



Head Office : 6, Omkar Co op. Hsg. Soc., Kherwadi Road, Near Nirmal Nagar Police Station, Bandra (E), Mumbai - 400 051.
Ph. : 022-2647 1181 / 1191 • Email : office@cakarambelkar.com • Website : www.cakarambelkar.com

INDEPENDENT AUDITOR'S REPORT

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

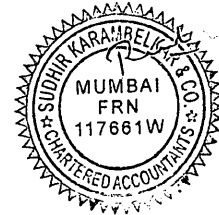
Report on the Standalone Ind AS Financial Statements

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, 2018, 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 thereunder.

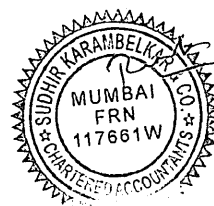
We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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, 2018, and its profit/loss, total comprehensive income/ loss, its cash flows and the changes in equity for the year ended on that date.



Other Matters

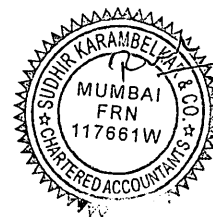
- a) The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2016 and 31st March 2015 dated 24th May 2016 and 23rd May 2017 respectively expressed an unmodified opinion on those standalone financial statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 over financial reporting of the Company, its branches and joint operations which are companies incorporated in India 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 SUDHIR KARAMBELKAR & CO.

CHARTERED ACCOUNTANTS

FIRM REGN NO: 117661W

RMKarambelkar



PLACE: MUMBAI

DATE : 21st MAY 2018

RAHUL KARAMBELKAR

PARTNER

MEMBERSHIP NO: 114907



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**"ANNEXURE A" REFERRED TO IN THE AUDITOR'S REPORT TO THE MEMBERS OF
ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018.**

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

We have audited the internal financial controls over financial reporting of **ION EXCHANGE PURIFIED DRINKING WATER PRIVATE LIMITED** as of March 31st, 2018 in conjunction with our audit of the standalone IND AS financial statements of the Company for the year ended on that date.

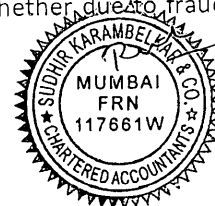
Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 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".

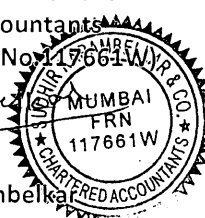
Place: Mumbai
Date: 21st May 2018

For Sudhir Karambelkar & Co.
Chartered Accountants
(Firm's Registration No. 117661W)

R/Karambelkar

Rahul Karambelkar
Partner

Membership No. 114907





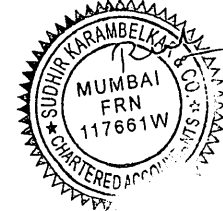
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Annexure B to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone IND AS financial statements for the year ended 31st March 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) There are no immovable properties during the year held in the name of the Company.
- (ii) (a) The Management of the Company has physically verified all the inventories at suitable intervals,
 - (b) The Company has maintained proper records showing physical inventories as on 31.03.2018. Material discrepancies observed during the Physical verification have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans to any Companies, firms, LLP's or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, investment, guarantees and/or security in terms of Section 185 and 186 of the Companies Act, 2013. Therefore reporting under this clause is not applicable to the Company.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the companies Act, 2013 for the product of the company.
- (vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, service tax, value added tax, Excise Duty and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, excise duty, value added tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of dues to banks, financial institutions or government during the year.
- (ix) The Company has not raised any money either by way of an IPO or further public offer (including debt instruments) during the financial year.



- (x) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) During the year there is no Managerial Remuneration paid or provided. Hence the reporting under this clause is not applicable to the Company.
- (xii) According to the information and explanations given to us the Company is not a Nidhi Company. Hence the reporting under this clause is not applicable to the Company.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the standalone IND AS Financial Statements etc., as required by the applicable accounting standards;
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (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. Therefore the provisions of Section 192 of Companies Act, 2013 is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

PLACE: MUMBAI
DATE : 21st MAY 2018.

FOR SUDHIR KARAMBELKAR & CO
CHARTERED ACCOUNTANTS
FIRM REGN NO: 117661W
Rmkalambh
MUMBAI
FRN
117661W
CHARTERED ACCOUNTANTS
RAHUL KARAMBELKAR
PARTNER
MEMBERSHIP NO: 114907

Ion Exchange Purified Drinking Water Private Limited
Balance sheet as at 31st March 2018

	Notes	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees	As at 1st April 2016 Rupees
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	9,077,755	9,225,273	583,064
(b) Financial assets				
(i) Loans	5	568,550	568,550	500,400
(ii) Other Financial assets		75,364,854	80,046,634	84,401,778
(d) Deferred Tax Assets (Net)	30		657,519	
Total non-current assets		85,011,159	90,497,976	85,485,242
Current assets				
(a) Inventories	7	8,951,731	11,908,155	7,695,374
(b) Financial assets				
(i) Trade receivables	4	18,444,257	55,183,857	44,145,652
(ii) Cash and cash equivalents	8	990,240	5,639,343	2,658,417
(iii) Loans	5	-	207,843	196,441
(iv) Other Financial assets		11,551,651	11,551,651	11,551,651
(c) Other current assets	6	7,561,412	11,536,814	7,490,008
Total current assets		47,499,291	96,027,663	73,737,543
Total assets		132,510,450	186,525,639	159,222,785
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	9	100,000	100,000	100,000
(b) Other equity	10	(3,046,707)	(6,122,586)	(4,521,482)
Total equity		(2,946,707)	(6,022,586)	(4,421,482)
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	11	3,167,589	22,172,469	41,177,349
(b) Deferred tax liabilities (Net)	30	117,379	-	346,001
Total non-current liabilities		3,284,968	22,172,469	41,523,350
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	12	78,146,216	122,578,170	57,798,907
(ii) Trade payables	13	28,393,207	21,577,614	38,076,849
(iii) Other financial liabilities	14	19,416,302	19,589,896	19,603,170
(b) Other current liabilities	15	6,124,824	6,600,622	6,596,058
(c) Provisions	16	91,640	29,455	45,933
(d) Liabilities for current tax (Net)				
Total current liabilities		132,172,189	170,375,756	122,120,917
Total liabilities		135,457,157	192,548,226	163,644,267
Total equity and liabilities		132,510,450	186,525,639	159,222,785
Significant accounting policies	1,2			
The accompanying notes are an integral part of financial statements.				

As per our report of even date

For Sudhir Karambelkar & Co.
Chartered Accountants
ICAI Firm registration No. : 117661W

Rahul Karambelkar
Partner
Membership No. 114907



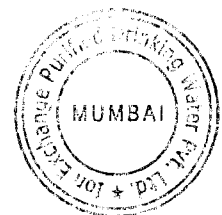
Place : Mumbai
Date : 21 May 2018

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 : Mumbai
Date : 21 May 2018



Ion Exchange Purified Drinking Water Private Limited
Statement of profit and loss for the year ended 31st March 2018

	Notes	Year ended 31st March 2018 Rupees	Year ended 31st March 2017 Rupees
Income			
Revenue from operations	17	144,447,589	151,487,378
Other income	18	6,869,871	7,196,507
Total Income		151,317,460	158,683,885
Expenses			
Cost of materials and components consumed	19	68,916,373	69,127,150
Decrease/(Increase) in inventories of finished goods, work-in-progress and traded goods	20	1,045,783	(3,419,331)
Employee benefits expense	21	1,053,070	753,614
Finance costs	22	16,193,942	18,927,504
Depreciation	23	160,017	175,365
Other expenses	24	59,624,692	75,724,207
Total expenses		146,993,877	161,288,509
Profit before tax		4,323,583	(2,604,624)
Tax expense			
Current tax		472,806	-
Deferred tax		774,898	(1,003,520)
Total tax expense		1,247,704	(1,003,520)
Profit / (Loss) after tax		3,075,879	(1,601,104)
Total Comprehensive Income		3,075,879	(1,601,104)
Earnings per equity share:	27		
[Nominal value of shares Rs. 10 (2016-2017 : Rs. 10)]			
Basic / Diluted		308	(160)
Significant accounting policies	1,2		
The accompanying notes are an integral part of financial statements.			

As per our report of even date
For Sudhir Karambelkar & Co.
Chartered Accountants
ICAI Firm registration No. : 117661W

RMKalambelkar

Rahul Karambelkar
Partner
Membership No. 114907



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

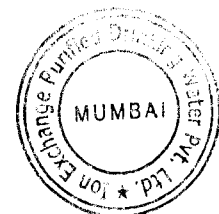
[Signature]
Dinesh Sadashivan
Director
DIN : 01688840

[Signature]

N. M. Ranadive
Director
DIN : 00274887

Place : Mumbai
Date : 21 May 2018

Place : Mumbai
Date : 21 May 2018



Ion Exchange Purified Drinking Water Private Limited
Statement of changes in Equity for the year ended 31st March 2018

A. Equity share capital

	2017-18		2016-17	
	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		Total other equity
	Capital reserve	Retained earnings	
	Rupees	Rupees	Rupees
Balance as as 1st April 2016	3,801,000	(10,048,602)	(6,247,602)
Profit for the year (a)	-	1,726,120	1,726,120
Other Comprehensive Income (b)	-	-	-
Total comprehensive income for the year (a+b)	-	1,726,120	1,726,120
(Loss) for the year (c)	-	(1,601,104)	(1,601,104)
Balance as as 31st March 2017	3,801,000	(9,923,586)	(6,122,586)
Profit for the year (d)	-	3,075,879	3,075,879
Other Comprehensive Income (e)	-	-	-
Total comprehensive income for the year (d+e)	-	3,075,879	3,075,879
Balance as as 31st March 2018	3,801,000	(6,847,707)	(3,046,707)

As per our report of even date
For Sudhir Karambelkar & Co.
Chartered Accountants
ICAI Firm registration No. : 117661W

Rahul Karambelkar
Partner
Membership No. 114907



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 : Mumbai
Date : 21 May 2018

Place : Mumbai
Date : 21 May 2018



Ion Exchange Purified Drinking Water Private Limited
Cash flow statement for the year ended 31st March 2018

	Year ended 31st March 2018 Rupees	Year ended 31st March 2017 Rupees
A. Cash flow from operating activities:		
Net profit/(loss) before tax as per statement of profit and loss	4,323,583	(2,604,624)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	160,017	175,365
Finance cost	16,193,942	18,927,504
Operating Profit before working capital changes	20,677,542	16,498,245
Adjustments for:		
Decrease / (Increase) in trade receivables	36,739,600	(11,038,205)
Decrease in Other Financial Assets (Receivable from Concession Agreement)	4,681,780	4,355,144
Decrease / (Increase) in inventories	2,956,424	(4,212,781)
Decrease/(Increase) in loans and advances & Other current Assets	3,763,428	(5,009,691)
Increase/ (Decrease) in trade payables	6,815,594	(16,363,989)
(Decrease) / Increase in other liabilities	(401,584)	25,188
Cash generated from operations	75,232,784	(15,746,089)
Taxes paid/ (Refund Received)	(52,989)	883,333
Net cash generated from operating activities (A)	75,179,795	(14,862,756)
B. Cash flow from investing activities:		
Purchase of fixed assets	(12,500)	(8,817,573)
Net cash used in investing activities (B)	(12,500)	(8,817,573)
C. Cash flow from financing activities:		
Repayment of borrowings	(19,004,880)	(19,004,880)
Loan from Holding Company	-	64,779,263
Repayment of Loan from Holding Company	(44,431,954)	-
Finance cost	(16,379,565)	(19,113,127)
Net cash (Used) / Generated in financing activities (C)	(79,816,399)	26,661,256
Net (Decrease)/Increase in cash and cash equivalents (A)+(B)+(C)	(4,649,104)	2,980,927
Cash and cash equivalents as at the beginning of the year	5,639,343	2,658,417
Cash and cash equivalents as at the end of the year	990,238	5,639,344

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 Sudhir Karambelkar & Co.
Chartered Accountants
ICAI Firm registration No. : 117661W

Partner
Membership No. 114907

Place : Mumbai
Date : 21 May 2018

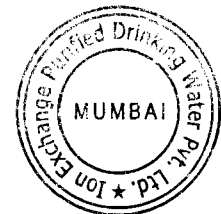


For and on behalf of the Board of Directors of
Ion Exchange Purified Drinking Water Private Limited
CIN No. : U41000MH2013PTC248560

Dinesh Sadashivan
Director
DIN : 01688840

Place : Mumbai
Date : 21 May 2018

N. M. Ranadive
Director
DIN : 00274887



Ion Exchange Purified Drinking Water Private Limited

Notes to financial statements for the Year ended 31st March 2018 (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, 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 11-06-2015 and ending on 31-03-2031 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.

These standalone financial statements are the first standalone financial statements prepared in accordance with Ind AS. For all periods upto and including the year ended March 31, 2016, the Company reported its Financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'IGAAP'). The Financial statements for the year ended March 31, 2017 and the opening Balance Sheet as at April 1, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from IGAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 29.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

These standalone financials statements have been approved for issue by the Board of Directors at their meeting held on 21st May 2018.

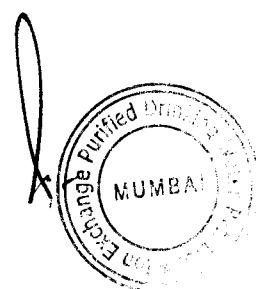
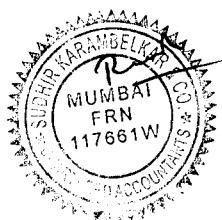
All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act.

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.



Ion Exchange Purified Drinking Water Private Limited
Notes to financial statements for the Year ended 31st March 2018 (contd.)

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, including the level in the fair value hierarchy in which such valuations should be classified.

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).

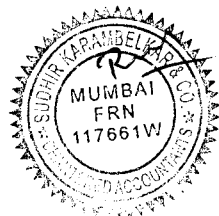
1.4 Summary of significant accounting policies

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	15 Years
Plant and Machinery	12 Years
Factory Building	30 Years
Furniture and Fixtures	10 Years
Office Equipments	5 Years
Computer	3 Years



Ion Exchange Purified Drinking Water Private Limited
Notes to financial statements for the Year ended 31st March 2018 (contd.)

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.

Contract cost that has been incurred and relates to the future activity of the contract are recognized as contract work-in-progress as it is probable that it will be recovered from the customer.

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

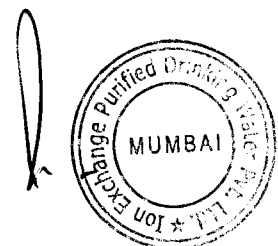
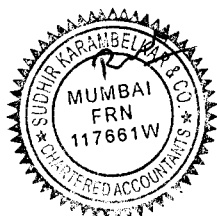
Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

c) Accounting of CENVAT and GST :

The company follows on a consistent basis, the "non-inclusive" method of accounting for CENVAT under Central Excise Act with regards to its inventories, purchases and consumption till implementation of GST, Post implementation of GST, the same "non-inclusive" method was followed 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. However, the same is not provided in books of account since the company has so far not completed 5 years of operation.



Ion Exchange Purified Drinking Water Private Limited
Notes to financial statements for the Year ended 31st March 2018 (contd.)

2. Significant Accounting Policies (contd...)

- (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 inclusive of Excise duty & exclusive Sales tax in the pre GST period and exclusive of GST post implementation of GST Law. 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 service tax in pre GST period and exclusive of GST post implementation of GST Law.

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

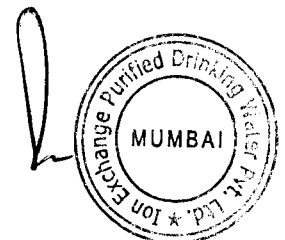
For the purpose of subsequent measurement, financial assets are classified in the following categories:

a) At a mortised 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.



Ion Exchange Purified Drinking Water Private Limited
Notes to financial statements for the Year ended 31st March 2018 (contd.)

2. Significant Accounting Policies (contd...)

g) Financial instruments (contd...)

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

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

At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably



Ion Exchange Purified Drinking Water Private Limited
Notes to financial statements for the Year ended 31st March 2018 (contd.)

2. Significant Accounting Policies (contd...)

h) Taxation:

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:

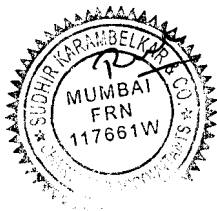
Cash and Cash equivalents in the Cash Flow statement comprise Cash at Bank and in hand.

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 2018 (contd.)

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

	Rupees					
	Plant & Machinery	Furniture & Fixtures	Computers	Office Equipments	Factory Building	Total
Gross block						
As at 1st April 2017	8,574,374	419,941	125,442	280,880	-	9,400,637
Addition during the year				12,500		12,500
Disposal during the year						-
As at 31st March 2018	8,574,374	419,941	125,442	293,380	-	9,413,137
Depreciation						
As at 1st April 2017	-	38,414	65,517	71,434	-	175,365
Depreciation during the year		44,029	49,171	66,817		160,017
Deduction during the year						-
As at 31st March 2018	-	82,443	114,688	138,251	-	335,382
Net carrying value as at 31st March 2018	8,574,374	337,498	10,754	155,129	-	9,077,755
Gross block						
As at 1st April 2016	-	207,657	125,442	249,965	-	583,064
Addition during the year	8,574,374	212,284	-	30,915	-	8,817,573
Disposal during the year	-	-	-	-	-	-
As at 31st March 2017	8,574,374	419,941	125,442	280,880	-	9,400,637
Depreciation						
As at 1st April 2016	-	38,414	65,517	71,434	-	175,365
Depreciation during the year	-	-	-	-	-	-
Deduction during the year	-	-	-	-	-	-
As at 31st March 2017	-	38,414	65,517	71,434	-	175,365
Net carrying value as at 31st March 2017	8,574,374	381,527	59,925	209,446	-	9,225,272
Net carrying value as at 1st April 2016	-	207,657	125,442	249,965	-	583,064

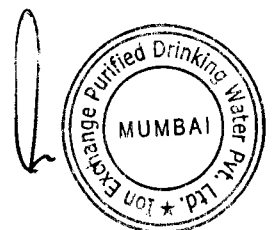
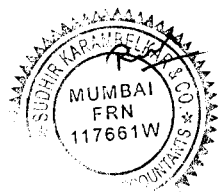
Ion Exchange (India) Limited
Notes to financial statements for the year ended 31st March 2018 (contd.)

Property, plant and equipment and capital work-in-progress (contd...)

Notes

- a) The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1st April 2016 under the previous GAAP

	Plant & Machinery	Furniture & Fixtures	Computers	Office Equipments	Factory Building	Total
Gross block	65,176,630	228,000	172,804	291,713	43,349,323	109,218,470
Accumulated depreciation	3,620,014	20,343	47,362	41,748	1,204,148	4,933,615
Ind AS adjustments	(61,556,616)				(42,145,175)	(103,701,791)
Net Block	-	207,657	125,442	249,965	-	583,064



Ion Exchange Purified Drinking Water Private Limited
Notes to financial statements for the year ended 31st March 2018 (contd.)

4. Trade receivables

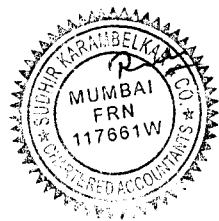
	Non-current			Current		
	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees	As at 1st April 2016 Rupees	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees	As at 1st April 2016 Rupees
Trade receivables						
(a) Unsecured, considered good	-	-	-	18,444,257	55,183,857	44,145,652
(b) Unsecured, considered doubtful					-	-
	-	-	-	18,444,257	55,183,857	44,145,652
Less: Allowance for unsecured doubtful debts				-	-	-
	-	-	-	18,444,257	55,183,857	44,145,652

5. Loans

	Non-current			Current		
	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees	As at 1st April 2016 Rupees	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees	As at 1st April 2016 Rupees
Tender, security and other deposits	568,550	568,550	500,400			-
Claims receivables		-	-	-	102,843	182,176
Loans and advance to employees		-	-	-	105,000	14,265
	568,550	568,550	500,400	-	207,843	196,441

6. Other assets

	Non-current			Current		
	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees	As at 1st April 2016 Rupees	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees	As at 1st April 2016 Rupees
Balance with statutory authorities		-	-	1,017,791	472,860	236,038
Advance to suppliers		-	-	130,752	3,450,508	46,824
Prepaid expenses		-	-	5,960,895	6,741,655	6,690,617
IT Deducted at Source		-	-	67,254	487,071	131,809
MAT Credit		-	-	384,720	384,720	384,720
	-	-	-	7,561,412	11,536,814	7,490,008



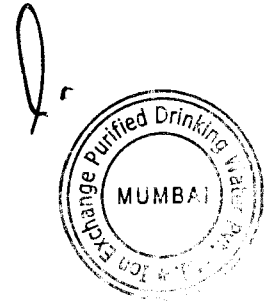
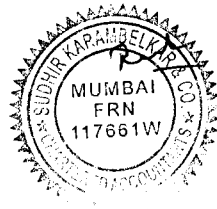
Ion Exchange Purified Drinking Water Private Limited
Notes to financial statements for the year ended 31st March 2018 (contd.)

7. Inventories

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Rupees	Rupees	Rupees
Raw materials and components	2,129,290	4,406,047	4,159,800
Finished goods	5,909,122	6,954,905	3,535,574
Stores and spares	913,319	547,203	-
	8,951,731	11,908,155	7,695,374

8. Cash and cash equivalents

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Rupees	Rupees	Rupees
Balances with banks			
On current accounts	990,240	5,639,343	2,658,417
Cash on hand		-	-
	990,240	5,639,343	2,658,417



Ion Exchange Purified Drinking Water Private Limited
Notes to financial statements for the year ended 31st March 2018 (contd.)

9. Equity share capital

	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No of shares	Rupees	No of shares	Rupees	No of shares	Rupees
Authorised capital						
Equity shares of Rs. 10 each.	100,000	1,000,000	100,000	1,000,000	100,000	1,000,000
Issued, subscribed and fully paid-up capital						
Equity shares of Rs. 10 each.	10,000	100,000	10,000	100,000		100,000
		100,000		100,000		100,000

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

	As at 31st March 2018		As at 31st March 2017	
	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.

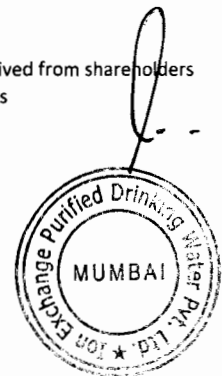
(c) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	31st March 2018 Rupees	31st March 2018 Rupees
Ion Exchange (India) Ltd., the holding Company and its nominees 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

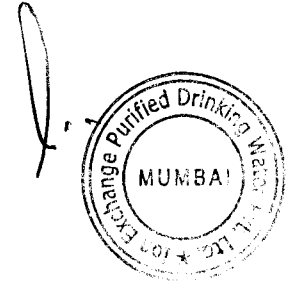
	31st March 2018		31st March 2018	
	No. of shares	% holding in	No. of shares	% holding in the
Equity Shares of Rs.10/- each fully paid Ion Exchange (India) Ltd., the holding Company	10,000	100%	10,000	100%

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 2018 (contd.)****10. Other equity**

	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees	As at 1st April 2016 Rupees
Capital Reserve			
Balance as at April 1	3,801,000	3,801,000	3,801,000
	3,801,000	3,801,000	3,801,000
Retained earnings			
Balance as at April 1	(9,923,586)	(8,322,482)	(10,048,602)
Profit for the year	3,075,879	(1,601,104)	1,726,120
	(6,847,707)	(9,923,586)	(8,322,482)
	(3,046,707)	(6,122,586)	(4,521,482)



Ion Exchange Purified Drinking Water Private Limited
Notes to financial statements for the year ended 31st March 2018 (contd.)

11. Borrowings

	Non-current			Current		
	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees	As at 1st April 2016 Rupees	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees	As at 1st April 2016 Rupees
Term loans (Secured)						
Term Loan from Bank (Secured) (Refer note below)	3,167,589	22,172,469	41,177,349	19,004,880	19,004,880	19,004,880
	3,167,589	22,172,469	41,177,349	19,004,880	19,004,880	19,004,880
The above amount includes						
Secured borrowings	3,167,589	22,172,469	41,177,349	19,004,880	19,004,880	19,004,880
Unsecured borrowings	-	-	-	-	-	-
Amount included under the head "Other financial liabilities"	-	-	-	(19,004,880)	(19,004,880)	(19,004,880)
	3,167,589	22,172,469	41,177,349	-	-	-

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 2018 (contd.)

12. Borrowings - current

	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees	As at 1st April 2016 Rupees
- from related parties	78,146,216	122,578,170	57,798,907
	78,146,216	122,578,170	57,798,907
The above amount includes			
Unsecured borrowings	78,146,216	122,578,170	57,798,907
	78,146,216	122,578,170	57,798,907

13. Trade payables

	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees	As at 1st April 2016 Rupees
Trade payables	28,393,207	21,577,614	38,076,849
	28,393,207	21,577,614	38,076,849

14. Other financial liabilities

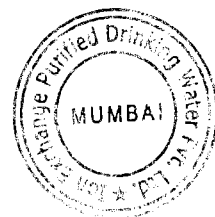
	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees	As at 1st April 2016 Rupees
Current maturities of long term borrowings	19,004,880	19,004,880	19,004,880
Interest accrued but not due	227,044	412,667	598,290
Employee benefits payable	184,378	172,349	-
	19,416,302	19,589,896	19,603,170

15. Other current liabilities

	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees	As at 1st April 2016 Rupees
Statutory dues	1,184,084	1,686,122	1,074,586
Audit Fees	30,000	30,000	37,500
Provision	-	-	396,262
Loans and advance to employees	6,240	-	-
Deposits	4,904,500	4,884,500	5,087,710
	6,124,824	6,600,622	6,596,058



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Ion Exchange Purified Drinking Water Private Limited
Notes to financial statements for the year ended 31st March 2018 (contd.)

16. Provisions - Current

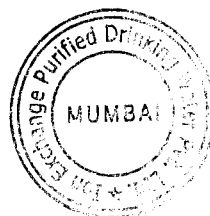
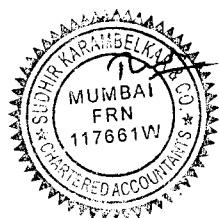
	Current		
	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees	As at 1st April 2016 Rupees
Provision for employee benefits	91,640	29,455	45,933
	91,640	29,455	45,933

17. Revenue from operations

	Year ended 31st March 2018 Rupees	Year ended 31st March 2017 Rupees
Revenue from operations		
Sale of products		
Finished goods (Refer Note 31)	118,746,046	128,412,875
Sale of services		
CFA	15,757,336	14,330,096
Transportation	9,568,969	8,270,335
Others operating revenue		
Scrap sale	375,238	474,072
Revenue from operations	144,447,589	151,487,378

18. Other income

	Year ended 31st March 2018 Rupees	Year ended 31st March 2017 Rupees
From others	6,869,871	7,196,507
Interest Income	6,869,871	7,196,507



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Ion Exchange Purified Drinking Water Private Limited
Notes to financial statements for the year ended 31st March 2017 (contd.)

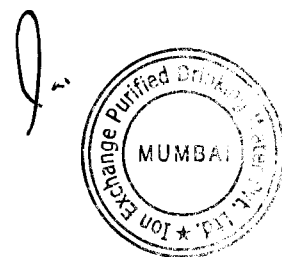
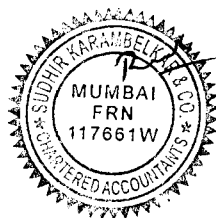
19. Cost of raw material and components consumed

	Year ended 31st March 2018 Rupees	Year ended 31st March 2017 Rupees
Inventory at the beginning of the year	4,406,047	4,159,800
Add: Purchases	66,639,616	69,373,397
Less: Inventory at the end of the year	2,129,290	4,406,047
Cost of raw material and components consumed **	68,916,373	69,127,150

** 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.

20. Decrease / (Increase) in Inventories

	Year ended 31st March 2018 Rupees	Year ended 31st March 2017 Rupees
Inventories at the end of the year		
Finished goods	5,909,122	6,954,905
Contract work-in-progress		-
	5,909,122	6,954,905
Inventories at the beginning of the year		
Finished goods	6,954,905	3,535,574
	6,954,905	3,535,574
	1,045,783	(3,419,331)



Ion Exchange Purified Drinking Water Private Limited
Notes to financial statements for the year ended 31st March 2018 (contd.)

21. Employee benefits expense

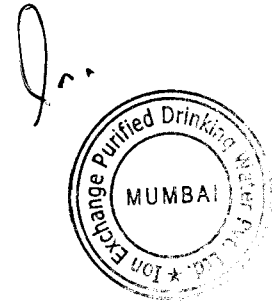
	Year ended 31st March 2018 Rupees	Year ended 31st March 2017 Rupees
Salaries, wages and bonus	889,829	639,970
Contribution to provident and other funds	49,428	43,306
Staff welfare expense	113,813	70,338
	1,053,070	753,614

22. Finance costs

	Year ended 31st March 2018 Rupees	Year ended 31st March 2017 Rupees
Interest expense	16,193,942	18,927,504
	16,193,942	18,927,504

23. Depreciation and amortisation expense

	Year ended 31st March 2018 Rupees	Year ended 31st March 2017 Rupees
Depreciation and amortisation of property, plant and equipment (Refer note 3)	160,017	175,365
	160,017	175,365



Ion Exchange Purified Drinking Water Private Limited
Notes to financial statements for the year ended 31st March 2018 (contd.)

24. Other expenses


	Year ended 31st March 2018 Rupees	Year ended 31st March 2017 Rupees
Stores and spare parts consumed	613,153	580,645
Power and fuel	10,246,433	18,221,617
Repairs and Maintenance - Buildings	-	-
- Plant and machinery	-	163,995
- Others	107,829	34,433
Rent (Net of recoveries)	5,126,579	4,137,916
Rates and taxes	2,500	28,049
Insurance (Net of recoveries)	108,998	69,729
Travelling and conveyance	55,290	75,575
Freight (Net of recoveries)	8,880,903	8,184,315
Excise Duty	7,239,948	21,107,191
Commission	14,410,085	11,503,600
Legal and professional charges	111,750	141,720
Telephone and telex	138,498	129,029
Auditors' remuneration (Refer note 24.1)	38,000	51,000
Bank charges	1,399,007	777,117
Establishment and other miscellaneous expenses	11,145,719	10,518,276
	59,624,692	75,724,207

24.1 Auditors' remuneration (excluding taxes)

	Year ended 31st March 2018 Rs. in Lacs	Year ended 31st March 2017 Rs. in Lacs
As auditor:		
- Audit fees	15,000	22,000
- Tax audit fees	15,000	15,000
In other capacity:		
- Other services (Certification fees)	8,000	14,000
	38,000	51,000

For Sudhir Karambelkar & Co.
Chartered Accountants
ICAI Firm registration No. : 117661W

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

R Karambelkar

Rahul Karambelkar
Partner
Membership No. 114907

[Signature]
Dinesh Sadashivan
Director
DIN : 01688840

[Signature]
N. M. Ranadive
Director
DIN : 00274887

Place : Mumbai
Date : 21 May 2018

Place : Mumbai
Date : 21 May 2018



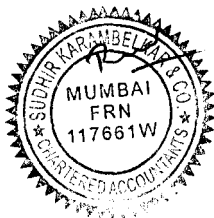
Ion Exchange Purified Drinking Water Private Limited
Notes to financial statements for the Year ended 31st March 2018 (contd.)

25. Related Party Disclosure (As Identified by the Management)

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

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

Nature of Transactions	2017-2018	Amount in Rs.
		2016-2017
<u>Interest paid on Loans & Advances</u>		
Ion Exchange (India) Limited	1,24,88,720	1,19,72,044
Total	1,24,88,720	1,19,72,044
<u>Loans & Advances Received</u>		
Ion Exchange (India) Limited	10,57,96,007	19,08,87,573
Total	10,57,96,007	19,08,87,573
<u>Loans & Advances Repaid</u>		
Ion Exchange (India) Limited	15,02,28,463	11,87,55,946
Total	15,02,28,463	11,87,55,946
<u>Loans & Advances (Outstanding)</u>		
Ion Exchange (India) Limited	7,81,46,216	12,25,78,170
Total	7,81,46,216	12,25,78,170
<u>Outstanding Payables excluding Loans & Advances</u>		
Ion Exchange (India) Limited	3,14,495	-
Total	3,14,495	-
<u>Corporate Gurantee given by the holding company</u>		
Ion Exchange (India) Limited	7,60,20,000	7,60,20,000
Total	7,60,20,000	7,60,20,000
<u>Corporate Gurantee outstanding</u>		
Ion Exchange (India) Limited	7,60,20,000	7,60,20,000
Total	7,60,20,000	7,60,20,000



Ion Exchange Purified Drinking Water Private Limited
Notes to financial statements for the Year ended 31st March 2018 (contd.)

26 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 11-06-2015 and ending on 31-03-2031 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. 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.

On the date of transition, in terms of the Ind AS requirements the Company has credited reserves equivalent to fair value of the cost of project construction with corresponding debit to financial asset at its present value of the annuities which it will receive over the period of concession arrangement. Further the Company has derecognised properly, plant and equipment as appearing in the Previous GAAP.

Accordingly, the Company has reclassified the PPE of INR 1085.26 lakhs at the carrying value to financial asset of INR 993.57 lakhs and the balance has been credited to retained earnings of INR 91.69 lakhs

The Company has derecognised depreciation on PPE provided under previous GAAP of Rs 64.50 Lakhs (31 March 2017: Rs. 57.96 Lakhs); recognised interest income of Rs. 68.70 Lakhs (31 March 2017: Rs. 71.97 Lakhs) and reversal of revenue of Rs.115.52 Lakhs (31 March 2017: Rs. 115.52 Lakhs). Thus recognising profit of Rs.30.75 Lakhs (31 March 2017: Loss Rs. 16.01 Lakhs) under the service concession arrangement.

27. Earnings per share (EPS)

	31st 2018	March	31st 2017	March
	Rupees		Rupees	
I	Net Profit / (Loss) as per the statement of profit and loss available for equity shareholders for Basic EPS (in Rupees)			
	30,75,879		(16,01,104)	
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			
	308		(160)	
	Basic			
	308		(160)	
	Diluted			



Ion Exchange Purified Drinking Water Private Limited
Notes to financial statements for the Year ended 31st March 2018 (contd.)

28. Financial instruments

Financial instruments – Fair values and risk management

A. Accounting classification and fair values

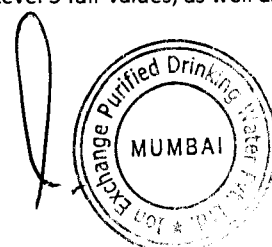
The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels. It does not include the fair value information for current financial assets and current financial liabilities not measured at fair value if their carrying amount is a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

	As at 31st March 2018			As at 31st March 2017			As at 1st April 2016		
	Carrying amount	Fair value		Carrying amount	Fair value		Carrying amount	Fair value	
		Level of input used in			Level of input used in			Level of input used in	
		Level 1	Level 2		Level 1	Level 2		Level 1	Level 2
Financial assets - Non-current									
At amortised cost									
Loans	5,68,550	-	5,68,550	5,68,550	-	5,68,550	5,00,400	-	5,00,400
Receivable from concession agreement	8,69,16,505			9,15,98,285			9,59,53,429		
Financial assets - Current									
At amortised cost									
Trade receivables	1,84,44,257			5,51,83,857			4,41,45,652		
Cash and cash equivalents	9,90,240			56,39,343			26,58,417		
Loans	-			2,07,843			1,96,441		
Others	75,61,412			1,15,36,814			74,90,008		
Financial liabilities - Non-current									
At amortised cost									
Borrowings	31,67,589	-	31,67,589	2,21,72,469	-	2,21,72,469	4,11,77,349	-	4,11,77,349
Financial liabilities - Current									
Borrowings	7,81,46,216			12,25,78,170			5,77,98,907		
Trade payables	2,83,93,209			2,15,77,614			3,80,76,850		
Other financial liabilities	1,94,16,302			1,95,89,896			1,96,03,170		

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.



Ion Exchange Purified Drinking Water Private Limited
Notes to financial statements for the Year ended 31st March 2018 (contd.)

As at 31st March 2016

	Contractual cash flows *					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
(i) Borrowings **	60,182,229	71,267,425	24,870,522	43,184,361	3,212,542	-
Current Financial Liabilities						
(i) Borrowings	57,798,907	57,798,907	57,798,907	-	-	-
(ii) Trade payables	38,076,850	38,076,850	38,076,850			
(iii) Other financial liabilities	598,290	598,290	598,290			
Total	156,656,276	167,741,472	121,344,569	43,184,361	3,212,542	

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

** Including current maturity of long term borrowings

29. First Time Adoption of Ind AS

For the purposes of reporting as set out in note 1.2, the company has transitioned our basis of accounting from Indian generally accepted accounting principles (“IGAAP”) to Ind AS. The accounting policies set out in note 1.1 have been applied in preparing the financial statements for the year ended 31st March 2018, the comparative information presented in these financial statements for the year ended 31st March 2017 and in the preparation of an opening Ind AS balance sheet at 1st April 2016 (the “transition date”).

In preparing opening Ind AS balance sheet, the company has adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected the financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, the company did not revise estimates previously made under IGAAP except where required by Ind AS.

Explanation of transition to Ind AS

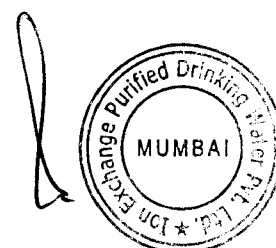
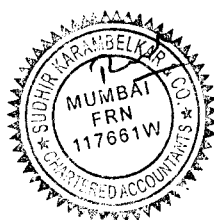
In preparing the financial statement, the company has applied the below mentioned optional exemptions and mandatory exceptions

Property, plant and equipment and intangible assets exemption:

The company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment, and intangible assets as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April 2016).

Derecognition of financial assets and financial liabilities

The company has elected to use the exemption for derecognition of financial assets and liabilities prospectively i.e. after 1st April 2016.



Ion Exchange Purified Drinking Water Private Limited
Notes to financial statements for the Year ended 31st March 2018 (contd.)

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Reconciliation of Comprehensive income for the year ended on 31 March 2017

Particulars	Footnote reference	As on 31 March 2017
		INR (Net of deferred tax)
Profit / (Loss) under previous GAAP		(22,81,728)
Summary of Ind AS adjustments		
Corporate guarantees charges	(a)	(760,200)
Service concession arrangement	(b)	437,304
Total Ind AS adjustments		(322,896)
Comprehensive income under Ind AS		(26,04,624)

Reconciliation of equity as at 31st March 2017 and 1st April 2016

Particulars	Footnote reference	As on 1 April 2016	As on 31 March 2017
		(Net of deferred tax) INR	(Net of deferred tax) INR
Net worth under previous GAAP		9,41,367	(13,40,361)
Summary of Ind AS adjustments			
Corporate guarantees charges	(a)	23,85,513	16,25,313
Service concession arrangement	(b)	(77,48,362)	(63,07,538)
Total Ind AS adjustments		(53,62,849)	(46,82,225)
Net worth under Ind AS		(44,21,482)	(60,22,586)

There were no material differences between the Statement of Cash Flows presented under Ind AS and the previous GAAP

Notes to reconciliations

(a) Guarantee charges on corporate guarantees given by holding company

The holding company of Ion Exchange Purified Drinking Water Private Limited, Ion Exchange (India) Limited has given financial guarantees on our behalf to the bankers of the company for term loan. Under Ind AS, financial guarantee contracts are accounted and measured initially at fair value. Subsequently, the guarantee expenses are recognized over the period of the guarantee on a straight line basis.

(b) Service concession arrangement

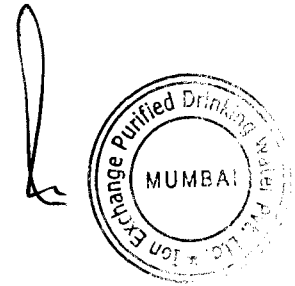
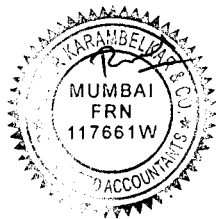
Under Ind AS, specific guidance is applicable by private sector operators involved in provision of public sector infrastructure assets and services. Under previous GAAP, there was no authoritative guidance for accounting for such arrangements. Based on the recognition and measurement guidance under Ind AS, the group has recognized its rights under the service concession as receivable under service concession arrangement.



Ion Exchange Purified Drinking Water Private Limited
Notes to financial statements for the Year ended 31st March 2018 (contd.)

30. Deferred Tax Liability

Particulars	31st March 2018		31st March 2017	
	Rupees	Rupees	Rupees	Rupees
	Deferred Tax	Deferred Tax	Deferred Tax	Deferred Tax
	(Liability)	Assets	(Liability)	Assets
Difference between book and tax depreciation	98,16,404	-	87,49,792	-
Provision for Bonus and Gratuity		44,767		15,792
Carried forward business loss	-	2,86,561	-	2,86,561
Unabsorbed depreciation	-	93,67,697	-	91,01,616
Effect of Expenditure allowable for tax purpose	-		-	3,342
	98,16,404	96,99,024	87,49,792	94,07,311
NET	(1,17,379)			6,57,519



Ion Exchange Purified Drinking Water Private Limited
Notes to financial statements for the Year ended 31st March 2018 (contd.)

31. 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	
	31.03.2018	31.03.2017
Revenue from operations (A)	11,87,46,046	12,84,12,875
Excise duty on sale (B)	(72,39,948)	(2,11,07,191)
Revenue from operations excluding excise duty on sale (A-B)	11,15,06,098	10,73,05,684

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

For Sudhir Karambelkar & Co.
Chartered Accountants
ICAI Firm registration No. : 117661W

Rahul Karambelkar
Partner
Membership No. 114907

Place : Mumbai
Date : 21 May 2018

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 : Mumbai
Date : 21 May 2018

