET as at 31st March 2016**

	Notes	31st March 2016 Rupees	31st March 2015 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
(a) Share capital	3	14,55,71,590	14,53,21,590
(b) Reserves and surplus	4	2,35,54,45,340	2,05,79,92,977
		<u>2,50,10,16,930</u>	<u>2,20,33,14,567</u>
<b>NON-CURRENT LIABILITIES</b>			
(a) Long-term borrowings	5	15,48,79,956	10,22,16,316
(b) Deferred tax liabilities (Net)	6	4,33,94,232	4,66,94,643
(c) Other long term liabilities	7	8,35,18,674	7,27,14,858
(d) Long-term provisions	8	11,86,65,942	10,77,87,331
		<u>40,04,58,804</u>	<u>32,94,13,148</u>
<b>CURRENT LIABILITIES</b>			
(a) Short-term borrowings	9	41,02,63,528	35,69,69,054
(b) Trade payables	10		
Due to micro and small enterprises		2,25,78,416	67,31,480
Due to others		2,87,10,12,067	2,69,61,01,213
(c) Other current liabilities	11	59,47,63,400	56,51,38,345
(d) Short-term provisions	8	19,77,67,311	16,36,42,514
		<u>4,09,63,84,722</u>	<u>3,78,85,82,606</u>
<b>TOTAL</b>		<b><u>6,99,78,60,456</u></b>	<b><u>6,32,13,10,321</u></b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Fixed assets			
(i) Tangible assets	12	78,97,96,750	68,81,43,025
(ii) Intangible assets	13	1,21,05,161	1,18,07,104
(iii) Capital work-in-progress		2,08,09,273	4,98,32,583
(b) Non-current investments	14	55,22,52,538	55,22,52,538
(c) Long-term loans and advances	15	69,24,28,917	59,74,35,445
(d) Trade receivables	16	5,82,77,852	6,59,14,502
(e) Other non-current assets	17	2,33,910	13,96,407
		<u>2,12,59,04,401</u>	<u>1,96,67,81,604</u>
<b>CURRENT ASSETS</b>			
(a) Current investments	18	4,92,224	4,92,224
(b) Inventories	19	59,78,20,593	45,25,49,680
(c) Trade receivables	16	3,35,25,02,895	3,26,50,48,602
(d) Cash and cash equivalents	20	19,22,19,487	14,81,43,544
(e) Short-term loans and advances	15	72,41,15,557	48,59,24,664
(f) Other current assets	17	48,05,299	23,70,003
		<u>4,87,19,56,055</u>	<u>4,35,45,28,717</u>
<b>TOTAL</b>		<b><u>6,99,78,60,456</u></b>	<b><u>6,32,13,10,321</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 : 24th May 2016

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 : 24th May 2016

**STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2016**

	Notes	31st March 2016 Rupees	31st March 2015 Rupees
<b>REVENUE</b>			
Revenue from operations (Gross of excise)	21	8,30,78,93,169	7,61,52,98,482
Less: Excise duty	21	30,72,98,129	29,69,94,109
Revenue from operations (Net of excise)	21	8,00,05,95,040	7,31,83,04,373
Other income	22	12,20,57,000	8,21,81,387
<b>TOTAL REVENUE</b>		<b>8,12,26,52,040</b>	<b>7,40,04,85,760</b>
<b>EXPENSES</b>			
Cost of materials and components consumed	23	5,07,77,33,815	4,63,46,00,347
Purchases of traded goods	24 (a)	26,75,25,403	26,48,82,649
(Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods	24 (b)	(2,42,66,675)	(3,53,57,226)
Employee benefits expense	25	86,26,33,117	75,20,08,541
Finance costs	26	10,59,80,090	10,85,45,548
Depreciation and amortization	27	9,98,85,992	9,81,01,516
Other expenses	28	1,21,95,33,493	1,19,74,78,191
<b>TOTAL EXPENSES</b>		<b>7,60,90,25,235</b>	<b>7,02,02,59,566</b>
<b>PROFIT BEFORE TAX</b>		<b>51,36,26,805</b>	<b>38,02,26,194</b>
<b>TAX EXPENSE</b>			
Current tax		17,20,00,000	13,15,00,000
Deferred tax (Refer note 6)		(33,00,411)	(1,26,65,857)
<b>TOTAL TAX EXPENSE</b>		<b>16,86,99,589</b>	<b>11,88,34,143</b>
<b>PROFIT AFTER TAX</b>		<b>34,49,27,216</b>	<b>26,13,92,051</b>
<b>EARNINGS PER EQUITY SHARE</b>			
[Nominal value of shares Rs. 10 (2014-2015 : Rs. 10)] (Refer note 29)			
Basic		23.72	17.99
Diluted		23.20	17.61

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

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 : 24th May 2016

N. M. RANADIVE  
Executive Vice President - Finance

Place : Mumbai  
Date : 24th May 2016

**CASH FLOW STATEMENT for the year ended 31st March 2016**

	31st March 2016 Rupees	31st March 2016 Rupees	31st March 2015 Rupees	31st March 2015 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
<b>Net profit before tax as per statement of profit and loss</b>		51,36,26,805		38,02,26,194
Adjustment to reconcile profit before tax to net cash flows:				
Depreciation and amortization expense	9,98,85,992		9,81,01,516	
(Profit) / Loss on assets sold / discarded (Net)	(12,55,356)		18,114	
Employee compensation income	(2,79,900)		(3,11,000)	
Finance cost	10,59,80,090		10,85,45,548	
Dividend received	(1,70,78,199)		(1,06,01,106)	
Interest received	(7,35,93,686)		(5,33,49,108)	
Bad debts written off	1,83,68,591		2,99,95,426	
Backcharges on contracts	91,38,891		3,08,96,565	
Amount set aside for liabilities, no longer required, written back	-		(3,50,966)	
Unrealised exchange loss / (gain)	(1,12,09,694)		(50,85,202)	
		12,99,56,729		19,78,59,787
<b>Cash generated from operations before working capital changes</b>		<b>64,35,83,534</b>		<b>57,80,85,981</b>
Movements in working capital:				
(Increase) / Decrease in trade receivables	(9,91,14,348)		(40,49,06,799)	
(Increase) / Decrease in inventories	(14,52,70,913)		(3,50,97,418)	
(Increase) / Decrease in loans and advances	(25,39,41,772)		9,51,15,791	
(Decrease) / Increase in trade payables	19,30,96,653		16,87,45,765	
(Decrease) / Increase in other liabilities	3,78,04,937		9,47,32,043	
(Decrease) / Increase in provisions	1,03,16,711		1,07,60,084	
		(25,71,08,732)		(7,06,50,534)
<b>Cash generated from operations</b>		<b>38,64,74,802</b>		<b>50,74,35,447</b>
Taxes paid		(14,61,54,752)		(8,87,96,660)
<b>Net cash generated from operating activities (A)</b>		<b>24,03,20,050</b>		<b>41,86,38,787</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of fixed assets	(26,34,92,397)		(9,13,30,465)	
Proceeds from sale of fixed assets	1,47,75,126		3,52,133	
Investments made in subsidiaries	-		(3,10,72,250)	
Investments made in others	-		(71,430)	
Bank deposit made during the year (with maturity more than three months)	(3,72,36,396)		(4,55,40,877)	
Bank deposit matured during the year (with maturity more than three months)	3,44,15,188		4,58,69,401	
Dividend received	1,70,78,199		1,06,01,106	
Interest received	7,23,20,887		5,24,18,789	
<b>Net cash used in investing activities (B)</b>		<b>(16,21,39,393)</b>		<b>(5,87,73,593)</b>

**Cash Flow Statement (Contd.)**

	31st March 2016 Rupees	31st March 2016 Rupees	31st March 2015 Rupees	31st March 2015 Rupees
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from issuance of share capital on exercise of options	23,50,000		-	
Repayment of borrowings	(29,91,12,888)		(40,86,46,235)	
Proceeds from borrowings	40,35,85,588		19,75,27,787	
Dividend paid	(4,35,96,477)		(2,90,64,318)	
Dividend tax paid	(68,63,162)		(49,39,481)	
Finance cost	(9,33,37,803)		(10,84,16,424)	
<b>Net cash used in financing activities (C)</b>		<b>(3,69,74,742)</b>		<b>(35,35,38,671)</b>
<b>Net Increase in cash and cash equivalents (A+B+C)</b>		<b>4,12,05,915</b>		<b>63,26,523</b>
Effect of exchange difference on cash and cash equivalent held in foreign currency		48,820		32,497
Cash and cash equivalents as at the beginning of the year		5,38,76,612		4,75,17,592
<b>Cash and cash equivalents as at the end of the year</b>		<b>9,51,31,347</b>		<b>5,38,76,612</b>
<b>Cash and cash equivalent comprises of :</b>				
<b>Cash in hand</b>		<b>65,77,496</b>		<b>1,01,07,222</b>
<b>Balance with banks</b> (Refer notes 2 and 3 below)		<b>8,85,53,851</b>		<b>4,37,69,390</b>
<b>Total</b>		<b>9,51,31,347</b>		<b>5,38,76,612</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. 23,90,831 (2014-2015 : Rs. 29,86,167)
  - On margin money account Rs. 9,46,97,309 (2014-2015 : Rs. 9,12,80,765)
- Balances with bank includes Rs. 34,50,965 (2014-2015 : Rs. 32,88,006) 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 : 24th May 2016

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 : 24th May 2016

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016****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
Furniture and fixtures	10 years
Vehicles	4 – 8 years
Office equipments	3 – 5 years

Site equipments are depreciated over 3 years.

Leasehold assets are depreciated 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 2016 (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 2016 (contd...)****2. Significant Accounting Policies (contd...)**

## (vii) Retirement and other employee benefits (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 (Share Based Employee Benefits) Regulation, 2014 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 2016 (contd...)**

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

(xi) Provisions and contingent liabilities (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 2016 (contd...)****3. SHARE CAPITAL**

	31st March 2016 Rupees	31st March 2015 Rupees
Authorised shares: 1,70,00,000 (2014-2015 : 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: 1,45,57,159 (2014-2015 : 1,45,32,159) equity shares of Rs. 10 each.	14,55,71,590	14,53,21,590
	<b>14,55,71,590</b>	<b>14,53,21,590</b>

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

	31st March 2016		31st March 2015	
	No. of Shares	Rupees	No. of Shares	Rupees
At the beginning of the period	1,45,32,159	14,53,21,590	1,45,32,159	14,53,21,590
Add: Issued during the period - ESOS (Refer note 31)	25,000	2,50,000	-	-
Outstanding at the end of the period	<b>1,45,57,159</b>	<b>14,55,71,590</b>	<b>1,45,32,159</b>	<b>14,53,21,590</b>

(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 2016, the amount of per share dividend recognized as distribution to equity shareholders is Rs. 3 (2014-2015 : Rs. 3).

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 2016		31st March 2015	
	No. of Shares	% of holding	No. of Shares	% of holding
Rakesh Jhunjhunwala	8,00,000	5.50%	8,00,000	5.51%
Rajesh Sharma	7,81,218	5.37%	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.

The aggregate number of equity shares issued pursuant to scheme of amalgamation, without payment being received in cash in immediately preceding last five years ended on 31st March 2016 : 11,80,256 (Previous period of five years ended 31st March 2015 : 11,80,256)

The aggregate number of equity shares issued pursuant to exercise of options granted under the Employee Stock Option Scheme (ESOS) wherein part consideration was received in form of employee services preceding last five years ended on 31st March 2016 : 2,38,050 (Previous period of five years ended 31st March 2015 : 9,13,100)

(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 2016 (contd...)**
**4. RESERVES AND SURPLUS**

	<b>31st March 2016</b>	<b>31st March 2015</b>
	<b>Rupees</b>	<b>Rupees</b>
<u>Security premium account</u>		
Balance as at April 1	81,21,28,504	81,21,28,504
Add: Transferred from employee stock option outstanding	28,77,500	-
	<u>81,50,06,004</u>	<u>81,21,28,504</u>
<u>Revaluation reserve [Refer note 2(i)]</u>		
Balance as at April 1	10,20,390	10,20,390
	<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	1,57,67,701	1,60,78,701
Add: Gross compensation for options granted during the year	21,00,000	-
Less: Transferred to securities premium account on excise of options	28,77,500	-
Less: Transferred to employee compensation income	2,79,900	3,11,000
	<u>1,47,10,301</u>	<u>1,57,67,701</u>
<u>Special reserve</u>		
Balance as at April 1 (As per section 45 - IC of the Reserve Bank of India Act, 1934)	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	26,44,65,705
	<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	96,30,10,617	76,83,47,290
Less: Additional depreciation / amortization (Refer note 51)	-	1,62,69,085
Add : Profit for the year	34,49,27,216	26,13,92,051
Less : Appropriations		
- Proposed final dividend	4,36,71,477	4,35,96,477
[amount per share Rs. 3 (2014-2015 : Rs. 3)]		
- Tax on proposed final dividend	56,23,476	68,63,162
Net surplus in the statement of profit and loss	<u>1,25,86,42,880</u>	<u>96,30,10,617</u>
<b>Total reserves and surplus</b>	<u><b>2,35,54,45,340</b></u>	<u><b>2,05,79,92,977</b></u>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)****5. LONG-TERM BORROWINGS:**

	Non-current portion		Current maturities	
	31st March 2016 Rupees	31st March 2015 Rupees	31st March 2016 Rupees	31st March 2015 Rupees
<u>Term loans (Secured)</u>				
Indian rupee loan from finance company [Refer note (a) below]	4,75,41,973	7,92,36,637	3,16,94,664	3,16,94,664
Indian rupee loan from financial institution [Refer note (b) below]	7,00,90,000	-	-	-
Indian rupee loan from financial institution [Refer note (c) below]	-	-	-	65,25,000
Indian rupee vehicle loan from banks and finance company [Refer note (d) below]	58,97,488	61,28,963	27,04,976	21,17,258
<u>Other loans and advances</u>				
Finance lease obligation (Secured) [Refer note (e) below]	3,13,50,495	1,18,96,716	1,77,61,989	94,18,121
Deposits (Unsecured) [Refer note (f) below]				
Deposit from shareholders	-	1,00,000	-	1,76,000
Deposit from public	-	48,54,000	49,24,000	84,32,000
	<b>15,48,79,956</b>	<b>10,22,16,316</b>	<b>5,70,85,629</b>	<b>5,83,63,043</b>
<u>The above amount includes</u>				
Secured borrowings	15,48,79,956	9,72,62,316	5,21,61,629	4,97,55,043
Unsecured borrowings	-	49,54,000	49,24,000	86,08,000
Amount disclosed under the head "Other current liabilities" (Refer note 11)	-	-	(5,70,85,629)	(5,83,63,043)
	<b>15,48,79,956</b>	<b>10,22,16,316</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 financial institution for capital expenditure carries interest @ 11.70% p.a. The loan is secured by first charge on movable fixed assets situated at Goa and is repayable in 54 months with moratorium of 6 months from the date of actual commercial operation date.
- (c) Indian rupees loan from a financial institution carries interest @ 15.00% p.a. The loan was secured by first charge on property situated at Bangalore and was repayable in 6 years.
- (d) Indian rupee vehicle loans from banks and finance company carries interest @ 9.50% to 13.50% p.a. The loans are repayable within a period of 36 to 60 months in equal monthly installments along with interest, from the various dates of disbursements. The loans are secured by hypothecation of under lying vehicles.
- (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 2016 (contd...)**
**6. DEFERRED TAX LIABILITY (NET)**

	31st March 2016		31st March 2015	
	Deferred Tax Liability	Deferred Tax Assets	Deferred Tax Liability	Deferred Tax Assets
	Rupees	Rupees	Rupees	Rupees
Difference between book and tax depreciation (Refer note 51)	9,74,75,383	-	8,88,04,581	-
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	-	4,62,16,088	-	3,42,44,875
<b>Total</b>	<b>9,74,75,383</b>	<b>5,40,81,151</b>	<b>8,88,04,581</b>	<b>4,21,09,938</b>
<b>Deferred tax liability (Net)</b>	<b>4,33,94,232</b>		<b>4,66,94,643</b>	

**7. OTHER LONG TERM LIABILITIES**

	31st March 2016	31st March 2015
	Rupees	Rupees
Deposits	8,17,44,019	6,96,58,964
Interest accrued but not due	-	1,60,403
Others	17,74,655	28,95,491
	<b>8,35,18,674</b>	<b>7,27,14,858</b>

**8. PROVISIONS**

	Long-term		Short-term	
	31st March 2016	31st March 2015	31st March 2016	31st March 2015
	Rupees	Rupees	Rupees	Rupees
Provision for income tax [Net of advance tax Rs. 55,49,56,849 (2014-2015 : Rs. 53,27,87,233)]	5,15,92,640	4,66,21,107	12,32,63,705	9,23,83,855
Provision for leave encashment	6,70,73,302	6,11,66,224	2,31,11,953	1,87,51,620
Provision for warranties	-	-	20,96,700	20,47,400
Proposed dividend	-	-	4,36,71,477	4,35,96,477
Tax on proposed dividend	-	-	56,23,476	68,63,162
	<b>11,86,65,942</b>	<b>10,77,87,331</b>	<b>19,77,67,311</b>	<b>16,36,42,514</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 2016	31st March 2015
	Rupees	Rupees
At the beginning of the year	20,47,400	21,36,600
Arising during the year	20,96,700	20,47,400
Utilised during the year	20,47,400	21,36,600
Unused amounts reversed	-	-
<b>At the end of the year</b>	<b>20,96,700</b>	<b>20,47,400</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)****9. SHORT TERM BORROWINGS**

	31st March 2016 Rupees	31st March 2015 Rupees
Working capital loan from banks (Secured) [Refer note (a) below]	16,27,38,528	33,87,44,054
Working capital loan from bank (Unsecured) [Refer note (b) below]	21,13,00,000	-
Inter-corporate deposits (Unsecured) [Refer note (c) below]		
- from related parties [Refer note 34 (I)]	82,25,000	82,25,000
- from others	2,80,00,000	1,00,00,000
	<b>41,02,63,528</b>	<b>35,69,69,054</b>
<u>The above amount includes:</u>		
Secured borrowings	16,27,38,528	33,87,44,054
Unsecured borrowings	24,75,25,000	1,82,25,000
	<b>41,02,63,528</b>	<b>35,69,69,054</b>

- (a) The working capital loan 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, Goa and Ankleshwar. The Working Capital Loan is repayable on demand and carries interest @ 11.50% to 14.75% p.a.
- (b) The working capital loan is unsecured, repayable within 180 days from 23.03.2016 and carries interest @ 11.50% p.a.
- (c) Inter corporate deposit are for a period from 90 to 365 days and carries interest @ 9.50% to 12.75% p.a.

**10. TRADE PAYABLE**

	31st March 2016 Rupees	31st March 2015 Rupees
<u>Trade payables (including acceptances)</u>		
Due to micro and small enterprises (Refer note 43)	2,25,78,416	67,31,480
Due to others	2,87,10,12,067	2,69,61,01,213
	<b>2,89,35,90,483</b>	<b>2,70,28,32,693</b>

**11. OTHER CURRENT LIABILITIES**

	31st March 2016 Rupees	31st March 2015 Rupees
Current maturities of long term borrowings (Refer note 5)	5,70,85,629	5,83,63,043
Interest accrued but not due	32,32,558	19,43,867
Employee benefits payable	10,09,47,634	7,48,49,310
Creditors for capital goods	1,75,09,766	1,45,28,706
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
- Unpaid dividend	31,19,187	28,52,452
- Unclaimed interest on fixed deposit	3,31,778	4,35,554
- Unclaimed matured deposit	14,72,000	16,80,000
Advance from customers	33,28,51,782	34,34,71,385
Unearned revenue on AMC services	3,08,45,245	2,82,48,316
Statutory dues	4,19,01,888	3,32,01,528
Others liabilities	54,65,933	55,64,184
	<b>59,47,63,400</b>	<b>56,51,38,345</b>



**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)**
**12. TANGIBLE ASSETS**

	Amount (in Rupees)									
	Land (Freehold) (Refer note a)	Land (Leasehold)	Road	Building on freehold land (Refer notes b,c,d and e)	Building on leasehold land	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments (Refer note f)	Total
<b>Gross block</b>										
As at 1st April 2014	2,04,29,053	2,39,84,441	61,54,777	24,60,44,049	27,65,48,042	80,49,04,125	10,18,07,654	3,08,05,669	18,23,10,415	1,69,29,88,225
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>
Addition during the year	-	-	10,70,982	3,23,02,264	-	15,02,18,728	38,82,732	31,64,751	1,92,14,261	20,98,53,718
Disposal during the year	-	-	-	1,40,03,600	-	3,23,92,895	1,78,142	21,07,067	3,09,640	4,89,91,344
<b>As at 31st March 2016</b>	<b>2,04,29,053</b>	<b>2,39,84,441</b>	<b>72,25,759</b>	<b>26,60,82,828</b>	<b>27,65,48,042</b>	<b>95,56,50,453</b>	<b>10,66,94,723</b>	<b>3,43,79,656</b>	<b>20,99,05,106</b>	<b>1,90,09,00,061</b>
<b>Depreciation</b>										
As at 1st April 2014	-	67,41,361	7,25,410	4,86,35,001	10,89,32,303	53,40,87,303	7,39,39,501	1,55,76,726	14,64,99,614	93,51,37,219
Additional depreciation transfer to reserve and surplus (Refer note 51)	-	-	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>17,52,414</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>
Depreciation during the year	-	3,02,424	7,15,686	48,23,823	80,86,730	5,78,33,406	48,78,350	53,91,479	1,26,48,325	9,46,80,223
Deduction during the year	-	-	-	9,57,998	-	3,21,44,799	1,78,151	18,80,986	3,09,640	3,54,71,574
<b>As at 31st March 2016</b>	<b>-</b>	<b>73,46,209</b>	<b>24,68,100</b>	<b>5,74,11,486</b>	<b>12,78,50,363</b>	<b>62,01,15,021</b>	<b>8,81,59,209</b>	<b>2,51,23,966</b>	<b>18,26,28,957</b>	<b>1,11,11,03,311</b>
<b>Net block</b>										
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
As at 31st March 2016	2,04,29,053	1,66,38,232	47,57,659	20,86,71,342	14,86,97,679	33,55,35,432	1,85,35,514	92,55,690	2,72,76,149	78,97,96,750

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)**

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

- a. Freehold land includes land at Pune, the title deeds of which are in the name of the nominees of the Company.  
Gross book value Rs. 18,44,060 (2014-2015 : Rs18,44,060)
- b. Buildings on freehold land includes residential flats, the cost of which includes:
- Rs. 250 (2014-2015 : 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 (2014-2015 : Rs. 3,500) being the value of 70 Shares (unquoted) of Rs. 50 each, fully paid up in Usha Milan Co-operative Society Limited.
- c. Buildings on freehold land includes residential flats acquired at Mumbai, the society formation of which is in progress.  
Gross book value Rs. 62,16,250 (2014-2015 : Rs. 62,16,250)  
Net book value Rs. 41,14,738 (2014-2015 : Rs. 42,18,471)
- d. Buildings on freehold land includes residential flats comprising of 2 LIG flats (Nos. B-16 and B-17) and 1 MIG flat (No. B-14) at Hosur, the title deeds of which are awaited from authorities.  
Gross book value Rs. 76,882 (2014-2015 : Rs. 76,882)  
Net book value Rs. Nil (2014-2015 : Rs. Nil)
- e. Buildings on freehold land includes office premises given on operating lease :  
Gross book value Rs. 2,30,77,146 (2014-2015 : Rs. 2,30,77,146)  
Accumulated depreciation Rs. 1,02,05,233 (2014-2015 : Rs. 96,81,060)  
Depreciation for the year Rs. 5,20,450 (2014-2015 : Rs. 6,70,201)  
Net book value Rs. 1,28,71,913 (2014-2015 : Rs. 1,33,96,086)
- f. Office equipment includes data processing items taken on finance lease :  
Gross book value Rs. 2,87,39,617 (2014-2015 : Rs. 2,28,95,891)  
Accumulated depreciation Rs. 2,04,95,216 (2014-2015 : Rs. 1,47,18,981)  
Depreciation for the year Rs. 57,76,235 (2014-2015 : Rs. 64,00,438)  
Net book value Rs. 82,44,401 (2014-2015 : Rs. 81,76,910)

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)**
**13. INTANGIBLE ASSETS**

Amount (in Rupees)

	Computer Software	Total
<b><u>Gross block</u></b>		
As at 1st April 2014	4,00,73,196	4,00,73,196
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>
Addition during the year	55,03,826	55,03,826
Disposal during the year	-	-
<b>As at 31st March 2016</b>	<b>4,97,05,051</b>	<b>4,97,05,051</b>
<b><u>Amortization</u></b>		
As at 1st April 2014	2,69,81,801	2,69,81,801
Additional amortized transfer to reserve and surplus (Refer note 51)	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>
Amortized during the year	52,05,769	52,05,769
Deduction during the year	-	-
<b>As at 31st March 2016</b>	<b>3,75,99,890</b>	<b>3,75,99,890</b>
<b><u>Net block</u></b>		
<b>As at 31st March 2015</b>	<b>1,18,07,104</b>	<b>1,18,07,104</b>
<b>As at 31st March 2016</b>	<b>1,21,05,161</b>	<b>1,21,05,161</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)****14. NON CURRENT INVESTMENTS**

	31st March 2016 Rupees	31st March 2015 Rupees
<b>TRADE INVESTMENTS (Valued at cost unless stated otherwise)</b>		
<b>EQUITY INSTRUMENTS (UNQUOTED)</b>		
<u>INVESTMENT IN SUBSIDIARIES</u>		
17,60,000 (2014-2015 : 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 (2014-2015 : 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 (2014-2015 : 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 (2014-2015 : 26,03,211) equity shares of Singapore Dollars 1 each, fully paid up in Ion Exchange Asia Pacific Pte. Ltd.	10,80,96,815	10,80,96,815
1,50,000 (2014-2015 : 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 (2014-2015 : 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 (2014-2015 : 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 (2014-2015 : 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 (2014-2015 : 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 (2014-2015 : 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 (2014-2015 : 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 (2014-2015 : 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 (2014-2015 : 600) equity shares of ZAR 1 each, fully paid up in Ion Exchange Safic Pty Ltd.	40,66,949	40,66,949
49,993 (2014-2015 : 49,993) equity shares of Rs. 10 each, fully paid-up in Total Water Management Services (India) Limited	4,99,930	4,99,930
10,000 (2014-2015 : 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	36,73,49,438
<u>INVESTMENT IN JOINT VENTURES</u>		
24,99,500 (2014-2015 : 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
<u>INVESTMENT IN ASSOCIATES</u>		
4,60,000 (2014-2015 : 4,60,000) equity shares of Rs. 10 each, fully paid-up in Aqanomics Systems Limited	46,00,000	46,00,000
1,30,000 (2014-2015 : 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

\* Ion Exchange Infrastructure Limited, a subsidiary of Ion Exchange (India) Limited has amalgamated with Ion Exchange Projects and Engineering Limited (IEPEL) w.e.f. 1st April 2014 as per order of Bombay High Court, which became operational from 17th December 2015. As per the scheme, shares to be issued by IEPEL are pending allotment.

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)**
**14. NON-CURRENT INVESTMENTS (contd..)**

	31st March 2016	31st March 2015
	Rupees	Rupees
<b>INVESTMENT IN OTHERS</b>		
6,000 (2014-2015 : 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 (2014-2015 : Rs. 60,000)]	-	-
113 (2014-2015 : 113) equity shares of Rs. 10 each, fully paid-up in Patancheru Enviro-tech Limited	1,130	1,130
10,500 (2014-2015 : 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 (2014-2015 : 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 (2014-2015 : 21,518) equity shares of Rs. 10 each, fully paid-up in Global Procurement Consultants Limited	2,45,540	2,45,540
1,000 (2014-2015 : 1,000) equity shares of Rs. 10 each, fully paid-up in Ion Foundation	10,000	10,000
7,143 (2014-2015 : 7,143) equity shares of Rs. 10 each, fully paid-up in Water Quality India Association	71,430	71,430
(D)	39,58,100	39,58,100
<b>PREFERENCE SHARES (UNQUOTED)</b>		
<b>INVESTMENT IN OTHERS</b>		
75,000 (2014-2015 : 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 (2014-2015 : Rs. 74,50,000)]	50,000	50,000
(E)	50,000	50,000
<b>DEBENTURES (UNQUOTED)</b>		
<b>INVESTMENT IN SUBSIDIARIES</b>		
15,00,000 (2014-2015 : 15,00,000) 7% secured redeemable non-convertible debenture of Rs. 100 each, fully paid up in Ion Exchange Enviro Farms Limited (Refer note 36)	15,00,00,000	15,00,00,000
(F)	15,00,00,000	15,00,00,000
<b>Total non current investments</b>	<b>(A+B+C+D+E+F)</b>	<b>(A+B+C+D+E+F)</b>
Aggregate amount of quoted Investments	-	-
Aggregate amount of unquoted Investments	55,22,52,538	55,22,52,538
Aggregate provision for diminution in value of investments	75,10,000	75,10,000

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)****15. LOANS AND ADVANCES**

	Non-current		Current	
	31st March 2016 Rupees	31st March 2015 Rupees	31st March 2016 Rupees	31st March 2015 Rupees
<u>Capital advances</u>				
Unsecured, considered good (Refer note 50)	9,60,03,727	1,58,64,504	-	-
(A)	9,60,03,727	1,58,64,504	-	-
<u>Tender, security and other deposits</u>				
Unsecured, considered good	5,25,36,374	3,98,57,688	90,10,713	69,30,435
Doubtful	8,48,733	8,48,733	-	-
	5,33,85,107	4,07,06,421	90,10,713	69,30,435
Less: Provision for doubtful deposits	8,48,733	8,48,733	-	-
(B)	5,25,36,374	3,98,57,688	90,10,713	69,30,435
<u>Loans and advances to related parties</u>				
[Refer note 34 (I) and (II)]				
Unsecured, considered good	46,10,82,044	45,36,59,006	32,00,67,196	13,54,54,121
Doubtful	24,75,134	24,75,134	-	-
	46,35,57,178	45,61,34,140	32,00,67,196	13,54,54,121
Less: Provision for doubtful loans and advances	24,75,134	24,75,134	-	-
(C)	46,10,82,044	45,36,59,006	32,00,67,196	13,54,54,121
<u>Advance to suppliers</u>				
Unsecured, considered good	-	-	6,43,18,423	6,12,11,151
Unsecured, considered good - related parties [Refer note 34(I)]	-	-	9,16,54,582	9,51,66,985
Unsecured, considered doubtful	14,19,526	14,19,526	-	-
	14,19,526	14,19,526	15,59,73,005	15,63,78,136
Less: Provision for doubtful advances	14,19,526	14,19,526	-	-
(D)	-	-	15,59,73,005	15,63,78,136
<u>Other Loans and advances</u>				
Unsecured, considered good				
- Prepaid expenses	-	-	4,51,28,897	3,85,71,139
- Claims receivables	-	-	1,82,54,276	64,93,675
- Balances with statutory authorities	4,28,31,879	4,65,71,490	17,31,91,930	13,94,88,449
- Loans and advance to Employees	-	-	24,89,540	26,08,709
- Income tax paid [Net of provision for taxation Rs. 18,14,46,322 (2014-2015 : Rs. 5,59,53,322)]	3,99,74,893	4,14,82,757	-	-
(E)	8,28,06,772	8,80,54,247	23,90,64,643	18,71,61,972
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>69,24,28,917</b>	<b>59,74,35,445</b>	<b>72,41,15,557</b>	<b>48,59,24,664</b>
<u>Loans and advances to employees includes</u>				
Due from directors	-	-	51,494	1,56,331

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)**
**16. TRADE RECEIVABLES**

	Non-current		Current	
	31st March 2016 Rupees	31st March 2015 Rupees	31st March 2016 Rupees	31st March 2015 Rupees
Outstanding for a period exceeding six months from the date they are due for payment				
- Unsecured, considered good	5,82,77,852	6,59,14,502	45,83,91,821	61,01,09,550
- Doubtful	59,61,994	59,61,994	-	-
	6,42,39,846	7,18,76,496	45,83,91,821	61,01,09,550
Less: Provision for doubtful receivable	59,61,994	59,61,994	-	-
(A)	5,82,77,852	6,59,14,502	45,83,91,821	61,01,09,550
Other receivables				
- Unsecured, considered good	-	-	2,89,41,11,074	2,65,49,39,052
- Doubtful	-	-	-	-
	-	-	2,89,41,11,074	2,65,49,39,052
Less: Provision for doubtful receivables	-	-	-	-
(B)	-	-	2,89,41,11,074	2,65,49,39,052
<b>Total</b>	<b>(A + B) 5,82,77,852</b>	<b>6,59,14,502</b>	<b>3,35,25,02,895</b>	<b>3,26,50,48,602</b>

**17. OTHER ASSETS**

	Non-current		Current	
	31st March 2016 Rupees	31st March 2015 Rupees	31st March 2016 Rupees	31st March 2015 Rupees
<u>Unsecured, considered good</u>				
Interest accrued on margin money	2,33,910	13,96,407	48,05,299	23,70,003
(A)	2,33,910	13,96,407	48,05,299	23,70,003
<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>2,33,910</b>	<b>13,96,407</b>	<b>48,05,299</b>	<b>23,70,003</b>

**18. CURRENT INVESTMENTS**

	31st March 2016 Rupees	31st March 2015 Rupees
Current investments (valued at lower of cost or fair value unless stated otherwise)		
<u>Non Trade and Quoted</u>		
5,875 (2014-2015 : 5,875) equity shares of Rs. 2 each, fully paid up in Sterlite Technologies Limited	2,05,000	2,05,000
70 (2014-2015 : 70) equity shares of Rs. 2 each, fully paid up in Jain Irrigation Systems Limited	3,724	3,724
8,100 (2014-2015 : 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. 20,74,281 (2014-2015 : Rs. 33,06,252)		
Aggregate provision for diminution in value of investments	-	-

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)****19. INVENTORIES** (valued at lower of cost and net realizable value)

	31st March 2016 Rupees	31st March 2015 Rupees
Raw Materials and components [includes in transit Rs. 1,55,18,938 (2014-2015 : Rs. 2,13,48,232)] (Refer note 23)	28,04,08,512	18,24,70,152
Work-in-progress [Refer note 24(b)]	2,90,36,273	2,74,76,523
Finished goods [Refer note 24(b)] [includes in transit Rs. 47,62,638 (2014-2015 : Rs. 36,14,277)]	13,40,52,406	13,14,54,957
Traded goods [Refer note 24(b)]	5,07,79,872	5,23,92,614
Stores and spares	6,51,47,690	4,20,81,812
Contract work-in-progress	3,83,95,840	1,66,73,622
	<b>59,78,20,593</b>	<b>45,25,49,680</b>

**20. CASH AND CASH EQUIVALENTS**

	Non-current		Current	
	31st March 2016 Rupees	31st March 2015 Rupees	31st March 2016 Rupees	31st March 2015 Rupees
<u>Balances with banks:</u>				
- On current accounts	-	-	7,75,15,701	3,96,64,797
- On Exchange Earner's Foreign Currency Accounts	-	-	75,87,185	8,16,587
- On Unclaimed Dividend Account	-	-	31,19,187	28,52,452
- On Unclaimed Interest on Fixed Deposits	-	-	3,31,778	4,35,554
<u>Cash on hand</u>	-	-	65,77,496	1,01,07,222
(A)	-	-	9,51,31,347	5,38,76,612
<u>Other bank balances:</u>				
On Deposit Account	-	-	23,90,831	29,86,167
On Margin Money Account [Refer note (a) below]	-	-	9,46,97,309	9,12,80,765
(B)	-	-	9,70,88,140	9,42,66,932
<b>Total</b>	<b>(A+B)</b>	-	<b>19,22,19,487</b>	<b>14,81,43,544</b>

- (a) Margin money deposits with a carrying amount of Rs. 9,46,97,309 (2014-2015 : Rs. 9,12,80,765) are subject to first charge to secure bank guarantees issued by bank on our behalf.



**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)**
**21. REVENUE FROM OPERATIONS**

	31st March 2016 Rupees	31st March 2015 Rupees
Revenue from operations		
<u>Sale of products</u>		
Finished goods	6,93,27,51,090	6,32,28,26,219
Traded goods	45,25,80,889	46,44,04,492
<u>Sale of services</u>	89,67,20,386	80,57,72,629
<u>Others operating revenue</u>		
Scrap sale	2,07,68,214	1,75,20,782
Management fees	50,72,590	47,74,360
<b>Revenue from operations (Gross of excise)</b>	<b>8,30,78,93,169</b>	<b>7,61,52,98,482</b>
Less: excise duty *	30,72,98,129	29,69,94,109
<b>Revenue from operations (Net of excise)</b>	<b>8,00,05,95,040</b>	<b>7,31,83,04,373</b>

\* Excise duty on sales amounting to Rs. 30,72,98,129 (2014-2015 : Rs. 29,69,94,109) has been reduced from sales in the statement of profit and loss and excise duty on (increase)/decrease in stock amounting to Rs. 65,26,469 (2014-2015 : Rs. 63,60,887) has been considered as (income)/expenses in note 28 of financial statements.

**DETAILS OF PRODUCT SOLD**

	31st March 2016 Rupees	31st March 2015 Rupees
<u>Finished goods</u> (Net of excise duty)		
Ion exchange resins	1,55,16,01,316	1,38,89,76,478
Water treatments plants and accessories	3,18,35,63,283	2,89,10,83,647
Chemicals additives	1,56,55,90,341	1,47,21,45,114
Consumer products	32,46,98,021	27,36,26,871
	<u>6,62,54,52,961</u>	<u>6,02,58,32,110</u>
<u>Traded goods</u>		
Consumer products	33,75,40,831	35,11,85,420
Spares	4,98,56,031	6,96,63,605
Others	6,51,84,027	4,35,55,467
	<u>45,25,80,889</u>	<u>46,44,04,492</u>
	<b><u>7,07,80,33,850</u></b>	<b><u>6,49,02,36,602</u></b>

**DETAILS OF SERVICES RENDERED**

	31st March 2016 Rupees	31st March 2015 Rupees
Civil, erection and commissioning	16,81,68,985	16,73,22,835
Operation and maintenance	66,93,35,751	56,18,66,569
Annual maintenance contracts	5,92,15,650	7,65,83,225
	<b><u>89,67,20,386</u></b>	<b><u>80,57,72,629</u></b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)****22. OTHER INCOME**

	31st March 2016 Rupees	31st March 2015 Rupees
Interest Income		
- From banks	94,09,874	73,59,687
- From subsidiaries (Refer note 34)	4,56,05,151	3,00,57,444
- From joint venture (Refer note 34)	1,65,89,311	1,48,57,114
- From others	19,89,350	10,74,863
Rent	1,65,65,464	1,63,74,652
Dividend income on		
- Investment in subsidiaries (Refer note 34)	1,60,48,069	98,83,532
- Current investments	88,612	1,59,713
- Long-term investments	9,41,518	5,57,861
Amount set aside for liabilities, no longer required, written back	-	3,50,966
Exchange gain (Net)	1,23,45,390	-
Profit on fixed assets sold/discarded (Net)	12,55,356	-
Other non operating Income	12,18,905	15,05,555
	<b>12,20,57,000</b>	<b>8,21,81,387</b>

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

	31st March 2016 Rupees	31st March 2015 Rupees
Inventory at the beginning of the year	18,24,70,152	17,85,46,842
Add: Purchases*	5,17,56,72,175	4,63,85,23,657
Less: Inventory at the end of the year	28,04,08,512	18,24,70,152
Cost of raw material and components consumed **	<b>5,07,77,33,815</b>	<b>4,63,46,00,347</b>
* Includes direct expenses incurred on contracts Rs. 17,73,52,878 (2014-2015 : Rs. 16,84,76,359)		
<u>Details of raw material and components consumed</u>		
Styrene	23,18,01,939	27,13,48,960
Divinyl Benzene	7,41,85,166	7,90,86,933
Dimethylethanolamine	1,87,86,522	1,22,05,161
Paraformaldehyde	18,357	1,88,546
Ethylene Dichloride	1,10,85,118	1,62,99,219
Others #	4,56,45,03,835	4,08,69,95,169
	<b>4,90,03,80,937</b>	<b>4,46,61,23,988</b>
<u>Inventory Details</u>		
<u>Raw materials and components</u>		
Styrene	27,39,000	18,40,433
Divinyl Benzene	73,10,842	38,87,214
Dimethylethanolamine	-	2,17,483
Ethylene Dichloride	3,06,874	5,99,182
Others #	27,00,51,796	17,59,25,840
	<b>28,04,08,512</b>	<b>18,24,70,152</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 2016 (contd...)**
**24 (a) PURCHASE OF TRADED GOODS**

	31st March 2016 Rupees	31st March 2015 Rupees
Consumer products	18,68,53,104	18,93,58,886
Spares	2,60,28,493	3,96,73,943
Others	5,46,43,806	3,58,49,820
	<b>26,75,25,403</b>	<b>26,48,82,649</b>

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

	31st March 2016 Rupees	31st March 2015 Rupees	(Increase) /Decrease Rupees
<u>Inventories at the end of the year</u>			
Traded goods	5,07,79,872	5,23,92,614	16,12,742
Work-in-progress	2,90,36,273	2,74,76,523	(15,59,750)
Finished goods	13,40,52,406	13,14,54,957	(25,97,449)
Contract work-in-progress	3,83,95,840	1,66,73,622	(2,17,22,218)
	<b>25,22,64,391</b>	<b>22,79,97,716</b>	<b>(2,42,66,675)</b>
<u>Inventories at the beginning 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)
	<b>22,79,97,716</b>	<b>19,26,40,490</b>	<b>(3,53,57,226)</b>
	<b>(2,42,66,675)</b>	<b>(3,53,57,226)</b>	

Details of Inventory

	31st March 2016 Rupees	31st March 2015 Rupees
<u>Traded goods</u>		
Consumer products	3,53,24,008	3,89,02,799
Activated carbon	2,58,673	2,58,673
Spares	1,15,86,102	1,16,68,203
Others	36,11,089	15,62,939
	<b>5,07,79,872</b>	<b>5,23,92,614</b>
<u>Work-in-progress</u>		
Resins	2,08,82,949	1,96,54,037
Water treatment plants	81,53,324	78,22,486
	<b>2,90,36,273</b>	<b>2,74,76,523</b>
<u>Finished goods</u>		
Resins	6,78,34,518	4,88,89,926
Water treatments plants and accessories	2,71,52,091	3,01,09,246
Chemicals additives	3,34,12,717	4,25,83,921
Consumer products	56,53,080	98,71,864
	<b>13,40,52,406</b>	<b>13,14,54,957</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)****25. EMPLOYEE BENEFITS EXPENSE**

	<b>31st March 2016</b>	<b>31st March 2015</b>
	<b>Rupees</b>	<b>Rupees</b>
Salaries, wages and bonus	76,66,79,370	66,42,58,113
Contribution to provident and other funds (Refer note 30)	5,17,12,422	4,57,35,996
Employee compensation expense / (income)	(2,79,900)	(3,11,000)
Staff welfare expense	4,45,21,225	4,23,25,432
	<b>86,26,33,117</b>	<b>75,20,08,541</b>

**26. FINANCE COSTS**

	<b>31st March 2016</b>	<b>31st March 2015</b>
	<b>Rupees</b>	<b>Rupees</b>
Interest	8,96,85,239	9,85,45,642
Other borrowing costs	1,62,94,851	99,99,906
	<b>10,59,80,090</b>	<b>10,85,45,548</b>

**27. DEPRECIATION AND AMORTIZATION EXPENSE**

	<b>31st March 2016</b>	<b>31st March 2015</b>
	<b>Rupees</b>	<b>Rupees</b>
Depreciation of tangible assets (Refer notes 12 and 51)	9,46,80,223	9,27,25,015
Amortization of intangible assets (Refer notes 13 and 51)	52,05,769	53,76,501
	<b>9,98,85,992</b>	<b>9,81,01,516</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)**
**28. OTHER EXPENSES (Refer note 38)**

	31st March 2016 Rupees	31st March 2015 Rupees
Stores and spare parts consumed	40,65,872	40,84,077
Power and fuel	12,18,47,246	12,00,44,048
Repairs and Maintenance - Buildings	59,49,964	44,30,579
- Plant and machinery	2,66,24,471	2,93,62,694
- Others	1,96,50,609	1,98,14,726
Rent (Net of recoveries)	4,88,37,270	4,47,73,574
Rates and taxes	4,53,76,665	4,04,45,846
Insurance (Net of recoveries)	64,33,324	64,82,340
Travelling and conveyance	21,10,41,848	20,64,54,552
Excise Duty (Net of recoveries) (Refer note 21)	65,26,469	63,60,887
Freight (Net of recoveries)	17,42,87,354	16,32,21,313
Packing (Net of recoveries)	12,13,30,585	12,07,21,653
Advertisement and publicity	5,71,11,777	5,20,55,721
Commission	1,46,13,322	1,33,82,973
Legal and professional charges	7,86,50,974	6,63,30,459
Telephone and telex	2,03,46,977	1,96,42,033
Bad debts written off	1,83,68,591	2,99,95,426
Auditors' remuneration (Refer note 28.1)	31,91,908	31,15,105
Directors' fees	35,45,000	30,05,000
Directors' commission	57,00,000	-
Bank charges	1,79,89,793	1,53,23,605
Exchange Loss (Net)	-	4,64,511
Loss on fixed assets sold/discarded (Net)	-	18,114
Backcharges on contracts (Refer note 48)	91,38,891	3,08,96,565
Establishment and other miscellaneous expenses	19,89,04,583	19,70,52,390
	<b>1,21,95,33,493</b>	<b>1,19,74,78,191</b>

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

	31st March 2016 Rupees	31st March 2015 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)	3,50,000	3,60,000
Reimbursement of expenses	2,54,408	1,76,355
Branch auditor		
- Audit fees	2,50,000	2,50,000
- Other services (Certification fees)	-	25,000
- Reimbursement of expenses	37,500	3,750
	<b>31,91,908</b>	<b>31,15,105</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)****29. EARNINGS PER SHARE (EPS)**

Particulars		31st March 2016	31st March 2015	
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)	34,49,27,216	26,13,92,051	
II	Weighted average number of equity shares for earnings per share computation			
	A) For basic earnings per share	1,45,43,020	1,45,32,159	
	B) For diluted earnings per Share	No. of shares for basic EPS as per IIA	1,45,43,020	1,45,32,159
		Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	3,26,370	3,09,270
		No. of shares for diluted earnings per share	1,48,69,390	1,48,41,429
III	Earnings per share in Rupees (Weighted average)			
	Basic	23.72	17.99	
	Diluted	23.20	17.61	

**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		2015-2016 (Gratuity)	2014-2015 (Gratuity)	2015-2016 (Provident Fund)	2014-2015 (Provident Fund)
I	<b>The statement of profit and loss</b>				
	Net employee benefit expense (recognized in employee cost)				
	1. Current service cost	70,10,728	62,86,858	1,15,28,943	1,11,60,891
	2. Interest cost on benefit obligation	81,59,416	78,84,354	2,40,54,109	2,06,22,601
	3. Expected return on plan assets	(82,85,776)	(77,50,092)	(2,40,54,109)	(2,06,22,601)
	4. Net actuarial loss / (gain) recognized in the year	25,35,229	14,87,372	-	-
	Net benefit expenses	94,19,597	79,08,492	1,15,28,943	1,11,60,891
Actual return on plan assets	82,12,174	97,85,989	2,40,54,109	2,06,22,601	
II	<b>Net assets / (liability) recognized in the balance sheet</b>				
	1. Present value of defined benefit obligation	(11,55,73,244)	(10,17,58,952)	(34,23,36,468)	(30,07,19,234)
	2. Fair value of plan assets	11,78,90,667	10,30,36,547	35,86,67,377	31,29,42,471

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)**
**30. EMPLOYEE BENEFITS (contd...)**

Amount (in Rupees)

Particulars		2015-2016 (Gratuity)	2014-2015 (Gratuity)	2015-2016 (Provident Fund)	2014-2015 (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	(10,17,58,952)	(8,74,50,440)	(30,07,19,234)	(26,28,39,456)
	2. Employee contribution	-	-	(2,22,32,556)	(2,02,89,139)
	3. Interest cost	(81,59,416)	(78,84,354)	(2,40,54,109)	(2,06,22,601)
	4. Current service cost	(70,10,728)	(62,86,858)	(1,15,28,943)	(1,11,60,891)
	5. Liability transferred in	(1,74,206)	(4,12,499)	(94,53,787)	(95,36,263)
	6. Opening balance adjustment	-	-	-	-
	7. Benefits paid	46,97,981	44,88,213	2,56,52,161	2,37,29,116
	8. Actuarial gains / (losses) on obligation	(31,67,923)	(42,13,014)	-	-
	Closing defined benefit obligation	(11,55,73,243)	(10,17,58,952)	(34,23,36,468)	(30,07,19,234)
<b>IV</b>	<b>Changes in the fair value of plan assets are as follows:</b>				
	1. Opening fair value of plan assets	10,30,36,547	8,90,18,096	31,29,42,471	27,22,69,335
	2. Opening balance adjustment	-	-	11,33,314	-
	3. Expected returns	82,85,776	77,50,092	2,40,54,109	2,06,22,601
	4. Contributions by employer	1,04,59,425	76,18,431	3,37,61,499	3,14,50,030
	5. Transfer from others	1,74,206	4,12,499	94,53,787	95,36,263
	6. Benefits paid	(46,97,981)	(44,88,213)	(2,56,52,161)	(2,37,29,116)
	7. Actuarial gains / (losses)	6,32,694	27,25,642	29,74,358	27,93,358
	8. Closing fair value of plan assets	11,78,90,667	10,30,36,547	35,86,67,377	31,29,42,471
<b>V</b>	<b>Actuarial assumptions:</b>				
	1. Discount rate	7.94% & 8%	8.02% & 8%	8.02%	8.02%
	2. Expected rate of salary increase [Refer note (b) below]	8% & 7%	8% & 7%	8%	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	7.94%	8.02%	8.80%	8.75%

The Company expects to contribute Rs. 56,43,436 (2015-2016 : Rs. 50,10,385) to gratuity in 2016-2017.

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)	
		2015-2016	2014-2015	2015-2016	2014-2015
1	Central and State Government Bonds	7%	12%	45%	45%
2	Public Sector Undertaking	2%	3%	34%	35%
3	Insurance Policy	91%	85%	-	-
4	Special Deposit Scheme 1975	-	-	14%	17%
5	Other Assets	-	-	7%	3%

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.

Details of Defined Benefit Obligation, Planned Assets and Experience Adjustments:

Gratuity	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Defined benefit obligation	(11,55,73,243)	(10,17,58,952)	(8,74,29,504)	(7,82,25,032)	(6,13,50,389)
Plan assets	11,78,90,667	10,30,36,547	8,90,04,787	7,97,32,275	6,14,99,782
Surplus / (deficit)	23,17,423	12,77,595	15,75,283	15,07,243	1,49,393
Experience adjustments on plan liabilities	(31,67,923)	(42,13,014)	(23,35,378)	23,35,049	21,24,453
Experience adjustments on plan assets	6,32,694	27,25,642	(8,64,881)	7,54,657	1,27,192

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)****30. EMPLOYEE BENEFITS (contd...)**

Provident fund	2015-2016	2014-2015	2013-2014	2012-2013
Defined benefit obligation	(34,23,36,468)	(30,07,19,234)	(26,28,39,456)	(24,32,84,287)
Plan assets	35,86,67,377	31,29,42,471	27,22,69,335	25,00,84,390
Surplus / (deficit)	1,63,30,909	1,22,23,237	94,29,879	68,00,103
Experience adjustments on plan liabilities	Nil	Nil	Nil	Nil
Experience adjustments on plan assets	29,74,358	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. 99,76,256 (2014-2015 : Rs. 75,84,506).

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. 2,30,37,750 (2014-2015 : Rs. 2,11,82,263)

C. Other employee benefits:

Amounts recognized as an expense and included in note 25:

Leave encashment in "Salaries, wages and bonus" Rs. 1,48,89,676 (2014-2015 : Rs. 1,74,39,841)

**31. 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.

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)	Total
Options outstanding as at 31st March 2015	2,35,000	2,72,000	5,07,000
	(2,40,000)	(2,77,000)	(5,17,000)
Granted during the year	-	-	-
	(-)	(-)	(-)
Lapsed during the year	4,000	5,000	9,000
	(5,000)	(5,000)	(10,000)
Exercised / Allotted during the year	23,000	2,000	25,000
	(-)	(-)	(-)
Outstanding as at 31st March 2016	2,08,000	2,65,000	4,73,000
	(2,35,000)	(2,72,000)	(5,07,000)
Exercisable as at 31st March 2016	2,08,000	2,65,000	4,73,000

Figures in bracket denote previous year figures.



**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)**
**31. EMPLOYEE STOCK OPTION SCHEME (ESOS) (contd...)**

As at 31st March 2016, the company has received commitment deposit of Rs. 33,348 (2014-2015 : Rs. 33,348) from its directors and employees under ESOS 2001 and ESOS 2003.

Weighted average remaining contractual life is 0.2 years (2014-2015 : 1.2 years).

25,000 (2014-2015 : Nil) shares were exercised during the year. Weighted average share price at exercise date was Rs.274.82(2014-2015 : N.A).

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)	
	2015-2016	2014-2015
Profit as reported	34,49,27,216	26,13,92,051
Add : Employee stock compensation under intrinsic value method	(2,79,900)	(3,11,000)
Less : Employee stock compensation under fair value method	(5,88,972)	(6,21,100)
Pro forma profit	34,52,36,288	26,17,02,151
<b>Earnings Per Share</b>		
Basic - As reported	23.72	17.99
- Pro forma	23.74	18.01
Diluted - As reported	23.20	17.61
- Pro forma	23.22	17.63

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

Sr. No.	Particulars	Amount (in Rupees)	
		2015-2016	2014-2015
A.	Aggregate amount recognized as contract revenue	2,34,90,59,769	2,18,00,72,200
B.	In respect of contracts in progress as on 31st March :		
	1) Aggregate amount of costs incurred and recognized profits (less recognized losses)	10,41,77,83,796	9,76,16,61,689
	2) Amount of customer advance	15,88,58,926	20,04,33,917
	3) Amount of retentions	50,65,26,241	46,16,38,842
C.	Gross amount due from customers for contract work	65,84,496	15,32,043

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)****33. SEGMENT**

## I. Information about Primary Business Segments

	Amount (in Rupees)									
	Engineering		Chemicals		Consumer Products		Unallocated		Total	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>Revenue</b>										
External sales and services (Gross of excise)	4,26,64,22,323	3,78,68,44,088	3,15,57,06,834	2,98,57,87,027	88,06,91,423	83,78,80,038	50,72,589	47,87,329	8,30,78,93,169	7,61,52,98,482
Less: Excise duty recovered	(5,96,23,508)	(5,08,74,425)	(23,58,33,203)	(23,37,97,305)	(1,18,41,418)	(1,23,22,379)	-	-	(30,72,98,129)	(29,69,94,109)
External sales and services (Net of excise)	4,20,67,98,815	3,73,59,69,663	2,91,98,73,631	2,75,19,89,722	86,88,50,005	82,55,57,659	50,72,589	47,87,329	8,00,05,95,040	7,31,83,04,373
Inter-segmental sales	28,15,71,686	24,35,56,015	12,93,04,986	11,08,66,707	-	16,241	-	-	41,08,76,672	35,44,38,963
Other income	1,05,86,508	57,67,544	85,97,283	2,06,528	4,72,969	6,07,274	2,88,06,554	2,22,50,933	4,84,63,314	2,88,32,279
Total revenue	4,49,89,57,009	3,98,52,93,222	3,05,77,75,900	2,86,30,62,957	86,93,22,974	82,61,81,174	3,38,79,143	2,70,38,262	8,45,99,35,026	7,70,15,75,615
Less: Eliminations									(41,08,76,672)	(35,44,38,963)
Add : Interest income							7,35,93,686	5,33,49,108	7,35,93,686	5,33,49,108
Total enterprise revenue									8,12,26,52,040	7,40,04,85,760
<b>Result</b>										
Segment results	17,78,11,136	15,11,53,157	50,53,20,328	40,44,62,029	(3,75,40,656)	(2,29,54,243)	-	-	64,55,90,808	53,26,60,943
Unallocated expenditure net of unallocated income							(9,95,77,599)	(9,72,38,308)	(9,95,77,599)	(9,72,38,308)
Finance cost							(10,59,80,090)	(10,85,45,549)	(10,59,80,090)	(10,85,45,549)
Interest income							7,35,93,686	5,33,49,108	7,35,93,686	5,33,49,108
Profit before taxation							(13,19,64,003)	(15,24,34,748)	51,36,26,605	38,02,26,194
<b>Other Information</b>										
Segment assets	3,27,57,77,661	2,90,09,55,352	1,85,89,85,983	1,66,12,60,179	35,35,77,356	31,44,14,566	1,50,95,19,456	1,44,46,80,224	6,99,78,60,456	6,32,13,10,321
Segment liabilities	2,30,90,85,789	2,10,29,70,437	1,00,18,73,457	92,66,40,148	21,02,01,621	21,56,52,936	97,56,82,659	87,27,32,233	4,49,68,43,526	4,11,79,95,754
Capital expenditure	1,39,85,030	97,35,762	14,66,40,349	3,34,63,837	1,88,31,303	9,62,096	3,59,00,860	79,67,925	21,53,57,542	5,21,29,620
Depreciation	1,29,89,469	1,33,65,178	6,50,59,949	6,02,53,835	28,44,974	26,49,574	1,89,91,600	2,18,32,929	9,98,85,992	9,81,01,516
Non cash expenditure other than depreciation	2,00,92,841	5,13,43,090	1,54,30,416	1,26,73,899	1,19,02,783	1,12,85,961	(84,78,699)	(26,85,128)	3,89,47,341	7,26,17,822

## II. Information about Secondary Geographical Segments

	Amount ( in Rupees)					
	India		Outside India		Total	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
External revenue (Net)	6,25,21,41,143	5,53,17,85,094	1,74,84,53,897	1,78,65,19,279	8,00,05,95,040	7,31,83,04,373
Carrying amount of segment assets	5,74,06,67,524	5,19,64,56,623	1,25,71,92,932	1,12,48,53,698	6,99,78,60,456	6,32,13,10,321
Additions to fixed assets	21,44,88,448	5,20,18,759	8,69,096	1,10,861	21,53,57,544	5,21,29,620

## NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (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

\*\* Ion Exchange Infrastructure Limited has amalgamated with Ion Exchange Projects and Engineering Ltd. w.e.f. 1st April 2014 as per order of Bombay High Court, which became operational from 17th December 2015.

\*\*\* Associate companies of subsidiaries

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016(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	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
<b>Sale of goods *</b>								
Global Composites And Structural Ltd.	66,51,034	28,02,684	-	-	-	-	66,51,034	28,02,684
IEI Environmental Management (M) Sdn. Bhd., Malaysia	31,48,273	-	-	-	-	-	31,48,273	-
Ion Exchange Asia Pacific Pte. Ltd, Singapore	9,73,12,262	16,79,06,671	-	-	-	-	9,73,12,262	16,79,06,671
Ion Exchange and Company LLC, Oman	1,72,91,462	3,24,47,542	-	-	-	-	1,72,91,462	3,24,47,542
Ion Exchange Asia Pacific (Thailand) Ltd	5,85,43,116	98,11,950	-	-	-	-	5,85,43,116	98,11,950
Ion Exchange Enviro Farms Ltd.	32,623	-	-	-	-	-	32,623	-
Ion Exchange Environment Management (BD) Ltd., Bangladesh	2,92,00,981	2,07,61,199	-	-	-	-	2,92,00,981	2,07,61,199
Ion Exchange Infrastructure Ltd.	-	1,01,805	-	-	-	-	-	1,01,805
Ion Exchange LLC, USA	20,29,82,865	10,65,90,163	-	-	-	-	20,29,82,865	10,65,90,163
Ion Exchange Projects And Engineering Ltd.	1,82,03,160	9,68,22,748	-	-	-	-	1,82,03,160	9,68,22,748
Ion Exchange Purified Drinking Water Pvt. Ltd.	-	9,78,13,967	-	-	-	-	-	9,78,13,967
Ion Exchange Safic Pty Ltd., South Africa	1,72,42,647	1,05,88,813	-	-	-	-	1,72,42,647	1,05,88,813
Aquanomics Systems Ltd	-	-	26,79,24,493	26,81,88,565	-	-	26,79,24,493	26,81,88,565
Ion Exchange PSS Co. Ltd., Thailand	-	-	58,50,445	50,56,288	-	-	58,50,445	50,56,288
Ion Exchange Waterleau Ltd.	-	-	12,967	2,25,539	-	-	12,967	2,25,539
Ion Foundation	-	-	-	-	34,73,583	13,50,811	34,73,583	13,50,811
<b>Total</b>	<b>45,06,08,423</b>	<b>54,56,47,542</b>	<b>27,37,87,905</b>	<b>27,34,70,392</b>	<b>34,73,583</b>	<b>13,50,811</b>	<b>72,78,69,911</b>	<b>82,04,68,745</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>-</b>	<b>82,78,377</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,78,377</b>
<b>Services rendered</b>								
Global Composites & Structural Ltd.	4,45,700	-	-	-	-	-	4,45,700	-
Ion Exchange Enviro Farms Ltd.	1,01,948	54,775	-	-	-	-	1,01,948	54,775
Ion Exchange Infrastructure Ltd.	-	49,598	-	-	-	-	-	49,598
Ion Exchange Projects And Engineering Ltd.	1,39,52,385	71,25,895	-	-	-	-	1,39,52,385	71,25,895
Total Water Management Services (India) Ltd.	13,42,442	7,31,261	-	-	-	-	13,42,442	7,31,261
Ion Exchange Waterleau Ltd.	-	-	59,49,700	1,13,31,448	-	-	59,49,700	1,13,31,448
<b>Total</b>	<b>1,58,42,475</b>	<b>79,61,529</b>	<b>59,49,700</b>	<b>1,13,31,448</b>	<b>-</b>	<b>-</b>	<b>2,17,92,175</b>	<b>1,92,92,977</b>
<b>Rental income</b>								
Ion Exchange Projects & Engineering Ltd.	57,04,000	54,09,600	-	-	-	-	57,04,000	54,09,600
Ion Exchange Waterleau Ltd.	-	-	15,33,000	14,87,375	-	-	15,33,000	14,87,375
<b>Total</b>	<b>57,04,000</b>	<b>54,09,600</b>	<b>15,33,000</b>	<b>14,87,375</b>	<b>-</b>	<b>-</b>	<b>72,37,000</b>	<b>68,96,975</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (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 (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	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
<b>Interest income on loan and advances</b>								
Global Composites & Structurals Ltd.	33,026	-	-	-	-	-	33,026	-
IEI Environmental Management (M) Sdn. Bhd., Malaysia	2,60,823	2,26,366	-	-	-	-	2,60,823	2,26,366
Ion Exchange Asia Pacific Pte. Ltd, Singapore	28,845	3,20,270	-	-	-	-	28,845	3,20,270
Ion Exchange and Company LLC, Oman	4,512	3,908	-	-	-	-	4,512	3,908
Ion Exchange Asia Pacific (Thailand) Ltd	34,467	11,676	-	-	-	-	34,467	11,676
Ion Exchange Enviro Farms Ltd.	2,22,37,968	2,11,26,338	-	-	-	-	2,22,37,968	2,11,26,338
Ion Exchange Projects And Engineering Ltd.	1,84,05,366	73,41,744	-	-	-	-	1,84,05,366	73,41,744
Ion Exchange Purified Drinking Water Pvt. Ltd.	38,97,586	3,94,582	-	-	-	-	38,97,586	3,94,582
Ion Exchange Safic Pty. Ltd., South Africa	7,02,558	6,09,260	-	-	-	-	7,02,558	6,09,260
Total Water Management Services (India) Ltd.	-	23,300	-	-	-	-	-	23,300
Ion Exchange Waterleau Ltd.	-	-	1,65,89,311	1,48,57,114	-	-	1,65,89,311	1,48,57,114
<b>Total</b>	<b>4,56,05,151</b>	<b>3,00,57,444</b>	<b>1,65,89,311</b>	<b>1,48,57,114</b>	-	-	<b>6,21,94,462</b>	<b>4,49,14,558</b>
<b>Management fees</b>								
Aquanomics Systems Ltd	-	-	50,72,590	53,64,470	-	-	50,72,590	53,64,470
<b>Total</b>	-	-	<b>50,72,590</b>	<b>53,64,470</b>	-	-	<b>50,72,590</b>	<b>53,64,470</b>
<b>Purchase of goods*</b>								
Global Composites And Structurals Ltd.	6,85,05,199	3,63,06,740	-	-	-	-	6,85,05,199	3,63,06,740
Ion Exchange Infrastructure Ltd.	-	11,74,734	-	-	-	-	-	11,74,734
Ion Exchange Projects And Engineering Ltd.	1,62,51,233	-	-	-	-	-	1,62,51,233	-
Aquanomics Systems Ltd.	-	-	1,04,07,133	1,22,20,216	-	-	1,04,07,133	1,22,20,216
Ion Exchange Waterleau Ltd.	-	-	13,36,557	1,31,22,438	-	-	13,36,557	1,31,22,438
<b>Total</b>	<b>8,47,56,432</b>	<b>3,74,81,474</b>	<b>1,17,43,690</b>	<b>2,53,42,654</b>	-	-	<b>9,65,00,122</b>	<b>6,28,24,128</b>
<b>Services received</b>								
Ion Exchange Projects And Engineering Ltd.	7,61,09,628	6,76,33,270	-	-	-	-	7,61,09,628	6,76,33,270
Total Water Management Services (India) Ltd.	13,00,150	-	-	-	-	-	13,00,150	-
Astha Technical Services Ltd.	-	-	15,69,357	90,61,361	-	-	15,69,357	90,61,361
Ion Exchange Waterleau Ltd.	-	-	1,46,35,026	1,08,98,844	-	-	1,46,35,026	1,08,98,844
<b>Total</b>	<b>7,74,09,778</b>	<b>6,76,33,270</b>	<b>1,62,04,383</b>	<b>1,99,60,205</b>	-	-	<b>9,36,14,161</b>	<b>8,75,93,475</b>
<b>Purchase of miscellaneous items</b>								
Ion Exchange Enviro Farms Ltd.	54,79,256	50,71,651	-	-	-	-	54,79,256	50,71,651
<b>Total</b>	<b>54,79,256</b>	<b>50,71,651</b>	-	-	-	-	<b>54,79,256</b>	<b>50,71,651</b>
<b>Interest paid on inter corporate deposits</b>								
Aqua Investments (India) Ltd.	3,72,875	5,70,940	-	-	-	-	3,72,875	5,70,940
Watercare Investments (India) Ltd.	4,08,500	5,32,797	-	-	-	-	4,08,500	5,32,797
<b>Total</b>	<b>7,81,375</b>	<b>11,03,737</b>	-	-	-	-	<b>7,81,375</b>	<b>11,03,737</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (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 (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	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
<b>Loans and advance given</b>								
Ion Exchange Asia Pacific (Thailand) Ltd.	6,65,213	-	-	-	-	-	6,65,213	-
Ion Exchange Enviro Farms Ltd.	2,25,41,577	2,55,53,098	-	-	-	-	2,25,41,577	2,55,53,098
Ion Exchange Infrastructure Ltd.	-	2,500	-	-	-	-	-	2,500
Ion Exchange LLC, USA	-	6,77,928	-	-	-	-	-	6,77,928
Ion Exchange Projects And Engineering Ltd.	28,81,54,137	30,40,53,271	-	-	-	-	28,81,54,137	30,40,53,271
Ion Exchange Purified Drinking Water Pvt. Ltd.	9,57,92,657	1,02,97,703	-	-	-	-	9,57,92,657	1,02,97,703
Total Water Management Services (India) Ltd.	3,70,400	55,144	-	-	-	-	3,70,400	55,144
Astha Technical Services Ltd.	-	-	6,812	1,19,247	-	-	6,812	1,19,247
Ion Exchange Waterleau Ltd.	-	-	1,86,85,000	1,19,87,288	-	-	1,86,85,000	1,19,87,288
<b>Total</b>	<b>40,75,23,984</b>	<b>34,06,39,644</b>	<b>1,86,91,812</b>	<b>1,21,06,535</b>	-	-	<b>42,62,15,796</b>	<b>35,27,46,179</b>
<b>Loans and advances repaid</b>								
Ion Exchange Asia Pacific Pte. Ltd. Singapore	-	83,54,852	-	-	-	-	-	83,54,852
Ion Exchange Enviro Farms Ltd.	1,19,09,496	95,17,923	-	-	-	-	1,19,09,496	95,17,923
Ion Exchange Projects And Engineering Ltd.	16,79,07,410	46,31,79,049	-	-	-	-	16,79,07,410	46,31,79,049
Ion Exchange Purified Drinking Water Pvt. Ltd.	4,88,16,420	-	-	-	-	-	4,88,16,420	-
Total Water Management Services (India) Ltd.	17,10,000	-	-	-	-	-	17,10,000	-
Ion Exchange Financial Products Pvt. Ltd.	-	-	-	80,000	-	-	-	80,000
Ion Exchange Waterleau Ltd.	-	-	56,97,895	73,108	-	-	56,97,895	73,108
<b>Total</b>	<b>23,03,43,326</b>	<b>48,10,51,824</b>	<b>56,97,895</b>	<b>1,53,108</b>	-	-	<b>23,60,41,221</b>	<b>48,12,04,932</b>
<b>Inter corporate deposits repaid</b>								
Aqua Investments (India) Ltd.	-	35,00,000	-	-	-	-	-	35,00,000
Water Care Investments (India) Ltd.	-	35,00,000	-	-	-	-	-	35,00,000
<b>Total</b>	-	<b>70,00,000</b>	-	-	-	-	-	<b>70,00,000</b>
<b>Inter corporate deposits (Outstanding)</b>								
Aqua Investments (India) Ltd.	39,25,000	39,25,000	-	-	-	-	39,25,000	39,25,000
Water Care Investments (India) Ltd.	43,00,000	43,00,000	-	-	-	-	43,00,000	43,00,000
<b>Total</b>	<b>82,25,000</b>	<b>82,25,000</b>	-	-	-	-	<b>82,25,000</b>	<b>82,25,000</b>
<b>Dividend received</b>								
Aquanomics Systems Ltd.	-	-	9,20,000	4,60,000	-	-	9,20,000	4,60,000
Ion Exchange & Company LLC, Oman	1,60,48,069	98,83,532	-	-	-	-	1,60,48,069	98,83,532
<b>Total</b>	<b>1,60,48,069</b>	<b>98,83,532</b>	<b>9,20,000</b>	<b>4,60,000</b>	-	-	<b>1,69,68,069</b>	<b>1,03,43,532</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (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 (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	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
<b>Dividend paid</b>								
Water Care Investments (India) Ltd.	5,52,213	3,68,142	-	-	-	-	5,52,213	3,68,142
Aqua Investments (India) Ltd.	7,61,409	5,07,606	-	-	-	-	7,61,409	5,07,606
Ion Exchange Financial Products Pvt. Ltd.	-	-	1,51,266	1,00,844	-	-	1,51,266	1,00,844
Aquanomics Systems Ltd.	-	-	3,000	2,000	-	-	3,000	2,000
Mr. Rajesh Sharma	-	-	-	-	23,43,654	15,22,436	23,43,654	15,22,436
Mr. Dinesh Sharma	-	-	-	-	17,65,563	11,37,042	17,65,563	11,37,042
Mr. Aankur Patni	-	-	-	-	7,64,004	4,69,336	7,64,004	4,69,336
Mr. Mahabir Prasad Patni	-	-	-	-	21,35,241	13,87,494	21,35,241	13,87,494
Relatives of Key Management Personnel	-	-	-	-	5,06,535	3,37,690	5,06,535	3,37,690
<b>Total</b>	<b>13,13,622</b>	<b>8,75,748</b>	<b>1,54,266</b>	<b>1,02,844</b>	<b>75,14,997</b>	<b>48,53,998</b>	<b>89,82,885</b>	<b>58,32,590</b>
<b>Remuneration</b>								
Mr. Rajesh Sharma	-	-	-	-	3,23,32,950	2,84,36,891	3,23,32,950	2,84,36,891
Mr. Dinesh Sharma	-	-	-	-	1,44,04,134	1,31,73,715	1,44,04,134	1,31,73,715
Mr. Aankur Patni	-	-	-	-	1,41,51,818	1,30,31,103	1,41,51,818	1,30,31,103
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,08,88,902</b>	<b>5,46,41,709</b>	<b>6,08,88,902</b>	<b>5,46,41,709</b>
<b>Director sitting fees</b>								
Mr. Mahabir Prasad Patni	-	-	-	-	3,00,000	4,30,000	3,00,000	4,30,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,00,000</b>	<b>4,30,000</b>	<b>3,00,000</b>	<b>4,30,000</b>
<b>CSR expenses</b>								
Ion Foundation	-	-	-	-	75,63,577	48,37,453	75,63,577	48,37,453
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75,63,577</b>	<b>48,37,453</b>	<b>75,63,577</b>	<b>48,37,453</b>
<b>Outstanding loans and advances **** (for business purpose)</b>								
Global Composites & Structurals Ltd.	6,03,437	1,34,084	-	-	-	-	6,03,437	1,34,084
IEI Environmental Management (M) Sdn. Bhd., Malaysia	30,68,775	26,49,343	-	-	-	-	30,68,775	26,49,343
Ion Exchange Asia Pacific Pte. Ltd, Singapore	3,39,084	2,92,737	-	-	-	-	3,39,084	2,92,737
Ion Exchange Asia Pacific (Thailand) Ltd	8,42,601	1,36,636	-	-	-	-	8,42,601	1,36,636
Ion Exchange & Company LLC, Oman	53,068	45,816	-	-	-	-	53,068	45,816
Ion Exchange Enviro Farms Ltd.	13,39,08,658	12,31,74,629	-	-	-	-	13,39,08,658	12,31,74,629
Ion Exchange Infrastructure Ltd.	-	1,03,582	-	-	-	-	-	1,03,582
Total Water Management Services (India) Ltd.	2,57,309	2,50,145	-	-	-	-	2,57,309	2,50,145
Ion Exchange Projects & Engineering Ltd.	23,41,09,231	11,18,49,377	-	-	-	-	23,41,09,231	11,18,49,377
Ion Exchange Safic Pty. Ltd., South Africa	82,59,401	71,30,532	-	-	-	-	82,59,401	71,30,532
Ion Exchange Purified Drinking Water Pvt. Ltd.	5,77,98,907	1,09,94,901	-	-	-	-	5,77,98,907	1,09,94,901
Astha Technical Services Ltd.	-	-	1,86,729	1,79,917	-	-	1,86,729	1,79,917
Aquanomic Systems Ltd	-	-	1,864	1,864	-	-	1,864	1,864
Ion Exchange Financial Products Pvt. Ltd.**	-	-	24,75,134	24,75,134	-	-	24,75,134	24,75,134
Ion Exchange Waterleau Ltd.	-	-	12,92,11,176	11,35,34,564	-	-	12,92,11,176	11,35,34,564
<b>Total</b>	<b>43,92,40,471</b>	<b>25,67,61,782</b>	<b>13,18,74,903</b>	<b>11,61,91,479</b>	<b>-</b>	<b>-</b>	<b>57,11,15,374</b>	<b>37,29,53,261</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (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 (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	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
<b>Advance to supplier</b>								
Global Composites & Structurals Ltd.	6,85,43,527	7,31,81,668	-	-	-	-	6,85,43,527	7,31,81,668
Ion Exchange Infrastructure Ltd.	39,94,427	36,77,249	-	-	-	-	39,94,427	36,77,249
Astha Technical Services Ltd.	-	-	1,91,16,628	1,83,08,068	-	-	1,91,16,628	1,83,08,068
<b>Total</b>	<b>7,25,37,954</b>	<b>7,68,58,917</b>	<b>1,91,16,628</b>	<b>1,83,08,068</b>	-	-	<b>9,16,54,582</b>	<b>9,51,66,985</b>
<b>Outstanding receivable (Net of payable) excluding loans and advances</b>								
Global Composites And Structurals Ltd.	28,26,172	13,97,302	-	-	-	-	28,26,172	13,97,302
IEI Environmental Management (M) Sdn. Bhd., Malaysia	1,56,29,297	1,62,30,676	-	-	-	-	1,56,29,297	1,62,30,676
Ion Exchange And Company LLC, Oman	1,12,36,066	3,92,06,868	-	-	-	-	1,12,36,066	3,92,06,868
Ion Exchange Asia Pacific (Thailand) Ltd.	9,74,39,137	3,82,78,581	-	-	-	-	9,74,39,137	3,82,78,581
Ion Exchange Asia Pacific Pte. Ltd, Singapore	7,82,61,212	9,71,21,518	-	-	-	-	7,82,61,212	9,71,21,518
Ion Exchange Enviro Farms Ltd.	2,03,762	1,71,139	-	-	-	-	2,03,762	1,71,139
Ion Exchange Environment Management (BD) Ltd., Bangladesh	64,79,833	49,43,891	-	-	-	-	64,79,833	49,43,891
Ion Exchange LLC, USA	15,37,97,402	10,11,97,929	-	-	-	-	15,37,97,402	10,11,97,929
Ion Exchange Projects And Engineering Ltd.	10,92,72,294	30,43,55,724	-	-	-	-	10,92,72,294	30,43,55,724
Ion Exchange Purified Drinking Water Pvt. Ltd.	73,52,364	1,99,42,463	-	-	-	-	73,52,364	1,99,42,463
Ion Exchange Safic Pty. Ltd., South Africa	28,01,183	88,85,499	-	-	-	-	28,01,183	88,85,499
Aquanomics Systems Ltd.	-	-	7,55,98,903	9,04,54,102	-	-	7,55,98,903	9,04,54,102
IEI Water Tech (M) Sdn. Bhd., Malaysia	-	-	2,03,282	2,03,282	-	-	2,03,282	2,03,282
Ion Exchange PSS Co. Ltd., Thailand	-	-	1,96,08,676	1,62,73,701	-	-	1,96,08,676	1,62,73,701
Ion Exchange Waterleau Ltd.	-	-	1,85,54,960	1,21,66,083	-	-	1,85,54,960	1,21,66,083
<b>Total</b>	<b>48,52,98,722</b>	<b>63,17,31,590</b>	<b>11,39,65,821</b>	<b>11,90,97,168</b>	-	-	<b>59,92,64,543</b>	<b>75,08,28,758</b>
<b>Outstanding payable (Net of receivable) excluding loans and advances</b>								
Ion Exchange Infrastructure Ltd.	-	39,61,864	-	-	-	-	-	39,61,864
Total Water Management Services (India) Ltd.	3,12,833	20,790	-	-	-	-	3,12,833	20,790
Astha Technical Services Ltd.	-	-	13,23,341	16,96,430	-	-	13,23,341	16,96,430
<b>Total</b>	<b>3,12,833</b>	<b>39,82,654</b>	<b>13,23,341</b>	<b>16,96,430</b>	-	-	<b>16,36,174</b>	<b>56,79,084</b>
<b>Investments made during the year</b>								
Ion Exchange Asia Pacific Pte. Ltd, Singapore	-	3,10,72,250	-	-	-	-	-	3,10,72,250
<b>Total</b>	-	<b>3,10,72,250</b>	-	-	-	-	-	<b>3,10,72,250</b>



**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (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 (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	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
<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
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 And Company LLC, Oman	1,80,85,140	1,80,85,140	-	-	-	-	1,80,85,140	1,80,85,140
Ion Exchange Asia Pacific Pte. Ltd, Singapore	10,80,96,815	10,80,96,815	-	-	-	-	10,80,96,815	10,80,96,815
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 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 Projects And Engineering Ltd.	10,00,00,000	10,00,00,000	-	-	-	-	10,00,00,000	10,00,00,000
Ion Exchange Purified Drinking Water Pvt. Ltd.	1,00,000	1,00,000	-	-	-	-	1,00,000	1,00,000
Ion Exchange Safic Pty Ltd., South Africa	40,66,949	40,66,949	-	-	-	-	40,66,949	40,66,949
Ion Exchange WTS (Bangladesh) Ltd.	2,45,000	2,45,000	-	-	-	-	2,45,000	2,45,000
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
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
Ion Exchange Waterleau Ltd.	-	-	2,49,95,000	2,49,95,000	-	-	2,49,95,000	2,49,95,000
Ion Foundation	-	-	-	-	10,000	10,000	10,000	10,000
<b>Total</b>	<b>51,73,49,438</b>	<b>51,73,49,438</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>54,82,54,438</b>
<b>Corporate guarantees given</b>								
Ion Exchange Asia Pacific (Thailand) Ltd	-	2,61,42,008	-	-	-	-	-	2,61,42,008
Ion Exchange Projects And Engineering Ltd.	-	25,41,63,900	-	-	-	-	-	25,41,63,900
<b>Total</b>	<b>-</b>	<b>28,03,05,908</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,03,05,908</b>
<b>Corporate guarantees discharged</b>								
Ion Exchange Projects And Engineering Ltd.	18,90,00,000	-	-	-	-	-	18,90,00,000	-
Ion Exchange Safic Pty. Ltd., South Africa	6,25,90,800	-	-	-	-	-	6,25,90,800	-
Ion Exchange Waterleau Ltd.	-	-	3,72,00,000	-	-	-	3,72,00,000	-
<b>Total</b>	<b>25,15,90,800</b>	<b>-</b>	<b>3,72,00,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,87,90,800</b>	<b>-</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (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 (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	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
<b>Corporate guarantees (Outstanding)</b> (For their banking facilities)								
Global Composites And Structural Ltd.	10,00,00,000	10,00,00,000	-	-	-	-	10,00,00,000	10,00,00,000
Ion Exchange Asia Pacific (Thailand) Ltd, Thailand	2,55,17,538	2,61,42,008	-	-	-	-	2,55,17,538	2,61,42,008
Ion Exchange Asia Pacific Pte. Ltd, Singapore	9,61,82,705	9,07,56,660	-	-	-	-	9,61,82,705	9,07,56,660
Ion Exchange Environment Management (BD) Ltd., Bangladesh	82,42,000	82,42,000	-	-	-	-	82,42,000	82,42,000
Ion Exchange Infrastructure Ltd.	5,66,00,000	22,50,00,000	-	-	-	-	5,66,00,000	22,50,00,000
Ion Exchange Projects And Engineering Ltd.	41,54,00,000	43,60,00,000	-	-	-	-	41,54,00,000	43,60,00,000
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 Safic Pty. Ltd., South Africa	7,43,47,400	13,45,01,820	-	-	-	-	7,43,47,400	13,45,01,820
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	-	-	5,26,19,958	5,39,07,683	-	-	5,26,19,958	5,39,07,683
Ion Exchange Waterleau Ltd.	-	-	1,28,00,000	5,00,00,000	-	-	1,28,00,000	5,00,00,000
<b>Total</b>	<b>85,23,09,643</b>	<b>1,09,66,62,488</b>	<b>17,54,19,958</b>	<b>21,39,07,683</b>	-	-	<b>1,02,77,29,601</b>	<b>1,31,05,70,171</b>

\* Gross 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.

\*\*\*\* Includes receivable on account of re-imbursalment of expenses.

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	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
IEI Shareholding Trusts	21,25,09,000	21,86,35,000	-	-	61,26,000	41,11,000	79,88,742	53,25,828

III. Stock options granted to key management personnel during the year: Nil (2014-2015 : Nil).

IV. Disclosure pursuant to regulation 34(3) read with para A of schedule V of (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(a) Loans and Advances in the nature of loans

**Amount (in Rupees)**

Name of the related party		As at 31st March 2016	Maximum Balance in 2015-2016	As at 31st March 2015	Maximum Balance in 2014-2015
Ion Exchange Enviro Farms Ltd.	Subsidiary	13,39,08,658	13,39,08,658	12,31,74,629	12,94,88,119
Ion Exchange Asia Pacific Pte. Ltd, Singapore	100% Subsidiary	3,39,084	3,39,084	2,92,737	83,54,852
IEI Environmental Management (M) Sdn. Bhd., Malaysia	Subsidiary	30,68,775	30,68,775	26,49,343	26,77,992
Ion Exchange and Company LLC, Oman	Subsidiary	53,068	53,068	45,816	46,277
Ion Exchange Projects And Engineering Ltd.	Subsidiary	23,41,09,231	34,85,58,299	11,18,49,377	24,18,64,594
Ion Exchange Safic Pty Ltd., South Africa	Subsidiary	82,59,401	82,59,401	71,30,532	72,07,706
Ion Exchange Asia Pacific (Thailand) Ltd.	100% Subsidiary	8,42,601	8,42,601	1,36,636	1,38,086
Ion Exchange Purified Drinking Water Pvt. Ltd.	100% Subsidiary	5,77,98,907	7,08,43,404	1,09,94,901	1,09,94,901
Global Composite and Structural Ltd.	Subsidiary	6,03,437	6,47,184	1,34,084	1,34,084
Total Water Management Services (India) Ltd.	Subsidiary	2,57,309	3,79,141	2,50,145	4,16,536
Ion Exchange Waterleau Ltd.	Joint Venture	12,92,11,178	12,92,11,178	11,35,34,564	11,35,43,855

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 2016 (contd...)**
**34. RELATED PARTY DISCLOSURES (contd...)**

- (b) Investment made by the loanee in the shares of the Company

Name of the Related Party	No. of shares as at	
	31st March 2016	31st March 2015
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 2016 is Rs. 21,25,09,000 (2014-2015 : Rs. 21,86,35,000). 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 (2014-2015 : Rs.54,70,000) in Equity Shares and 15,00,000 (2014-2015 : 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 2016 and it has also granted loans and advances aggregating Rs. 13,39,08,658 (2014-2015 : Rs. 12,31,74,629) as at 31st March 2016 to IEEFL. As at 31st March 2016, 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.

On 30th December, 2015, SEBI directed completion of the closure of the scheme (as per their original order of 27th November 2003), which inter-alia also include directions to pre-deposit sum of Rs. 20.06 Crores refundable to Investors. IEEFL replied on 14th January, 2016, requesting suitable modifications to the said directives, in view of the latest status of the scheme including several refunds made to Investors in the intervening period as well as direct sale of their lands by many investors etc.

IEEFL also requested permission to wind up the scheme in terms of Rule 73(1) to (9) of CIS Regulations, as the company has complied with all obligations towards the farms owners, i.e. sale of lands to the farms owners and developing and maintaining the said lands thereafter, as per agreements.

SEBI granted personal hearing on 3rd February, 2016 to understand IEEFL's submission / proposal and during this meeting asked for providing additional details which were submitted on 23rd March 2016, wherein the company proposed to get discharge certificates from 693 farm owners aggregating Rs. 16.89 Crores within 2 years. Further directions from SEBI are awaited.

**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 2016 Rupees	31st March 2015 Rupees
Current assets	1,43,53,928	2,49,64,410
Non-current assets	52,10,907	36,80,062
Current liabilities	(8,57,09,920)	(8,63,04,182)
Non-current liabilities	(4,96,585)	(4,89,793)
<b>Equity</b>	<b>(6,66,41,670)</b>	<b>(5,81,49,503)</b>
Revenue	1,23,95,844	2,12,24,962
Cost of material consumed	(29,63,754)	(1,46,02,600)
Depreciation	(4,01,463)	(4,16,019)
Employee benefit expenses	(55,66,640)	(59,30,107)
Other expenses	(1,19,56,155)	(1,27,81,107)
<b>Profit/(loss) before tax</b>	<b>(84,92,168)</b>	<b>(1,25,04,871)</b>
Income tax expense / adjustment	Nil	Nil
<b>Profit/(loss) after tax</b>	<b>(84,92,168)</b>	<b>(1,25,04,871)</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)**

38. Capital expenditure incurred on research and development during the year is Rs. 61,23,839 (2014-2015 : Rs. 12,34,639). Revenue expenditure of Rs. 5,47,41,612 (2014-2015 : Rs. 4,71,34,662) 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	2015-2016			2014-2015		
	Location		Total	Location		Total
	Patancheru	Vashi		Patancheru	Vashi	
Capital expenditure	54,55,003	6,68,836	<b>61,23,839</b>	10,65,741	1,68,898	<b>12,34,639</b>
Revenue expenditure	2,29,66,317	3,17,75,295	<b>5,47,41,612</b>	1,85,60,619	2,85,74,043	<b>4,71,34,662</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 2016 Rupees	31st March 2015 Rupees
Within one year	1,26,81,448	1,26,81,448
After one year but not more than five years	1,90,22,172	3,17,03,620
More than five years	-	-

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 2016 Rupees	31st March 2015 Rupees
Within one year	92,55,789	89,21,244
After one year but not more than five years	1,79,53,992	2,72,09,781
More than five years	-	-

**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 equipment. 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 2016 Rupees	31st March 2015 Rupees
Total minimum lease payments at the year end	2,09,28,632	75,76,092
Less : Amount representing finance charges	27,30,461	11,94,167
Present value of minimum lease payments (Rate of interest: 4.95% p.a. to 10.94% p.a.)	1,81,98,171	63,81,925
Minimum lease payments :		
Not later than one year [Present value Rs. 1,78,86,333 as on 31.03.2016 (Rs. 91,72,552 as on 31.03.2015)]	2,16,18,088	1,09,89,064
Later than one year but not later than five years [Present value Rs. 3,13,81,438 as on 31.03.2016 (Rs. 1,21,42,426 as on 31.03.2015)]	4,36,24,421	1,62,97,079

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (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. 7,57,03,429 (2014-2015 : Rs. 4,31,54,846).

**41. CONTINGENT LIABILITIES**

Contingent liabilities not provided for:

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

- i) Subsidiaries – Rs. 85,23,09,643 (2014-2015 : Rs. 1,09,66,62,488)
- ii) Associates – Rs. 16,26,19,958 (2014-2015 : Rs. 16,39,07,683)
- iii) Joint venture – Rs. 1,28,00,000 (2014-2015 : Rs. 5,00,00,000)
- iv) Others – Rs. 38,88,000 (2014-2015 : Rs. 38,88,000)

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

- i) Income tax – Rs. 2,06,20,696 (2014-2015 : Rs. 53,82,201)
- ii) Excise duty – Rs. 16,78,600 (2014-2015 : Rs. 16,78,600)
- iii) Service tax – Rs. 10,52,535 (2014-2015 : Rs. 10,52,535)
- iv) Customs Duty – Rs. 22,58,117 (2014-2015 : Rs. 22,58,117)

(c) Claims against the company arising in the course of business not acknowledged as debts (to the extent ascertainable) Rs. 5,16,15,445 (2014-2015 : Rs. 4,82,16,849).

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 Derivatives as at Balance Sheet date

Particulars	Particulars of derivative			
	2015-2016		2014-2015	
	Amount (Rs.)	Foreign currency	Amount (Rs.)	Foreign currency
Hedge of Import Creditors	4,74,81,799	USD 7,15,588	-	-

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

Particulars	Particulars of derivative			
	2015-2016		2014-2015	
	Amount (Rs.)	Foreign currency	Amount (Rs.)	Foreign currency
Import Payables	18,49,81,285	USD 26,26,369 EUR 31,987 GBP 310 AED 2,92,139 SAR 1,03,972 QAR 8,492 JPY 18,30,000	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
Export Receivables	1,00,81,16,989	USD 1,08,17,938 EUR 20,315 OMR 18,792 AED 61,80,712 BHD 9,173 GBP 5,70,182 SAR 66,83,484	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
Foreign currency bank account	3,63,84,686	USD 1,32,949 AED 10,10,882 BHD 50,505 EUR 5,553	5,78,12,181	USD 31,620 AED 27,19,174 BHD 54,839 EUR 5,558
Foreign currency in hand	4,66,495	AED 23,857 BHD 201	55,496	AED 2,076 BHD 121
Advances to subsidiaries	1,25,62,921	USD 1,89,392	1,02,55,064	USD 1,63,843

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)****42. UNHEDGED FOREIGN CURRENCY EXPOSURE (contd...)**

Particulars	Particulars of derivative			
	2015-2016		2014-2015	
	Amount (Rs.)	Foreign currency	Amount (Rs.)	Foreign currency
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	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

**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 2016 Rupees	31st March 2015 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	2,25,78,416	67,31,480
Interest due on above	3,62,083	1,76,648
	<b>2,29,40,499</b>	<b>69,08,128</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	18,07,707	14,45,624
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)

	2015-2016	2014-2015
Raw materials	86,27,39,691	77,78,19,569
Capital goods	Nil	67,06,561

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

Amount (in Rupees)

	2015-2016	2014-2015
Foreign travel	3,53,44,496	2,66,87,891
Legal and professional fees	1,53,63,155	1,42,83,930
Employee benefit expenses	7,11,83,988	5,24,05,258
Other expenses	2,99,59,929	2,98,34,814

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

	2015-2016		2014-2015	
	Value Rupees	% of total Consumption	Value Rupees	% of total consumption
Imported: Raw materials	77,89,57,016	15.88	62,06,75,397	13.89
Indigenous: Raw materials	4,12,14,23,921	84.04	3,84,54,48,591	86.02
Indigenous: Spares parts	40,58,041	0.08	40,84,074	0.09
	<b>4,90,44,38,978</b>	<b>100.00</b>	<b>4,47,02,08,062</b>	<b>100.00</b>

**NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2015 (contd...)**
**47. EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)**
**Amount (in Rupees)**

	2015-2016	2014-2015
Exports of goods calculated on F.O.B basis (Excluding exports to Bhutan and Nepal in Indian Rupees)	1,74,84,53,897	1,78,65,19,279
Freight and other Recoveries (Refer Note No. 28)	65,05,913	1,34,33,522
Interest	10,31,418	11,71,480

48. Back charges represent reimbursement of costs incurred by customers on the company's behalf in the course of contract execution.
49. Book values of certain long term unquoted investments, aggregating to Rs. 32,27,34,875 (2014-2015 : Rs. 32,27,34,875) 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.

50. Capital advance includes amount of Rs. 25,33,481 (2014-2015 : 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.
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. Based on transitional provision provided in note 7(b) of Schedule II of the Companies Act, 2013, in the previous year depreciation of Rs. 2,46,50,129 and deferred tax of Rs. 83,81,044 was adjusted to retained earnings.

**52. CORPORATE SOCIAL RESPONSIBILITY EXPENSES:**

- A. Gross amount required to be spent by the company during the year 2015-2016 : Rs. 64,62,704
- 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	75,63,577	-	75,63,577
<b>Total</b>	<b>75,63,577</b>	<b>-</b>	<b>75,63,577</b>

- C. Related party transaction in relation to Corporate Social Responsibility : Rs. 75,63,577

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

- D. Provision during the year 2015-2016 : Rs. Nil

53. Previous year figures have been regrouped / reclassified wherever necessary, to conform to current year's classification

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 : 24th May 2016

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 : 24th May 2016

## Independent Auditors' 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 2016 audited by the branch auditor) (hereinafter referred to as "the Holding Company") and its subsidiaries (collectively referred to as "the Group"), its associates and jointly controlled entity, comprising of the Consolidated Balance Sheet as at 31st March 2016, 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 Directors is responsible for the preparation of 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 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). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditors' 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 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. An audit also includes evaluating the appropriateness of the 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 we have obtained is sufficient and appropriate to provide a basis for our 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, 2016;
- 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 monies to investors with return and winding up of scheme. Further IEEFL has furnished relevant details to SEBI and have initiated actions in line with the details submitted to SEBI which in December 2015 had asked IEEFL to pre deposit amount due to farm owners and close the scheme. The Company has submitted that it shall get discharge certificates from balance farm owners within a period of two years from March 2016. SEBI's response in this regard is awaited.



- b) As stated in Note 41 to the consolidated financial statements, maintenance expenses recoverable aggregating Rs 2,82,66,499 (net of provision) considered as fully recoverable by the Management from future Crop Sales/Land Sales. In view of this no provisions is considered necessary by the management of 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.

**Other matter**

We did not audit the financial statements of branch, fourteen subsidiaries and all associates, whose financial statements reflect total assets of Rs 1,60,30,32,687 as at 31st March 2016, total revenues of Rs 1,90,39,44,514 and net cash inflows amounting to Rs 4,29,46,455 for the year then ended and certain associates whose financial statements reflect a total profit (net) of Rs. 21,48,265 for the year ended 31st March 2016, the Holding Company's share in the loss (net) of such associates being Rs. 11,15,453 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 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 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 written representations received from the directors of the Holding Company as on 31st March 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, its associates and jointly controlled entity in India, none of the directors of the Holding Company, its subsidiaries, its associates and jointly controlled entity in India are disqualified as on 31st March 2016 from being appointed as a director in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiaries, its associates and jointly controlled entity incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; 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:
  1. The consolidated financial statements disclose the impact of the pending litigations on the consolidated financial position of the Group – Refer Note 47 to the consolidated financial statements;
  2. The Group and its associates and jointly controlled entity did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  3. 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 and Rs. 44,000 pertaining to year ended 31st March 2007 and 31st March 2008 respectively.

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

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

**Bhavesh Dhupelia**  
Partner

Place : Mumbai  
Date : 24th May 2016

Membership No: 042070

## Annexure to the Independent Auditors' Report on the Consolidated Financial Statements- 31st March 2016

(Referred to in our report of even date)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2016, we have audited the internal financial controls over financial reporting of Ion Exchange (India) Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associates and jointly controlled entity which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company and its subsidiary companies, its associates and jointly controlled entity which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are

subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Holding Company, its subsidiary companies, its associates and jointly controlled entity, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

#### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a six subsidiaries and three associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

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

Place : Mumbai  
Date : 24 May 2016

**Bhavesh Dhupelia**  
Partner  
Membership No: 042070

**CONSOLIDATED BALANCE SHEET as at 31st March 2016**

	Notes	31st March 2016 Rupees	31st March 2015 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
(a) Share capital	7	14,11,92,850	14,09,42,850
(b) Reserves and surplus	8	1,56,01,53,401	1,41,96,66,926
		1,70,13,46,251	1,56,06,09,776
<b>MINORITY INTEREST</b>			
		6,21,36,092	8,49,38,665
<b>NON-CURRENT LIABILITIES</b>			
(a) Long-term borrowings	9	23,01,79,256	20,22,36,132
(b) Deferred tax liabilities (Net)	10	4,37,40,233	4,66,98,217
(c) Other long term liabilities	11	12,81,80,262	10,96,12,725
(d) Long-term provisions	12	12,89,39,681	11,65,65,194
		53,10,39,432	47,51,12,268
<b>CURRENT LIABILITIES</b>			
(a) Short-term borrowings	13	56,72,56,020	56,72,09,035
(b) Trade payables	14		
Due to micro and small enterprises		2,25,78,416	67,31,480
Due to others		3,29,13,98,606	3,15,53,95,924
(c) Other current liabilities	15	78,08,81,346	78,23,07,960
(d) Short-term provisions	12	20,43,20,351	16,90,22,961
		4,86,64,34,739	4,68,06,67,360
<b>TOTAL</b>		<b>7,16,09,56,514</b>	<b>6,80,13,28,069</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Fixed assets			
(i) Tangible assets	16	1,01,61,85,646	82,99,10,311
(ii) Intangible assets	17	1,33,02,847	1,54,64,673
(iii) Capital work-in-progress		2,08,09,273	14,39,05,408
(b) Non-current investments	18	2,41,21,687	2,38,32,232
(c) Deferred tax assets (Net)	10	78,90,013	78,46,404
(d) Long-term loans and advances	19	54,26,81,228	47,58,49,118
(e) Trade receivables	20	26,31,13,663	26,15,62,604
(f) Other non-current assets	21	2,35,882	13,98,379
		1,88,83,40,239	1,75,97,69,129
<b>CURRENT ASSETS</b>			
(a) Current investments	22	4,92,224	4,92,224
(b) Inventories	23	81,34,78,130	79,33,07,493
(c) Trade receivables	20	3,63,02,01,857	3,58,23,60,648
(d) Cash and cash equivalents	24	33,42,24,544	26,16,11,584
(e) Short-term loans and advances	19	48,90,49,878	40,10,07,277
(f) Other current assets	21	51,69,642	27,79,714
		5,27,26,16,275	5,04,15,58,940
<b>TOTAL</b>		<b>7,16,09,56,514</b>	<b>6,80,13,28,069</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 : 24th May 2016

N. M. RANADIVE  
Executive Vice President - Finance

Place : Mumbai  
Date : 24th May 2016

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2016**

	Notes	31st March 2016 Rupees	31st March 2015 Rupees
<b>REVENUE</b>			
Revenue from operations (Gross of excise)	25	9,02,30,60,613	8,30,47,92,091
Less: Excise duty	25	32,85,29,120	29,99,70,532
Revenue from operations (Net of excise)	25	8,69,45,31,493	8,00,48,21,559
Other income	26	6,52,65,939	4,32,61,809
<b>TOTAL REVENUE</b>		<b>8,75,97,97,432</b>	<b>8,04,80,83,368</b>
<b>EXPENSES</b>			
Cost of materials and components consumed	27	5,26,99,30,871	5,01,80,18,286
Purchases of traded goods	28 (a)	26,75,25,403	26,48,82,649
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	28 (b)	10,59,13,235	(6,08,77,097)
Employee benefits expense	29	1,10,16,56,098	97,50,42,614
Finance costs	30	14,93,60,849	14,97,69,395
Depreciation and amortization	31	12,61,47,108	12,11,40,960
Other expenses	32	1,39,30,25,577	1,34,16,35,054
<b>TOTAL EXPENSES</b>		<b>8,41,35,59,141</b>	<b>7,80,96,11,861</b>
<b>PROFIT BEFORE TAX</b>		<b>34,62,38,291</b>	<b>23,84,71,507</b>
<b>TAX EXPENSE</b>			
Current tax		17,95,58,870	13,80,95,886
Prior period		12,70,871	-
Deferred tax (Refer note 10)		(36,22,316)	(1,37,28,541)
<b>TOTAL TAX EXPENSE</b>		<b>17,72,07,425</b>	<b>12,43,67,345</b>
<b>PROFIT AFTER TAX</b>		<b>16,90,30,866</b>	<b>11,41,04,162</b>
Add : Share of profit / (loss) of associates (Net)		10,59,854	(3,38,150)
Less : Minority interest		1,69,53,184	1,61,69,148
<b>PROFIT AFTER MINORITY INTEREST</b>		<b>15,31,37,536</b>	<b>9,75,96,864</b>
<b>EARNINGS PER EQUITY SHARE:</b>			
[Nominal value of shares Rs. 10 (2014-2015 : Rs. 10)] (Refer note 33)			
Basic		10.86	6.92
Diluted		10.61	6.78

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 : 24th May 2016

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 : 24th May 2016

**CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March 2016**

	31st March 2016 Rupees	31st March 2016 Rupees	31st March 2015 Rupees	31st March 2015 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
<b>Net Profit before tax as per the statement of profit and loss</b>		<b>34,62,38,291</b>		<b>23,84,71,507</b>
Adjusted for:				
Depreciation and amortization expense	12,61,47,108		12,11,40,960	
(Profit) / Loss on assets sold / discarded (Net)	(12,41,201)		7,86,312	
(Profit) / Loss on sale of current investments	-		(16,63,828)	
Employee compensation income	(2,79,900)		(3,11,000)	
Finance cost	14,93,60,849		14,97,69,395	
Dividend received	(1,85,130)		(4,38,912)	
Interest received	(2,56,89,160)		(1,95,22,561)	
Bad debts written off	2,76,99,564		4,27,00,709	
Backcharges on contracts	91,38,891		3,08,96,565	
Amount set aside for liabilities, no longer required, written back	(77,14,405)		(3,50,966)	
Unrealised exchange loss / (gain)	(35,57,157)		51,34,727	
		<u>27,36,79,459</u>		<u>32,81,41,401</u>
<b>Cash generated from operations before working capital changes</b>		<b>61,99,17,750</b>		<b>56,66,12,908</b>
Movements in Working Capital:				
(Increase) / Decrease in trade receivables	(7,80,19,946)		(23,87,61,118)	
(Increase) / Decrease in inventories	(2,01,70,637)		(3,87,46,093)	
(Increase) / Decrease in loans and advances	(8,24,60,784)		2,98,15,045	
(Increase) / Decrease in other current assets	-		15,47,583	
(Decrease) / Increase in trade payables	16,19,02,886		10,21,40,455	
(Decrease) / Increase in other liabilities	2,93,28,656		11,52,14,378	
(Decrease) / Increase in provisions	1,18,71,583		1,26,03,039	
		<u>2,24,51,758</u>		<u>(1,61,86,711)</u>
<b>Cash generated from operations</b>		<b>64,23,69,508</b>		<b>55,04,26,197</b>
Taxes paid (Net of refund)		(14,44,46,507)		(9,71,04,905)
<b>Net cash generated from operating activities (A)</b>		<b>49,79,23,001</b>		<b>45,33,21,292</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of fixed assets	(29,86,23,690)		(17,27,03,334)	
Proceeds from sale of fixed assets	1,52,57,677		91,28,775	
Proceeds from sale of current investments	-		20,58,973	
(Increase) / Decrease in Investments	-		(71,430)	
Bank deposit made during the year (with maturity more than three months)	(4,06,28,939)		(8,00,17,711)	
Bank deposit matured / received during the year (with maturity more than three months)	4,75,99,718		4,98,70,128	
Dividend received	1,85,130		4,38,912	
Interest received	2,44,61,729		1,77,95,815	
<b>Net cash used in investing activities (B)</b>		<b>(25,17,48,375)</b>		<b>(17,34,99,872)</b>

**Consolidated Cash Flow Statement for the year ended 31st March 2016 (contd...)**

	31st March 2016	31st March 2016	31st March 2015	31st March 2015
	Rupees	Rupees	Rupees	Rupees
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from issuance of share capital on exercise of options	23,50,000		-	
Repayment of borrowings	(37,22,06,281)		(43,49,61,834)	
Proceeds from borrowings	40,35,85,588		34,09,56,516	
Dividend paid	(5,73,36,760)		(3,75,21,718)	
Dividend tax paid	(68,63,162)		(49,39,481)	
Finance cost	(13,61,20,272)		(14,98,31,387)	
<b>Net cash used in financing activities (C)</b>		<b>(16,65,90,887)</b>		<b>(28,62,97,904)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>		<b>7,95,83,739</b>		<b>(64,76,484)</b>
Cash and cash equivalents as at the beginning of the year		11,18,12,904		11,82,89,388
Cash and cash equivalents as at the end of the year		<b>19,13,96,643</b>		<b>11,18,12,904</b>
<b>Cash and cash equivalent comprises of :</b>				
<b>Cash in hand</b>		74,22,322		1,16,15,790
<b>Balance with banks</b> (See notes 2 and 3 below)		18,39,74,321		10,01,97,114
<b>Total</b>		<b>19,13,96,643</b>		<b>11,18,12,904</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. 1,46,61,668 (2014-2015 : Rs. 1,38,92,079)
  - On margin money account Rs. 12,81,66,233 (2014-2015 : Rs. 13,59,06,601)
- Balances with bank includes Rs. 34,50,965 (2014-2015 : Rs. 32,88,006) 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 : 24th May 2016

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 : 24th May 2016

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016****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, 2016.

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

Name of the company	Country of incorporation	% of Voting power as at	
		31st March 2016	31st March 2015
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	-	76.10
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	91.81	100.00
Global Composites And Structurals Limited	India	73.92	76.78



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)**
**3. Subsidiary companies considered in the consolidated financial statements are (contd...)**

Name of the company	Country of incorporation	% of Voting power as at	
		31st March 2016	31st March 2015
Total Water Management Services (I) Limited	India	99.99	99.99
Ion Exchange Safic Pty. Limited	South Africa	60.00	60.00
Ion Exchange Purified Drinking Water Private Limited	India	100.00	100.00

\* Ion Exchange Infrastructure Limited was amalgamated with Ion Exchange Projects And Engineering Limited w.e.f. 1st April 2014 as per order of Bombay High Court, which become operational from 17th December 2015.

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

**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 2016	31st March 2015
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 2016	31st March 2015
IEI Water-Tech (M) Sdn. Bhd. *	Malaysia	30.00	30.00
Astha Technical Services Limited **	India	44.89	46.53
Aquanomics Systems Limited	India	48.42	48.42
Ion Exchange Financial Products Private Limited ***	India	24.02	24.02
Ion Exchange PSS Co. Limited *	Thailand	49.00	49.00

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

\*\* Inclusive of holding through subsidiary company – Ion Exchange Projects And Engineering 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
Furniture and fixtures	10 years
Vehicles	4 – 8 years
Office equipments	3 – 5 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 2016 (contd...)****6. Significant accounting policies (contd...)**

## (i) Fixed assets, depreciation and impairment (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 2016 (contd...)**

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

(iv) Inventories (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 2016 (contd...)****6. Significant accounting policies (contd...)**

## (viii) Revenue recognition (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 (Share Based Employee Benefits) Regulation, 2014 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)**

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

(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.

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 2016 (contd...)****7. SHARE CAPITAL**

	31st March 2016 Rupees	31st March 2015 Rupees
Authorised shares: 1,70,00,000 (2014-2015 : 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*: 1,41,19,285 (2014-2015 : 1,40,94,285) equity shares of Rs. 10 each.	14,11,92,850	14,09,42,850
	<b>14,11,92,850</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 2016		31st March 2015	
	No. of Shares	Rupees	No. of Shares	Rupees
At the beginning of the period	1,40,94,285	14,09,42,850	1,40,94,285	14,09,42,850
Add: Issued during the period - ESOS (Refer note 35)	25,000	2,50,000	-	-
Outstanding at the end of the period	1,41,19,285	14,11,92,850	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 2016, the amount of per share dividend recognized as distribution to equity shareholders is Rs. 3 (2014-2015 : Rs. 3).

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 2016		31st March 2015	
	No. of Shares	% of holding**	No. of Shares	% of holding**
Rakesh Jhunjhunwala	8,00,000	5.67%	8,00,000	5.68%
Rajesh Sharma	7,81,218	5.53%	7,81,218	5.54%
Mahabir Prasad Patni	7,11,747	5.04%	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 aggregate number of equity shares issued pursuant to scheme of amalgamation, without payment being received in cash in immediately preceding last five years ended on 31st March 2016 : 11,80,256 (Previous period of five years ended 31st March 2015 : 11,80,256).

The aggregate number of equity shares issued pursuant to exercise of options granted under the Employee Stock Option Scheme (ESOS) wherein part consideration was received in form of employee services preceding last five years ended on 31st March 2016 : 2,38,050 (Previous period of five years ended 31st March 2015 : 9,13,100).

(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 2016 (contd...)**
**8. RESERVES AND SURPLUS**

	31st March 2016 Rupees	31st March 2015 Rupees
<u>Capital reserve on consolidation</u>		
Balance as at April 1	2,57,47,547	2,57,47,547
	<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	81,80,02,624
Add: Received on exercise of employee stock option scheme	28,77,500	-
	<u>82,08,80,124</u>	<u>81,80,02,624</u>
<u>Revaluation reserve [Refer note 6(i)]</u>		
Balance as at April 1	10,20,390	10,20,390
	<u>10,20,390</u>	<u>10,20,390</u>
<u>Employee stock options outstanding</u>		
Balance as at April 1	1,57,67,701	1,60,78,701
Add: Received on excise of Employee Stock Option Plan	21,00,000	-
Less: Transferred to securities premium account on excise of options	28,77,500	-
Less: Transferred to employee compensation income	2,79,900	3,11,000
	<u>1,47,10,301</u>	<u>1,57,67,701</u>
<u>Special reserve (As per Section 45 - IC of the Reserve Bank of India Act, 1934)</u>		
Balance as at April 1	22,17,340	22,17,340
	<u>22,17,340</u>	<u>22,17,340</u>
<u>General reserve</u>		
Balance as at April 1	27,19,79,006	27,19,79,006
	<u>27,19,79,006</u>	<u>27,19,79,006</u>
<u>Legal reserve (in accordance with Commercial Companies Law of Oman, 1974)</u>		
The reserve is not available for distribution to the Members		
Balance as at April 1	99,22,158	65,54,642
Add: Transfer from the statement of profit and loss	37,07,547	33,67,516
	<u>1,36,29,705</u>	<u>99,22,158</u>
<u>Foreign currency translation reserve</u>		
Balance as at April 1	1,82,03,169	80,15,737
Add: Foreign currency translation profit during the year	76,03,717	1,01,87,432
	<u>2,58,06,886</u>	<u>1,82,03,169</u>
<u>Surplus in the statement of profit and loss</u>		
Balance as per last financial statements	25,68,06,991	23,16,04,621
Add : Adjustment on change in investment in subsidiaries and associates (Refer note 52)	2,59,06,453	-
Less: Additional depreciation / amortization (Refer note 51)	-	1,98,80,961
Add: Profit for the year	15,31,37,536	9,75,96,864
Less: Appropriations		
Proposed final dividend (amount per share Rs. 3 (2014-2015 : Rs. 3)	4,23,57,855	4,22,82,855
Tax on proposed final dividend	56,23,476	68,63,162
Transfer to legal reserve	37,07,547	33,67,516
Net Surplus in the statement of profit and loss	<u>38,41,62,102</u>	<u>25,68,06,991</u>
<b>Total Reserves and Surplus</b>	<u><b>1,56,01,53,401</b></u>	<u><b>1,41,96,66,926</b></u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)****9. LONG-TERM BORROWINGS**

	Non-current portion		Current maturities	
	31st March 2016 Rupees	31st March 2015 Rupees	31st March 2016 Rupees	31st March 2015 Rupees
<u>Term loans (Secured)</u>				
Indian rupee loan from finance company [Refer note (a) below]	4,75,41,973	7,92,36,637	3,16,94,664	3,16,94,664
Indian rupee loan from financial institutional [Refer note (b) below]	7,00,90,000	-	-	-
Indian rupee loan from financial institution [Refer note (c) below]	-	-	-	65,25,000
Indian rupee loans from bank [Refer note (d) below]	4,11,77,349	5,70,15,252	1,90,04,880	1,90,04,748
Indian rupee loans from bank [Refer note (e) below]	3,41,21,951	4,30,04,564	2,16,03,980	1,67,29,500
Indian rupee vehicle loan from banks [Refer note (f) below]	58,97,488	61,28,963	27,04,976	21,17,258
<u>Other Loans and Advances</u>				
Finance lease obligation (Secured) [Refer note (g) below]	3,13,50,495	1,18,96,716	1,77,61,989	94,18,121
<u>Deposits (Unsecured) [Refer note (h) below]</u>				
Deposit from shareholders	-	1,00,000	-	1,76,000
Deposit from public	-	48,54,000	49,24,000	84,32,000
	<b>23,01,79,256</b>	<b>20,22,36,132</b>	<b>9,76,94,489</b>	<b>9,40,97,291</b>
<u>The above amount includes</u>				
Secured borrowings	23,01,79,256	19,72,82,132	9,27,70,489	8,54,89,291
Unsecured borrowings	-	49,54,000	49,24,000	86,08,000
Amount disclosed under the head "Other current liabilities" [Refer note 15]	-	-	(9,76,94,489)	(9,40,97,291)
	<b>23,01,79,256</b>	<b>20,22,36,132</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 financial institution for capital expenditure carries interest @ 11.70% p.a. The loan is secured by first charge on movable fixed assets situated at Goa and is repayable in 54 months with moratorium of 6 months from the date of actual commercial operation date.
- (c) Indian rupees loan from a financial institution carries interest @ 15.00% p.a. The loan was secured by first charge on property situated at Bangalore and was 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 @ 13.75% 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 and furniture & fixtures, both present and future.
- (ii) Property loan from a bank carries interest rate @ 13.75% 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 @ 13.75% 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 2016 (contd...)**
**9. LONG-TERM BORROWINGS (contd...)**

- (f) Indian rupee vehicle loans from banks and finance company carries interest @ 9.50% to 13.50% p.a. The loans are repayable within a period of 36 to 60 months in equal monthly installments along with interest, from the various dates of disbursements. The loans are secured by hypothecation of under lying vehicles.
- (g) Finance lease obligations are secured by hypothecation of under lying plant and machinery and equipment's taken on lease. Lease obligations are discharged by monthly / quarterly lease rental payments. The lease terms are for 3 to 4 years.
- (h) 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 2016		31st March 2015	
	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)	10,43,96,689	-	9,19,34,597	-
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	-	4,62,22,773	-	3,73,75,210
Business losses and depreciation	-	1,40,42,786	-	74,11,868
Provision for leave encashment and gratuity	-	1,29,652	-	1,44,448
	<u>10,43,96,689</u>	<u>6,85,46,469</u>	<u>9,19,34,597</u>	<u>5,30,82,784</u>
	<b>3,58,50,220</b>		<b>3,88,51,813</b>	
<b>Disclosed as under</b>				
<b>Deferred tax liabilities (Net)</b>	<b>4,37,40,233</b>		<b>4,66,98,217</b>	
<b>Deferred tax assets (Net)</b>	<b>78,90,013</b>		<b>78,46,404</b>	
	<u><b>3,58,50,220</b></u>		<u><b>3,88,51,813</b></u>	

**11. OTHER LONG-TERM LIABILITIES**

	31st March 2016 Rupees	31st March 2015 Rupees
Deposits	8,17,44,019	6,97,20,644
Trade payables	3,88,73,362	3,10,47,961
Interest accrued but not due	-	1,60,403
Others	75,62,881	86,83,717
	<u><b>12,81,80,262</b></u>	<u><b>10,96,12,725</b></u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)****12. PROVISIONS**

	Long-term		Short-term	
	31st March 2016 Rupees	31st March 2015 Rupees	31st March 2016 Rupees	31st March 2015 Rupees
Provision for income tax [Net of advance tax]	5,15,92,640	4,66,21,107	12,77,56,074	9,57,62,627
Provision for leave encashment and gratuity	7,68,50,456	6,94,54,294	2,64,64,764	2,20,29,034
Others				
Provision for warranties	-	-	20,96,700	20,47,400
Proposed dividend	-	-	4,23,57,855	4,22,82,855
Tax on proposed dividend	-	-	56,23,476	68,63,162
Group's share in provisions of Joint Venture	4,96,585	4,89,793	21,482	37,883
	<b>12,89,39,681</b>	<b>11,65,65,194</b>	<b>20,43,20,351</b>	<b>16,90,22,961</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 2016 Rupees	31st March 2015 Rupees
At the beginning of the year	20,47,400	21,36,600
Arising during the year	20,96,700	20,47,400
Utilised during the year	20,47,400	21,36,600
Unused amounts reversed	-	-
<b>At the end of the year</b>	<b>20,96,700</b>	<b>20,47,400</b>

**13. SHORT TERM BORROWINGS**

	31st March 2016 Rupees	31st March 2015 Rupees
Working capital loan from banks (Secured) [Refer notes (a) to (f) below]	32,79,56,020	55,72,09,035
Working capital loan from bank (Unsecured) [Refer notes (g) below]	21,13,00,000	-
Inter-corporate deposits (Unsecured) [Refer notes (h) below]	2,80,00,000	1,00,00,000
	<b>56,72,56,020</b>	<b>56,72,09,035</b>
<u>The above amount includes:</u>		
Secured borrowings	32,79,56,020	55,72,09,035
Unsecured borrowings	23,93,00,000	1,00,00,000
	<b>56,72,56,020</b>	<b>56,72,09,035</b>

- (a) Includes working capital loan of Rs. 16,27,38,528 (2014-2015 : Rs. 33,87,44,054) from banks 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, Goa and Ankleshwar. The Working Capital Loan is repayable on demand and carries interest @ 11.50% to 14.75% p.a.
- (b) Includes working capital loan of Rs. 66,28,315 (2014-2015 : Rs. 50,36,619) from a bank secured against fixed deposits and corporate guarantees and carries interest of 6% p.a.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)**
**13. SHORT TERM BORROWINGS (contd...)**

- (c) Includes working capital loan of Rs. 1,11,03,408 (2014-2015 : Rs. 1,32,55,631) 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.
- (d) Includes working capital loan of Rs. 1,04,998 (2014-2015 : Rs. 2,04,21,389) from a bank secured by way of charge on all stock, trade receivables and corporate guarantee. Working capital loan is repayable on demand and carries interest of 14.00% p.a.
- (e) Includes working capital loan of Rs. 11,99,50,188 (2014-2015 : Rs. 12,21,49,049) 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 @ 13.75% p.a.
- (f) Includes working capital loan of Rs. 2,74,30,583 (2014-2015 : Rs. 5,76,02,293) 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.
- (g) The working capital loan is unsecured, repayable within 180 days from 23.03.2016 and carries interest @ 11.50% p.a.
- (h) Inter corporate deposit are for a period from 90 to 365 days and carries interest @ 9.50% to 12.75% p.a.

**14. TRADE PAYABLES**

	<b>31st March 2016</b>	<b>31st March 2015</b>
	<b>Rupees</b>	<b>Rupees</b>
Trade payable (including acceptances)		
Due to micro and small enterprises (Refer note 49)	2,25,78,416	67,31,480
Due to others	3,29,13,98,606	3,15,53,95,924
[including Group's share of trade payable of joint venture Rs. 1,95,57,569 (2014-2015 : Rs. 2,74,83,060)]		
	<b>3,31,39,77,022</b>	<b>3,16,21,27,404</b>

**15. OTHER CURRENT LIABILITIES**

	<b>31st March 2016</b>	<b>31st March 2015</b>
	<b>Rupees</b>	<b>Rupees</b>
Current maturities of long term borrowings (Refer note 9)	9,76,94,489	9,40,97,291
Interest accrued but not due	38,30,848	19,43,867
Deposits	50,87,710	-
Employee benefits payable	12,69,83,308	9,27,00,775
Creditors for capital goods	1,75,09,766	3,48,13,275
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
- Unpaid Dividend	31,19,187	28,52,452
- Unclaimed Interest on Fixed Deposit	3,31,778	4,35,554
- Unclaimed Matured Deposit	14,72,000	16,80,000
Advance from Customers	43,05,40,040	46,82,37,825
Unearned revenue on AMC services	3,08,45,245	2,82,48,316
Statutory liabilities	5,32,86,214	4,68,23,294
Others liabilities	86,55,479	85,13,584
Group's share of other current liabilities of joint venture	15,25,282	19,61,727
	<b>78,08,81,346</b>	<b>78,23,07,960</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)

## 16. TANGIBLE ASSETS

	Land (Freehold) (Refer note a)	Land (Leasehold)	Building on leasehold land	Building on freehold land (Refer notes b, c, d and e)	Road	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments (Refer note f)	Group's share in joint venture	Total
<b>Gross block</b>											
<b>As at 1st April 2014</b>	2,04,29,053	3,78,18,898	27,72,78,047	28,06,53,871	61,54,777	98,51,81,954	11,99,00,469	5,39,20,973	22,09,43,991	29,26,649	2,00,52,08,682
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>
Addition during the year	-	-	4,09,24,210	3,23,02,264	10,70,982	21,14,70,439	40,26,360	50,34,930	2,04,53,514	80,351	31,53,63,050
Disposal during the year	-	-	-	1,40,03,600	-	3,25,62,895	1,78,142	44,66,527	4,92,726	-	5,17,03,890
Add : Exchange gain / (loss)	-	-	61,691	-	-	66,24,328	2,75,382	9,80,679	3,59,233	-	83,01,313
<b>As at 31st March 2016</b>	<b>2,04,29,053</b>	<b>3,78,18,898</b>	<b>31,83,83,670</b>	<b>30,06,92,650</b>	<b>72,25,759</b>	<b>1,21,08,17,424</b>	<b>12,41,94,836</b>	<b>5,93,57,262</b>	<b>25,22,67,875</b>	<b>30,77,247</b>	<b>2,33,42,64,674</b>
<b>Depreciation</b>											
<b>As at 1st April 2014</b>	-	67,41,361	10,91,85,238	5,69,76,930	7,25,410	61,83,46,869	8,49,75,360	3,52,39,071	17,43,38,179	15,56,131	1,08,80,84,549
Additional depreciation transfer to reserve and surplus (Refer note 51)	-	-	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>
Charge for the year	-	3,02,424	93,48,904	57,60,852	7,15,686	7,49,84,260	59,09,687	68,11,353	1,44,38,559	3,09,731	11,84,81,456
Deduction during the year	-	-	-	9,57,998	-	3,21,91,587	1,78,142	38,68,773	4,90,914	-	3,76,87,414
Add : Exchange (gain) / loss	-	-	24,205	-	-	34,45,036	2,49,914	8,54,281	3,17,660	-	48,91,096
<b>As at 31st March 2016</b>	<b>-</b>	<b>73,46,209</b>	<b>12,94,63,323</b>	<b>6,76,48,906</b>	<b>24,68,100</b>	<b>74,12,87,690</b>	<b>10,19,16,846</b>	<b>4,64,90,706</b>	<b>21,89,48,429</b>	<b>25,08,819</b>	<b>1,31,80,79,028</b>
<b>Net block</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>
<b>As at 31st March 2016</b>	<b>2,04,29,053</b>	<b>3,04,72,689</b>	<b>18,89,20,347</b>	<b>23,30,43,744</b>	<b>47,57,659</b>	<b>46,95,29,734</b>	<b>2,22,77,990</b>	<b>1,28,66,556</b>	<b>3,33,19,446</b>	<b>5,68,428</b>	<b>1,01,61,85,646</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)****16. TANGIBLE ASSETS (contd...)**

- a. Freehold land includes land at Pune, the title deeds of which are in the name of the nominees of the Company.  
Gross book value Rs. 18,44,060 (2014-2015 : Rs18,44,060)
- b. Buildings on freehold land includes residential flats, the cost of which includes:
- Rs. 250 (2014-2015 : 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 (2014-2015 : Rs. 3,500) being the value of 70 Shares (unquoted) of Rs. 50 each, fully paid up in Usha Milan Co-operative Society Limited.
- c. Buildings on freehold land includes residential flats acquired at Mumbai, the society formation of which is in progress.  
Gross book value Rs. 62,16,250 (2014-2015 : Rs. 62,16,250)  
Net book value Rs. 41,14,738 (2014-2015 : Rs. 42,18,471)
- d. Buildings on freehold land includes residential flats comprising of 2 LIG flats (Nos. B-16 and B-17) and 1 MIG flat (No. B-14) at Hosur, the title deeds of which are awaited from authorities.  
Gross book value Rs. 76,882 (2014-2015 : Rs. 76,882)  
Net book value Rs. Nil (2014-2015 : Rs. Nil)
- e. Buildings on freehold land includes office premises given on operating lease :  
Gross book value Rs. 2,30,77,146 (2014-2015 : Rs. 2,30,77,146)  
Accumulated depreciation Rs. 1,02,05,233 (2014-2015 : Rs. 96,81,060)  
Depreciation for the year Rs. 5,20,450 (2014-2015 : Rs. 6,70,201)  
Net book value Rs. 1,28,71,913 (2014-2015 : Rs. 1,33,96,086)
- f. Office equipment includes data processing items taken on finance lease :  
Gross book value Rs. 2,87,39,617 (2014-2015 : Rs. 2,28,95,891)  
Accumulated depreciation Rs. 2,04,95,216 (2014-2015 : Rs. 1,47,18,981)  
Depreciation for the year Rs. 57,76,235 (2014-2015 : Rs. 64,00,438)  
Net book value Rs. 82,44,401 (2014-2015 : Rs. 81,76,910)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)****17. INTANGIBLE ASSETS**

	Amount (in Rupees)			
	Computer software	Goodwill on consolidation	Group's share in joint venture	Total
<b>Gross block</b>				
As at 1st April 2014	4,04,41,249	1,18,35,729	5,02,976	5,27,79,954
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>
Addition during the year	55,03,826	-	-	55,03,826
Disposal during the year	-	-	-	-
<b>As at 31st March 2016</b>	<b>5,00,73,104</b>	<b>1,18,35,729</b>	<b>5,02,976</b>	<b>6,24,11,809</b>
<b>Amortization</b>				
As at 1st April 2014	2,71,08,143	62,58,198	1,65,647	3,35,31,988
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>
Charge for the year	52,65,430	23,08,489	91,733	76,65,652
Deduction during the year	-	-	-	-
<b>As at 31st March 2016</b>	<b>3,78,45,555</b>	<b>1,09,14,281</b>	<b>3,49,126</b>	<b>4,91,08,962</b>
<b>Net block</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>
<b>As at 31st March 2016</b>	<b>1,22,27,549</b>	<b>9,21,448</b>	<b>1,53,850</b>	<b>1,33,02,847</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)**
**18. NON-CURRENT INVESTMENTS**

	31st March 2016 Rupees	31st March 2015 Rupees
<b>TRADE INVESTMENTS (Valued at cost unless stated otherwise)</b>		
<b>EQUITY INSTRUMENTS (UNQUOTED)</b>		
<u>INVESTMENT IN ASSOCIATES</u>		
4,60,000 (2014-2015 : 4,60,000) equity shares of Rs. 10 each, fully paid-up in Aquanomics Systems Limited	1,84,38,824	1,73,45,296
2,28,000 (2014-2015 : 2,28,000) equity shares of Rs. 10 each, fully paid-up in Astha Technical Services Limited [includes capital reserve Rs. 21,78,006 (2014-2015 : Rs. 21,78,006)]	11,74,813	19,78,886
14,700 (2014-2015 : 14,700) equity shares of THB 100 each, fully paid-up in Ion Exchange PSS Co. Limited [includes goodwill Rs. 5,43,814 (2014-2015 : Rs. 5,43,814)]	-	-
(A)	1,96,13,637	1,93,24,182
<u>INVESTMENT IN OTHERS</u>		
6,000 (2014-2015 : 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 (2014-2015 : Rs. 60,000)]	-	-
113 (2014-2015 : 113) equity shares of Rs. 10 each, fully paid-up in Patancheru Enviro-tech Limited	1,130	1,130
10,500 (2014-2015 : 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 (2014-2015 : 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 (2014-2015 : 21,518) equity shares of Rs. 10 each, fully paid-up in Global Procurement Consultants Limited	2,45,540	2,45,540
1,000 (2014-2015 : 1,000) equity shares of Rs. 10 each, fully paid-up in Ion Foundation	10,000	10,000
7,143 (2014-2015 : 7,143) equity shares of Rs. 10 each, fully paid-up in Water Quality India Association	71,430	71,430
750 (2014-2015 : 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 (2014-2015 : Rs. 75,000)]	-	-
9,999 (2014-2015 : 9,999) equity shares of Rs. 50 each, fully paid-up in The Thane Janta Sahakari Bank Ltd.	4,99,950	4,99,950
(B)	44,58,050	44,58,050
<b>PREFERENCE SHARES (UNQUOTED)</b>		
Investment in others		
75,000 (2014-2015 : 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 (2014-2015 : Rs. 74,50,000)]	50,000	50,000
(C)	50,000	50,000
<b>Total Non Current Investments</b>	<b>(A+B+C) 2,41,21,687</b>	<b>2,38,32,232</b>
Aggregate amount of quoted Investments	-	-
Aggregate amount of unquoted Investments	2,41,21,687	2,38,32,232
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 2016 (contd...)****19. LOANS AND ADVANCES**

	Non-current		Current	
	31st March 2016 Rupees	31st March 2015 Rupees	31st March 2016 Rupees	31st March 2015 Rupees
<u>Capital advances</u>				
Unsecured, considered good	9,60,03,727	1,58,64,504	-	-
(A)	9,60,03,727	1,58,64,504	-	-
<u>Tender, security and other deposits</u>				
Unsecured, considered good	5,50,36,819	4,21,92,730	1,23,75,317	96,81,601
Doubtful	8,48,733	8,48,733	-	-
	5,58,85,552	4,30,41,463	1,23,75,317	96,81,601
Less: Provision for doubtful deposits	8,48,733	8,48,733	-	-
(B)	5,50,36,819	4,21,92,730	1,23,75,317	96,81,601
<u>Loans and advances to related parties</u> [refer note 38 (I) and (II)]				
Unsecured, considered good	21,25,09,000	21,86,35,000	7,50,23,925	5,69,49,063
Doubtful	24,75,134	24,75,134	-	-
	21,49,84,134	22,11,10,134	7,50,23,925	5,69,49,063
Less: Provision for doubtful loans and advances	24,75,134	24,75,134	-	-
(C)	21,25,09,000	21,86,35,000	7,50,23,925	5,69,49,063
<u>Advance to suppliers</u>				
Unsecured, considered good	6,51,735	17,73,652	11,10,35,267	9,47,11,414
Unsecured, considered doubtful	30,90,078	30,90,078	-	-
	37,41,813	48,63,730	11,10,35,267	9,47,11,414
Less: Provision for doubtful advances	30,90,078	30,90,078	-	-
(D)	6,51,735	17,73,652	11,10,35,267	9,47,11,414
<u>Other loans and advances</u> (Unsecured, considered good unless otherwise stated)				
- Prepaid expenses	-	41,858	5,77,27,111	4,66,37,871
- Claims receivables	-	-	2,25,83,426	1,06,22,225
- Balances with statutory authorities	5,25,87,325	5,71,12,757	19,76,52,730	16,21,79,514
- Loans and advance to employees	-	2,11,365	53,97,998	69,53,888
- Income tax paid (Net of provision for taxation)	4,23,18,381	5,27,21,794	9,54,373	8,62,490
- 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)	7,90,85,611	8,46,58,785	33,77,858	82,22,659
- Other loans and advances (Doubtful)	2,25,14,884	2,25,14,884	-	-
	10,16,00,495	10,71,73,669	33,77,858	82,22,659
Less: Provision for doubtful advances	2,25,14,884	2,25,14,884	-	-
	7,90,85,611	8,46,58,785	33,77,858	82,22,659
(E)	17,39,91,317	19,47,46,559	28,76,93,496	23,54,78,647
Group's share in loans and advances of joint venture	(F) 44,88,630	26,36,673	29,21,873	41,86,552
<b>Total (A+B+C+D+E+F)</b>	<b>54,26,81,228</b>	<b>47,58,49,118</b>	<b>48,90,49,878</b>	<b>40,10,07,277</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)**
**20. TRADE RECEIVABLES**

	Non-current		Current	
	31st March 2016 Rupees	31st March 2015 Rupees	31st March 2016 Rupees	31st March 2015 Rupees
Outstanding for a period exceeding six months from the date they are due for payment				
- Unsecured considered good	26,31,13,663	26,15,62,604	61,41,54,231	53,10,31,587
- Doubtful	1,14,91,132	1,14,91,132	-	-
	27,46,04,795	27,30,53,736	61,41,54,231	53,10,31,587
Less: Provision for doubtful receivable	1,14,91,132	1,14,91,132	-	-
(A)	26,31,13,663	26,15,62,604	61,41,54,231	53,10,31,587
Other receivables				
- Unsecured, considered good	-	-	3,00,77,91,451	3,04,00,05,953
- Doubtful	-	-	-	-
	-	-	3,00,77,91,451	3,04,00,05,953
Less: Provision for doubtful receivables	-	-	-	-
(B)	-	-	3,00,77,91,451	3,04,00,05,953
Group's share in Trade Receivable of Joint Venture	-	-	82,56,175	1,13,23,108
(C)	-	-	82,56,175	1,13,23,108
<b>Total</b>	<b>(A+B+C) 26,31,13,663</b>	<b>26,15,62,604</b>	<b>3,63,02,01,857</b>	<b>3,58,23,60,648</b>

**21. OTHER ASSETS**

	Non-current		Current	
	31st March 2016 Rupees	31st March 2015 Rupees	31st March 2016 Rupees	31st March 2015 Rupees
Unsecured, considered good				
Non current bank balances	1,972	1,972	-	-
Interest accrued on margin money	2,33,910	13,96,407	51,69,642	27,79,714
(A)	2,35,882	13,98,379	51,69,642	27,79,714
Unsecured, considered doubtful				
Rent receivables	17,05,011	17,05,011	-	-
Less: Provision	17,05,011	17,05,011	-	-
(B)	-	-	-	-
<b>Total</b>	<b>(A+B) 2,35,882</b>	<b>13,98,379</b>	<b>51,69,642</b>	<b>27,79,714</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)****22. CURRENT INVESTMENTS**

	31st March 2016 Rupees	31st March 2015 Rupees
Current investments (valued at lower of cost or fair value unless stated otherwise)		
<u>Non trade and quoted</u>		
5,875 (2014-2015 : 5,875) equity shares of Rs. 2 each, fully paid-up in Sterlite Technologies Limited	2,05,000	2,05,000
70 (2014-2015 : 70) equity shares of Rs. 2 each, fully paid-up in Jain Irrigation Systems Limited	3,724	3,724
8,100 (2014-2015 : 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 (Market value Rs. 20,74,281 (2014-2015 : Rs. 33,06,252))	4,92,224	4,92,224
Aggregate provision for diminution in value of investments	-	-

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

	31st March 2016 Rupees	31st March 2015 Rupees
Raw materials and components (Refer note 27)	30,33,42,499	19,96,44,163
Work-in-progress	9,75,46,591	13,98,59,678
Finished goods	25,53,62,727	29,69,81,204
Traded goods	5,07,79,872	5,23,92,614
Stores and spares	6,77,48,236	4,52,40,323
Contract work-in-progress	3,85,59,891	5,89,28,820
Group's share in inventories of joint venture	1,38,314	2,60,691
	<b>81,34,78,130</b>	<b>79,33,07,493</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)**
**24. CASH AND CASH EQUIVALENTS**

	Non-current		Current	
	31st March 2016 Rupees	31st March 2015 Rupees	31st March 2016 Rupees	31st March 2015 Rupees
<u>Balances with banks:</u>				
- On current accounts	-	-	16,98,98,605	9,29,81,503
- On Exchange Earner's Foreign Currency accounts	-	-	75,87,185	8,16,587
- On unclaimed dividend account	-	-	31,19,187	28,52,452
- On unclaimed interest on fixed deposits	-	-	3,31,778	4,35,554
<u>Cash on hand</u>	-	-	74,22,322	1,16,15,790
(A)	-	-	18,83,59,077	10,87,01,886
<u>Other bank balances</u>				
On deposit account with original maturity for more than 12 months	1,972	1,972	1,46,61,668	1,38,92,079
On margin money account [Refer notes (a) and (b) below]	-	-	12,81,66,233	13,59,06,601
(B)	1,972	1,972	14,28,27,901	14,97,98,680
Group's share in cash and cash equivalents of joint venture	-	-	30,37,566	31,11,018
(C)	-	-	30,37,566	31,11,018
Amount disclosed under non-current assets (Refer note 21)	(1,972)	(1,972)	-	-
(D)	(1,972)	(1,972)	-	-
<b>Total</b>	<b>(A+B+C+D)</b>		<b>33,42,24,544</b>	<b>26,16,11,584</b>

- (a) Margin money deposits with a carrying amount of Rs. 12,02,98,952 (2014-2015 : Rs. 12,84,97,853) are subject to first charge to secure bank guarantees issued by bank on our behalf.
- (b) Margin money includes fixed deposit of Rs. 78,67,281 (2014-2015 : Rs. 74,08,810), being security towards working capital of the company.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)****25. REVENUE FROM OPERATIONS**

	31st March 2016 Rupees	31st March 2015 Rupees
Revenue from operations		
<u>Sale of products</u>		
Finished goods	7,58,10,68,379	6,94,92,64,441
Traded goods	45,25,80,889	46,44,04,492
<u>Sale of services</u>	94,99,97,716	84,04,93,823
<u>Group's share of sales and services income of joint venture</u>	78,49,321	2,20,51,574
<u>Others operating revenue</u>		
Scrap sales	2,08,81,772	1,81,23,101
Management fees	50,72,590	47,74,360
Income from inputs and contract farming	56,09,946	56,80,300
<b>Revenue from operations (Gross of excise)</b>	<b>9,02,30,60,613</b>	<b>8,30,47,92,091</b>
Less: Excise duty*	32,85,29,120	29,99,70,532
<b>Revenue from operations (Net of excise)</b>	<b>8,69,45,31,493</b>	<b>8,00,48,21,559</b>

\* Excise duty on sales amounting to Rs. 32,85,29,120 (2014-2015 : Rs. 29,99,70,532) has been reduced from sales in statement of profit and loss account and excise duty on (increase)/decrease in stock amounting to Rs. 65,54,014 (2014-2015 : Rs. 64,28,972) has been considered as (income)/expenses in note 32 of financial statements.

**26. OTHER INCOME**

	31st March 2016 Rupees	31st March 2015 Rupees
Interest income		
- From banks	1,10,91,361	1,02,12,787
- From joint venture	82,94,656	74,28,557
- From others	63,03,143	18,81,217
Rent	1,00,94,964	1,02,21,364
Dividend income	1,85,130	4,38,912
Amount set aside for liabilities, no longer required, written back	77,14,405	3,50,966
Exchange gain (Net)	20,94,105	31,97,218
Profit on sale of current investments	-	16,63,828
Profit on assets sold/discarded (Net)	12,41,201	-
Other non operating Income	1,69,61,218	75,81,774
Group's share of other income of joint venture	12,85,756	2,85,186
	<b>6,52,65,939</b>	<b>4,32,61,809</b>

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

	31st March 2016 Rupees	31st March 2015 Rupees
Inventory at the beginning of the year	19,96,44,163	21,62,90,935
Add: Purchases*	5,37,28,53,604	4,99,25,79,871
Less: Inventory at the end of the year	30,33,42,499	19,96,44,163
Add: Group's share in cost of goods sold of joint venture	7,75,603	87,91,643
<b>Cost of raw material and components consumed **</b>	<b>5,26,99,30,871</b>	<b>5,01,80,18,286</b>

\* Includes direct expenses incurred on contracts Rs. 9,58,19,696 (2014-2015 : Rs. 10,52,58,502)

\*\* 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 2016 (contd...)**
**28 (a) PURCHASE OF TRADED GOODS**

	31st March 2016 Rupees	31st March 2015 Rupees
Consumer products	18,68,53,104	18,93,58,886
Spares	2,60,28,493	3,96,73,943
Others	5,46,43,806	3,58,49,820
	<b>26,75,25,403</b>	<b>26,48,82,649</b>

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

	31st March 2016 Rupees	31st March 2015 Rupees	(Increase)/Decrease Rupees
<b>Inventories at the end of the year</b>			
Traded goods	5,07,79,872	5,23,92,614	16,12,742
Work-in-progress	9,75,46,591	13,98,59,678	4,23,13,087
Finished goods	25,53,62,727	29,69,81,204	4,16,18,477
Contract work-in-progress	3,85,59,891	5,89,28,820	2,03,68,929
	<b>44,22,49,081</b>	<b>54,81,62,316</b>	<b>10,59,13,235</b>
<b>Inventories at the beginning 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
	<b>54,81,62,316</b>	<b>48,72,85,219</b>	<b>(6,08,77,097)</b>
	<b>10,59,13,235</b>	<b>(6,08,77,097)</b>	

**29. EMPLOYEE BENEFITS EXPENSE**

	31st March 2016 Rupees	31st March 2015 Rupees
Salaries, wages and bonus	98,42,92,991	86,74,40,665
Contribution to provident and other funds (Refer note 34)	5,82,10,088	5,21,04,860
Employee compensation expense / (income) (Refer note 35)	(2,79,900)	(3,11,000)
Staff welfare expense	5,39,79,970	4,98,77,981
Group's share in employee benefits expenses of joint venture	54,52,949	59,30,108
	<b>1,10,16,56,098</b>	<b>97,50,42,614</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)****30. FINANCE COSTS**

	31st March 2016 Rupees	31st March 2015 Rupees
Interest	13,30,64,219	13,83,47,541
Other borrowing costs	1,62,94,851	1,14,09,294
Group's share in finance costs of joint venture	1,779	12,560
	<b>14,93,60,849</b>	<b>14,97,69,395</b>

**31. DEPRECIATION AND AMORTIZATION EXPENSE**

	31st March 2016 Rupees	31st March 2015 Rupees
Depreciation of tangible assets (Refer note 16)	11,81,71,725	11,29,41,185
Amortisation of intangible assets (Refer note 17)	75,73,919	77,83,757
Group's share in depreciation and amortization expenses of joint venture	4,01,464	4,16,018
	<b>12,61,47,108</b>	<b>12,11,40,960</b>

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

	31st March 2016 Rupees	31st March 2015 Rupees
Stores and spare parts consumed	40,65,872	40,84,077
Power and fuel	13,44,98,339	12,09,54,927
Repairs and maintenance - Buildings	59,49,964	44,30,579
- Plant and machinery	2,66,93,966	2,93,81,990
- Others	2,20,06,254	2,63,30,050
Rent (Net of recoveries)	6,38,55,324	5,50,67,886
Rates and taxes	5,36,34,927	4,56,73,685
Insurance (Net of recoveries)	76,72,261	76,91,086
Travelling and conveyance	24,95,00,837	24,73,75,436
Excise duty (Net of recoveries) (Refer note 25)	65,54,014	64,28,972
Freight (Net of recoveries)	18,28,63,405	16,90,22,066
Packing (Net of recoveries)	12,13,32,279	12,07,30,553
Advertisement and publicity	5,82,65,188	5,32,36,505
Commission and discount	2,96,56,017	2,03,36,167
Legal and professional charges	9,45,00,354	7,76,30,080
Telephone and telex	2,48,34,430	2,46,40,142
Project maintenance expenses	19,93,885	34,77,983
Bad debts written off	2,76,99,564	4,27,00,709
Auditors' remuneration (Refer note 32.1)	35,16,319	34,15,105
Directors' fees	44,50,000	39,15,000
Directors' commission	57,00,000	-
Bank charges	2,27,86,515	1,92,57,203
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 investments	-	9,25,000
	<b>1,39,30,25,577</b>	<b>1,34,16,35,054</b>
Backcharges on contracts (Refer note 50)	91,38,891	3,08,96,565
Establishment and other miscellaneous expenses	22,89,63,752	21,95,75,674
Group's share in operations and other expenses of joint venture	28,93,220	45,96,302
	<b>1,39,30,25,577</b>	<b>1,34,16,35,054</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)**
**32.1 AUDITORS' REMUNERATION (excluding service tax)**

	<b>31st March 2016</b>	<b>31st March 2015</b>
	<b>Rupees</b>	<b>Rupees</b>
As auditor:		
- Audit fees	17,75,000	17,75,000
- Tax audit fees	3,00,000	3,00,000
- Limited review	5,25,000	5,25,000
In other capacity:		
- Other services (Certification fees)	3,50,000	3,60,000
Reimbursement of expenses	2,78,819	1,76,355
Branch auditor		
- Audit fees	2,50,000	2,50,000
- Other services (Certification fees)	-	25,000
- Reimbursement of expenses	37,500	3,750
	<b>35,16,319</b>	<b>34,15,105</b>

**33. EARNINGS PER SHARE (EPS)**

<b>Particulars</b>		<b>31st March 2016</b>	<b>31st March 2015</b>
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)	15,31,37,536	9,75,96,864
II	Weighted average number of equity shares for earnings per share computation (Equity shares are after elimination of shares held by subsidiaries)		
A)	For basic earnings per share	1,41,05,146	1,40,94,285
B)	For diluted earnings per share		
	No. of shares for basic EPS as per IIA	1,41,05,146	1,40,94,285
	Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	3,26,370	3,09,270
	No. of Shares for diluted earnings per share	1,44,31,516	1,44,03,555
III	Earnings per share in rupees (Weighted average)		
	Basic	10.86	6.92
	Diluted	10.61	6.78

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (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		2015-2016 (Gratuity)	2014-2015 (Gratuity)	2015-2016 (Provident Fund)	2014-2015 (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	79,07,062	66,13,033	1,15,28,943	1,11,60,891
	2. Interest cost on benefit obligation	89,46,862	87,71,720	2,40,54,109	2,06,22,601
	3. Expected return on plan assets	(91,15,007)	(85,50,358)	(2,40,54,109)	(2,06,22,601)
	4. Net actuarial loss / (gain) recognized in the year	25,78,171	9,09,878	-	-
	Net benefit expenses	1,03,17,088	77,44,273	1,15,28,943	1,11,60,891
	Actual return on plan assets	89,99,556	1,05,68,415	2,40,54,109	2,06,22,601
<b>II</b>	<b>Net assets / (liability) recognized in the balance sheet</b>				
	1. Present value of defined benefit obligation	(12,63,43,781)	(11,13,94,974)	(34,23,36,468)	(30,07,19,234)
	2. Fair value of plan assets	12,91,54,794	11,34,40,418	35,86,67,377	31,29,42,471
<b>III</b>	<b>Changes in the present value of the defined benefit obligation are as follows:</b>				
	1. Opening defined benefit obligation	(11,13,94,974)	(9,64,04,862)	(30,07,19,234)	(26,28,39,456)
	2. Opening balance adjustment	(2,70,018)	-	-	-
	3. Employee contribution	-	-	(2,22,32,556)	(2,02,89,139)
	4. Interest cost	(89,46,862)	(87,71,720)	(2,40,54,109)	(2,06,22,601)
	5. Current service cost	(79,07,062)	(66,13,033)	(1,15,28,943)	(1,11,60,891)
	6. Liability transferred in	(1,78,331)	(6,74,163)	(94,53,787)	(95,36,263)
	7. Opening balance adjustment	-	-	-	-
	8. Benefits paid	56,79,819	47,39,489	2,56,52,161	2,37,29,116
	9. Actuarial gains / (losses) on obligation	(33,26,353)	(36,70,685)	-	-
	Closing defined benefit obligation	(12,63,43,781)	(11,13,94,974)	(34,23,36,468)	(30,07,19,234)
<b>IV</b>	<b>Changes in the fair value of plan assets are as follows:</b>				
	1. Opening fair value of plan assets	11,34,40,418	9,81,98,440	31,29,42,471	27,22,69,335
	2. Opening balance adjustment	-	74,535	11,33,314	-
	3. Expected returns	91,15,007	85,50,358	2,40,54,109	2,06,22,601
	4. Contributions by employer	1,12,09,425	79,21,604	3,37,61,499	3,14,50,030
	5. Transfer from others	1,78,331	6,74,163	94,53,787	95,36,263
	6. Benefits paid	(55,36,569)	(47,39,489)	(2,56,52,161)	(2,37,29,116)
	7. Actuarial gains / (losses)	7,48,182	27,60,807	29,74,358	27,93,358
	8. Closing fair value of plan assets	12,91,54,794	11,34,40,418	35,86,67,377	31,29,42,471
<b>V</b>	<b>Actuarial assumptions:</b>				
	1. Discount rate	8% - 8.50%	8% - 8.50%	8.02%	8.02%
	2. Expected rate of salary increase [Refer note below]	5% - 8%	5% - 8%	8%	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 2016 (contd...)**
**34. EMPLOYEE BENEFITS (contd...)**

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

Gratuity	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Defined benefit obligation	(12,63,43,781)	(11,13,94,974)	(9,63,96,757)	(8,69,78,119)	(6,28,08,122)
Plan assets	12,91,54,794	11,34,40,418	9,81,85,130	8,81,85,547	6,22,21,633
Surplus / (deficit)	28,11,013	20,45,444	17,88,373	12,07,428	(5,86,489)
Experience adjustments on plan liabilities	(32,24,701)	(50,43,839)	(24,94,784)	(1,09,97,305)	21,66,031
Experience adjustments on plan assets	7,48,182	27,60,807	(7,87,044)	(7,54,657)	1,27,192

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.

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

Details of options granted are as follows:

Particulars	ESOS Schemes		
	2001	2003	Total
	(3 <sup>rd</sup> Grant)	( 2 <sup>nd</sup> Grant)	
Options outstanding as at 31st March 2015	2,35,000	2,72,000	5,07,000
	(2,40,000)	(2,77,000)	(5,17,000)
Granted during the year	-	-	-
	(-)	(-)	(-)
Lapsed during the year	4,000	5,000	9,000
	(5,000)	(5,000)	(10,000)
Exercised/ Allotted during the year	23,000	2,000	25,000
	(-)	(-)	(-)
Outstanding as at 31st March 2016	2,08,000	2,65,000	4,73,000
	(2,35,000)	(2,72,000)	(5,07,000)
Exercisable as at 31st March 2016	2,08,000	2,65,000	4,73,000

Figures in bracket denote previous year figures.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)****35. EMPLOYEE STOCK OPTION SCHEME (ESOS) (contd...)**

As at 31st March 2016, the company has received commitment deposit of Rs. 33,348 (2014-2015 : Rs. 33,348) from its directors and employees under ESOS 2001 and ESOS 2003.

Weighted average remaining contractual life is 0.2 years (2014-2015 : 1.2 years).

25,000 (2014-2015 : Nil) shares were exercised during the year. Weighted average share price at exercise date was Rs.274.82 (2014-2015 : NA).

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		2015-2016	2014-2015
Profit as reported		15,31,37,536	9,75,96,864
Add : Employee stock compensation under intrinsic value method		(2,79,900)	(3,11,000)
Less : Employee stock compensation under fair value method		(5,88,972)	(6,21,100)
Pro forma profit		15,34,46,608	9,79,06,964
<b>Earnings Per Share</b>			
Basic	- As reported	10.86	6.92
	- Pro forma	10.88	6.95
Diluted	- As reported	10.61	6.78
	- Pro forma	10.63	6.80

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

		Amount (in Rupees)	
Sr. No.	Particulars	2015-2016	2014-2015
A.	Aggregate amount recognized as contract revenue	2,59,47,74,941	2,52,84,12,024
B.	In respect of Contracts in Progress as on 31st March :		
	1) Aggregate amount of Costs incurred and recognized profits (less recognized losses)	12,02,18,74,567	11,42,74,36,023
	2) Amount of Customer Advance	19,19,41,894	25,16,54,182
	3) Amount of Retentions	67,24,37,557	68,27,96,234
C.	Gross amount due from customers for contract work	3,99,84,406	3,62,15,680

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)**
**37. SEGMENT**

## I. Information about Primary Business Segments

	Engineering		Chemicals		Consumer Products		Others Business		Unallocated		Total	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>Revenue</b>												
External sales and services (Gross)	4,92,27,00,771	4,38,29,02,019	3,21,23,37,469	3,07,19,48,808	88,28,19,092	84,45,45,286	1,30,690	6,08,649	50,72,591	47,87,329	9,02,30,60,613	8,30,47,92,091
Less: Excise duty recovered	(8,08,54,499)	(5,38,50,848)	(23,58,33,203)	(23,37,97,305)	(1,18,41,418)	(1,23,22,379)	-	-	-	-	(32,85,29,120)	(29,99,70,532)
External sales and services (Net)	4,84,18,46,272	4,32,90,51,171	2,97,65,04,266	2,83,81,51,503	87,09,77,674	83,22,22,907	1,30,690	6,08,649	50,72,591	47,87,329	8,69,45,31,493	8,00,48,21,559
Inter-segmental sales	28,15,71,686	24,35,56,015	12,93,04,986	11,08,66,707	-	16,241	-	-	-	-	41,08,76,672	35,44,38,963
Other income	2,22,01,619	1,31,98,124	48,57,414	(34,18,514)	4,62,565	8,27,346	77,54,250	76,73,249	43,00,931	54,59,043	3,95,76,779	2,37,39,248
Total revenue	5,14,56,19,577	4,58,58,05,310	3,11,06,66,666	2,94,55,99,696	87,14,40,239	83,30,66,494	78,84,940	82,81,898	93,73,522	1,02,46,372	9,14,49,84,944	8,38,29,99,770
Less: Eliminations											(41,08,76,672)	(35,44,38,963)
Add : Interest Income									2,56,89,160	1,95,22,561	2,56,89,160	1,95,22,561
Total enterprise revenue									2,56,89,160	1,95,22,561	8,75,97,97,432	8,04,80,83,368
<b>Result</b>												
Segment results	13,66,51,738	11,36,88,816	48,94,70,141	38,21,72,276	(3,67,09,684)	(1,57,44,734)	(19,65,303)	(29,03,981)	-	-	58,74,46,892	47,72,12,377
Unallocated expenditure net of unallocated income									(11,75,36,912)	(10,84,94,036)	(11,75,36,912)	(10,84,94,036)
Finance cost									(14,93,60,849)	(14,97,69,395)	(14,93,60,849)	(14,97,69,395)
Interest income									2,56,89,160	1,95,22,561	2,56,89,160	1,95,22,561
Profit before taxation									(24,12,08,601)	(23,87,40,870)	34,62,38,291	23,84,71,507
<b>Other Information</b>												
Segment assets	4,36,27,38,910	4,11,17,33,416	1,88,05,74,212	1,68,24,63,125	35,53,06,852	31,82,27,480	11,08,59,845	11,51,28,170	45,14,76,695	57,37,75,878	7,16,09,56,514	6,80,13,28,069
Segment liabilities	3,14,71,52,982	3,06,21,15,146	1,05,71,22,369	99,74,44,456	21,20,35,612	21,81,60,514	1,53,34,903	1,40,10,942	96,58,28,305	86,40,48,570	5,39,74,74,171	5,15,57,79,628
Capital expenditure	11,91,41,358	1,49,94,559	14,69,52,275	3,40,29,103	1,88,36,421	10,22,743	35,962	-	3,59,00,860	79,67,925	32,08,66,876	5,80,14,330
Depreciation	3,73,86,715	3,45,22,623	6,62,83,579	6,15,19,253	28,82,861	26,60,521	6,02,354	6,05,633	1,89,91,599	2,18,32,930	12,61,47,108	12,11,40,960
Non cash expenditure other than depreciation	3,07,06,857	6,32,71,374	1,62,99,149	1,59,55,850	1,19,71,692	1,15,47,779	49,446	2,57,723	(84,78,698)	(26,85,128)	5,05,48,446	8,83,47,598

## II. Information about Secondary Geographical Segments

	India		Outside India		Total	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
External revenue (Net)	6,10,33,01,047	5,43,59,41,154	2,59,12,30,446	2,56,88,80,405	8,69,45,31,493	8,00,48,21,559
Carrying amount of segment assets	5,26,60,87,642	5,37,70,69,287	1,89,48,68,872	1,42,42,58,782	7,16,09,56,514	6,80,13,28,069
Additions to fixed assets	31,75,42,723	5,32,86,600	33,24,153	47,27,730	32,08,66,876	5,80,14,330

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (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<br>IEI Water-Tech (M) Sdn. Bhd., Malaysia *<br>Astha Technical Services Limited<br>Ion Exchange PSS Co. Limited, Thailand *<br>Ion Exchange Asia Pacific (Thailand) Ltd*<br>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<br>Mr. Dinesh Sharma - Executive Director<br>Mr. Aankur Patni - Executive Director   |
| e) | Relatives of Key Management Personnel   | Mr. Mahabir Patni - Father of Mr. Aankur Patni<br>Mrs. Nirmala Patni - Mother of Mr. Aankur Patni<br>Mrs. Aruna Sharma - Wife of Mr. Rajesh Sharma<br>Mrs. Poonam Sharma - Wife of Mr. Dinesh Sharma<br>Mrs. Nidhi Patni - Wife of Mr. Aankur Patni<br>Ms. Pallavi Sharma - Daughter of Mr. Rajesh Sharma |
| 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 2016 (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	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
<b>Sale of goods *</b>						
Aquanomics Systems Ltd.	26,80,60,794	26,84,05,705	-	-	26,80,60,794	26,84,05,705
Ion Exchange PSS Co. Ltd., Thailand	58,50,445	50,56,288	-	-	58,50,445	50,56,288
Ion Exchange Waterleau Ltd.	6,484	1,22,697	-	-	6,484	1,22,697
Ion Foundation	-	-	34,73,583	13,50,811	34,73,583	13,50,811
<b>Total</b>	<b>27,39,17,723</b>	<b>27,35,84,690</b>	<b>34,73,583</b>	<b>13,50,811</b>	<b>27,73,91,306</b>	<b>27,49,35,501</b>
<b>Management fees</b>						
Aquanomics Systems Ltd.	50,72,590	53,64,470	-	-	50,72,590	53,64,470
<b>Total</b>	<b>50,72,590</b>	<b>53,64,470</b>	<b>-</b>	<b>-</b>	<b>50,72,590</b>	<b>53,64,470</b>
<b>Rental income</b>						
Ion Exchange PSS Co. Ltd., Thailand	3,15,162	-	-	-	3,15,162	-
Ion Exchange Waterleau Ltd.	7,66,500	7,43,688	-	-	7,66,500	7,43,688
<b>Total</b>	<b>10,81,662</b>	<b>7,43,688</b>	<b>-</b>	<b>-</b>	<b>10,81,662</b>	<b>7,43,688</b>
<b>Interest income on loans and advances</b>						
Ion Exchange Waterleau Ltd.	82,94,656	74,28,557	-	-	82,94,656	74,28,557
<b>Total</b>	<b>82,94,656</b>	<b>74,28,557</b>	<b>-</b>	<b>-</b>	<b>82,94,656</b>	<b>74,28,557</b>
<b>Services rendered</b>						
Ion Exchange Waterleau Ltd.	29,74,850	56,65,724	-	-	29,74,850	56,65,724
<b>Total</b>	<b>29,74,850</b>	<b>56,65,724</b>	<b>-</b>	<b>-</b>	<b>29,74,850</b>	<b>56,65,724</b>
<b>Purchase of goods/materials *</b>						
Aquanomics Systems Ltd	1,04,07,133	1,22,20,216	-	-	1,04,07,133	1,22,20,216
Ion Exchange Waterleau Ltd.	6,68,279	65,61,219	-	-	6,68,279	65,61,219
<b>Total</b>	<b>1,10,75,412</b>	<b>1,87,81,435</b>	<b>-</b>	<b>-</b>	<b>1,10,75,412</b>	<b>1,87,81,435</b>
<b>Services received</b>						
Astha Technical Services Ltd.	15,72,457	1,08,67,048	-	-	15,72,457	1,08,67,048
Ion Exchange Waterleau Ltd.	73,17,513	54,49,422	-	-	73,17,513	54,49,422
<b>Total</b>	<b>88,89,970</b>	<b>1,63,16,470</b>	<b>-</b>	<b>-</b>	<b>88,89,970</b>	<b>1,63,16,470</b>
<b>Advances given</b>						
Astha Technical Services Ltd.	6,812	-	-	-	6,812	-
Ion Exchange Waterleau Ltd.	93,42,500	58,22,500	-	-	93,42,500	58,22,500
Ion Exchange PSS Co. Ltd. , Thailand	2,17,73,945	-	-	-	2,17,73,945	-
<b>Total</b>	<b>3,11,23,257</b>	<b>58,22,500</b>	<b>-</b>	<b>-</b>	<b>3,11,23,257</b>	<b>58,22,500</b>
<b>Advances repaid</b>						
Ion Exchange Financial Products Pvt. Ltd.	-	80,000	-	-	-	80,000
Ion Exchange Waterleau Ltd.	28,48,948	4,00,000	-	-	28,48,948	4,00,000
Ion Exchange PSS Co. Ltd. , Thailand	1,15,44,202	-	-	-	1,15,44,202	-
<b>Total</b>	<b>1,43,93,150</b>	<b>4,80,000</b>	<b>-</b>	<b>-</b>	<b>1,43,93,150</b>	<b>4,80,000</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (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 (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	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
<b>Dividend received</b>						
Aquanomics Systems Ltd.	9,20,000	4,60,000	-	-	9,20,000	4,60,000
<b>Total</b>	<b>9,20,000</b>	<b>4,60,000</b>	<b>-</b>	<b>-</b>	<b>9,20,000</b>	<b>4,60,000</b>
<b>Dividend paid</b>						
Mr. Rajesh Sharma	-	-	23,43,654	15,22,436	23,43,654	15,22,436
Mr. Dinesh Sharma	-	-	17,65,563	11,37,042	17,65,563	11,37,042
Mr. Aankur Patni	-	-	7,64,004	4,69,336	7,64,004	4,69,336
Mr. Mahabir Prasad Patni	-	-	21,35,241	13,87,494	21,35,241	13,87,494
Relatives of Key Management Personnel	-	-	5,06,535	3,37,690	5,06,535	3,37,690
Ion Exchange Financial Products Pvt. Ltd.	1,51,266	1,00,844	-	-	1,51,266	1,00,844
Aquanomics Systems Ltd	3,000	2,000	-	-	3,000	2,000
<b>Total</b>	<b>1,54,266</b>	<b>1,02,844</b>	<b>75,14,997</b>	<b>48,53,998</b>	<b>76,69,263</b>	<b>49,56,842</b>
<b>Remuneration</b>						
Mr. Rajesh Sharma	-	-	3,23,32,950	2,84,36,891	3,23,32,950	2,84,36,891
Mr. Dinesh Sharma	-	-	1,44,04,134	1,31,73,715	1,44,04,134	1,31,73,715
Mr. Mahabir Prasad Patni	-	-	75,49,724	58,01,492	75,49,724	58,01,492
Mr. Aankur Patni	-	-	1,41,51,818	1,30,31,103	1,41,51,818	1,30,31,103
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6,84,38,626</b>	<b>6,04,43,201</b>	<b>6,84,38,626</b>	<b>6,04,43,201</b>
<b>Director sitting fees</b>						
Mr. Rajesh Sharma	-	-	1,35,000	1,35,000	1,35,000	1,35,000
Mr. Dinesh Sharma	-	-	1,25,000	1,25,000	1,25,000	1,25,000
Mr. Aankur Patni	-	-	1,25,000	1,25,000	1,25,000	1,25,000
Mr. Mahabir Prasad Patni	-	-	3,00,000	4,30,000	3,00,000	4,30,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6,85,000</b>	<b>8,15,000</b>	<b>6,85,000</b>	<b>8,15,000</b>
<b>CSR expenses</b>						
Ion Foundation	-	-	75,63,577	48,37,453	75,63,577	48,37,453
<b>Total</b>	<b>-</b>	<b>-</b>	<b>75,63,577</b>	<b>48,37,453</b>	<b>75,63,577</b>	<b>48,37,453</b>
<b>Outstanding advance to supplier</b>						
Astha Technical Services Ltd.	1,91,16,628	1,83,08,068	-	-	1,91,16,628	1,83,08,068
<b>Total</b>	<b>1,91,16,628</b>	<b>1,83,08,068</b>	<b>-</b>	<b>-</b>	<b>1,91,16,628</b>	<b>1,83,08,068</b>
<b>Outstanding loans and advances</b>						
Astha Technical Services Ltd.	1,86,729	1,79,917	-	-	1,86,729	1,79,917
Aquanomics Systems Ltd	1,864	1,864	-	-	1,864	1,864
Ion Exchange Financial Products Pvt. Ltd.**	24,75,134	24,75,134	-	-	24,75,134	24,75,134
Ion Exchange Waterleau Ltd.	6,46,05,589	5,67,67,282	-	-	6,46,05,589	5,67,67,282
Ion Exchange PSS Co. Ltd. , Thailand	1,02,29,743	-	-	-	1,02,29,743	-
<b>Total</b>	<b>7,74,99,059</b>	<b>5,94,24,197</b>	<b>-</b>	<b>-</b>	<b>7,74,99,059</b>	<b>5,94,24,197</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (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 (contd...)

Nature of transaction	Amount (in Rupees)					
	Parties referred to in (a) and (b) above		Parties referred to in (d), (e) and (f) above		Total	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
<b>Outstanding receivables (Net of payable) excluding loans and advances</b>						
Aquanomics Systems Ltd	7,55,98,903	9,04,54,102	-	-	7,55,98,903	9,04,54,102
IEI Water-Tech (M) Sdn. Bhd., Malaysia	24,52,416	82,15,608	-	-	24,52,416	82,15,608
Ion Exchange PSS Co. Ltd., Thailand	2,99,20,493	2,64,49,713	-	-	2,99,20,493	2,64,49,713
Ion Exchange Waterleau Ltd.	92,77,480	60,83,042	-	-	92,77,480	60,83,042
<b>Total</b>	<b>11,72,49,292</b>	<b>13,12,02,465</b>	<b>-</b>	<b>-</b>	<b>11,72,49,292</b>	<b>13,12,02,465</b>
<b>Outstanding payables (Net of receivables) excluding loans and advances</b>						
Astha Technical Services Ltd.	13,23,341	14,71,105	-	-	13,23,341	14,71,105
<b>Total</b>	<b>13,23,341</b>	<b>14,71,105</b>	<b>-</b>	<b>-</b>	<b>13,23,341</b>	<b>14,71,105</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 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 Exchange Waterleau Ltd.	2,49,95,000	2,49,95,000	-	-	2,49,95,000	2,49,95,000
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.	3,72,00,000	-	-	-	3,72,00,000	-
<b>Total</b>	<b>3,72,00,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,72,00,000</b>	<b>-</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	5,26,19,958	5,39,07,683	-	-	5,26,19,958	5,39,07,683
Ion Exchange Waterleau Ltd.	1,28,00,000	5,00,00,000	-	-	1,28,00,000	5,00,00,000
<b>Total</b>	<b>17,54,19,958</b>	<b>21,39,07,683</b>	<b>-</b>	<b>-</b>	<b>17,54,19,958</b>	<b>21,39,07,683</b>

\* Gross 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:

Name of the Related Party	Amount (in Rupees)							
	Outstanding Receivable		Loan given during the year		Loans repaid during the year		Dividend paid during the year	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
IEI Shareholding Trusts	21,25,09,000	21,86,35,000	-	-	61,26,000	41,11,000	79,88,742	53,25,828

III. Stock Options granted and outstanding to key management personnel during the year: Nil (2014-2015 : Nil).

Investment made by the loanee in the shares of the Company

Name of the Related Party	No. of shares as at	
	31st March 2016	31st March 2015
	IEI Shareholding Trusts	26,62,914

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)**

39. In early 90s, the company had given loans to Employees' IEI Shareholding Trusts. The amount outstanding as at 31st March 2016 is Rs. 21,25,09,000 (2014-2015 : Rs. 21,86,35,000). 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.

40. The company has an investment of Rs. 54,70,000 (2014-2015 : Rs. 54,70,000) in equity shares and 15,00,000 (2014-2015 : 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 2016 and it has also granted Loans and Advances aggregating Rs. 13,39,08,658 (2014-2015 : Rs. 12,31,74,629) as at 31st March 2016 to IEEFL. As at 31st March 2016, 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 IEEFL had filed appeal against the Security Appellate Tribunal Order of refunding monies to investors with return and winding-up of scheme with Supreme Court of India on 4th July 2006. The Hon'ble Supreme Court of India had dismissed the IEEFL's appeal on 26th February, 2013. Subsequent to this dismissal, IEEFL approached SEBI with a proposal related to the compliance of the said order vide letter dated 17th May 2013. During personal hearing with SEBI officials on 27th November 2013, pursuant to the above letter, SEBI had called for furnishing additional details which have been duly complied with vide letter dated 13th December, 2013. Pursuant to this, IEEFL has initiated actions in line with the aforesaid meetings with SEBI officials and letters submitted to SEBI.

On 30th December, 2015, SEBI directed completion of the closure of the scheme (as per their original order of 27th November 2003), which inter-alia also include directions to pre-deposit sum of Rs. 20.06 Crores refundable to Investors. IEEFL replied on 14th January, 2016, requesting suitable modifications to the said directives, in view of the latest status of the scheme including several refunds made to Investors in the intervening period as well as direct sale of their lands by many investors etc.

IEEFL also requested permission to wind up the scheme in terms of Rule 73(1) to (9) of CIS Regulations, as the company has complied with all obligations towards the farms owners, ie sale of lands to the farms owners and developing and maintaining the said lands thereafter, as per agreements.

SEBI granted personal hearing on 3rd February, 2016 to understand IEEFL's submission / proposal and during this meeting asked for providing additional details which were submitted on 23rd March 2016, wherein the company proposed to get discharge certificates from 693 farm owners aggregating Rs. 16.89 Crores within 2 years. Further directions from SEBI are awaited.

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. 2,82,66,499 (2014-2015 : Rs. 3,18,50,064) 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 (2014-2015 : 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 2016. IEEFL has conducted valuation of land and accordingly, provision of Rs. 55,82,922 (2014-2015 : Rs. 55,82,922) has been made as at 31st March 2016.

43. Other loans and advances includes repurchase advance of Rs. 3,27,32,699 (2014-2015 : Rs. 3,27,32,699) 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. 61,23,839 (2014-2015 : Rs. 12,34,639). Revenue expenditure of Rs. 5,47,41,612 (2014-2015 : Rs. 4,71,34,662) 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.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2016 (contd...)**
**45. LEASE (contd...)**

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

	31st March 2016 Rupees	31st March 2015 Rupees
Within one year	1,93,49,373	1,92,32,474
After one year but not more than five years	2,51,67,772	3,40,11,481
More than five years	-	-

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.

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

	31st March 2016 Rupees	31st March 2015 Rupees
Within one year	93,51,789	90,17,244
After one year but not more than five years	1,80,49,992	2,73,05,781
More than five years	-	-

**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 2016 Rupees	31st March 2015 Rupees
Total minimum lease payments at the year end	2,09,28,632	75,76,092
Less : Amount representing finance charges	27,30,461	11,94,167
Present value of minimum lease payments (Rate of interest: 4.95% p.a. to 10.94% p.a.)	1,81,98,171	63,81,925
Minimum lease payments :		
Not later than one year [Present value Rs. 1,78,86,333 as on 31.03.2016 (Rs. 91,72,552 as on 31.03.2015)]	2,16,18,088	1,09,89,064
Later than one year but not later than five years [Present value Rs. 3,13,81,438 as on 31.03.2016 (Rs. 1,21,42,426 as on 31.03.2015)]	4,36,24,421	1,62,97,079

**46. CAPITAL AND OTHER COMMITMENTS**

Estimated amount of contracts (net of advances) remaining to be executed on capital account not provided for is Rs. 7,57,03,429 (2014-2015 : Rs. 4,31,54,846).

**47. CONTINGENT LIABILITIES**

Contingent liabilities not provided for:

- (a) Guarantee given by the group on behalf of :
  - i) Associates – Rs. 16,26,19,958 (2014-2015 : Rs. 16,39,07,683)
  - ii) Joint venture – Rs. 1,28,00,000 (2014-2015 : Rs. 5,00,00,000)
  - iii) Others – Rs. 38,88,000 (2014-2015 : Rs. 38,88,000)
- (b) Demand raised by authorities against which the Company has filed an appeal.
  - i) Income tax – Rs. 2,06,20,696 (2014-2015 : Rs. 53,82,201)
  - ii) Excise duty – Rs. 16,78,600 (2014-2015 : Rs. 16,78,600)
  - iii) Service tax – Rs. 10,52,535 (2014-2015 : Rs. 10,52,535)
  - iv) Sales tax / VAT – Rs. 18,59,983 (2014-2015 : Rs. 35,30,797)
  - v) Customs duty – Rs. 22,58,117 (2014-2015 : Rs. 22,58,117)
- (c) Claims against the company arising in the course of business not acknowledged as debts (to the extent ascertainable) Rs. 5,16,15,445 (2014-2015 : Rs. 4,82,16,849).

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 Derivatives as at Balance Sheet date

Particulars	Particulars of derivative			
	2015-2016		2014-2015	
	Amount (Rs.)	Foreign currency	Amount (Rs.)	Foreign currency
Hedge of Import Creditors	4,74,81,799	USD 7,15,588	-	-

Particulars of unhedged foreign currency exposure as at balance sheet date

Particulars	Particulars of derivative			
	2015-2016		2014-2015	
	Amount (Rs.)	Foreign currency	Amount (Rs.)	Foreign currency
Import payables	18,99,92,405	USD 27,01,822 EUR 31,987 GBP 310 AED 2,92,139 SAR 1,03,972 QAR 8,492 JPY 18,30,000	22,66,58,001	USD 30,71,401 EUR 3,21,530 GBP 2,223 AED 3,23,371 SAR 3,32,914 QAR 8,492 JPY 25,50,000
Export receivables	59,90,76,405	USD 47,29,866 EUR 20,315 AED 60,56,702 BHD 9,173 GBP 5,70,182 SAR 66,83,484	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
Foreign currency bank account	3,63,84,686	USD 1,32,949 AED 10,10,882 BHD 50,505 EUR 5,553	5,78,12,181	USD 31,620 AED 27,19,174 BHD 54,839 EUR 5,558
Foreign currency in hand	466,495	AED 23,857 BHD 201	55,496	AED 2,076 BHD 121

**49. 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 2016 Rupees	31st March 2015 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	2,25,78,416	67,31,480
Interest due on above	3,62,083	1,76,648
	<b>2,29,40,499</b>	<b>69,08,128</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	18,07,707	14,45,624
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	-	-

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

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. Based on transitional provision provided in note 7(b) of Schedule II of the Companies Act, 2013, in the previous year depreciation of Rs. 2,82,62,006 and deferred tax of Rs. 83,81,045 was adjusted to retained earnings.
52. Ion Exchange Infrastructure Limited, a subsidiary of Ion Exchange (India) Limited has amalgamated with Ion Exchange Projects and Engineering Limited w.e.f. 1st April 2014 as per order of Bombay High Court dated 28th October 2015, which became operational from 17th December 2015 (the date on which the order of the Hon'ble High Court of Judicature at Bombay has been filed with the Registrar of Companies, Mumbai by the Company). On amalgamation minority interest of Ion Exchange Infrastructure Limited is reduced by Rs. 2,57,56,852/- which is included in Reserves and Surplus as adjustment on change in investments in subsidiaries and associates. Further, the amount of Rs. 1,49,601/- is towards change in share holding of associates Astha Technical Services Limited.
53. Previous year figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

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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 : 24th May 2016

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 : 24th May 2016

**FORM AOC - 1**  
**Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures**  
*[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rule, 2014]*

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 2016	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments (including investments in holding company, subsidiaries and associates)	Turnover (including Other Income)	Profit / (Loss) Before Tax	Provision for Tax	Profit / (Loss) After Tax	Proposed Dividend (including dividend already paid, if any)	% of share-holding
1	Ion Exchange Enviro Farms Ltd.	31.03.2016	India	INR	1.00	69.47	(2,089.79)	969.62	2,989.94	-	133.64	(186.62)	-	(186.62)	-	79.60
2	Watercare Investments (India) Ltd.	31.03.2016	India	INR	1.00	178.02	(8.86)	171.49	2.33	71.68	13.30	12.89	2.30	10.59	-	99.43
3	Aqua Investments (India) Ltd.	31.03.2016	India	INR	1.00	177.02	14.93	194.15	2.20	72.73	17.12	16.35	3.91	12.44	-	99.42
4	Ion Exchange Asia Pacific Pte. Ltd.	31.03.2016	Singapore	USD	66.3329	1,311.43	(740.59)	2,017.64	1,446.79	88.99	1,744.16	(7.96)	-	(7.96)	-	100.00
5	Ion Exchange Asia Pacific (Thailand) Ltd. *	31.03.2016	Thailand	THB	1.8872	56.62	(430.98)	931.04	1,305.40	-	1,283.71	(321.26)	-	(321.26)	-	100.00
6	IEI Environmental Management (M) Sdn. Bhd.	31.03.2016	Malaysia	MYR	16.9641	42.41	(148.31)	191.35	297.25	-	71.74	(34.34)	(6.64)	(27.70)	-	60.00
7	Ion Exchange Environment Management (BD) Ltd.	31.03.2016	Bangladesh	BDT	0.8628	48.20	191.93	664.47	424.34	-	1,166.57	77.74	27.21	50.53	-	100.00
8	Ion Exchange WTS (Bangladesh) Ltd.	31.03.2016	Bangladesh	BDT	0.8628	23.70	(28.53)	-	4.83	-	-	(0.20)	-	(0.20)	-	100.00
9	Ion Exchange LLC	31.03.2016	USA	USD	66.3329	464.33	(843.45)	1,480.64	1,859.76	-	2,158.50	32.45	0.99	31.46	-	100.00
10	Ion Exchange & Company LLC	31.03.2016	Oman	OMR	172.6850	518.06	600.78	1,500.66	381.82	-	1,860.18	404.80	38.35	366.45	310.83	51.00
11	Ion Exchange Projects and Engineering Ltd. **	31.03.2016	India	INR	1.00	1,521.52	(1,793.13)	7,112.96	7,384.57	9.84	3,160.73	(912.75)	-	(912.75)	-	91.81
12	Global Composite & Structural Ltd.	31.03.2016	India	INR	1.00	293.55	(1,525.72)	1,668.69	2,900.86	5.00	626.38	(406.52)	-	(406.52)	-	73.92
13	Total Water Management Services (India) Ltd.	31.03.2016	India	INR	1.00	5.00	25.80	37.39	6.59	-	37.42	22.84	5.00	17.84	-	99.99
14	Ion Exchange Safic Pty. Ltd.	31.03.2016	South Africa	ZAR	4.4705	0.05	(206.52)	191.63	398.10	-	293.77	(62.81)	-	(62.81)	-	60.00
15	Ion Exchange Purified Drinking Water Pvt. Ltd.	31.03.2016	India	INR	1.00	1.00	8.41	1,645.85	1,636.44	-	965.81	20.80	3.54	17.26	-	100.00

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

\*\* Ion Exchange Infrastructure Limited, a subsidiary of Ion Exchange (India) Limited has amalgamated with Ion Exchange Projects and Engineering Limited (IEPEL) w.e.f. 1st April 2014 as per order of Bombay High Court, which became operational from 17th December 2015. As per the scheme, shares to be issued by IEPEL are pending allotment. Share capital shown above is inclusive of Share Capital Suspense account.

Note :  
 Subsidiaries yet to commence operation : None  
 Subsidiaries liquidated or sold during the year : None

**Part B : Associates and Joint Ventures**

Sr. no.	Name of the Associates / Joint ventures	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	31.03.2016	31.12.2015	31.03.2016	31.03.2016	31.03.2016	31.03.2016
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%	44.89%	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	Net-worth attributable to shareholding as per latest audited balance sheet (Rs. in Lacs)	(666.42)	-	12.19	177.29	(5.38)	(127.94)
6	Profit / (Loss) for the year						
	i. Considered in consolidation # (Rs. in Lacs)	(84.92)	-	(9.54)	20.14	-	-
	ii. Not considered in consolidation (Rs. in Lacs)	(84.92)	-	(10.86)	22.04	1.05	(22.74)

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

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

# 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

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

RAJESH SHARMA  
Chairman & Managing Director

M. P. PATNI  
Director

MILIND PURANIK  
Company Secretary

N. M. RANADIVE  
Executive Vice President - Finance

Place : Mumbai  
Date : 24th May 2016

**NOTES**

Shareholder's Privilege Offer **20% Off\*** on



Range of RO Water Purifiers



**“Drink only 100% Pure Water with Zero B Heptapure Technology”**

Name of Customer .....

Address.....

.....

Contact Details .....

Product .....

Folio No. ....

DP ID No. ....

Client ID No. ....

Purchaser's signature

\*Valid up to 31.03.2017

**Ion Exchange (India) Ltd.**



Note:

- This offer is valid only for Zero B RO Products.
- Present this coupon at the time of purchase to avail the discount.
- No other offer or discount can be clubbed with this offer.
- This coupon can only be redeemed at your nearest Zero B branch or call our customer care help desk no.022- 27881234

\*T&C Apply



Ion Exchange (India) Ltd, Ion House, 4th Floor, Dr. E Moses Road, Mahalaxmi, Mumbai – 400 011. Ph: 30472042  
www.zerobonline.com • zerob@ionexchange.co.in • SMS ZEROB to 54242

Mumbai: 022 - 30472042 / 39890909 • Navi Mumbai: 022 - 3913 2222 / 2207 • Pune: 020-30680070/ 72/ 75 • Baroda: 0265 - 3027490 • Ahmedabad: 079 - 65222671 • Kolkata: 033 - 32618874  
• Delhi: 011 - 33451228 / 29 • Gurgaon: 0124 - 4272661 / 662 • Noida: 0120 - 4249325 • Chennai: 044 - 28151032 • Mahadevpura, Bangalore: 080 - 32462027 • R.T Nagar, Bangalore: 080 - 41283534 / 41  
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Zero B Intello15/25 Ltrs



Zero B Skid 15/25 Ltrs

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Zero B Softener



POU Softener



NGS Softener



NGMA (Carbon Filter)



NGMF (Sand Filter)



Auto Soft Softener

Zero B Water Purifier



Zero B Suraksha



Zero B Suraksha Pro







Refreshing the Planet  
**Ion Exchange (India) Limited**  
 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)

**52<sup>nd</sup> Annual General Meeting on Friday, 9<sup>th</sup> September, 2016 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 \_\_\_\_\_

Name of the attending Member (in BLOCK letters) \_\_\_\_\_ Signature \_\_\_\_\_

Name of Proxy (in BLOCK letters) \_\_\_\_\_ Signature \_\_\_\_\_

**Notes:**

- Interested Joint Shareholders may obtain attendance slips from the Registered Office of the Company.
- 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]

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

- Name : ..... E-mail Id : .....  
 Address.....  
 Signature:.....  
 or failing him
- Name : ..... E-mail Id : .....  
 Address.....  
 Signature:.....  
 or failing him
- 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 52<sup>nd</sup> Annual General Meeting of the company, to be held on the 9<sup>th</sup> day of September 2016 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:

- Adoption of Audited standalone and Audited consolidated financial statements, Report of the Board of Directors and Auditors for the financial year ended March 31, 2016.
- Approval of Dividend.
- Appointment of Mr. M.P. Patni who retires by rotation and being eligible, offers himself for re-appointment.
- Ratification of Appointment of Auditors.
- Appointment of M/s. Charantimath Associates as Branch Auditors.
- Appointment of Cost Auditor & fix their remuneration.
- Approve payment of commission to Non-Executive Directors.

Signed this..... day of..... 20....

Affix  
 Revenue  
 stamp

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**

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**NOTES**

## 10 Years at a Glance

Rs. in Lacs

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Turnover (including Other Income) *	84,300	76,975	74,365	80,078	68,274	59,975	51,840	45,474	50,979	44,486
Profit Before Tax	5,136	3,802	3,140	3,248	2,562	1,940	1,021	374	1,567	1,033
Tax (including Deferred Tax)	1,687	1,188	1,088	1,099	807	727	360	118	335	337
Fringe Benefit Tax	-	-	-	-	-	-	-	112	167	98
Profit After Tax	3,449	2,614	2,052	2,149	1,755	1,213	661	144	1,065	598
Dividend **	493	505	341	339	316	322	223	149	307	211
Dividend (%)	30%	30%	20%	20%	20%	20%	15%	10%	20%	15%
Retained Earnings	2,956	2,109	1,711	1,810	1,439	891	438	(5)	758	387
Share Capital ***	1,456	1,453	1,453	1,448	1,356	1,343	1,273	1,269	1,266	1,199
Reserves & Surplus ****	23,544	20,570	18,626	16,938	14,857	13,381	12,166	11,581	11,409	10,199

\* 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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Bengaluru, Karnataka



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Girls High School cum Junior College,  
Andhra Pradesh



'Swachh Mangoan' Campaign,  
Mangoan, Maharashtra



Bethesda Life Centre, Goa



Disaster Management Unit  
provided for Chennai Flood Relief,  
Tamil Nadu



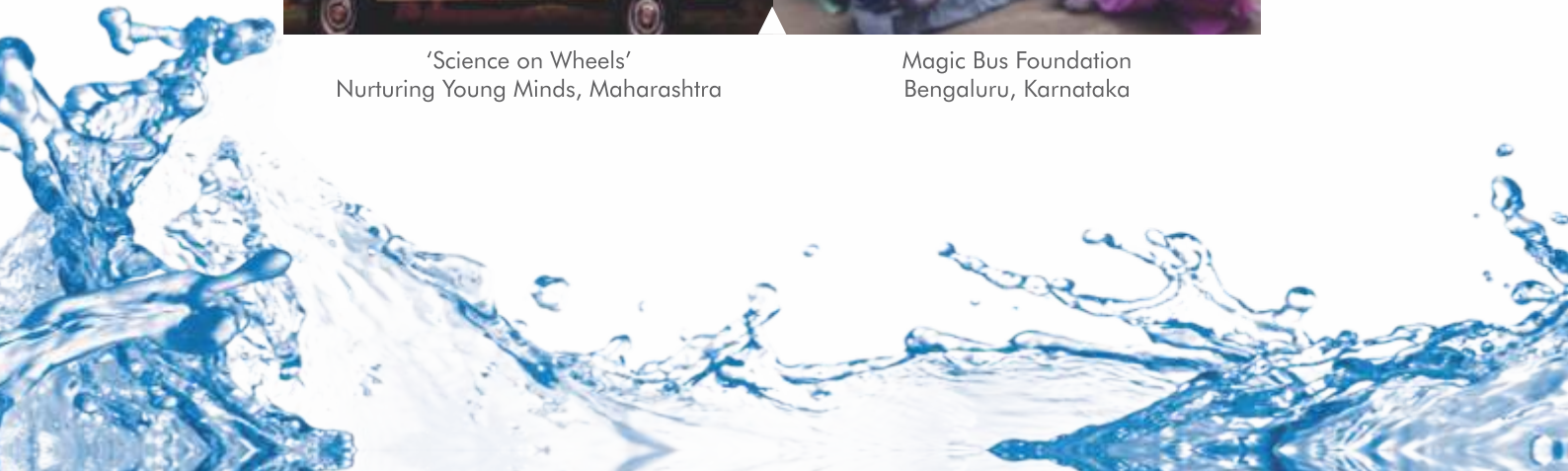
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