

# **KHISTI & ASSOCIATES**

Chartered Accountants

OFFICE : BASEMENT, B WING, SUTRAVIHAR CHSL, NEAR SHUBHAMKAROTI HALL, THANE - 400602  
BRANH : GROUND FLOOR, SUDHA KUNJ, TILAK ROAD, OPP BRAHMIN SABHA, DOMBIVLI (EAST) -421201  
TEL : 0251-2431858/ 2451046 email : madhavkhisti@gmail.com

## **INDEPENDENT AUDITOR'S REPORT**

To The Members of Ion Exchange Purified Drinking Water Pvt. Ltd.

### **Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Ion Exchange Purified Drinking Water Pvt. Ltd. ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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

### **Auditor's Responsibility**

Our responsibility is to express an Opinion on these standalone Ind AS financial statements based on our audit.

In conducting 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 there under.



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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our unqualified audit opinion on the standalone Ind AS financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, 2019, and its profit/loss, total comprehensive Income/ loss, its cash flows and the changes in equity for the year ended on that date.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not qualified in respect of these matters.


#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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 and the reports of the other auditors
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.



- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiaries, associates and jointly controlled entities and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - 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].
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Khisti & Associates.,**  
Chartered Accountants

  
(CA Ashwini Sampat)  
Partner  
M.No.:149604  
FRN :128035W



Date: 24.05.2019  
Place: Thane

**KHISTI & ASSOCIATES**  
Chartered Accountants

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**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of ION EXCHANGE PURIFIED DRINKING WATER PVT LTD ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company 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, 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



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

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

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

#### 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, to the best of our information and according to the explanations given to us, 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, 2019, 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 Khisti & Associates  
Chartered Accountants



CA Ashwini Sampat  
Partner  
M No.149604  
FRN: 128035W  
Date: 24/05/2019  
Place: Thane



## **KHISTI & ASSOCIATES**

Chartered Accountants

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### Annexure B to the Auditors Report

**ANNEXURE B REFERRED TO THE PARAGRAPH 5 OF THE AUDITORS REPORT TO THE MEMBERS OF  
ION EXCHANGE PURIFIED DRINKING WATER PVT. LTD. ON THE ACCOUNTS FOR THE YEAR ENDED  
31st MARCH, 2019.**

- a) The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b) There are no immovable properties during the year held in the name of the company.
- c) As explained to us, the management has carried out physical verification of all the fixed assets at the end of the year which in our opinion is reasonable looking to the size of the company and its nature of its business. The physical verification of the fixed assets did not reveal any serious discrepancies between above referred book records and physical inventory.
- ii) The Inventories have been physically verified by the management at the end of the year. The discrepancies which is not material noticed between the physical stocks as verified by the management and book records have been properly dealt with in the books of accounts
- iii) According to the information and explanations given to us, the Company has not granted any loans to Companies, firms or other parties covered by clause (76) of Section 2 of the Companies Act, 2013
- iv) According to the information and explanations given to us, the company has not given any loans, investments or guarantees as per provisions of Section 185 and 186 of the Companies Act, 2013.
- v) According to the information and explanations given to us, the Company has not accepted any deposits during the year under audit.



vi) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks/financial institutions.

vii) According to the information and explanations given to us, the government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.

viii) According to the record of the Company and information and explanation given to us, Company has been generally regular in depositing undisputed statutory dues including provident fund, ESIC, Income Tax, Wealth Tax, Custom Duty, Excise Duty, Sales Tax, and other statutory dues with the appropriate authorities as applicable

b) On the basis of our examination of the documents and records, there are no disputed statutory dues on account of Income Tax, Wealth Tax, Custom Duty, Excise Duty, Sales Tax, and other statutory dues.

ix) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, the moneys raised through loans were applied for the purposes for which those were raised.

x) In our opinion and according to the information and explanations given to us, managerial remuneration paid are in accordance with the provisions of section 197 read with schedule V to the Companies Act.

xi) According to the information and explanations given to us, and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the Company during the year.

xii) The provisions of Nidhi Company is not applicable to the Company,

xiii) The Company has not made any preferential allotment of shares / private placement of shares or fully or partly convertible debentures during the year under review.

xiv) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the accounting standards and Companies Act, 2013.



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.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Khisti & Associates  
Chartered Accountants**



CA Ashwini Sampat  
Partner  
M No.149604  
FRN: 128035W



Date: 24/05/2019  
Place: Thane



**Ion Exchange Purified Drinking Water Private Limited**  
**Balance Sheet as at 31st March 2019**

|                                       | Notes | As at<br>31st March 2019<br>Rupees | As at<br>31st March 2018<br>Rupees |
|---------------------------------------|-------|------------------------------------|------------------------------------|
| <b>ASSETS</b>                         |       |                                    |                                    |
| <b>Non-current assets</b>             |       |                                    |                                    |
| (a) Property, plant and equipment     | 3     | 8,210,684                          | 9,077,755                          |
| (b) Financial assets                  |       |                                    |                                    |
| (i) Loans                             | 5     | 568,550                            | 568,551                            |
| (ii) Other Financial assets           | 9     | 70,331,942                         | 75,364,854                         |
| (c) Deferred Tax Assets (Net)         | 31    | 969,408                            |                                    |
| <b>Total non-current assets</b>       |       | <b>80,080,584</b>                  | <b>85,011,160</b>                  |
| <b>Current assets</b>                 |       |                                    |                                    |
| (a) Inventories                       | 7     | 6,801,987                          | 8,951,731                          |
| (b) Financial assets                  |       |                                    |                                    |
| (i) Trade receivables                 | 4     | 27,966,083                         | 18,444,257                         |
| (ii) Cash and cash equivalents        | 8     | 298,975                            | 990,240                            |
| (iii) Loans                           | 5     | 364,232                            |                                    |
| (iv) Other Financial assets           | 9     | 11,551,651                         | 11,551,652                         |
| (c) Other current assets              | 6     | 8,370,336                          | 7,561,410                          |
| <b>Total current assets</b>           |       | <b>55,353,264</b>                  | <b>47,499,290</b>                  |
| <b>Total assets</b>                   |       | <b>135,433,848</b>                 | <b>132,510,450</b>                 |
| <b>EQUITY AND LIABILITIES</b>         |       |                                    |                                    |
| <b>Equity</b>                         |       |                                    |                                    |
| (a) Equity share capital              | 10    | 100,000                            | 100,000                            |
| (b) Other equity                      | 11    | 3,553,309                          | (3,046,706)                        |
| <b>Total equity</b>                   |       | <b>3,653,309</b>                   | <b>(2,946,706)</b>                 |
| <b>Liabilities</b>                    |       |                                    |                                    |
| <b>Non-current liabilities</b>        |       |                                    |                                    |
| (a) Financial liabilities             |       |                                    |                                    |
| (i) Borrowings                        | 12    |                                    | 3,167,589                          |
| (b) Deferred tax liabilities (Net)    | 31    |                                    | 117,378                            |
| <b>Total non-current liabilities</b>  |       |                                    | <b>3,284,967</b>                   |
| <b>Current liabilities</b>            |       |                                    |                                    |
| (a) Financial liabilities             |       |                                    |                                    |
| (i) Borrowings                        | 13    | 97,656,529                         | 78,146,216                         |
| (ii) Trade payables                   | 14    | 21,760,806                         | 28,393,207                         |
| (iii) Other financial liabilities     | 15    | 3,432,398                          | 19,416,302                         |
| (b) Other current liabilities         | 16    | 8,385,188                          | 6,124,824                          |
| (c) Provisions                        | 18    | 212,615                            | 91,640                             |
| (d) Liabilities for current tax (Net) | 17    | 333,003                            |                                    |
| <b>Total current liabilities</b>      |       | <b>131,780,539</b>                 | <b>132,172,189</b>                 |
| <b>Total liabilities</b>              |       | <b>131,780,539</b>                 | <b>135,457,156</b>                 |
| <b>Total equity and liabilities</b>   |       | <b>135,433,848</b>                 | <b>132,510,450</b>                 |
| Significant accounting policies       | 1,2   |                                    |                                    |

The accompanying notes are an integral part of financial statements.

As per our report of even date

For Khisti & Associates  
Chartered Accountants  
ICAI Firm registration No. : 128035M

CA Ashwini Sampat  
Partner  
Membership No. 149604



For and on behalf of the Board of Directors of  
Ion Exchange Purified Drinking Water Private Limited  
CIN No. : U41000MH2019PTC248560

Ginesh Sadashivan  
Director  
DIN : 01688840

N. M. Ranadive  
Director  
DIN : 00274887

Place : Mumbai  
Date : 24 May 2019

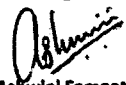
Place : Mumbai  
Date : 24 May 2019



**Ion Exchange Purified Drinking Water Private Limited**  
**Statement of Profit and loss for the Year ended 31st March 2019**

|   | Notes | Year ended<br>31st March 2019<br>Rupees | Year ended<br>31st March 2018<br>Rupees |
|---|-------|---|---|
| <b>Income</b>   |       |   |   |
| Revenue from operations   | 19    | 148,919,713                             | 144,447,589                             |
| Other income  | 20    | 6,518,740                               | 6,869,871                               |
| <b>Total Income</b>   |       | <b>155,438,453</b>                      | <b>151,317,460</b>                      |
| <b>Expenses</b>   |       |   |   |
| Cost of materials and components consumed                                       | 21    | 75,395,312                              | 68,916,373                              |
| Decrease in inventories of finished goods,<br>work-in-progress and traded goods | 22    | 2,453,811                               | 1,045,783                               |
| Employee benefits expense   | 23    | 1,211,304                               | 1,053,070                               |
| Finance costs   | 24    | 12,477,575                              | 16,193,942                              |
| Depreciation  | 25    | 867,073                                 | 160,017                                 |
| Other expenses  | 26    | 58,004,596                              | 59,624,692                              |
| <b>Total expenses</b>   |       | <b>150,409,671</b>                      | <b>146,993,877</b>                      |
| <b>Profit before tax</b>  |       | <b>5,028,782</b>                        | <b>4,323,583</b>                        |
| <b>Tax expense</b>  |       |   |   |
| Current tax including Previous year adjustment                                  |       | (484,446)                               | 472,806                                 |
| Deferred tax  |       | (1,086,787)                             | 774,898                                 |
| <b>Total tax expense</b>  |       | <b>(1,571,233)</b>                      | <b>1,247,704</b>                        |
| <b>Profit after tax</b>   |       | <b>6,600,015</b>                        | <b>3,075,879</b>                        |
| <b>Other Comprehensive Income</b>   |       |   |   |
| <b>Items that will not be reclassified to profit or loss</b>                    |       |   |   |
| (a) Remeasurement benefit of defined benefit plans                              |       |   |   |
| (b) Income tax expense on remeasurement benefit of defined benefit plans        |       |   |   |
| <b>Total Other Comprehensive Income</b>   |       | <b>-</b>                                | <b>-</b>                                |
| <b>Total Comprehensive Income</b>   |       | <b>6,600,015</b>                        | <b>3,075,879</b>                        |
| <b>Earnings per equity share:</b>   |       |   |   |
| (Nominal value of shares Rs. 10 (2018-2019 : Rs. 10))                           | 29    |   |   |
| Basic / Diluted   |       | 660                                     | 308                                     |
| Significant accounting policies   | 1,2   |   |   |
| The accompanying notes are an integral part of financial statements.            |       |   |   |

As per our report of even date  
For Khisti & Associates  
Chartered Accountants  
ICAI Firm registration No. : 128035

  
CA Ashwini Sampat  
Partner  
Membership No. 149604



For and on behalf of the Board of Directors of  
Ion Exchange Purified Drinking Water Private Limited  
CIN No. : U41000MH2013PTC248560

  
Dipesh Sadashivan  
Director  
DIN : 01688840

  
N. M. Ranadive  
Director  
DIN : 00274887

Place : Mumbai  
Date : 24 May 2019

Place : Mumbai  
Date : 24 May 2019



**Ion Exchange Purified Drinking Water Private Limited**  
**Statement of changes In Equity for the Year ended 31st March 2019**

**A. Equity share capital**

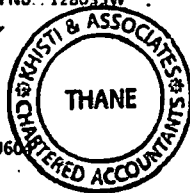
|   | 2018-19          |         | 2017-18          |         |
|---|------------------|---------|------------------|---------|
|   | Number of shares | Rupees  | Number of shares | Rupees  |
| Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year | 10,000           | 100,000 | 10,000           | 100,000 |
| Add: Shares issued  | -                | -       | -                | -       |
| Issued, subscribed and fully paid up equity shares outstanding at the end of the year       | 10,000           | 100,000 | 10,000           | 100,000 |

**B. Other equity**

|   | Reserve and Surplus |                   |                    |
|---|---------------------|-------------------|--------------------|
|   | Capital reserve     | Retained earnings | Total other equity |
|   | Rupees              | Rupees            | Rupees             |
| Balance as as 1st April 2017            | 3,801,000           | (9,973,586)       | (6,172,586)        |
| Profit for the year                     | -                   | 3,075,880         | 3,075,880          |
| Total comprehensive income for the year | -                   | 3,075,880         | 3,075,880          |
| Balance as as 31st March 2018           | 3,801,000           | (6,847,706)       | (3,046,706)        |
| Profit for the year                     | -                   | 6,600,015         | 6,600,015          |
| Total comprehensive income for the year | -                   | 6,600,015         | 6,600,015          |
| Balance as as 31st March 2019           | 3,801,000           | (247,691)         | 3,553,309          |

As per our report of even date  
 For Khisti & Associates  
 Chartered Accountants  
 ICAI Firm registration No. : 128035W

CA Ashwini Sampat  
 Partner  
 Membership No. 14960



*(Signature)*  
 Dinesh Sadashivan  
 Director  
 DIN : 01688840

*(Signature)*  
 N. M. Ranadive  
 Director  
 DIN : 00274887

Place : Mumbai  
 Date : 24 May 2019

Place : Mumbai  
 Date : 24 May 2019



**Ion Exchange Purified Drinking Water Private Limited**  
**Cash Flow Statement for the Year ended 31st March 2019**

|   | Year ended<br>31st March 2019<br>Rupees | Year ended<br>31st March 2018<br>Rupees |
|---|---|---|
| <b>A. Cash flow from operating activities:</b>                            |   |   |
| Net profit/(loss) before tax as per statement of profit and loss          | 5,028,782                               | 4,323,583                               |
| Adjustment to reconcile profit before tax to net cash flows:              |   |   |
| Depreciation and amortization expense                                     | 867,073                                 | 160,017                                 |
| Finance cost  | 12,477,575                              | 16,193,942                              |
| <b>Operating Profit before working capital changes</b>                    | <b>18,373,430</b>                       | <b>20,677,542</b>                       |
| Adjustments for:  |   |   |
| Decrease / (Increase) in trade receivables                                | (9,521,826)                             | 36,739,600                              |
| Decrease in Other Financial Assets (Receivable from Concession Agreement) | 5,032,913                               | 4,681,780                               |
| Decrease in Inventories   | 2,149,744                               | 2,956,425                               |
| Decrease in loans and advances & Other current Assets                     | 568,847                                 | 3,763,429                               |
| (Decrease)/Increase in trade payables                                     | (6,632,401)                             | 6,815,594                               |
| Decrease / Increase in other liabilities                                  | 2,420,349                               | (401,584)                               |
| <b>Cash generated from operations</b>                                     | <b>12,391,056</b>                       | <b>75,232,786</b>                       |
| (Taxes paid)  | (924,556)                               | (52,989)                                |
| <b>Net cash generated from operating activities (A)</b>                   | <b>11,466,500</b>                       | <b>75,179,797</b>                       |
| <b>B. Cash flow from investing activities:</b>                            |   |   |
| Purchase of fixed assets  | -                                       | (12,500)                                |
| <b>Net cash used in investing activities (B)</b>                          | <b>-</b>                                | <b>(12,500)</b>                         |
| <b>C. Cash flow from financing activities:</b>                            |   |   |
| Repayment of borrowings   | (19,004,880)                            | (19,004,880)                            |
| Loan from Holding Company   | 19,510,313                              | -                                       |
| Repayment of Loan from Holding Company                                    | -                                       | (44,431,954)                            |
| Finance cost  | (12,663,198)                            | (16,379,565)                            |
| <b>Net cash (Used) in financing activities (C)</b>                        | <b>(12,157,764)</b>                     | <b>(79,816,399)</b>                     |
| <b>Net (Decrease) in cash and cash equivalents (A)+(B)+(C)</b>            | <b>(691,264)</b>                        | <b>(4,649,103)</b>                      |
| <b>Cash and cash equivalents as at the beginning of the year</b>          | <b>990,240</b>                          | <b>5,639,343</b>                        |
| <b>Cash and cash equivalents as at the end of the year</b>                | <b>298,975</b>                          | <b>990,240</b>                          |

**Notes:**

The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7)-Statement of Cash Flow.


For Khisti & Associates  
Chartered Accountants  
(CAI Firm registration No. : 128035W)

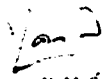
  
CA Ashwini Sampat  
Partner  
Membership No. 149604



Place : Mumbai  
Date : 24 May 2019

For and on behalf of the Board of Directors of  
Ion Exchange Purified Drinking Water Private Limited  
CIN No. : U41000MH2013PTC248560

  
Dipesh Sadashivan  
Director  
DIN : 01688840

  
N. M. Ranadive  
Director  
DIN : 00274887

Place : Mumbai  
Date : 24 May 2019



**Ion Exchange Purified Drinking Water Private Limited**  
**Notes to financial statements for the Year ended 31st March 2019 (contd.)**

**1. Overview of the company**

The company has entered into a service concession arrangement with Indian Railways Catering and Tourism Corporation Limited ("IRCTC") the Regulator, to construct, operate and maintain a packaged drinking water plant ("The Plant")

Under the terms of agreement, entered in Dec 2013 the Company will construct, operate and maintain the Plant and supply packaged drinking water (PDW) in PET bottles exclusively to Regulator for the period starting on the commercial operation date i.e. 20-12-2013 and ending on 30-09-2029 i.e for a period of 15 years and 9 months.

The plant will be transferred to IRCTC at the end of the service concession period.

**2. Significant accounting policies**

**1.1 Basis of preparation**

**a) Statement of compliance**

The company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of sections 133 read with sub-section (1) of Section 210A of the Companies Act, 1956 (1 of 1956). In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act.

**b) Functional and presentation currency**

These standalone financial statements are presented in Indian rupees, which is also the Company's functional currency.

**c) Basis of measurement**

The standalone financial statements have been prepared on a historical cost basis.

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

**1.2 Use of estimates**

The preparation of the standalone financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**1.3 Measurement of fair values**

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

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



## Ion Exchange Purified Drinking Water Private Limited

### Notes to financial statements for the Year ended 31st March 2019 (contd.)

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

#### 1.4 Summary of significant accounting policies

##### a) Property, plant and equipment and depreciation

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

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

| Assets                 | Useful lives |
|------------------------|--------------|
| Plant and Machinery    | 11.5 Years   |
| Furniture and Fixtures | 10 Years     |
| Office Equipments      | 5 Years      |
| Computer               | 3 Years      |

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

##### b) Impairment

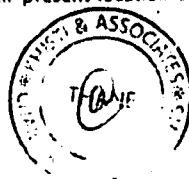
Impairment loss, if any, is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal/external factors. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at end of its useful life. In assessing value in use, the present value is discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Net selling price is the amount obtainable from sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

##### b) Inventories

Inventories are valued at lower of cost and net realizable value.

Cost of raw materials, components, stores and spares are computed on a weighted average basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost of work-in-progress includes cost of raw material and components, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is computed on weighted average basis.



**Ion Exchange Purified Drinking Water Private Limited**  
**Notes to financial statements for the Year ended 31st March 2019 (contd.)**

Cost of finished goods includes cost of raw material and components, cost of conversion, other costs including manufacturing overheads incurred in bringing the inventories to their present location/condition. Cost is computed on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**c) Accounting of GST :**

The company follows on a consistent basis, the "non-inclusive" method of accounting for GST

**d) Retirement and Other Employee Benefits:**

- (i) Retirement Benefits in the form of Provident Fund are defined contribution schemes and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable.
- (ii) Gratuity Liability is defined benefit obligation on undiscounted basis as per the provision of Gratuity Act, 1972.
- (iii) Short Term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered. Long term compensated absences are provided on undiscounted basis at the end of each financial year. The company presents these leave liability as current liability in balance sheet.

**e) Revenue Recognition:**

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

Sales are accounted for exclusive of GST. Sale of goods is recognized when the property and all significant risks and reward of ownership is transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods.

**Income from Services:**

Revenue from Service is recognized on completion of services. Service income is accounted net of GST.

**f) Financial Instruments**

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

**A. Financial assets**

**(i) Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

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

**(ii) Subsequent measurement**

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



**Ion Exchange Purified Drinking Water Private Limited**  
**Notes to financial statements for the Year ended 31st March 2019 (contd.)**

a) **At amortized cost,**

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

b) **At fair value through other comprehensive income (FVTOCI), and**

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

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

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

**(iii) Impairment of financial assets**

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

**(iv) De-recognition**

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

(i) **Financial liabilities**

**(i) Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities classified at amortised cost, net of directly attributable transaction costs.

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

**(ii) De-recognition**

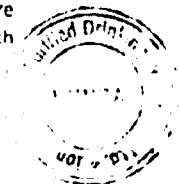
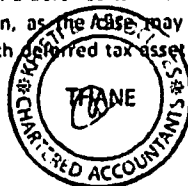
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

**g) Taxation:**

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

(ii) Deferred tax is recognized, subject to the consideration of prudence, on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

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





**Ion Exchange Purified Drinking Water Private Limited**

**Notes to financial statements for the Year ended 31st March 2019 (contd.)**

write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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

**h) Provisions and Contingent Liabilities:**

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

**i) Earnings Per Share:**

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

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

**j) Cash and cash equivalents:**

Cash and Cash equivalents in the Cash Flow statement comprise Cash at Bank and in hand.

**k) Borrowing cost**

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

**l) Segment reporting policies**

Company operates in one segment.



**Ion Exchange Purified Drinking Water Private Limited**  
**Notes to financial statements for the Year ended 31st March 2019 (contd.)**

**3. Property, plant and equipment and capital work-in-progress**

|   | Rupees            |                      |                |                   |                  |
|---|-------------------|----------------------|----------------|-------------------|------------------|
|   | Plant & Machinery | Furniture & Fixtures | Computers      | Office Equipments | Total            |
| <b>Gross block</b>                              |                   |                      |                |                   |                  |
| As at 1st April 2018                            | 8,574,374         | 440,284              | 172,804        | 335,128           | 9,522,590        |
| Addition during the year                        |                   |                      |                |                   |                  |
| Disposal during the year                        |                   |                      |                |                   |                  |
| <b>As at 31st March 2019</b>                    | <b>8,574,374</b>  | <b>440,284</b>       | <b>172,804</b> | <b>335,128</b>    | <b>9,522,590</b> |
| <b>Depreciation</b>                             |                   |                      |                |                   |                  |
| As at 1st April 2018                            |                   | 102,676              | 162,379        | 179,778           | 444,833          |
| Depreciation during the year                    | 745,596           | 44,028               | 10,425         | 67,024            | 867,073          |
| Deduction during the year                       |                   |                      |                |                   |                  |
| <b>As at 31st March 2019</b>                    | <b>745,596</b>    | <b>146,704</b>       | <b>172,804</b> | <b>246,802</b>    | <b>1,311,906</b> |
| <b>Net carrying value as at 31st March 2019</b> | <b>7,828,778</b>  | <b>293,580</b>       | <b>-</b>       | <b>88,326</b>     | <b>8,210,684</b> |
| As at 1st April 2017                            | 8,574,374         | 440,284              | 172,804        | 322,628           | 9,510,090        |
| Addition during the year                        |                   |                      |                | 12,500            | 12,500           |
| Disposal during the year                        |                   |                      |                |                   |                  |
| <b>As at 31st March 2018</b>                    | <b>8,574,374</b>  | <b>440,284</b>       | <b>172,804</b> | <b>335,128</b>    | <b>9,522,590</b> |
| <b>Depreciation</b>                             |                   |                      |                |                   |                  |
| As at 1st April 2017                            |                   | 58,647               | 113,208        | 112,961           | 284,816          |
| Depreciation during the year                    |                   | 44,029               | 49,171         | 66,817            | 160,017          |
| Deduction during the year                       |                   |                      |                |                   |                  |
| <b>As at 31st March 2018</b>                    | <b>-</b>          | <b>102,676</b>       | <b>162,379</b> | <b>179,778</b>    | <b>444,833</b>   |
| <b>Net carrying value as at 31st March 2018</b> | <b>8,574,374</b>  | <b>337,608</b>       | <b>10,425</b>  | <b>155,350</b>    | <b>9,077,757</b> |



**Ion Exchange Purified Drinking Water Private Limited**  
**Notes to financial statements for the Year ended 31st March 2019 (contd.)**

**4. Trade Receivables**

|  | Non-current              |                          | Current                  |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
|  | As at<br>31st March 2019 | As at<br>31st March 2018 | As at<br>31st March 2019 | As at<br>31st March 2018 |
|  | Rupees                   | Rupees                   | Rupees                   | Rupees                   |
| Trade receivables                            |                          |                          |                          |                          |
| (a) Unsecured, considered good               |                          |                          | 27,966,083               | 18,444,257               |
| (b) Unsecured, considered doubtful           |                          |                          | 27,966,083               | 18,444,257               |
| Less: Allowance for unsecured doubtful debts |                          |                          | 27,966,083               | 18,444,257               |

**5. Loans**

|                                     | Non-current              |                          | Current                  |                          |
|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                                     | As at<br>31st March 2019 | As at<br>31st March 2018 | As at<br>31st March 2019 | As at<br>31st March 2018 |
|                                     | Rupees                   | Rupees                   | Rupees                   | Rupees                   |
| Tender, security and other deposits | 568,550                  | 568,550                  |                          |                          |
| Claims receivables                  |                          |                          | 325,070                  |                          |
| Advance to employees                |                          |                          | 39,162                   |                          |
|                                     | 568,550                  | 568,550                  | 364,232                  |                          |

**6. Other assets**

|                                     | Non-current              |                          | Current                  |                          |
|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                                     | As at<br>31st March 2019 | As at<br>31st March 2018 | As at<br>31st March 2019 | As at<br>31st March 2018 |
|                                     | Rupees                   | Rupees                   | Rupees                   | Rupees                   |
| Balance with statutory authorities  |                          |                          | 687,383                  | 1,017,791                |
| Advance to suppliers                |                          |                          | 118,855                  | 130,751                  |
| Prepaid expenses                    |                          |                          | 5,370,119                | 5,960,895                |
| IT Deducted at Source & Advance Tax |                          |                          |                          | 67,254                   |
| MAT Credit                          |                          |                          | 2,193,979                | 384,720                  |
|                                     |                          |                          | 8,370,336                | 7,561,411                |



**Ion Exchange Purified Drinking Water Private Limited**  
**Notes to financial statements for the Year ended 31st March 2019 (contd.)**

**7. Inventories**

|                              | As at            | As at            |
|------------------------------|------------------|------------------|
|                              | 31st March 2019  | 31st March 2018  |
|                              | Rupees           | Rupees           |
| Raw materials and components | 2,176,446        | 2,129,290        |
| Finished goods               | 3,455,311        | 5,909,122        |
| Stores and spares            | 1,170,230        | 913,319          |
|                              | <b>6,801,987</b> | <b>8,951,731</b> |

**8. Cash and cash equivalents**

|                     | As at           | As at           |
|---------------------|-----------------|-----------------|
|                     | 31st March 2019 | 31st March 2018 |
|                     | Rupees          | Rupees          |
| Balances with banks |                 |                 |
| On current accounts | 298,975         | 990,240         |
| Cash on hand        | -               | -               |
|                     | <b>298,975</b>  | <b>990,240</b>  |



**Ion Exchange Purified Drinking Water Private Limited**  
**Notes to financial statements for the Year ended 31st March 2019 (contd.)**

**9. Other Financial assets**

|                                      | Non-current       |                   | Current           |                   |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                      | As at             | As at             | As at             | As at             |
|                                      | 31st March 2019   | 31st March 2018   | 31st March 2019   | 31st March 2018   |
|                                      | Rupees            | Rupees            | Rupees            | Rupees            |
| Receivable from Concession Agreement | 70,331,942        | 75,364,854        | 11,551,651        | 11,551,651        |
|                                      | <b>70,331,942</b> | <b>75,364,854</b> | <b>11,551,651</b> | <b>11,551,651</b> |



**Ion Exchange Purified Drinking Water Private Limited**  
**Notes to financial statements for the Year ended 31st March 2019 (contd.)**

**10. Equity share capital**

|   | As at<br>31st March 2019 |           | As at<br>31st March 2018 |           |
|---|--------------------------|-----------|--------------------------|-----------|
|   | No. of shares            | Rupees    | No of shares             | Rupees    |
| <b>Authorised capital</b>                           |                          |           |                          |           |
| Equity shares of Rs. 10 each.                       | 100,000                  | 1,000,000 | 100,000                  | 1,000,000 |
| <b>Issued, subscribed and fully paid-up capital</b> |                          |           |                          |           |
| Equity shares of Rs. 10 each.                       | 10,000                   | 100,000   |                          |           |
|   |                          | 100,000   |                          |           |

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

|                              | As at<br>31st March 2019 |         | As at<br>31st March 2018 |         |
|------------------------------|--------------------------|---------|--------------------------|---------|
|                              | No of shares             | Rupees  | No of shares             | Rupees  |
| At the beginning of the year | 10,000                   | 100,000 | 10,000                   | 100,000 |
| At the end of the year       | 10,000                   | 100,000 | 10,000                   | 100,000 |

**(b) Terms / rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holder 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.

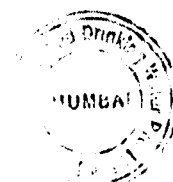
**(c) Shares held by holding/ultimate holding company and/or their subsidiaries/associates**

|  | 31st March 2019<br>Rupees | 31st March 2018<br>Rupees |
|--|---------------------------|---------------------------|
| Ion Exchange (India) Ltd., the holding Company and its nominees<br>10,000 Equity Shares of Rs.10 each fully paid | 100,000                   | 100,000                   |

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

|  | 31st March 2019 |              | 31st March 2018 |                  |
|--|-----------------|--------------|-----------------|------------------|
|  | No. of shares   | % holding in | No. of shares   | % holding in the |
| Equity Shares of Rs.10/- each fully paid<br>Ion Exchange (India) Ltd., the holding Company | 10,000          | 100%         | 10,000          | 100%             |

As per records of the company, including its register of share holders/members and other declarations received from shareholders regarding beneficial interest, the above share holding represents both legal & beneficial ownership of shares



**Ion Exchange Purified Drinking Water Private Limited**  
**Notes to financial statements for the Year ended 31st March 2019 (contd.)**

**11. Other equity**

|  | As at<br>31st March 2019<br>Rupees | As at<br>31st March 2018<br>Rupees |
|--|------------------------------------|------------------------------------|
| <b>Capital Reserve</b>                           |                                    |                                    |
| Balance as at the beginning & at the end of year | 3,801,000                          | 3,801,000                          |
|  | 3,801,000                          | 3,801,000                          |
| <b>Retained earnings</b>                         |                                    |                                    |
| Balance as at April 1                            | (6,847,706)                        | (9,923,586)                        |
| Profit for the year                              | 6,600,015                          | 3,075,880                          |
|  | (247,691)                          | (6,847,706)                        |
|  | 3,553,309                          | (3,046,706)                        |



**Ion Exchange Purified Drinking Water Private Limited**  
**Notes to financial statements for the Year ended 31st March 2019 (contd.)**

**12. Borrowings**

|  | Non-current                        |                                    | Current                            |                                    |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|  | As at<br>31st March 2019<br>Rupees | As at<br>31st March 2018<br>Rupees | As at<br>31st March 2019<br>Rupees | As at<br>31st March 2018<br>Rupees |
| <b>Term loans (Secured)</b>  |                                    |                                    |                                    |                                    |
| Term Loan from Bank<br>(Secured) (Refer note below)                | -                                  | 3,167,589                          | 3,167,589                          | 19,004,880                         |
|  | -                                  | 3,167,589                          | 3,167,589                          | 19,004,880                         |
| <b>The above amount includes</b>                                   |                                    |                                    |                                    |                                    |
| Secured borrowings   | -                                  | 3,167,589                          | 3,167,589                          | 19,004,880                         |
| Unsecured borrowings   | -                                  | -                                  | -                                  | -                                  |
| Amount included under the<br>head "Other financial<br>liabilities" | -                                  | -                                  | (3,167,589)                        | (19,004,880)                       |
|  | -                                  | 3,167,589                          | -                                  | -                                  |

Note :-

Indian rupee loan taken from bank for a specific project carrying interest @11.50% p.a. The loan is repayable in equal installment within a period of 60 months from the date of first disbursement 22.05.2014, with a initial moratorium of 12 months. The loan is secured by charge on receivables, current assets and movable fixed assets.

It is also secured by corporate gurantee of Rs. 7,60,20,000 and lien marked fixed deposit of Rs. 50,00,000 placed with Yes bank by Holding Company Ion Exchange (India) Limited.





**Ion Exchange Purified Drinking Water Private Limited**  
**Notes to financial statements for the Year ended 31st March 2019 (contd.)**

**13. Borrowings - current**

|   | As at<br>31st March 2019<br>Rupees | As at<br>31st March 2018<br>Rupees |
|---|------------------------------------|------------------------------------|
| - from related parties                            | 97,656,529                         | 78,146,216                         |
|   | <b>97,656,529</b>                  | <b>78,146,216</b>                  |
| The above amount includes<br>Unsecured borrowings | 97,656,529                         | 78,146,216                         |
|   | <b>97,656,529</b>                  | <b>78,146,216</b>                  |

**14. Trade payables**

|                | As at<br>31st March 2019<br>Rupees | As at<br>31st March 2018<br>Rupees |
|----------------|------------------------------------|------------------------------------|
| Trade payables | 21,760,806                         | 28,393,207                         |
|                | <b>21,760,806</b>                  | <b>28,393,207</b>                  |

**15. Other financial liabilities**

|  | As at<br>31st March 2019<br>Rupees | As at<br>31st March 2018<br>Rupees |
|--|------------------------------------|------------------------------------|
| Current maturities of long term borrowings | 3,167,589                          | 19,004,880                         |
| Interest accrued but not due               | 41,421                             | 227,044                            |
| Employee benefits payable                  | 223,388                            | 184,378                            |
|  | <b>3,432,398</b>                   | <b>19,416,302</b>                  |

**16. Other current liabilities**

|                                | As at<br>31st March 2019<br>Rupees | As at<br>31st March 2018<br>Rupees |
|--------------------------------|------------------------------------|------------------------------------|
| Statutory dues                 | 2,450,688                          | 1,184,084                          |
| Audit Fess Payable             | 30,000                             | 30,000                             |
| Loans and advance to employees |                                    | 6,240                              |
| Deposits                       | 5,904,500                          | 4,904,500                          |
|                                | <b>8,385,188</b>                   | <b>6,124,824</b>                   |

**17. Tax Liabilities**

|                                | As at<br>31st March 2019<br>Rupees | As at<br>31st March 2018<br>Rupees |
|--------------------------------|------------------------------------|------------------------------------|
| Provision for income tax (Net) | 333,003                            | -                                  |
|                                | <b>333,003</b>                     | <b>-</b>                           |



**Ion Exchange Purified Drinking Water Private Limited**  
**Notes to financial statements for the Year ended 31st March 2019 (contd.)**

**18. Provisions**

|                                 | Current                            |                                    |
|---------------------------------|------------------------------------|------------------------------------|
|                                 | As at<br>31st March 2019<br>Rupees | As at<br>31st March 2018<br>Rupees |
| Provision for employee benefits | 212,615                            | 91,640                             |
|                                 | <b>212,615</b>                     | <b>91,640</b>                      |

**19. Revenue from operations**

|                                 | Year ended<br>31st March 2019<br>Rupees | Year ended<br>31st March 2018<br>Rupees |
|---------------------------------|---|---|
|                                 | <b>Revenue from operations</b>          |   |
| <b>Sale of products</b>         |   |   |
| Finished goods                  | 117,803,111                             | 118,746,046                             |
| <b>Sale of services</b>         |   |   |
| CFA                             | 20,010,446                              | 15,757,336                              |
| Transportation                  | 10,809,637                              | 9,568,969                               |
| <b>Others operating revenue</b> |   |   |
| Scrap sale                      | 296,519                                 | 375,238                                 |
| <b>Revenue from operations</b>  | <b>148,919,713</b>                      | <b>144,447,589</b>                      |

**20. Other Income**

|                 | Year ended<br>31st March 2019<br>Rupees | Year ended<br>31st March 2018<br>Rupees |
|-----------------|---|---|
|                 | From others                             | 6,518,740                               |
| Interest Income | 6,518,740                               | 6,869,871                               |



**21. Cost of raw material and components consumed**

|  | Year ended<br>31st March 2019<br>Rupees | Year ended<br>31st March 2018<br>Rupees |
|--|---|---|
| Inventory at the beginning of the year                 | 2,129,290                               | 4,406,047                               |
| Add: Purchases   | 75,442,468                              | 66,639,616                              |
| Less: Inventory at the end of the year                 | 2,176,446                               | 2,129,290                               |
| <b>Cost of raw material and components consumed **</b> | <b>75,395,312</b>                       | <b>68,916,373</b>                       |

\*\* The Value of Raw Materials consumed has been arrived at on basis of Opening Stocks plus Purchases less Closing Stock. The consumption therefore includes adjustments for materials sold, shortage / excess and obsolescence

**22. Decrease In Inventories**

|   | Year ended<br>31st March 2019<br>Rupees | Year ended<br>31st March 2018<br>Rupees |
|---|---|---|
| <b>Inventories at the end of the year</b>       |   |   |
| Finished goods                                  | 3,455,311                               | 5,909,122                               |
| Contract work-in-progress                       |   |   |
|   | <b>3,455,311</b>                        | <b>5,909,122</b>                        |
| <b>Inventories at the beginning of the year</b> |   |   |
| Finished goods                                  | 5,909,122                               | 6,954,905                               |
|   | 5,909,122                               | 6,954,905                               |
|   | <b>2,453,811</b>                        | <b>1,045,783</b>                        |



**Ion Exchange Purified Drinking Water Private Limited**  
**Notes to financial statements for the Year ended 31st March 2019 (contd.)**

**23. Employee benefits expense**

|   | Year ended<br>31st March 2019<br>Rupees | Year ended<br>31st March 2018<br>Rupees |
|---|---|---|
| Salaries, wages and bonus                 | 1,016,113                               | 889,829                                 |
| Contribution to provident and other funds | 98,039                                  | 49,428                                  |
| Staff welfare expense                     | 97,152                                  | 113,813                                 |
|   | <b>1,211,304</b>                        | <b>1,053,070</b>                        |

**24. Finance costs**

|                  | Year ended<br>31st March 2019<br>Rupees | Year ended<br>31st March 2018<br>Rupees |
|------------------|---|---|
| Interest expense | 12,477,575                              | 16,193,942                              |
|                  | <b>12,477,575</b>                       | <b>16,193,942</b>                       |

**25. Depreciation and amortisation expense**

|   | Year ended<br>31st March 2019<br>Rupees | Year ended<br>31st March 2018<br>Rupees |
|---|---|---|
| Depreciation and amortisation of property, plant and equipment (Refer note 3) | 867,073                                 | 160,017                                 |
|   | <b>867,073</b>                          | <b>160,017</b>                          |



**Ion Exchange Purified Drinking Water Private Limited**  
**Notes to financial statements for the Year ended 31st March 2019 (contd.)**

**26. Other expenses**

|  | Year ended<br>31st March 2019<br>Rupees | Year ended<br>31st March 2018<br>Rupees |
|--|---|---|
| Stores and spare parts consumed                | 1,197,994                               | 613,153                                 |
| Power and fuel                                 | 10,329,206                              | 10,246,433                              |
| Repairs and Maintenance - Buildings            | -                                       | -                                       |
| - Plant and machinery                          | 6,405                                   | -                                       |
| - Others                                       | 96,000                                  | 107,829                                 |
| Rent   | 5,451,969                               | 5,126,579                               |
| Rates and taxes                                | 22,500                                  | 2,500                                   |
| Insurance                                      | 129,511                                 | 108,998                                 |
| Travelling and conveyance                      | 67,351                                  | 55,290                                  |
| Freight  | 10,342,271                              | 8,880,803                               |
| Advertisement and publicity                    | 87,975                                  | -                                       |
| Excise Duty                                    | -                                       | 7,239,948                               |
| Carrying And Forwarding Charges                | 16,693,855                              | 14,410,085                              |
| Legal and professional charges                 | 83,500                                  | 111,750                                 |
| Telephone and telex                            | 146,924                                 | 138,498                                 |
| Auditors' remuneration (Refer note 24.1)       | 30,000                                  | 38,000                                  |
| Bank charges                                   | 533,056                                 | 638,807                                 |
| corporate Gurantee Charges                     | 760,200                                 | 760,200                                 |
| Establishment and other miscellaneous expenses | 12,025,879                              | 11,145,719                              |
|  | <b>58,004,596</b>                       | <b>59,624,692</b>                       |

**26.1 Auditors' remuneration (excluding taxes)**

|                                       | Year ended<br>31st March 2019<br>Rupees | Year ended<br>31st March 2018<br>Rupees |
|---------------------------------------|---|---|
| <b>As auditor:</b>                    |   |   |
| - Audit fees                          | 30,000                                  | 15,000                                  |
| - Tax audit fees                      | -                                       | 15,000                                  |
| <b>In other capacity:</b>             |   |   |
| - Other services (Certification fees) | -                                       | 8,000                                   |
|                                       | <b>30,000</b>                           | <b>38,000</b>                           |



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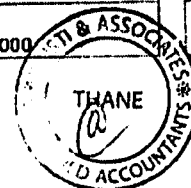
**Ion Exchange Purified Drinking Water Private Limited**  
**Notes to financial statements for the Year ended 31st March 2019 (contd.)**

**27. Related Party Disclosure (As Identified by the Management)**

| Where control exists        |  |
|-----------------------------|--|
| a) Holding Company          | Ion Exchange (India) Limited                                     |
| b) Key management Personnel | Mr. Dinesh Sadashivan<br>Mr. N. M. Ranadive<br>Mr. A. K. Bharati |

**Transactions during the year with Related Parties (Referred to in (a) above :**

| Nature of Transactions                                     | 2018-2019           | Amount in Rs.       |
|--|---------------------|---------------------|
|  |                     | 2017-2018           |
| <b>Interest paid on Loans &amp; Advances</b>               |                     |                     |
| Ion Exchange (India) Limited                               | 1,08,51,792         | 1,24,88,720         |
| <b>Total</b>   | <b>1,08,51,792</b>  | <b>1,24,88,720</b>  |
| <b>Loans &amp; Advances Received</b>                       |                     |                     |
| Ion Exchange (India) Limited                               | 17,11,23,783        | 19,08,87,573        |
| <b>Total</b>   | <b>17,11,23,783</b> | <b>19,08,87,573</b> |
| <b>Loans &amp; Advances Repaid</b>                         |                     |                     |
| Ion Exchange (India) Limited                               | 15,16,13,471        | 11,87,55,946        |
| <b>Total</b>   | <b>15,16,13,471</b> | <b>11,87,55,946</b> |
| <b>Loans &amp; Advances (Outstanding)</b>                  |                     |                     |
| Ion Exchange (India) Limited                               | 9,76,56,529         | 7,81,46,217         |
| <b>Total</b>   | <b>9,76,56,529</b>  | <b>7,81,46,217</b>  |
| <b>Outstanding Payables excluding Loans &amp; Advances</b> |                     |                     |
| Ion Exchange (India) Limited                               | -                   | 3,14,495            |
| <b>Total</b>   | <b>-</b>            | <b>3,14,495</b>     |
| <b>Corporate Gurantee given by the holding company</b>     |                     |                     |
| Ion Exchange (India) Limited                               | 7,60,20,000         | 7,60,20,000         |
| <b>Total</b>   | <b>7,60,20,000</b>  | <b>7,60,20,000</b>  |
| <b>Corporate Gurantee outstanding</b>                      |                     |                     |
| Ion Exchange (India) Limited                               | 7,60,20,000         | 7,60,20,000         |
| <b>Total</b>   | <b>7,60,20,000</b>  | <b>7,60,20,000</b>  |



**Ion Exchange Purified Drinking Water Private Limited**  
**Notes to financial statements for the Year ended 31st March 2019 (contd.)**

**28. Service concession arrangement**

The company has entered into a service concession arrangement with Indian Railways Catering and Tourism Corporation Limited ("IRCTC") the Regulator, to construct, operate and maintain a packaged drinking water plant ("The Plant")

Under the terms of agreement, the Company will construct, operate and maintain the Plant and supply packaged drinking water (PDW) in PET bottles exclusively to Regulator for the period starting on the commencement date i.e 20-12-2013 and ending on 30-09-2029. The plant will be transferred to IRCTC at the end of the service concession period. The Company in turn has a right to charge the Regulator at the agreed rate as stated in the service concession arrangement. Further, IRCTC has assured minimum sales volume during the concession period.

**29. Earnings per share (EPS)**

|     | 31st<br>2019  | March | 31st<br>2018 | March |
|-----|---|-------|--------------|-------|
|     | Rupees  |       | Rupees       |       |
| I   | Net Profit / (Loss) as per the statement of profit and loss available for equity shareholders for Basic EPS (in Rupees) |       |              |       |
|     | 66,00,015   |       | 30,75,879    |       |
| II  | Number of equity shares for earnings per share computation  |       |              |       |
|     | A) For basic earnings per share   |       |              |       |
|     | No. of equity share outstanding   |       |              |       |
|     | 10,000  |       | 10,000       |       |
|     | B) For diluted earnings per share   |       |              |       |
|     | No. of equity share outstanding   |       |              |       |
|     | 10,000  |       | 10,000       |       |
| III | Earnings per share in Rupees  |       |              |       |
|     | Basic   |       |              |       |
|     | 660   |       | 308          |       |
|     | Diluted   |       |              |       |
|     | 660   |       | 308          |       |

**30. Financial instruments**

Financial instruments – Fair values and risk management

**A. Accounting classification and fair values**

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



**Ion Exchange Purified Drinking Water Private Limited**  
**Notes to financial statements for the Year ended 31st March 2019 (contd.)**

|  | As at 31st March 2019 |  |          | As at 31st March 2018 |  |           |
|--|-----------------------|--|----------|-----------------------|--|-----------|
|  | Carrying amount       | Fair value<br>Level of input used in<br>Level 1      Level 2 |          | Carrying amount       | Fair value<br>Level of input used in<br>Level 1      Level 2 |           |
| <b>Financial assets - Non-current</b>      |                       |  |          |                       |  |           |
| <b>At amortised cost</b>                   |                       |  |          |                       |  |           |
| Loans                                      | 5,68,550              |  | 5,68,550 | 5,68,550              |  | 5,68,550  |
| Receivable from concession agreement       | 8,18,83,593           |  |          | 8,69,16,505           |  |           |
| <b>Financial assets - Current</b>          |                       |  |          |                       |  |           |
| <b>At amortised cost</b>                   |                       |  |          |                       |  |           |
| Trade receivables                          | 2,79,66,083           |  |          | 1,84,44,257           |  |           |
| Cash and cash equivalents                  | 2,98,975              |  |          | 9,90,240              |  |           |
| Loans                                      |                       |  |          |                       |  |           |
| Others                                     | 83,70,336             |  |          | 75,61,411             |  |           |
| <b>Financial liabilities - Non-current</b> |                       |  |          |                       |  |           |
| <b>At amortised cost</b>                   |                       |  |          |                       |  |           |
| Borrowings                                 |                       |  |          | 31,67,589             |  | 31,67,589 |
| <b>Financial liabilities - Current</b>     |                       |  |          |                       |  |           |
| Borrowings                                 | 9,76,56,529           |  |          | 7,81,46,216           |  |           |
| Trade payables                             | 2,17,60,806           |  |          | 2,83,93,207           |  |           |
| Other financial liabilities                | 34,32,398             |  |          | 1,94,16,302           |  |           |

**B. Measurement of fair values**

Valuation techniques and significant unobservable inputs.

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

| Type   | Valuation technique  |
|--|--|
| Noncurrent financial assets and liabilities measured at amortised cost | Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate. |

Financial instruments measured at fair value

**C. Financial risk management**

**(i) Liquidity risk**

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





**Ion Exchange Purified Drinking Water Private Limited**  
**Notes to financial statements for the Year ended 31st March 2019 (contd.)**

**Exposure to liquidity risk**

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

As at 31<sup>st</sup> March 2019

|   | Carrying amount     | Contractual cash flows * |                     |           |           |                   |
|---|---------------------|--------------------------|---------------------|-----------|-----------|-------------------|
|   |                     | Total                    | Up to 1 year        | 1-3 years | 3-5 years | More than 5 years |
| <b>Non-derivative financial liabilities</b> |                     |                          |                     |           |           |                   |
| (i) Borrowings **                           | 32,13,021           | 32,13,021                | 32,13,021           |           |           |                   |
| <b>Current Financial Liabilities</b>        |                     |                          |                     |           |           |                   |
| (i) Borrowings                              | 9,76,56,529         | 9,76,56,529              | 9,76,56,529         |           |           |                   |
| (ii) Trade payables                         | 2,17,60,806         | 2,17,60,806              | 2,17,60,806         |           |           |                   |
| (iii) Other financial liabilities           | 2,64,809            | 2,64,809                 | 2,64,809            |           |           |                   |
| <b>Total</b>                                | <b>12,28,95,165</b> | <b>12,28,95,165</b>      | <b>12,28,95,165</b> |           |           |                   |

As at 31<sup>st</sup> March 2018

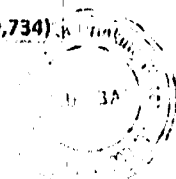
|   | Carrying amount     | Contractual cash flows * |                     |                  |           |                   |
|---|---------------------|--------------------------|---------------------|------------------|-----------|-------------------|
|   |                     | Total                    | Up to 1 year        | 1-3 years        | 3-5 years | More than 5 years |
| <b>Non-derivative financial liabilities</b> |                     |                          |                     |                  |           |                   |
| (i) Borrowings **                           | 22,172,469          | 23,711,942               | 20,499,400          | 3,212,542        |           |                   |
| <b>Current Financial Liabilities</b>        |                     |                          |                     |                  |           |                   |
| (i) Borrowings                              | 78,146,216          | 78,146,216               | 78,146,216          |                  |           |                   |
| (ii) Trade payables                         | 28,393,209          | 28,393,209               | 28,393,209          |                  |           |                   |
| (iii) Other financial liabilities           | 411,422             | 411,422                  | 411,422             |                  |           |                   |
| <b>Total</b>                                | <b>12,91,23,316</b> | <b>13,06,62,789</b>      | <b>12,74,50,247</b> | <b>32,12,542</b> |           |                   |

\* Contractual cash flows include interest payout in the respective years on borrowings.

\*\* Including current maturity of long term borrowings

**31. Deferred Tax Liability**

| As at 31st March 2019                | Opening Balance  | Recognized in Profit & Loss | Closing Balance | Deferred Tax Asset | Deferred Tax Liabilities |
|--------------------------------------|------------------|-----------------------------|-----------------|--------------------|--------------------------|
| Property, Plant and Equipment        | (9,816,404)      | 23,107,633                  | 13,291,229      | 13,291,229         | -                        |
| Receivable from Concession Agreement | -                | (21,289,734)                | (21,289,734)    | -                  | (21,289,734)             |
| Provisions                           | 44,767           | 19,249                      | 64,016          | 64,016             | -                        |
| Loss Brought Forward as per IT ACT   | 551,683          | (286,561)                   | 265,122         | 265,122            | -                        |
| Unabsorbed Depreciation              | 9,102,576        | (463,801)                   | 8,638,775       | 8,638,775          | -                        |
| <b>Tax Assets/Liabilities</b>        | <b>(117,378)</b> | <b>1,086,786</b>            | <b>969,407</b>  | <b>259,142</b>     | <b>(21,289,734)</b>      |



**Ion Exchange Purified Drinking Water Private Limited**  
**Notes to financial statements for the Year ended 31st March 2019 (contd.)**

**As at 31st March 2018**

| Particulars                          | Opening Balance | Recognised In Profit & Loss | Closing Balance  | Deferred Tax Asset | Deferred Tax Liabilities |
|--------------------------------------|-----------------|-----------------------------|------------------|--------------------|--------------------------|
| Property, Plant and Equipment        | (8,749,792)     | (1,066,612)                 | (9,816,404)      | -                  | (9,816,404)              |
| Receivable from Concession Agreement | 19,135          | -                           | -                | -                  | -                        |
| Provisions & others                  | 286,561         | 25,632                      | 44,767           | 44,767             | -                        |
| Loss Brought Forward as per IT ACT   | 9,101,616       | 265,122                     | 551,683          | 551,683            | -                        |
| Unabsorbed Depreciation              | 657,520         | 960                         | 9,102,576        | 9,102,576          | -                        |
| <b>Tax Assets/Liabilities</b>        |                 | <b>(774,898)</b>            | <b>(117,378)</b> | <b>9,699,026</b>   | <b>(9,816,404)</b>       |

32. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July, 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard - 18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue. Accordingly, the figures for the previous year are not strictly relatable to those thereafter. The following additional information is being provided to facilitate such understanding.

| Particulars   | Year ended   |              |
|---|--------------|--------------|
|   | 31.03.2019   | 31.03.2018   |
| Revenue from operations (A)                                 | 11,78,03,111 | 11,87,46,046 |
| Excise duty on sale (B)                                     |              | (7,39,948)   |
| Revenue from operations excluding excise duty on sale (A-B) | 11,78,03,111 | 11,15,06,098 |

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

For Khisti & Associates  
Chartered Accountants  
ICAI Firm registration No : 128035W

CA Ashwinl Sampat  
Partner  
Membership No. 149604



For and on behalf of the Board of Directors of  
Ion Exchange Purified Drinking Water Private Limited  
CIN No. : U41000MH2013PTC248560

Dinesh Sadashivan  
Director  
DIN : 01688840

N. M. Ranadive  
Director  
DIN : 00274887

Place : Thane  
Date : 24 May 2019

Place : Mumbai  
Date : 24 May 2019

