

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, 2017, 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

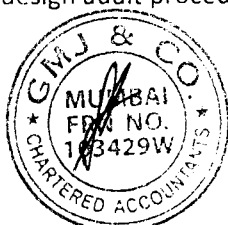
Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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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, 2017, 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, 2017 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. As SEBI refused to accede to Company's request, Company has preferred a fresh appeal at Securities Appellate Tribunal (SAT) on 9th February 2017 – appeal No. (I) 40 of 2017- citing practical difficulties in execution of the SEBI order for refund to all investors as investors have already received their lands / refunds as per the agreement. Appeal has been already admitted by SAT and next date of hearing is fixed on 26th June 2017.
- c. Note 27.3 regarding maintenance expenses recoverable aggregating Rs.2,75,97,691/- (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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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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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.
 - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 27.9 to the financial statements.

For GMJ & Co
Chartered Accountants
Firm No. 103429W


(CA Atul Jain)
Partner
M. No. 37097

PLACE: Mumbai
DATE : 23rd May, 2017



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, 2017

- (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.
- (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.



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- (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 respect of dues to debenture holder 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.
- (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.

Place: Mumbai.
Date : 23rd May, 2017.

For GMJ & Co
Chartered Accountants
Firm No. 103429W


(CA Atul Jain)

Partner

M. No. 37097



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, 2017

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, 2017 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

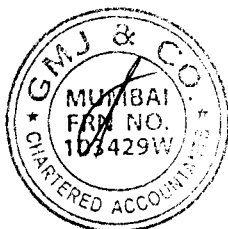
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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, 2017, 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


(CA Atul Jain)
Partner
M. No. 37097

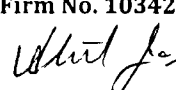
Place: Mumbai.
Date : 23rd May, 2017.



ION EXCHANGE ENVIRO FARMS LIMITED
Balance Sheet as at 31st March 2017

	Notes	31-Mar-17 INR	31-Mar-16 INR
Equity and liabilities			
Shareholders' funds			
Share capital	3	6,947,000	6,947,000
Reserves and surplus	4	(238,081,108)	(208,978,989)
		(231,134,108)	(202,031,989)
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	783,204	701,278
		156,571,430	156,489,504
Current liabilities			
short-term provisions	7	70,121	62,767
Short-term borrowings	8	186,170,042	133,908,658
Trade payables	9	3,589,094	3,364,939
Other current liabilities	9	10,218,380	5,168,434
		200,047,637	142,504,798
TOTAL		125,484,958	96,962,313
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	12,952,877	13,535,404
Long-term loans and advances	11	79,159,783	79,906,032
Trade receivables	12.1	206,660	206,610
		92,319,319	93,648,046
Current assets			
Inventories	13	755,345	755,345
Trade receivables	12.1	-	-
Cash and bank balances	14	381,070	2,304,065
Short-term loans and advances	11	30,567,013	242,940
Other current assets	12.2	1,462,210	11,917
		33,165,639	3,314,267
TOTAL		125,484,958	96,962,313
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

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 : 23rd, May 2017

ION EXCHANGE ENVIRO FARMS LIMITED
Profit and Loss Account for the year ended 31st March 2017

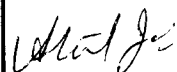
Particulars	Notes	31-Mar-17 INR	31-Mar-16 INR
Income			
Revenue from operations (gross)	15	7,102,428	5,609,946
Other income	16	5,304,280	7,754,250
Total revenue		12,406,708	13,364,196
Expenses			
Cost of raw material and components consumed	17	-	-
Purchase of traded goods	18	5,063,481	4,031,434
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	18	-	(26,506)
Employee benefits expense	19	966,692	861,416
Other Expenses	20	5,721,691	4,296,898
Depreciation and amortization expense	21	610,087	602,358
Finance costs	22	29,146,876	22,260,364
Total Expenses		41,508,827	32,025,964
Loss before tax		(29,102,119)	(18,661,768)
Tax expenses:			
- Current tax		-	-
- Deferred tax		-	-
Total tax expense		-	-
Loss for the year from operations		(29,102,119)	(18,661,768)
Earnings per equity share [nominal value of share Rs.10 (31 March 2017: Rs.10)]			
Basic		(41.89)	(26.86)
Diluted		(41.89)	(26.86)

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

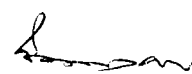


 CA Atul Jain
 Partner
 M. No. 37097


For and on behalf of the Board of Directors



 Rajesh Sharma
 Director



 P.M. Nawathe
 Director

Place : Mumbai

Dated : 23rd, May 2017

ION EXCHANGE ENVIRO FARMS LIMITED
Cash Flow Statement for the year ended 31st March 2017


Particulars	31-Mar-17 INR	31-Mar-16 INR
Cash flow from operating activities		
Profit before tax from continuing operations	(29,102,119)	(18,661,768)
Profit before tax	(29,102,119)	(18,661,768)
Non-cash adjustment to reconcile profit before tax to net cash		
Employee Compensation Expenses	89,280	49,446
Depreciation/ amortization on continuing operation	610,087	602,358
Interest expense	29,146,876	22,260,364
Operating profit before working capital changes	744,124	4,250,400
Movements in working capital :		
Increase/ (decrease) in trade payables	224,155	(151,513)
Increase / (decrease) in long-term provisions	-	(265,455)
Decrease / (increase) in trade receivables	(50)	5,287
Decrease / (increase) in inventories	(0)	(26,507)
Decrease / (increase) in long-term loans and advances	746,249	6,370,960
Decrease / (increase) in short-term loans and advances	(30,324,073)	(149,424)
Decrease / (increase) in other current Liability	5,049,946	1,664,571
Decrease / (increase) in other current assets	(1,450,293)	1,363,742
Cash generated from / (used in) operations	(25,009,943)	13,062,059
Direct taxes paid (net of refunds)	-	-
Net cash flow from/ (used in) operating activities (A)	(25,009,943)	13,062,061
Cash flow from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(27,560)	(35,962)
Net cash flow from/ (used in) investing activities (B)	(27,560)	(35,962)
Cash flow from financing activities		
Proceeds from short-term borrowings	52,261,384	10,734,029
Interest paid	(29,146,876)	(22,260,364)
Net cash flow from/ (used in) in financing activities (C)	23,114,508	(11,526,335)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(1,922,995)	1,499,764
Cash and cash equivalents at the beginning of the year	2,304,065	804,299
Cash and cash equivalents at the end of the year	381,070	2,304,062
Components of cash and cash equivalents		
Cash on hand	32,183	58,438
With banks	-	-
on Current Account	348,888	2,245,627
Total cash and cash equivalents (note 18)	381,070	2,304,065

Summary of significant accounting policies


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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 : 23rd, May 2017

III Revenue Recognition

Income from Projects is recognised on completion of identifiable stages thereof. Income from sale of inputs, intercroops, 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

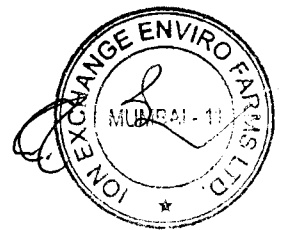
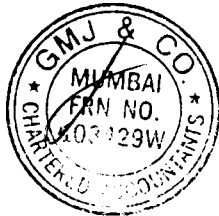
a) Provision for current taxation has been made in accordance with the income tax laws prevailing for the relevant assessment years.

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:

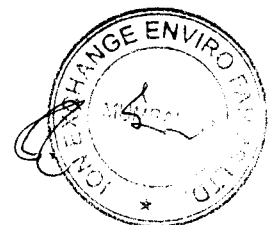
a) Provisions are recognized when the Company has legal and constructive obligation as a result of past event for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of obligation.

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 2017				
3. Share capital				
Particulars	31-Mar-17		31-Mar-16	
	INR		INR	
Authorized shares				
2,000,000 (31 March 2016: 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 2016: 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-17		31-Mar-16	
	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-17		31-Mar-16	
	INR		INR	
Ion Exchange (India) Limited the holding company				
547,000 (31 March 2016: 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 2017		As at 31 March 2016	
	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%

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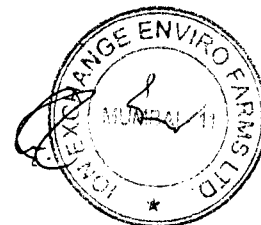
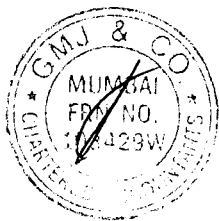


ION EXCHANGE ENVIRO FARMS LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

4. Reserves and surplus		
Particulars	31-Mar-17 INR	31-Mar-16 INR
Deficit in the statement of profit and loss		
Balance as per last financial statements	(208,978,989)	(190,317,220)
Loss for the year	(29,102,119)	(18,661,765)
Net deficit in the statement of profit and loss	(238,081,108)	(208,978,989)
Total reserves and surplus	(238,081,108)	(208,978,989)

5. Long-term borrowings				
Particulars	Non-current portion		Current maturities	
	31-Mar-17 INR	31-Mar-16 INR	31-Mar-17 INR	31-Mar-16 INR
Debentures				
<u>Secured Redeemable Non-Convertible Debenture</u> (Also Refer Note 27.6)				
7% 15,00,000 Secured Redeemable Non-Convertible Debentures of Rs. 100/-each (Alloted to Ion Exchange (India) Limited on 31st March 2017)	150,000,000	150,000,000	-	-
Secured by way of First Charge on immovable property situated at Mumbai Redeemable on or before 31st March, 2024 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-17 INR	31-Mar-16 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 2017

7. Provisions

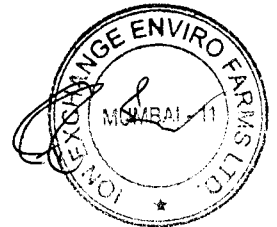
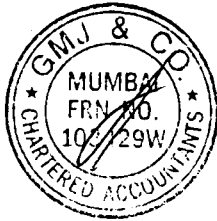
Particulars	Long-term		Short-term	
	31-Mar-17 INR	31-Mar-16 INR	31-Mar-17 INR	31-Mar-16 INR
Provision for employee benefits				
Provision for gratuity	376,236	316,938	42,274	36,675
Provision for leave benefits	406,968	384,340	27,847	26,092
	783,204	701,278	70,121	62,767

8. Short-term borrowings

Particulars	31-Mar-17 INR	31-Mar-16 INR
Unsecured		
Loan from Ion Exchange (India) Limited (Payable on demand) (Refer Note 23)	186,170,042	133,908,658
	186,170,042	133,908,658
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	186,170,042	133,908,658

9. Other current liabilities

Particulars	31-Mar-17	31-Mar-16
	INR	INR
Trade payables (refer note 28.7 for details of dues to micro and small enterprises)	3,589,094	3,364,939
Other liabilities		
Interest free deposits	7,764,225	3,178,225
TDS & other statutory liabilities	2,454,155	1,990,209
	10,218,380	5,168,434
	13,807,474	8,533,373



ION EXCHANGE ENVIRO FARMS LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017
10. Tangible assets

INR

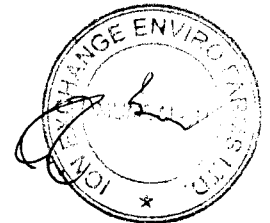
	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Computers	office Equipment	Total
Cost or valuation							
At 1 April 2015	12,936,898	10,818,155	5,234,308	2,603,803	1,559,435	669,277	33,821,876
Additions	-	-	-	-	35,962	-	35,962
Disposals	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-
At 31 March 2016	12,936,898	10,818,155	5,234,308	2,603,803	1,595,397	669,277	33,857,838
Additions	-	-	-	-	27,560	-	27,560.00
At 31 March 2017	12,936,898	10,818,155	5,234,308	2,603,803	1,622,957	669,277	33,885,398
Depreciation							
At 1 April 2015	3,019,547	7,070,318	4,828,326	2,603,803	1,556,871	641,211	19,720,076
Charge for the year	263,942	294,563	39,111	0	4,746	-	602,358
Adjustmet for Depreciation	-	-	0	-	-	0	0
Disposals	-	-	-	-	-	-	-
At 31 March 2016	3,283,489	7,364,881	4,867,437	2,603,803	1,561,617	641,211	20,322,434
Charge for the year	263,942	294,283	39,111	0	12,751	0	610,087
Disposals	-	-	-	-	-	-	-
At 31 March 2017	3,547,431	7,659,164	4,906,548	2,603,803	1,574,368	641,211	20,932,521
Net Block							
At 31 March 2016	9,653,409	3,453,274	366,871	0	33,780	28,066	13,535,404
At 31 March 2017	9,389,467	3,158,991	327,760	0	48,589	28,066	12,952,877

ION EXCHANGE ENVIRO FARMS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

11. Loans and advances

Particulars	Non-current		Current	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
	INR	INR	INR	INR
Security Deposit for Land / Maintenance Expenses Recoverable				
Secured, considered good	-	-	-	-
Unsecured, considered good	94,941,977	95,873,338	-	-
Security Deposit (Also Refer note No. 27.2)	519,548	399,548	30,000,000	-
Doubtful	-	-	-	-
	95,461,525	96,272,886	30,000,000	
Provision for doubtful security deposit	17,007,922	17,007,922	-	-
	78,453,603	79,264,964	30,000,000	
Advances recoverable in cash or kind				
Secured considered good	-	-	-	-
Unsecured considered good	2,376,732	2,311,620	-	-
Doubtful	-	-	-	-
	2,376,732	2,311,620		
Provision for doubtful advances	1,670,552	1,670,552	-	-
	706,180	641,068		
Other loans and advances				
Balance with statutory / government authorities	-	-	567,013	242,940
	-	-	567,013	242,940
Total	79,159,783	79,906,032	30,567,013	242,940



ION EXCHANGE ENVIRO FARMS LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

12. Trade receivables and other assets

12.1. Trade receivables

Particulars	Non-current		Current	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
	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	206,660	206,610	-	-
Doubtful	4,602,939	4,602,939	-	-
	4,809,599	4,809,549	-	-
Provision for doubtful receivables	4,602,939	4,602,939	-	-
	206,660	206,610	-	-

12.2. Other assets

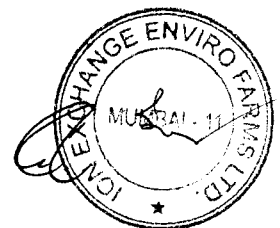
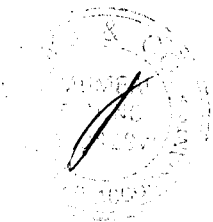
Particulars	Non-current		Current	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
	INR	INR	INR	INR
Unsecured, considered good unless stated otherwise				
Others				
Others	-	-	1,462,210	11,917
	-	-	1,462,210	11,917

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

Particulars	31-Mar-17	31-Mar-16
	INR	INR
Raw materials and components	15,923	15,923
Work-in-progress	712,916	712,916
Finished goods	26,506	26,506
	755,345	755,345

14. Cash and bank balances

Particulars	Non-current		Current	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
	INR	INR	INR	INR
Cash and cash equivalents				
Balances with banks:				
- On current accounts	-	-	348,888	2,245,627
Cash on hand	-	-	32,183	584,38
	-	-	381,070	2,304,065



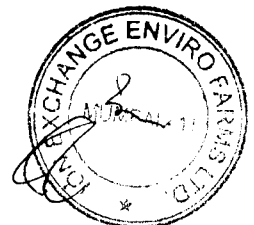
ION EXCHANGE ENVIRO FARMS LIMITED**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017****15. Revenue from operations**

Particulars	31-Mar-17	31-Mar-16
	INR	INR
Revenue from operations		
Sale of products		
Finished goods (Sales of Main Crop & intercrop)	900	2,300
Traded goods	7,101,528	5,607,646
Revenue from operations (gross)	7,102,428	5,609,946
Less: Excise duty	-	-
Revenue from operations (net)	7,102,428	5,609,946

Detail of products sold		
Particulars	31-Mar-17	31-Mar-16
	INR	INR
<u>Finished goods sold</u>		
Sale of Inter crop	900	2,300
	900	2,300
<u>Traded goods sold</u>		
Sales of Enviro Reach	0	21,075
Sale of Organo world	7,101,528	5,586,571
	7,101,528	5,607,646
	7,102,428	5,609,946

16. Other income

Particulars	31-Mar-17	31-Mar-16
	INR	INR
Other non-operating income	5,304,280	7,754,250
	5,304,280	7,754,250
	12,406,708	13,364,196



ION EXCHANGE ENVIRO FARMS LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

17. Cost of raw material and components consumed

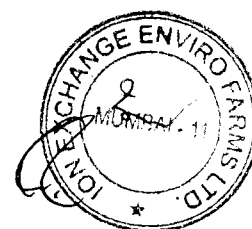
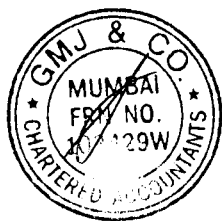
Particulars	31-Mar-17	31-Mar-16
	INR	INR
Inventory at the beginning of the year	-	-
Add: Purchases	-	-
Less: inventory at the end of the year	-	-
Cost of raw material and components consumed	-	-

18. Increase/ (decrease) in inventories

Particulars	31-Mar-17	31-Mar-16
	INR	INR
Inventories at the end of the year		
Finished goods	26,506	26,506.00
	26,506	26,506.00
Inventories at the beginning of the year		
Finished goods	26,506	0
	26,506	0
(Increase) / Decrease in Stocks:	0	26,506

Details of purchase of traded goods

Particulars	31-Mar-17	31-Mar-16
	INR	INR
Enviro Reach	0	32,623
Dry fruits	3,511,836	2,744,116
Packing Material	1,551,645	1254695
	5,063,481	4,031,434



ION EXCHANGE ENVIRO FARMS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

19. Employee benefits expense

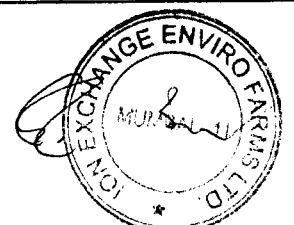
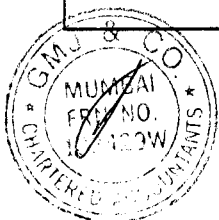
Particulars	31-Mar-17	31-Mar-16
	INR	INR
Salaries, wages and bonus	796,096	747,475
Contribution to provident and other funds	25,212	23,938
Gratuity expense (Note.26)	64,897	33,798
Leave Encashment (Note.26)	24,383	15,648
Staff welfare expenses	56,104	40,557
	966,692	861,416

20. Other expenses

Particulars	31-Mar-17	31-Mar-16
	INR	INR
Rates and Taxes	743,942	677,373
Freight Charges	24,455	33,711
Packing Charges	10,479	1,694
Repairs and Maintenance		
- Others	-	5,753
Electricity Charges	-	14,190
Insurance Premium	-	6,900
Legal and Professional Fees	2,197,173	1,087,517
Advertisement and Publicity	-	11,460
Communication Costs	12,005	7,880
Stamp Papers and Stamping Charges	5,510	6,860
Printing and Stationery	36,190	29,846
Travelling and Conveyance	37,551	74,076
Service Charges	131,188	108,000
Labour Charges	25,229	93,004
Project Maintenance Expenses	2,340,016	1,993,885
Intercrop Expense	11,605	15,490
Bank Charges	10,448	1,712
Miscellaneous	-	5,806
Payment to Auditors	135,900	121,741
	5,721,691	4,296,898

Payment to auditor

Particulars	31-Mar-17	31-Mar-16
	INR	INR
<u>As auditor:</u>		
Audit fee	100,000	100,000
In other capacity:		
Other services	35,900	21,741
	135,900	121,741



ION EXCHANGE ENVIRO FARMS LIMITED**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017****21. Depreciation and amortization expense**

Particulars	31-Mar-17	31-Mar-16
	INR	INR
Depreciation of tangible assets	610,087	602,358
	610,087	602,358

22. Finance costs

Particulars	31-Mar-17	31-Mar-16
	INR	INR
Interest	29,146,876	22,260,364
	29,146,876	22,260,364

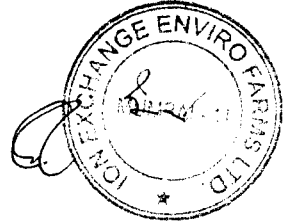
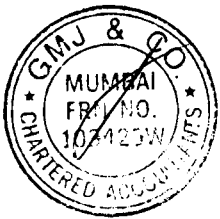


ION EXCHANGE ENVIRO FARMS LIMITED**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017****23. Related Party Disclosure (As identified by the Management)**a) Where control exists : Ion Exchange (India) Limited - Holding Company

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			
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Transactions during the year						
Income:						
Sale of Finished Goods	7,027,921	5,479,256	1,018,180	758,207	8,046,101	6,237,463
Expenses:						
Purchase of Capital Goods	-	-	-	-	-	-
Purchased of Finished Goods	-	-	-	-	-	-
Interest (Gross)	29,146,876	22,237,188	-	-	29,146,876	22,237,188
Others:						
Loan Taken	65,711,749	22,613,285			65,711,749	22,613,285
Loan Repaid	13,450,365	8,500,000			13,450,365	8,500,000
Amount outstanding as at year end						
Unsecured Loan	186,170,042	133,908,658	-	-	186,170,042	133,908,658



24. SEGMENT INFORMATION FOR THE YEAR ENDED MARCH 31, 2017

I. Information about Primary segments (in Rupees)

	In Rupees							
	Agriculture Goods		Inputs		Unallocated		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue								
External sales Gross	7,102,428	5,588,871	-	21,075	-	-	7,102,428	5,609,946
Intersegmental Sales	-	-	-	-	-	-	-	-
Other Income	4,950,628	7,376,726	-	-	353,652	377,524	5,304,280	7,754,250
Total Revenue	12,053,056	12,965,597	-	21,075	353,652	377,524	12,406,708	13,364,196
Result								
Segment Results	1,649,480	5,830,571	-	3,208	(1,604,723)	(2,235,184)	44,757	3,598,595
unallocated expenditure	-	-	-	-	-	-	-	-
net of unallocated income	-	-	-	-	-	-	-	-
Interest Expenses	-	-	-	-	(29,146,876)	(22,260,364)	(29,146,876)	(22,260,364)
Interest Income	-	-	-	-	-	-	-	-
Loss before Taxation	1,649,480	5,830,571	-	3,208	(30,751,599)	(24,495,548)	(29,102,119)	(18,661,769)
Other Information								
Segment Assets	117,305,535	87,199,528	395,357	395,357	7,784,066	9,367,428	125,484,958	96,962,313
Segment Liabilities	17,150,396	11,850,891	633,035	657,144	345,782,635	293,433,273	363,566,067	305,941,308
Capital Expenditure	-	-	-	-	27,560	35,962	27,560	35,962
Depreciation	467,837	460,106	-	-	142,250	142,250	610,087	602,356

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:

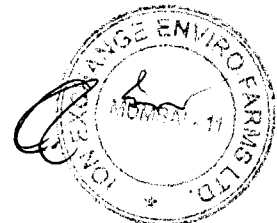
a) The Company is engaged into two main business segments namely:

- 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	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
External Revenue	12,406,708	13,364,196	-	-	12,406,708	13,364,196
Carrying amount of segment assets	125,484,958	96,962,313	-	-	125,484,958	96,962,313
Additions to fixed assets	27,560	35,962	-	-	27,560	35,962



ION EXCHANGE ENVIRO FARMS LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

25. Lease Disclosure

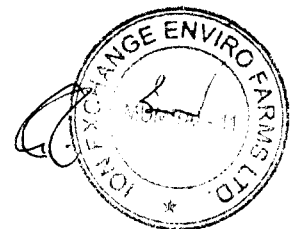
Details of non-cancelable Lease Arrangement as Leaser

Particulars	Minimum Future Lease Rental			INR
	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)	(-)	(349,272)

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

In respect of a lessee namely M/s Bakelite Hylam Limited, company's claim of increased rent has been challenged by the lessee and on 24/08/2016 the order has been granted to lessee to handover the

Note 2 premises. The company is entitled to recover the mesne profit from the Lessee. The Recovery is matter of 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 2017

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	
	31-Mar-17 Rupees	31-Mar-16 Rupees
Current service cost	31,375	31,658
Interest cost on benefit obligation	27,621	28,868
Net actuarial(gain) / loss recognized in the year	5,901	(26,728)
Net benefit expense	64,897	33,798

Balance sheet

Benefit liability

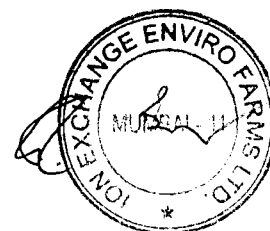
Particulars	Gratuity		Leave Encashment	
	31-Mar-17 Rupees	31-Mar-16 Rupees	31-Mar-17 Rupees	31-Mar-16 Rupees
Present value of defined benefit obligation	418,510	353,613	434,815	410,432
Plan liability	418,510	353,613	434,815	410,432

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

Particulars	Gratuity		Leave Encashment	
	31-Mar-17 Rupees	31-Mar-16 Rupees	31-Mar-17 Rupees	31-Mar-16 Rupees
Opening defined benefit obligation	353,613	446,969		
Current service cost	31,375	31,658		
Interest cost	27,621	28,868		
Benefits paid	0	(127,154)		
Actuarial (gains) / losses on obligation	5,901	(26,728)		
Closing defined benefit obligation	418,510	353,613	434,815	410,432

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-17	31-Mar-16	31-Mar-17	31-Mar-16
Discount rate	7.29%	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 2017

27 Notes

27.1 Net Worth

The net worth of the Company has been eroded completely as at 31st March 2017. 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_33,61,70,042 up to March 31, 2017. 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.

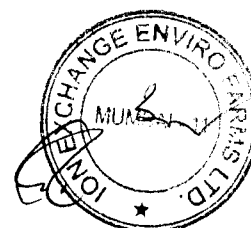
The company applied to SEBI seeking exemptions from provisions of the regulations, because it was not able to comply with certain requirements of SEBI (CIS) Regulations, 1999. The SEBI did not grant exemption and further vide letter dated 7th January, 2003 SEBI called upon the company to show cause why 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.

Subsequent to SEBI order of 30th December 2015 for closure of the CIS Scheme (which inter-alia included directions to refund Rs. 20.06 Crores to investors, as per the earlier order of 27th November 2003) company was granted a personal hearing on 3rd February 2016 and additional information called for was submitted on 23rd March 2016. Company had requested permission to wind up the scheme in terms of Rule 73 (1) to (9) of CIS Regulations as it has completed all obligations towards the investors, i.e. Sale of lands and development and maintaining the lands thereafter, as per agreements.



ION EXCHANGE ENVIRO FARMS LIMITED

As SEBI refused to accede to Company's request, Company has preferred a fresh appeal at Securities Appellate Tribunal (SAT) on 9th February 2017 – appeal No. (I) 40 of 2017- citing practical difficulties in execution of the SEBI order for refund to all investors as investors have already received their lands / refunds as per the agreement

Company 's plea in SAT is for issuing suitable directions to SEBI for verifying the documentary proofs submitted by Company for conveying of lands, refunds made and thereafter calling outstanding claims –if any, and thereafter declaring wind up of the Scheme in terms of the CIS Regulations. Appeal has been already admitted by SAT and next date of hearing is fixed on 26th June 2017.

- 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. 2,75,97,691/-Previous Year - Rs. 2,82,66,499) as future returns from crop sales and Sale of land will be available to recover the same.

4 Security Deposit for Land

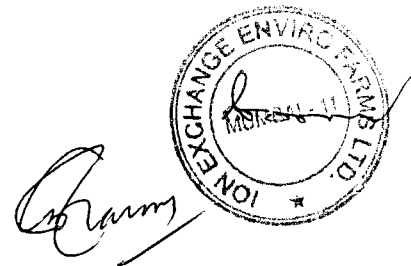
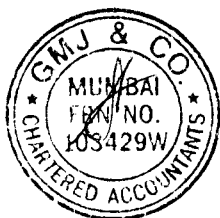
Security Deposit for Land represents amounts paid by the Company for acquiring agricultural land, inclusive of stamp duty and registration charges, which are unsold as at 31st March 2017 The Company has conducted valuation of land and accordingly, provision of Rs. 5,582,922 (Previous Year - Rs. 5,582,922) has been made as at March 31, 2017

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. On 31st March 2017, the Debenture has been rollover and the company shall redeem the debentures on or before 31st March, 2024. The Debentures shall have a call and put option after end of six months from the date of rollover. 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 2017**

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 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:


Particulars	(in Rupees)		
	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	443,500	167,738	611,238
(+) Withdrawl from Bank	-	90,000	90,000
(+) Permitted receipts		500,000	500,000
(+) Non Permitted receipts		-	-
(-) Permitted payments	-	114,526	114,526
(-) Amount deposited in Banks	443,500	500,150	943,650
Closing cash in hand as on December 30, 2016	-	143,062	143,062

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

27.10 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


Rajesh Sharma
Director


P.M. Nawathe
Director

Place : Mumbai

Dated : 23rd, May 2017