

Independent Auditor's Report

To the Members of Ion Exchange Enviro Farms Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Ion Exchange Enviro Farms 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 then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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.

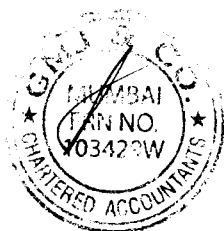
Auditors' Responsibility

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

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

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

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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 the internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of matter

We draw attention to the following matters in Notes to the financial statements:

- a. Note 27.1 regarding the appropriateness of the "going concern" basis used for the preparation of these Accounts even through the net-worth of the company has been completely eroded as at 31st March, 2016 and the validity of the "going concern" basis would depend upon the continuance of the existing financial support by the holding company. The accounts do not include adjustments, if any, that may result from discontinuances of the funding by the holding company.
- b. Note 27.2 regarding the fact that the Hon'ble Supreme Court of India has dismissed Company's appeal against the order of Securities Appellate Tribunal for refunding monies to investors with return and for winding up of scheme. Further the company has submitted relevant details to SEBI and have initiated actions in line with the details submitted to SEBI which in December, 2015 had asked the company 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.
- c. Note 27.3 regarding 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 provision is considered necessary by the management.

Our opinion is not modified in respect of these matters.

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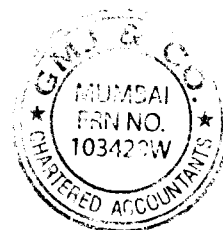


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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Companies Act 2013.
 - (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refers to our separate Report in Annexure B.
 - (g) With respect to the other matters included in the auditor's report and to best of our information and according to the explanation given to us.
 - i. The company has disclosed the impact of pending litigation on its financial position in its financial statements – Refer Note 27.2 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.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For GMJ & Co
Chartered Accountants
Firm No. 103429W



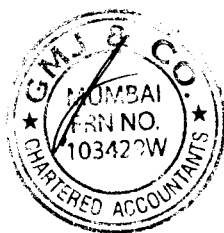
Atul Jain
(CA Atul Jain)
Partner
M. No. 37097

PLACE: Mumbai
DATE : 24th May, 2016

Reg.: ION EXCHANGE ENVIRO FARMS LIMITED**Annexure A to the Independent Auditors' Report**

The Annexure referred to in paragraph 1 of the Independent Auditors' under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the members of Ion Exchange Enviro Farms Limited on the financial statements as of and for the year ended March 31, 2016

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) According to the information and explanations given to us, Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such physical verification during the year.
- (iii) According to information and explanations given to us, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- (iv) According to information and explanations given to us, the Company has not granted any loans or made any investments, or provided any guarantee or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- (v) According to information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act'2013.



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- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The company is generally regular in depositing 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 and any other statutory dues with the appropriate authorities though there have been few delays in few cases.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of custom, duty of excise, value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders during the year.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) During the year, the company has not paid managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provision of Clause 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the company has not made preferential allotment of shares as such clause 3(xiv) is not applicable to the company.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

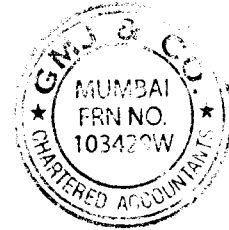
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- (xvi) The company is not required to be registered under Section 45-IA for the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For GMJ & Co
Chartered Accountants
Firm No. 103429W



Atul Jain

(CA Atul Jain)
Partner
M. No. 37097

Place: Mumbai.
Date : 24th May, 2016.

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2(f) of the Independent Auditors' Report of even date to the members of Ion Exchange Enviro Farms Limited on the financial statements for the year ended March 31, 2016

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

We have audited the internal financial controls over financial reporting of **Ion Exchange Enviro Farms Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the 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 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. 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 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 Institute of Chartered Accountants of India. 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 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 controls system over financial reporting.

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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.

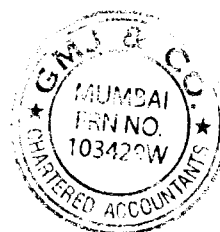
Inherent Limitations of Internal Financial Controls over Financial Reporting

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 Company has, 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 March 31, 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 Institute of Chartered Accountants of India.

For GMJ & Co
Chartered Accountants
Firm No. 103429W



Atul Jain
(CA Atul Jain)
Partner
M. No. 37097

Place: Mumbai.

Date : 24th May, 2016.

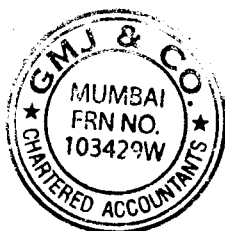
ION EXCHANGE ENVIRO FARMS LIMITED
Balance Sheet as at 31st March 2016

	Notes	31-Mar-16 INR	31-Mar-15 INR
Equity and liabilities			
Shareholders' funds			
Share capital	3	6,947,000	6,947,000
Reserves and surplus	4	(208,978,985)	(190,317,220)
		(202,031,985)	(183,370,220)
Non-current liabilities			
Long-term borrowings	5	150,000,000	150,000,000
Other long-term liabilities	6	5,788,226	5,788,226
Long-term provisions	7	701,278	951,027
		156,489,504	156,739,253
Current liabilities			
short-term provisions	7	62,767	29,027
Short-term borrowings	8	133,908,658	123,174,629
Trade payables	9	3,364,945	3,516,459
Other current liabilities	9	5,168,434	3,503,863
		142,504,804	130,223,978
TOTAL		96,962,323	103,593,011
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	13,535,414	14,101,810
Long-term loans and advances	11	79,906,032	86,276,992
Trade receivables	12.1	206,610	204,749
		93,648,055	100,583,551
Current assets			
Inventories	13	755,345	728,838
Trade receivables	12.1	-	7,148
Cash and bank balances	14	2,304,065	804,299
Short-term loans and advances	11	242,940	93,516
Other current assets	12.2	11,917	1,375,659
		3,314,268	3,009,460
TOTAL		96,962,323	103,593,011
Summary of significant accounting policies	2.1		

This is the Balance Sheet referred to in our report of even date

For GMJ & Co
Chartered Accountants
Firm No. 103429W

Atul Jain
CA Atul Jain
Partner
M. No. 37097



For and on behalf of the Board of Directors

Rajesh Sharma
Rajesh Sharma
Director

P.M.Nawathe
P.M.Nawathe
Director

Place : Mumbai
Dated : 24th, May 2016

ION EXCHANGE ENVIRO FARMS LIMITED

Profit and Loss Account for the year ended 31st March 2016

Particulars	Notes	31-Mar-16 INR	31-Mar-15 INR
Income			
Revenue from operations (gross)	15	5,609,946	5,680,300
Other income	16	7,754,250	5,923,423
Total revenue		13,364,196	11,603,723
Expenses			
Cost of raw material and components consumed	17	-	-
Purchase of traded goods	18	4,031,434	2,745,697
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	18	(26,506)	255,693
Employee benefits expense	19	861,413	847,320
Other Expenses	20	4,296,898	6,623,063
Depreciation and amortization expense	21	602,358	605,629
Finance costs	22	22,260,364	21,133,615
Total Expenses		32,025,961	32,211,017
Loss before tax		(18,661,765)	(20,607,294)
Tax expenses:			
- Current tax		-	-
- Deferred tax		-	-
Total tax expense			
Loss for the year from operations		(18,661,765)	(20,607,294)
Earnings per equity share [nominal value of share Rs.10 (31 March 2015: Rs.10)]			
Basic		(26.86)	(29.66)
Diluted		(26.86)	(29.66)

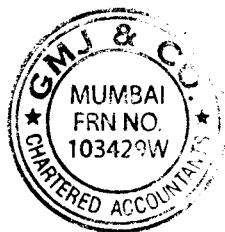
Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements.

For GMJ & Co
Chartered Accountants
Firm No. 103429W


CA Atul Jain
Partner
M. No. 37097



For and on behalf of the Board of Directors


Rajesh Sharma
Director


P.M. Nawathe
Director

Place : Mumbai

Dated : 24th, May 2016

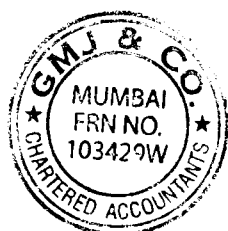
ION EXCHANGE ENVIRO FARMS LIMITED
Cash Flow Statement for the year ended 31st March 2016

Particulars	31-Mar-16	31-Mar-15
	INR	INR
Cash flow from operating activities		
Profit before tax from continuing operations	(18,661,765)	(20,607,294)
Profit before tax	(18,661,765)	(20,607,294)
Non-cash adjustment to reconcile profit before tax to net cash		
Employee Compensation Expenses	49,446	257,723
Depreciation/ amortization on continuing operation	602,358	605,629
Interest expense	22,260,364	21,133,615
Operating profit before working capital changes	4,250,403	1,389,673
Movements in working capital :		
Increase/ (decrease) in trade payables	(151,513)	(6,038,045)
Increase / (decrease) in long-term provisions	(265,455)	(9,293)
Decrease / (increase) in trade receivables	5,287	2,249,527
Decrease / (increase) in inventories	(26,507)	1,396,691
Decrease / (increase) in long-term loans and advances	6,370,960	9,052,924
Decrease / (increase) in short-term loans and advances	(149,424)	232,020
Decrease / (increase) in other current Liability	1,664,571	6,897
Decrease / (increase) in other current assets	1,363,742	(1,300,063)
Cash generated from / (used in) operations	13,062,063	6,980,329
Direct taxes paid (net of refunds)	-	-
Net cash flow from/ (used in) operating activities (A)	13,062,063	6,980,331
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(35,962)	-
Net cash flow from/ (used in) investing activities (B)	(35,962)	-
Cash flows from financing activities		
Proceeds from short-term borrowings	10,734,029	14,489,949
Repayment of short-term borrowings	-	-
Interest paid	(22,260,364)	(21,133,615)
Net cash flow from/ (used in) in financing activities (C)	(11,526,335)	(6,643,666)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	1,499,766	336,665
Cash and cash equivalents at the beginning of the year	804,299	467,634
Cash and cash equivalents at the end of the year	2,304,065	804,299
Components of cash and cash equivalents		
Cash on hand	58,438	1,238
With banks	-	-
on Current Account	2,245,628	803,061
Total cash and cash equivalents (note 18)	2,304,065	804,299
Summary of significant accounting policies	2.1	

As per our report of even date

For GMJ & Co
Chartered Accountants
Firm No. 103429W

Atul Jain
CA Atul Jain
Partner
M. No. 37097



For and on behalf of the Board of Directors

Rajesh Sharma
Rajesh Sharma
Director

P.M. Nawathe
P.M. Nawathe
Director

Place : Mumbai
Dated : 24th, May 2016

ION EXCHANGE ENVIRO FARMS LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

1 Corporate information

ION EXCHANGE ENVIRO FARMS LIMITED (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the the business of (1) Developing, cultivating & maintaining large farms at various places in India mainly Maharashtra, Tamilnadu & Goa.(2) Contract farming for supply of Organic Certified produce for local as well as International market (3) Agri Inputs manufacturing & marketing.

2 Basis of preparation of financial statements

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.1 Summary of significant accounting policies

I Use of Estimates

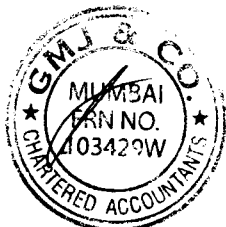
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the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

II Fixed Assets and Depreciation

Fixed assets are stated at cost of acquisition, less accumulated depreciation.

Depreciation on fixed assets is calculated on a straight-line basis over the useful life of the assets as prescribed under Part C of Schedule II of the Companies Act 2013. The useful lives for the fixed assets are as follows:

Assets	
Office Bulding	60 years
Other than office Bulding	30 years
Plant and Machinery	15 Years
Furniture and fittings	10 Years
Office Equipments	5 Years
Computers	3 years



III Revenue Recognition

Income from Projects is recognised on completion of identifiable stages thereof. Income from sale of inputs, intercrops, contract farming and produce marketing activities are recognised excluding sales tax, where applicable, when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods.

IV Project Development Expenses

All expenses, which are directly related to a project, are treated as "Development Expenses". Expenses incurred on incomplete stages of ongoing projects are carried forward in the Balance Sheet as "Work-in-progress - Project Development" under the head Inventories.

V Inventories

"Work-in-progress - Project Development" cost includes direct and other administrative expenses incurred in developing these projects.

Inventories are valued at lower of Cost and Net Realisable Value.

Cost of Raw Material and Packing Material is determined at Weighted Average Cost.

Finished Goods – Contract Farming inventory comprises of trading inventory of the Company. Cost of Inputs comprises of material cost and cost of conversion

VI Retirement Benefits

a) In respect of Provident Fund contribution for all employee's and, Company's contribution is deposited with the Regional Provident Fund Commissioner. The Company's contributions are charged to the Profit and Loss Account.

b) Provision for Gratuity and Leave Encashment is made on the basis of actuarial valuation carried out by an independent actuary at the year-end.

VII Taxation

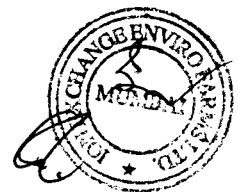
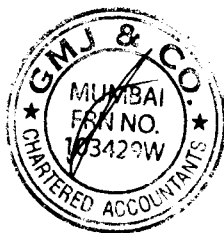
a) Provision for current taxation has been made in accordance with the income tax laws prevailing for the relevant assessment years.

b) Deferred Tax is recognised, 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 Asset is not recognised unless there are timing difference, the reversal of which, will result in sufficient income or there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

VIII Provisions and Contingent Liabilities:

a) Provisions are recognized when the Company has legal and constructive obligation as a result of past event for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of obligation.

b) Contingent Liabilities are disclosed when the Company has possible or present obligation and it is probable that a cash outflow will not be required to settle that obligation.



ION EXCHANGE ENVIRO FARMS LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

3. Share capital

Particulars	31-Mar-16	31-Mar-15
	INR	INR
Authorized shares 2,000,000 (31 March 2015: 2,000,000) equity shares of Rs.10/- each	20,000,000	20,000,000
Issued, subscribed and fully paid-up shares 694,700 (31 March 2015: 694,700) equity shares of Rs.10/- each	6,947,000	6,947,000
Total issued, subscribed and fully paid-up share capital	6,947,000	6,947,000

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

Equity shares

Particulars	31-Mar-16		31-Mar-15	
	Nos	INR	Nos	INR
At the beginning of the period	694,700	6,947,000	694,700	6,947,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	694,700	6,947,000	694,700	6,947,000

(b) Terms/ rights attached to equity shares

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

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 all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

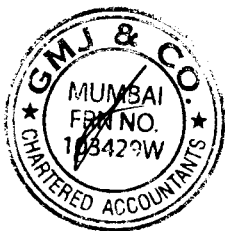
(c) Shares held by holding company

Out of equity shares issued by the company, shares held by its holding company, are as below:

Particulars	31-Mar-16	31-Mar-15
	INR	INR
Ion Exchange (India) Limited the holding company 547,000 (31 March 2015: 547,000) equity shares of Rs.10 each fully paid	547,000	547,000

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

Name of the shareholder	As at 31 March 2016		As at 31 March 2015	
	Nos	% holding in the class	Nos	% holding in the class
Equity shares of Rs.10 each fully paid Ion Exchange (india) Limited Holding Company	547,000	78.74%	547,000	78.74%



ION EXCHANGE ENVIRO FARMS LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

4. Reserves and surplus

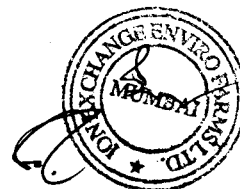
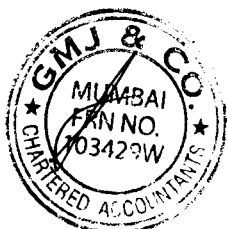
Particulars	31-Mar-16	31-Mar-15
	INR	INR
Deficit in the statement of profit and loss		
Balance as per last financial statements	(190,317,220)	(168,735,808)
Loss for the year	(18,661,765)	(20,607,294)
Less: Adjustment relating to Fixed Assets		974,118
Net deficit in the statement of profit and loss	(208,978,985)	(190,317,220)
Total reserves and surplus	(208,978,985)	(190,317,220)

5. Long-term borrowings

Particulars	Non-current portion		Current maturities	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
	INR	INR	INR	INR
Debentures				
<u>Secured Redeemable Non-Convertible Debenture</u>				
7% 15,00,000 Secured Redeemable Non-Convertible Debentures of Rs. 100/-each (Allotted to Ion Exchange (India) Limited on 31st March 2010)	150,000,000	150,000,000	-	-
Secured by way of First Charge on immovable property situated at Mumbai Redeemable on or before 31st March, 2017 and the Debentures shall have a call and put option after end of 6 months from the date of allotment)				
	150,000,000	150,000,000	-	-
The above amount includes				
Secured borrowings	150,000,000	150,000,000	-	-
Unsecured borrowings	-	-	-	-
	150,000,000	150,000,000	-	-

6. Other long-term liabilities

Particulars	31-Mar-16	31-Mar-15
	INR	INR
Advance from customers	5,788,226	5,788,226
	5,788,226	5,788,226



ION EXCHANGE ENVIRO FARMS LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

7. Provisions

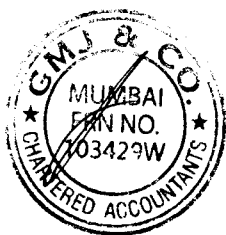
Particulars	Long-term		Short-term	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
	INR	INR	INR	INR
Provision for employee benefits				
Provision for gratuity	316,938	438,830	36,675	8,139
Provision for leave benefits	384,340	512,197	26,092	20,888
	701,278	951,027	62,767	29,027

8. Short-term borrowings

Particulars	31-Mar-16	31-Mar-15
	INR	INR
Unsecured		
Loan from Ion Exchange (India) Limited (Payable on demand) (Refer Note 23)	133,908,658	123,174,629
	133,908,658	123,174,629
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	133,908,658	123,174,629

9. Other current liabilities

Particulars	31-Mar-16	31-Mar-15
	INR	INR
Trade payables (refer note 28.7 for details of dues to micro and small enterprises)	3,364,945	3,516,459
Other liabilities		
Interest free deposits	3,178,225	1,583,512
TDS & other statutory liabilities	1,990,209	1,920,351
	5,168,434	3,503,863
	8,533,379	7,020,322

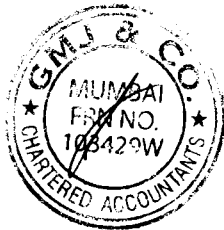


ION EXCHANGE ENVIRO FARMS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

10. Tangible assets

	INR						
	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Computers	office Equipment	Total
Cost or valuation							
At 1 April 2014	12,936,900	10,818,155	5,234,308	2,603,800	1,559,435	669,277	33,821,875
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-
At 31 March 2015	12,936,900	10,818,155	5,234,308	2,603,800	1,559,435	669,277	33,821,875
Additions	0	0	0	0	35,962	0	35,962
At 31 March 2016	12,936,900	10,818,155	5,234,308	2,603,800	1,595,397	669,277	33,857,837
Depreciation							
At 1 April 2014	2,755,600	6,775,752	3,957,387	2,602,902	1,549,756	498,921	18,140,318
Charge for the year	263,942	294,563	39,111	898	7,115	-	605,629
Adjustmet for Depreciation	-	-	831,828	-	-	142,290	974,118
Disposals	-	-	-	-	-	-	-
At 31 March 2015	3,019,542	7,070,315	4,828,326	2,603,800	1,556,871	641,211	19,720,065
Charge for the year	263,942	294,563	39,111	-	4,746	0	602,358
Disposals	-	-	-	-	-	-	-
	0	-	-	-	-	-	-
At 31 March 2016	3,283,484	7,364,878	4,867,437	2,603,800	1,561,617	641,211	20,322,423
Net Block							
At 31 March 2015	9,917,358	3,747,840	405,982	0	2,564	28,066	14,101,810
At 31 March 2016	9,653,416	3,453,277	366,871	0	33,780	28,066	13,535,414

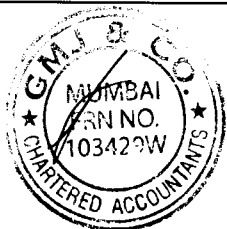


ION EXCHANGE ENVIRO FARMS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

11. Loans and advances

Particulars	Non-current		Current	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
	INR	INR	INR	INR
Security Deposit for Land / Maintenance Expenses Recoverable				
Secured, considered good	-	-	-	-
Unsecured, considered good	95,873,338	101,171,715	-	-
Security Deposit	399,548	339,548	-	-
Doubtful	-	-	-	-
	96,272,886	101,511,263		
Provision for doubtful security deposit	17,007,922	17,007,922	-	-
	79,264,964	84,503,341		
Advances recoverable in cash or kind				
Secured considered good	-	-	-	-
Unsecured considered good	2,311,620	3,444,204	-	-
Doubtful	-	-	-	-
	2,311,620	3,444,204		
Provision for doubtful advances	1,670,552	1,670,552	-	-
	641,068	1,773,652		
Other loans and advances				
Balance with statutory / government authorities	-	-	242,940	93,516
			242,940	93,516
Total	79,906,032	86,276,992	242,940	93,516



ION EXCHANGE ENVIRO FARMS LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

12. Trade receivables and other assets

12.1. Trade receivables

Particulars	Non-current		Current	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
	INR	INR	INR	INR
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	-	-	-	-
Unsecured, considered good	206,610	204,749	-	-
Doubtful	4,602,939	4,602,941	-	-
	4,809,549	4,807,690	-	-
Provision for doubtful receivables	4,602,939	4,602,941	-	-
	206,610	204,749	-	-
Particulars	Non-current		Current	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
	INR	INR	INR	INR
Other receivables				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	0	7,148
Doubtful	-	-	-	-
	-	-	0	7,148
Provision for doubtful receivables	-	-	-	-
	-	-	0	7,148

12.2. Other assets

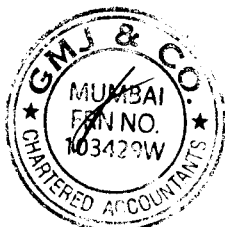
Particulars	Non-current		Current	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
	INR	INR	INR	INR
Unsecured, considered good unless stated otherwise				
Others				
Others	-	-	11,917	1,375,659
	-	-	11,917	1,375,659

13. Inventories (valued at lower of cost or net realizable value)

Particulars	31-Mar-16	31-Mar-15
	INR	INR
Raw materials and components	15,923	15,923
Work-in-progress	712,916	712,915
Finished goods	26,506	0
	755,345	728,838

14. Cash and bank balances

Particulars	Non-current		Current	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
	INR	INR	INR	INR
Cash and cash equivalents				
<i>Balances with banks:</i>				
- On current accounts	-	-	2,245,628	803,061
Cash on hand	-	-	58,438	1238
	-	-	2,304,065	804,299



ION EXCHANGE ENVIRO FARMS LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

15. Revenue from operations

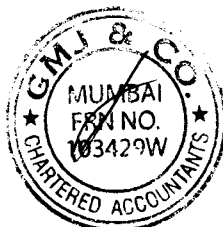
Particulars	31-Mar-16	31-Mar-15
	INR	INR
Revenue from operations		
Sale of products		
Finished goods (Sales of Main Crop & intercrop)	2,300	15,660
Traded goods	5,607,646	5,664,640
Revenue from operations (gross)	5,609,946	5,680,300
Less: Excise duty	-	-
Revenue from operations (net)	5,609,946	5,680,300

Detail of products sold

Particulars	31-Mar-16	31-Mar-15
	INR	INR
<u>Finished goods sold</u>		
Sale of Inter crop	2,300	14,660
Sale of Citrnella Oil Fron Gras	-	1,000
	2,300	15,660
<u>Traded goods sold</u>		
Sales of Enviro Reach	21,075	287,036
Sale of Organo world	5,586,571	5,377,604
	5,607,646	5,664,640
	5,609,946	5,680,300

16. Other income

Particulars	31-Mar-16	31-Mar-15
	INR	INR
Interest income on		
Others	-	20,340
Other non-operating income	7,754,250	5,903,083
	7,754,250	5,923,423
	13,364,196	11,603,723



ION EXCHANGE ENVIRO FARMS LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

17. Cost of raw material and components consumed

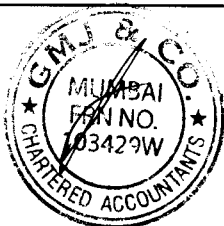
Particulars	31-Mar-16	31-Mar-15
	INR	INR
Inventory at the beginning of the year	-	-
Add: Purchases	-	-
Less: inventory at the end of the year	-	-
Cost of raw material and components consumed	-	-

18. Increase/ (decrease) in inventories

Particulars	31-Mar-16	31-Mar-15
	INR	INR
Inventories at the end of the year		
Finished goods	26,506	-
	26,506	-
Inventories at the beginning of the year		
Finished goods	0	255,693
	0	255,693
(Increase) / Decrease in Stocks:	-26,506	-255,693

Details of purchase of traded goods

Particulars	31-Mar-16	31-Mar-15
	INR	INR
Enviro Reach	32,623	-
Dry fruits	2,744,116	2,038,195
Packing Material	1,254,695	707,502
	4,031,434	2,745,697



ION EXCHANGE ENVIRO FARMS LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

19. Employee benefits expense

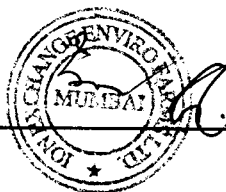
Particulars	31-Mar-16	31-Mar-15
	INR	INR
Salaries, wages and bonus	747,472	481,427
Contribution to provident and other funds	23,938	26,165
Gratuity expense (Note.26)	33,798	157,340
Leave Encashment (Note.26)	15,648	100,383
Staff welfare expenses	40,557	82,005
	861,413	847,320

20. Other expenses

Particulars	31-Mar-16	31-Mar-15
	INR	INR
Rates and Taxes	677,373	1,234,540
Freight Charges	33,711	62,782
Packing Charges	1,694	8,500
Repairs and Maintenance		
- Others	5,753	3,600
Electricity Charges	14,190	600
Insurance Premium	6,900	50,653
Legal and Professional Fees	1,087,517	166,116
Advertisement and Publicity	11,460	48,611
Communication Costs	7,880	21,609
Stamp Papers and Stamping Charges	6,860	36,670
Printing and Stationery	29,846	9,294
Travelling and Conveyance	74,076	135,308
Service Charges	108,000	193,013
Labour Charges	93,004	59,623
Project Maintenance Expenses	1,993,885	3,477,983
Intercrop Expense	15,490	-
Projects Developemnet Expenses	-	966,766
Bank Charges	1,712	3,674
Miscellaneous	5,806	1,358
Payment to Auditors	121,741	142,363
	4,296,898	6,623,063

Payment to auditor

Particulars	31-Mar-16	31-Mar-15
	INR	INR
<u>As auditor:</u>		
Audit fee	100,000	100,000
Tax audit fee		
<u>In other capacity:</u>		
Other services	21,741	42,363
	121,741	142,363



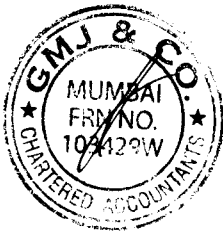
ION EXCHANGE ENVIRO FARMS LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

21. Depreciation and amortization expense

Particulars	31-Mar-16	31-Mar-15
	INR	INR
Depreciation of tangible assets	602,358	605,629
	602,358	605,629

22. Finance costs

Particulars	31-Mar-16	31-Mar-15
	INR	INR
Interest	22,260,364	21,133,615
	22,260,364	21,133,615

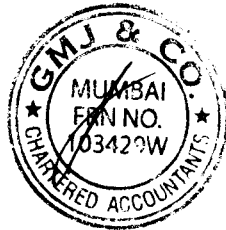


ION EXCHANGE ENVIRO FARMS LIMITED**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016****23. Related Party Disclosure (As identified by the Management)**a) Where control exists : Ion Exchange (India) Limited - Holding Company

b) Aquanomics Systems Pvt.Ltd. , Ion Exchange Projects and Engineering Ltd., Ion Exchange Waterleau (I)Ltd.

Transactions with Related Parties:**(In Rupees)**

Particulars	Parties referred to		Parties referred to		Total	
	in (a) above		in (b) above		2015-16	2014-15
	2015-16	2014-15	2015-16	2014-15		
Transactions during the year						
Income:						
Sale of Finished Goods	5,479,256	5,072,751	758,207	890,994	6,237,463	5,963,745
Expenses:						
Purchase of Capital Goods	-	-	-	-	-	-
Purchased of Finished Goods	-	-	-	-	-	-
Interest (Gross)	22,237,188	21,126,338	-	-	22,237,188	21,126,338
Others:						
Loan Taken	22,613,285	23,815,238			22,613,285	23,815,238
Loan Repaid	8,500,000	9,300,000			8,500,000	9,300,000
Amount outstanding as at year end						
Unsecured Loan	133,908,658	123,174,629	-	-	133,908,658	123,174,629



ION EXCHANGE ENVIRO FARMS LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

24. SEGMENT INFORMATION FOR THE YEAR ENDED MARCH 31, 2016

	In Rupees							
	Agriculture Goods		Inputs		Unallocated		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Revenue								
External sales Gross	5,588,871	5,393,264	21,075	287,036	-	-	5,609,946	5,680,300
Intersegmental Sales	-	-	-	-	-	-	-	-
Other Income	7,376,726	5,003,382	-	-	377,524	920,041	7,754,250	5,923,423
Total Revenue	12,965,597	10,396,646	21,075	287,036	377,524	920,041	13,364,196	11,603,723
Result								
Segment Results	5,830,571	2,186,176	3,208	(254,965)	(2,235,184)	(1,404,892)	3,598,595	526,321
unallocated expenditure net of unallocated income	-	-	-	-	-	-	-	-
Interest Expenses	-	-	-	-	(22,260,364)	(21,133,615)	(22,260,364)	(21,133,615)
Interest Income	-	-	-	-	-	-	-	-
Loss before Taxation	5,830,571	2,186,176	3,208	(254,965)	(24,495,544)	(22,538,507)	(18,661,765)	(20,607,294)
Other Information								
Segment Assets	87,199,528	93,181,733	395,357	377,639	9,367,428	10,033,640	96,962,323	103,593,011
Segment Liabilities	11,850,891	11,825,716	657,144	613,871	293,433,273	281,470,644	305,941,308	293,910,231
Capital Expenditure	-	-	-	-	35,962	-	35,962	-
Depreciation	460,106	199,182	-	1,056	142,250	405,395	602,356	605,633

II Information about secondary Segments (In Rupees)

The sales of Organic Agriculture goods and Inputs are in India and also, the assets of the Company are situated in India

III Notes:

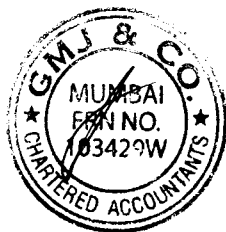
a) The Company is engaged into two main business segments namely:

- Organic Agriculture goods
- Organic Inputs

b) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each segment and amounts allocated on a reasonable basis.

II. Information about Secondary Segments

Revenue by Geographical Market	India		Outside India		Total	
	2015-16	2014-15	2015-16	2014-15	2014-15	2013-14
External Revenue	13,364,196	11,603,723	-	-	13,364,196	11,603,723
Carrying amount of segment assets	96,962,323	103,593,011	-	-	96,962,323	103,593,011
Additions to fixed assets	35,962	0	-	-	35,962	0



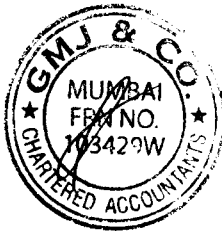
ION EXCHANGE ENVIRO FARMS LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016
25. Lease Disclosure

Details of non-cancelable Lease Arrangement as Leaser

Particulars	Minimum Future Lease Rental			INR Recognised During the Year
	Due within 1 year	Due later than 1 year and not later than 5 years	Due after 5 years	
Office Premises	-	-	-	349,272
	(96,000)	(96,000)	(-)	(445,272)

Note 1 Note: Figures shown in the brackets pertain to previous year

Note 2 In respect of a lessee namely M/s Bakelite Hylam Limited, company's claim of increased rent has been challenged by the lessee and the matter is sub judice. Considering the fact, it is not possible to disclose minimum future lease rental.



ION EXCHANGE ENVIRO FARMS LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

26. Gratuity and other post-employment benefit plans

The company operates one defined benefit plans, viz., gratuity, for its employees. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the respective plans.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

Particulars	Gratuity		Leave Encashment	
	31-Mar-16 Rupees	31-Mar-15 Rupees	31-Mar-16 Rupees	31-Mar-15 Rupees
Current service cost	31,658	26,433		
Interest cost on benefit obligation	28,868	25,238		
Net actuarial(gain) / loss recognized in the year	(26,728)	124,500		
Net benefit expense	33,798	176,171	15,648	100,383

Balance sheet

Benefit liability

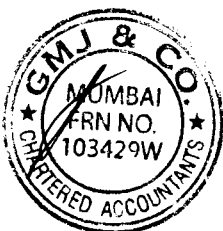
Particulars	Gratuity		Leave Encashment	
	31-Mar-16 Rupees	31-Mar-15 Rupees	31-Mar-16 Rupees	31-Mar-15 Rupees
Present value of defined benefit obligation	353,613	446,969	410,432	533,085
Plan liability	353,613	446,969	410,432	533,085

Changes in the present value of the defined benefit obligation are as follows:

Particulars	Gratuity		Leave Encashment	
	31-Mar-16 Rupees	31-Mar-15 Rupees	31-Mar-16 Rupees	31-Mar-15 Rupees
Opening defined benefit obligation	446,969	270,798		
Current service cost	31,658	26,433		
Interest cost	28,868	25,238		
Benefits paid	(127,154)	0		
Actuarial (gains) / losses on obligation	(26,728)	124,500		
Closing defined benefit obligation	353,613	446,969	410,432	533,085

The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the company's plans are shown below:

Particulars	Gratuity		Leave Encashment	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Discount rate	8.50%	8.50%	8.50%	8.50%
Employee turnover	2%	2%	2%	2%
Salary Escalation	8%	5%	5%	5%



ION EXCHANGE ENVIRO FARMS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

27 Notes

27.1 Net Worth

The net worth of the Company has been eroded completely as at 31st March 2016. The Management has undertaken various cost reduction programs during the year and it expects better returns in the coming years from its organic farming activities, bio-pesticides and bio-fertilizers marketing. The Holding Company has assured financial support to the Company. It has provided funds aggregating Rs 28,39,08,658 up to March 31, 2016. In view of these, the accounts of the Company have been prepared on a 'going concern' basis.

27.2 Provisional registration by SEBI

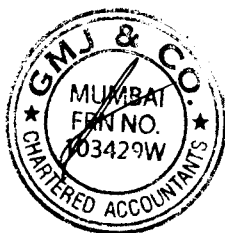
In response to the SEBI (Collective Investment Schemes) Regulations, 1999 (the "Guidelines"), notified by Securities and Exchange Board of India (SEBI) on 15th October 1999, the Company had applied for registration to SEBI on 14th December 1999. In response, SEBI had granted provisional registration to the Company on 13th February 2001, subject to certain conditions. The provisional registration was subsequently extended and expired on 13th February 2003.

The company applied to SEBI seeking exemptions from provisions of the regulations, because it was not able to comply with certain requirements of SEBI (CIS) Regulations, 1999. The SEBI did not grant exemption and further vide letter dated 7th January, 2003 SEBI called upon the company to show cause why the provisional registration granted to it should not be revoked. After hearing the Company's submission, SEBI vide order dated 27th November, 2003 directed the company to wind up the scheme and refund the monies with returns to investors.

Against the aforesaid order the company filed an appeal before Securities Appellate Tribunal (SAT) which vide its order pronounced on 5th May, 2006 upheld that SEBI order in so far as it relates to refund the monies along with the return to the investors by the company and to wind up of the scheme.

The company had filed appeal against the order of SAT in Hon'ble Supreme Court of India on 4th July, 2006. The Hon'ble Supreme Court of India had dismissed the company's appeal on 26th February, 2013. The Company in order to comply with SAT order dated 5th May 2006 has submitted a letter on 17th May 2013 to SEBI seeking its directions to comply with the SAT order.

Subsequent to this there was a meeting with SEBI Officials on 27th November 2013, wherein some additional details about compliance of the Scheme and financial results etc were called for which have been duly complied with vide letter dated 13th December, 2013. Pursuant to this, the Company has initiated actions in line with the aforesaid meetings with SEBI Officials & letters submitted to SEBI.



ION EXCHANGE ENVIRO FARMS LIMITED

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 included directions to pre-deposit sum of Rs. 20.06 Crores refundable to investors. Company 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

Company 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 farm owners, i.e. sale of lands to the farm owners and developing and maintaining the said lands thereafter, as per agreements

SEBI granted personal hearing on 3rd February 2016 to understand company's submissions / 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 Crore within 2 years. Further directions from SEBI are awaited

- 27.3** Maintenance expenses recoverable represent expenses incurred on sites sold under the scheme, which are to be recovered from future income generated by sale of inter-crop and main crop. The recovery is dependant 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 year end of Rs. 2,82,66,499 (Previous Year - Rs. 3,18,50,064) as future returns from crop sales and Sale of land will be available to recover the same.

27.4 Security Deposit for Land

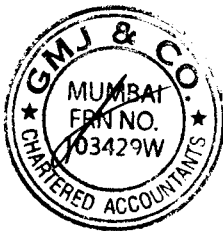
Security Deposit for Land represents amounts paid by the Company for acquiring agricultural land, inclusive of stamp duty and registration charges, which are unsold as at 31st March 2016 The Company has conducted valuation of land and accordingly, provision of Rs. 5,582,922 (Previous Year - Rs. 5,582,922) has been made as at March 31, 2016.

27.5 Advances for Repurchases

Advances for repurchase represents amounts paid to investors for purchase of sites sold to them in earlier years, at prices announced by the Company from time to time. These amounts are paid to investors on their execution of an irrevocable Power of Attorney in favour of the Company's nominees for sale thereof at future date.

27.6 Debenture

The Company has issued 15,00,000 7% p.a secured redeemable non convertible Debentures of Rs. 100 each to its holding company Ion Exchange (India) Limited on 31st March 2010. The company shall redeem the debentures on or before 31st March, 2017 and the Debentures shall have a call and put option after end of six months from the date of allotment. The debentures are secured by way of first charge on immovable property situated at 3rd Floor, Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011.




ION EXCHANGE ENVIRO FARMS LIMITED

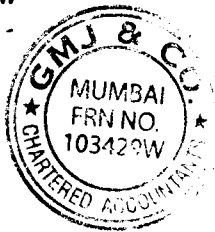
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

- 27.7 The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprise development Act 2006 and hence no disclosure required under the said Act can be made.
- 27.8 In the opinion of the board, there are no amount outstanding and due for more than 30 days in excess of Rs One Lacs to Small Scale undertaking as stipulated by notification issued on 22 February 1999 in the Gazette of India (GSR No 129(E) dated 22 February 1999) issued by the department of Company Affair, Ministry of Law Justice & Company affair, Government of India.
- 27.9 Previous years figures have been regrouped/ rearranged, wherever necessary.

As per our report of even date

For GMJ & Co
Chartered Accountants
Firm No. 103429W


CA Atul Jain
Partner
M. No. 37097



For and on behalf of the Board of Directors


Rajesh Sharma
Director


P.M. Nawathe
Director

Place : Mumbai
Dated : 24th, May 2016