

48th ANNUAL REPORT 2011-12



Conserve today,
secure tomorrow



Conserving our Environment

Industries



Institutions



Community & Municipality
Urban & Rural



OUR VISION

To be the leader in our business which is so vital
to people's lives and the environment

Nations and economies have progressed, but regrettably, most developmental models have paid little heed to the steady neglect, pollution and depletion of natural resources. The disastrous effects of such unsustainable development on the environment is increasingly visible in the contamination of water bodies, pollution of air, the poisoning of soil, the denudation of forests and the adverse climatic changes the world over. Simultaneously, the pressure on existing natural resources is rising steeply due to increasing demand. Fortunately, the world is now realising that the economy and environment are closely inter-related. The eco-system is both the source of natural resources as well as the recipient for the waste materials of an economic system. Therefore, a healthy environment is a necessary condition for any economic activity and ultimately for survival of humanity itself.

At Ion Exchange, we believe that business growth must be accompanied by environmental responsibility and that business solutions must help to sustain the environment. This belief is at the heart of our vision 'To be the leader in our business which is so vital to people's lives and the environment'. It motivates us to continuously develop and promote total environment solutions that meet the business needs of our customers as well as the challenge of environment sustainability.

This is evident in our water management solutions that control pollution and conserve water by recycle of industrial effluent and domestic sewage; in our waste management solutions that take care of bio-solid, liquid and hazardous waste as well as help recover energy from waste. In the water purification solutions that provide safe drinking water to millions and our air purification solutions that protect air quality and control air pollution. We strive continuously to put our tremendous technological expertise at the service of every sector – institutional, industrial, municipal, infrastructure and domestic, urban and rural. With our complete range of solutions, we not only help our clients maintain successful business, but also help in keeping the environment healthy. Our vision of adding value to people's lives and enriching the environment will continue to guide us in delivering innovative solutions that minimise waste of our precious natural resources and conserve them for future generations.

BOARD OF DIRECTORS

Mr. G. S. Ranganathan	Chairman - Emeritus
Mr. Rajesh Sharma	Chairman & Managing Director
Mr. Dinesh Sharma	Executive Director
Mr. Aankur Patni	Executive Director
Dr. V. N. Gupchup	Director
Mr. M. P. Patni	Director
Mr. T. M. M. Nambiar	Director
Mr. A. K. Marfatia	Director
Mr. P. Sampathkumar	Director
Mr. Abhiram Seth	Director
Mr. Shishir Tamotia	Director
Mrs. K. J. Udeshi	Director

REGISTERED OFFICE

Ion House,
Dr. E. Moses Road,
Mahalaxmi
Mumbai - 400 011

BANKERS

Bank of India
Canara Bank
State Bank of India
Axis Bank Ltd.
Punjab National Bank
Export-Import Bank of India

SENIOR MANAGEMENT

Rajesh Sharma	Chairman & Managing Director
Aankur Patni	Executive Director
Dinesh Sharma	Executive Director
Ajay A. Popat	Executive Vice President - Corporate Marketing
Pradeep Chapalgaonkar	Executive Vice President - Heavy Industry
Sridharan Mahadevan	Sr. Vice President - Human Resources
N. M. Ranadive	Sr. Vice President - Finance
S. V. Mehendale	Sr. Vice President - Resin & Standard System Division
S. N. Iyengar	Sr. Vice President - Medium Industry Segment
Anil Khara	Vice President - Chemical Division
J. P. Pathare	Vice President - International Division
C. K. Sandeep	Vice President - Corporate Marketing
Vasant Naik	Vice President - Finance
K. L. Bhattacharya	Vice President - Projects (Water & Waste Water)
Shashikant S Raut	Vice President - Projects & Sales
P. M. Nawathe	Vice President - Commercial
N. Anbananthan	Vice President - R&D
Paresh Ballikar	Vice President - Internal Audit & I.T.
Prashant K. Chitnis	Vice President - Technology

AUDITORS

M/s. S. R. Batliboi & Co.

ADVOCATE & SOLICITORS

Crawford Bayley & Co.

COMPANY SECRETARY

Mr. Milind Puranik

REGISTRAR & SHARE TRANSFER AGENT & REGISTRAR FOR FIXED DEPOSITS

M/s. TSR Darashaw Ltd.
(Formerly known as M/s. Tata Share Registry Ltd.)
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011.
Tel. No. : 6656 8484/94
E-mail : csg-unit@tsrdarashaw.com
Website : www.tsrdarashaw.com

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Kindly bring your copy of the Annual Report to the AGM as copies will not be distributed at the meeting in view of the high cost of paper and printing

NOTICE

NOTICE is hereby given that the Forty Eighth Annual General Meeting of the members of Ion Exchange (India) Limited will be held on Wednesday, 26th September, 2012 at 11.00 a.m. at Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai- 400 025 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend on equity shares.
3. To appoint a Director in place of Mr. Akhil Marfatia who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Shishir Tamotia who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. M. P. Patni who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

By Order of the Board

Milind Puranik
Company Secretary

Registered Office:

Ion House
Dr. E. Moses Road
Mahalaxmi
Mumbai 400 011

Mumbai, 25th May 2012

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the time fixed for holding the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 13th September, 2012 to Wednesday, 26th September, 2012 (both days inclusive).

3. Details of Directors seeking appointment / re-appointment as required under clause 49(VI)(A) of the listing agreement entered with The Stock Exchange, Mumbai, are as below:

Name	Mr.Akhil Marfatia	Mr. Shishir Tamotia	Mr. M.P.Patni
Date of Birth	10.12.1938	05.09.1949	25.09.1945
Date of Appointment	05.05.2003	24.05.2010	28.09.2001
Qualification	B.Sc. (Economics)	B.E.(Elec.),MBA	B.E. (Mechanical)
Expertise	Mr. Marfatia has about 49 years of rich and varied professional experience in the field of Marketing and Management.	Mr.Shishir Tamotia had worked as CEO of Ispat Energy Limited - A Company in the business of Gas and Electricity. In his long illustrious career spanning over 32 years Mr. Tamotia has worked in various prestigious organizations such as Mahatransco, Global Energy Project Services, NTPC & PMI - Noida etc.	Mr. Patni has wide range of experience in the marketing of heavy and medium engineering equipments, water treatment plants and allied items since last 46 years. He has considerable exposure in handling large projects of national importance.
Chairman/Director of Other Companies	<ol style="list-style-type: none"> Advanced Cleaning Technics (India) Pvt. Ltd. Hind Rectifiers Ltd. 	<ol style="list-style-type: none"> MVN Solar Pvt. Ltd. 	<ol style="list-style-type: none"> Aartus & Associates Pvt. Ltd. Ion Exchange Asia Pacific Pte. Ltd. Labhda Properties Pvt. Ltd. Ion Exchange Waterleau Ltd. IEI Water Tech (M) SDN. BHD. IEI Environmental Management (M) SDN.BHD. Ion Exchange Services Ltd. Ion Exchange Environmental Management (BD) Ltd. Ion Exchange Infrastructure Ltd. Ion Exchange Asia Pacific (Thailand) Ltd. Ion Exchange Projects & Engineering Ltd.
Chairman/Member of the committees of the Company and other Company(s)			<p>Member of the following committees of Ion Exchange (India) Ltd.</p> <ol style="list-style-type: none"> Remuneration Committee Employee Stock Option Compensation Committee
Number of shares held in the Company	45,000	None	3,97,704

4. Dividend, if declared at the meeting will be paid on or before 1st October, 2012 to those members (holding shares in physical form) whose names appear on the Register of members as on 26th September 2012 and to those beneficial owners (holding shares in electronic form) whose names appear in the Beneficiary report furnished by the depositories.
5. The facility for remitting dividend through Electronic Clearing System (ECS) is provided by the Company. This facility will have to be availed by only those shareholders, holding shares in physical mode. The ECS form is printed towards the end of this Annual report. Shareholders, holding in physical mode, may please inform any change in their bank particulars to our Registrar & Transfer Agents (R&T), TSR Darashaw Ltd. (TSRDL) and those holding shares in dematerialized form should inform their respective Depository Participants of any change in their bank particulars. Requests to R&T will not be entertained.

6. Unclaimed Dividend for the period 2003-2004 has been transferred to Investors Education and Protection Fund, pursuant to Sections 205A and 205C of the Companies act, 1956. Shareholders who have not claimed Dividend for the period 2004-2005 and subsequent years are advised to write to our R&T.
7. All correspondence relating to holdings, change of address, bank particulars, non receipt of dividend or interest, etc. should be addressed to our R&T, M/s.TSRDL.
8. Nomination form can be obtained from our R&T, M/s.TSRDL. This form will have to be used by only those shareholders, holding in physical form & the same should be submitted to our R&T for registration. For shareholders, holding in dematerialized form, the nomination form prescribed by the Depository will have to be used and submitted with the Depository Participant.
9. Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature(s) registered with the Company for admission to the meeting venue.

By Order of the Board

Milind Puranik
Company Secretary

Registered Office:
Ion House
Dr. E. Moses Road
Mahalaxmi, Mumbai 400 011

Mumbai, 25th May, 2012

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 48th Annual Report and Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

The highlights of the financial results are as follows:

	Year ended March 2012 (Rs. in Lacs)	Year ended March 2011 (Rs. in Lacs)
Profit before taxation	2,562	1,940
Less: Provision for taxation:		
Current tax	905	634
Deferred tax	(98)	93
Profit after tax	1,755	1,213
Balance in Profit & Loss Account brought forward from Previous Year	3,173	2,404
Profit balance available for appropriation	4,928	3,617
Appropriations:		
Dividend including Proposed Dividend	273	278
Tax on dividend	43	44
Transfer to General Reserve	132	122
Balance in Profit & Loss Account Carried Forward to Balance Sheet	4,480	3,173

OPERATIONS

During the financial year ended 31st March, 2012, the net profit after tax of the company was Rs.1,755 lacs, an increase of 44.7 % over the previous year's net profit after tax of Rs. 1,213 lacs. The turnover was higher at Rs. 673 crores as compared to Rs. 591 crores of the previous year, showing a increase of 14 %.

DIVIDEND

The Directors are pleased to recommend a dividend of Rs. 2.00 [20 %] per equity share for the financial year ended 31st March, 2012.

FUTURE OUTLOOK

The continuing crisis in the Eurozone has not dampened the investments in water & environment management. The Indian Government continues to announce measures to improve the environmental health of the country and your company expects to benefit from it.

However, the business confidence has been impacted by concerns on the economic front. This has resulted in a slight reduction in the pace of investments by the private sector in new projects. As mentioned earlier we expect the slack to be taken up by the increased public sector investments.

Your Company will continue its endeavour to expand operations globally with focus on emerging economies. Joint ventures with the local players in such countries are under active consideration. We will also be looking at increasing our presence in the rural sector. This will be achieved through increased penetration and introduction of more products suited to the rural requirements.

We continue to raise the bar of quality for our various products and

production facilities with globally accepted quality certifications. In continuation of this endeavour our resin facility now has ISO 9000, ISO 14000, Halal and WQA Gold Seal certifications. The new FDA compliant facility will also start operations shortly.

Price volatility in the cost of inputs continues to impact the margins. However, the timely measures taken by your Company has minimised the adverse impact to a large extent. It is expected that the volatile situation in the raw material costs will not change radically in the future. We will continue to take proactive measures to effectively minimise the impact of price volatility.

Your company's emphasis on innovative technology, research & development and comprehensive product mix for environment management should ensure ability to counter uncertain business environment and report continuing improvement in performance.

FINANCIAL RESOURCES

Share Capital

Under Employees' Stock Option Scheme – ESOS - 2008, the Employees' Stock Option Compensation Committee (ESOCC) allotted 1,31,950 equity shares [82,900 equity shares under ESOS - 2008] , 4,000 equity shares under ESOS 2005 [9,500 equity shares under ESOS – 2005] to the directors and employees of the Company. The paid-up equity capital of the Company increased from Rs.13,42,59,110/- to Rs.13,56,18,610/- after allotment.

Fixed Deposits

As on 31st March, 2012, 123 fixed deposits amounting to Rs. 24,50,000/- remained unclaimed. 20 Deposits amounting to

Rs. 4,84,000/- have been renewed / claimed since then.

EMPLOYEES' STOCK OPTION SCHEMES

The details of Employees' Stock Option Schemes ESOS – 2001, ESOS – 2003, ESOS – 2005 and ESOS – 2008 as required to be given under SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended, are given in the Report on Corporate Governance.

RESTRUCTURING OF BUSINESS

Pursuant to Board and Shareholders' approval for the proposal to sell the Project Division (covering domestic turnkey projects) on a going concern basis to Ion Exchange Projects and Engineering Limited, a wholly owned subsidiary company, the Company is in the process of completing all the necessary formalities for the above mentioned proposal.

SUBSIDIARY COMPANIES

Aqua Investments (India) Ltd. and Watercare Investments (India) Ltd.

During the year ended 31st March, 2012, the Subsidiary companies M/s. Aqua Investments (India) Limited posted profit of Rs. 8.29 lacs compared to Rs. 6.54 lacs of the previous year and M/s. Watercare Investments (India) Ltd. posted profit of Rs. 6.55 lacs compared to Rs. 5.27 lacs of the previous year.

Ion Exchange Enviro Farms Limited (IEEFL)

The Company improved its performance by focusing on select Farms and Product groups. The operating income rose from Rs.78.48 lacs (2010-11) to Rs.108.26 lacs. However due to erratic climatic conditions & other local environmental factors the optimum operational performance could not be reached.

Due to product improvement through R&D the sale of Farm Inputs (e.g. ENVIRO REACH) has increased from Rs.52 lacs to Rs.75 lacs in the current year. The Company expects to enter into new geographies and also new market segments like chilli & other vegetables which will increase the turnover substantially.

Ion Exchange Infrastructure Limited

The Company achieved turnover of Rs. 4,498.34 lacs as compared to Rs. 3,846.93 lacs for the previous year. The profit after tax was at Rs. 10.71 lacs compared to Rs.14.09 lacs for the previous year.

The Company has been established with a view to undertake projects for intake water, water treatment, distribution and waste management on lumpsum turnkey basis. The Company will also provide comprehensive technical and process assistance services such as consultancy, design, detailed engineering and turnkey contracting.

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

The Company achieved a consolidated turnover of Rs. 843.72 lacs for the year under review as compared to 1,410.95 Lacs for the previous year. The performance of the Company was adversely affected due to uncertain economic conditions in South East Asia & resultant deferment of capital expenditure by customer.

IEI Environmental Management [M] SDN. BHD, Malaysia

The Company achieved a turnover of Rs. 42.44 lacs for the year under review.

The Company's main activity is trading in water filtration equipments, water chemicals, resins and taking up projects of installing water filtration plants of any nature. The Company has been established with a view of facilitating operations in Malaysia and is a strategic investment which would be crucial for increasing the overall Exports to the country.

Ion Exchange Environment Management (BD) Limited, Bangladesh

The Company achieved a turnover of Rs. 550.29 lacs for the year under review.

The Company is set up with a view to strengthen and widen the Company's presence in the Bangladesh market.

After the successful commissioning of assembly shop in Bangladesh, the local business has shown good growth in turnover and this enabled the Company to maintain profit. The Company's major focus has been waste water treatment plants and chemicals in Bangladesh market. The Company plans to enter into infrastructure projects in Bangladesh

Ion Exchange WTS (Bangladesh) Limited, Bangladesh

At present there are no activities in this company. Various options are being explored for streamlining and consolidating the activities of this company along with other wholly owned subsidiary company in Bangladesh viz: Ion Exchange Environment Management (BD) Limited.

Ion Exchange & Co. LLC, Oman

The Company achieved a turnover of Rs. 39.74 crores for the year under review.

The Company is set up to address the needs of Middle East market especially Oman.

The Company is approved by PDO (OMAN). The Company has performed well during the year under review and has declared interim dividend of 60%. The Company has secured two big orders from local petroleum company and European EPC contractor in Oman. One of these jobs, is a 7 years O&M contract for five sea water plants. In order to handle the O&M contract, the company is expanding employee strength which will also be beneficial for further business generation.

Ion Exchange LLC, USA

The Company achieved a turnover of Rs. 17.09 crores for the year under review.

This subsidiary is established to address the needs of US market. The Company's operations will substantially benefit and address the parent company's needs in the US.

In spite of slow economic recovery in USA the Company was able to increase the resin sales business in USA. The Company expects that the growth will continue in the current financial year.

Ion Exchange Projects and Engineering Limited

The Company was incorporated on 9th April, 2012. Pursuant to Board and Shareholders' approval for the proposal to sell the Project Division (covering domestic turnkey projects) on a going concern basis to Ion Exchange Projects and Engineering Limited, the Company is in the process of completing all the necessary formalities to implement the proposal.

Global Composites and Structurals Limited

The Company achieved a turnover of Rs. 23 crores for the year under review.

The Company is in the business of providing integrated engineering

services across the life cycle of a project and has expertise in manufacture of RO Pressure Tubes and FRP Tanks and electrical load distribution for water treatment Industries.

A statement as required under Section 212 of the Companies Act, 1956, is attached to the Annual Report.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

CONSOLIDATED FINANCIAL STATEMENTS

As required by Accounting Standard 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India, the audited Consolidated Financial Statements of the Group are enclosed.

DIRECTORS

Mr. Akhil Marfatia, Mr. Shishir Tamotia and Mr. M. P. Patni retire by rotation and being eligible offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation given relating to material departures;
- (ii) appropriate accounting policies have been selected and applied consistently and judgments and estimates were made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities have been taken to the best of their knowledge;
- (iv) the annual accounts have been prepared for the financial year ended 31st March, 2012 on a going concern basis.

CORPORATE GOVERNANCE

A report on Corporate Governance as required under Clause 49 of the listing agreement forms part of this annual report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Report on Management discussion and analysis as required under

Clause 49(V) of the listing agreement forms part of this annual report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

Information in accordance with Section 217 (1) (e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of this Report for the year ended 31st March, 2012 is given in Annexure I.

PARTICULARS OF EMPLOYEES

The details required to be given under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended are given in Annexure forming part of this report. In terms of section 219 (1) (b) (iv) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

QUALITY INITIATIVES

In line with Management's commitment to Safety, Occupational Health System is successfully implemented at company's chemical division by integrating the same with the existing Quality Management System in accordance with ISO 9001: 2008 and Environmental Management System in accordance with ISO 14001:2004.

Company's Resin Division applied for FICCI Quality Award 2011 with the objective of benchmarking our quality initiatives and performance with other leading organisations. Evaluation criteria for the award focus on Commitment to Quality Systems at work place and its adoption for effectiveness. The Quality processes of the company were appreciated by FICCI, when they awarded 'Certificate of Appreciation' after critical evaluation of the 'Application Report' and subsequent site visit to the manufacturing facility.

Balanced Scorecard, the tool used for implementation of formulated strategies is now internalized effectively.

All other initiatives such as Quality Improvement projects to solve chronic problems, monitoring of Quality Objectives, System Audits of Marketing, Execution, Projects and O&M sites continue.

AUDITORS

The Statutory Auditors, M/s. S. R. Batliboi & Co. hold office until the conclusion of this meeting and are eligible for re-appointment. The Company has received letter from M/s. S. R. Batliboi & Co., to the effect that their re-appointment, if made, would be within the limits specified under section 224(1B) of the Companies Act, 1956.

ACKNOWLEDGEMENTS

Your Board conveys its deep appreciation of the co-operation extended by customers, suppliers, banks, financial institutions, contribution made by employees for the company's growth, shareholders and fixed deposit holders.

On behalf of the Board of Directors

Rajesh Sharma
Chairman

Mumbai

Date : 25th May, 2012

ANNEXURE TO THE DIRECTORS' REPORT 2012

ANNEXURE I

Companies (disclosure of Particulars in the Report of Board of Directors) Rules, 1998

(A) CONSERVATION OF ENERGY

- (a) Energy conservation measures taken:
1. Higher plant capacity utilisation
 2. Increased batch sizes in certain products using the same reactors
 3. Reduction of batch cycle times by process improvements
 4. Installation of anaerobic UASB system in effluent treatment without using electric power to reduce energy consumption.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy : NIL.
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods:
The above measures have resulted in variable overhead reduction.
- (d) Total energy consumption and energy consumption per unit of production : Details as per Form – A of the Annexure.

(B) TECHNOLOGY ABSORPTION

- (e) Efforts made in technology absorption : Details as per Form- B of the Annexure.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

- (f) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:
In order to strengthen the Company's position in the international market, the Company has set up subsidiaries in USA and Middle East Asia. The Company hopes to garner encouraging response in the coming years.
- (g) Total Foreign Exchange:
- | | |
|--------|--------------------|
| Used | Rs. 81,62,48,896/- |
| Earned | Rs. 93,31,72,076/- |

Mumbai

Date : 25th May 2012

Rajesh Sharma

Chairman

FORM A

(Form for Disclosure of Particulars with respect to Conservation of Energy)

A. POWER AND FUEL CONSUMPTION

1 ELECTRICITY

a) Purchase

Sr. No.	Item	Current Year 2011-2012		Previous Year 2010-2011	
		Ankleshwar	Patancheru	Ankleshwar	Patancheru
1	Total Units (Kwh)	42,65,830	7,95,012	42,71,020	6,96,486
2	Total amount (Rs.)	2,66,00,327	43,00,425	2,41,81,781	38,54,837
3	Rate/Unit (Rs.)	6.24	5.41	5.66	5.53

b) Own Generation

i) Through Diesel Generator :

Sr. No.	Item	Current Year 2011-2012		Previous Year 2010-2011	
1	Total Units (Kwh)	73,648	77,938	73,408	44,300
2	Unit/Ltrs. of Fuel (Kwh)	2.75	3.02	2.79	2.76
3	Cost/Unit (Rs.)	16.26	14.77	14.96	14.84

ii) Through Steam Turbine/Generator :

Sr. No.	Item	Current Year 2011-2012		Previous Year 2010-2011	
1	Total Units (Kwh)	Nil	Nil	Nil	Nil
2	Unit/Ltrs. of Fuel (Kwh)	Nil	Nil	Nil	Nil
3	Cost/Unit (Rs.)	Nil	Nil	Nil	Nil

2 Coal

3 Furnace Oil

4 Others/Internal Generation :

Coal	Nil	Nil	Nil	Nil
Furnace Oil	Nil	Nil	Nil	Nil
Others/Internal Generation :	Nil	Nil	Nil	Nil

B. CONSUMPTION PER UNIT OF PRODUCTION

Products : Chemicals Resins
Unit of production : MT M³

		Current Year 2011-2012		Previous Year 2010-2011	
	STANDARD (IF ANY)				
ELECTRICITY	(Units/MT)	72.22		70.17	
	(Units/M ³)	298		316	
FURNACE OIL		Nil		Nil	
COAL (Specify Quality)		Nil		Nil	
OTHERS (Specify)		Nil		Nil	

FORM B

(Form for Disclosure of Particulars with respect to Absorption)

RESEARCH AND DEVELOPMENT (R&D) - Patancheru (A.P.) and Navi Mumbai (Maharashtra)

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

a. Ion exchange resin synthesis

Development of food grade weak acid cation exchange resin. This resin has higher operating capacity than conventional resin.

b. Heavy metal selective resin : INDION GSR-HM (Ground water Selective Resin for heavy metal removal)

c. Fluoride Removal resin : INDION RS-F (Resin Selective for fluoride)

d. Water treatment chemicals

Designed and developed a fireside formulation for lignite. Developed a unique polymer which is having antiscalant effect and also improve the corrosion control when formulated with other regular cooling water treatment chemicals. Company also developed ultra low iron and ultra low silica test kits, which will be used in to analyze the iron.

2. Benefits derived as a result of the above R&D work.

a. Food grade weak acid cation has got very high potential both in domestic and international market.

b. INDION GSR-HM is developed as an import substitution for similar products. This resin selectively removes heavy metals from water without changing water quality parameters. The treated water conforms to WHO/USEPA/BIS standards. This resin is meant for a one time use and when exhausted, resin can be disposed off without the risk of leaching into the ground.

Benefits derived are therefore a water treatment technology that does not require chemicals during the treatment process and does not produce any wastewater hence, process becomes user friendly

c. INDION RS-F (Fluoride Removal Resin) :

The resin is developed to reduce the fluoride content of treated water to <1.0ppm as per drinking water standards even when inlet fluoride content is as high as 35ppm. Unlike conventional defluoridation resin, INDION RS-F can tolerate high total dissolved salt (1500-2000ppm) and a wide pH range.

INDION RS-F therefore is effective for hand pump attachment as well as community based defluoridation plant. The Resin gives much higher life compared to existing technologies.

d. The fireside chemical designed for lignite has got the potential for all lignite fired boilers. This product will help us to penetrate the new market which uses coal as fuel. Development of phosphate polymer would be helpful to add a new product in the product line. Development of ultra low iron and ultra low silica would be useful for boiler water analysis and has got a very high potential. These products are now being imported. It would be useful both for captive consumption and also for sales.

3. Expenditure on R&D

a. Capital	:	Rs. 36,07,067/-
b. Revenue	:	Rs. 3,81,42,618/-
c. Total	:	Rs. 4,17,49,685/-
d. Total R&D Expenditure as a percentage of turnover	:	0.64%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. The Company continues to use the latest technologies for improving the productivity and quality of its products and services.

2. In case of imported technology (imported during the last 5 years reckon from the beginning of the financial year)

Technology imported : None

Year of import : N.A.

Has technology been fully absorbed : N.A.

If not fully absorbed, areas where this : N.A.

has not taken place, reasons therefore and future plans of action

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUCTURE AND DEVELOPMENT

The year 2011-2012 started on a positive note for the global economy and the industrial sector was looking forward to a period of growth and development. The first part of the year saw the economy showing signs of improvement till the Euro crisis started affecting it in the later part of the year.

These developments also affected the Indian economy to some extent in terms of the FII inflows and FDIs. However, high internal consumption has, to some extent not allowed the same to have a major impact on India's growing economy. In order to curb the growing inflation, interest rates were hiked and later relaxed with some infusion of capital in the market through reduction in CRR. This helped regain confidence across industry.

Investments in infrastructure projects continue to grow over last year. Though some of the green field projects were delayed, the planned brown field expansions went ahead as scheduled.

All the above shifts in economic sentiments have not had a major impact on the Indian Water & Environment Management Industry. This is demonstrated by sector growth of almost 15%.

Industry is increasingly looking at total outsourcing of water management and this will be a good market for company like yours with 360° capabilities in providing solutions and managing them. Opportunities also exist in BOT/Lease structured projects.

Decreasing levels of water table in urban India and erratic rainfall has increased the focus on recycling of water and waste water. Stringent measures have been enforced by the government, with regard to water use and re-use in major metros. This trend is likely to extend to other urban areas as well. The builder community especially the reputed builders, have been more than actively supporting this move for improving the environmental health. We expect this segment to increasingly use quality products for water, recycle, and sewage treatment. Your company is well positioned to benefit from this trend as well.

The rise in input costs of chemicals coupled with currency rate fluctuations continues to affect companies like ours. Market dynamics may not always allow passing on the impact of the above factors to customers. This may sometimes affect the industrial and commodity chemicals profit margins. Your company is continuously innovating its product portfolio and usage of raw materials in order to minimise adverse impact of price volatility.

We feel the industry will continue to grow at reasonably good pace in the coming year albeit with slightly lesser share from private sector. We also feel that the margins of the industry will continue to be under some pressure. The last few years have seen a lot of large and small players entering this segment. Your Company feels that the industry will soon see a period of consolidation with some of the new entrants opting out. With your company's emphasis on innovative technology, quality products, research & development and comprehensive product mix for entire environment management, the overall outlook appears positive and management is confident about long term

business prospects of your Company.

B. HIGHLIGHTS OF PERFORMANCE

Gross turnover for the year 2011-2012 was Rs. 673 crores. Profit after tax was Rs.1,755 lacs as compared to Rs. 1,213 lacs in the previous year.

The Turnover for the year increased more than 13%. However, the profit after tax showed a marked improvement of more than 40%.

C. SEGMENTWISE OPERATIONAL PERFORMANCE

The business of your company can be segmented into:

1. Engineering
2. Chemicals
3. Consumer Products

Engineering

In this segment, the Company designs, manufactures and sells medium and large size equipment for water & waste water treatment plants. The segment achieved turnover of Rs. 412 crores compared to Rs. 362 crores for the previous year.

The segment continues to grow at healthy rate as company has good order bank, besides its presence and prospects in core Industrial segments like Refineries, Power, Steel and segments like Food & Beverages, Pharmaceuticals, Automobiles, Hospitality to name a few where your company has proven track record and distinct preference. Emerging prospects like Municipal Infrastructure and Sea Water Desalination provide the company additional opportunities for growth.

Chemicals

The segment achieved turnover of Rs.182 crores as compared to Rs.152 crores of the previous year.

During the year sales in domestic markets improved for both resins and water treatment chemicals. Exports of resins to US, Europe and Far East also showed good improvements, specifically through new customers developed in Korea and Japan. Margins in both resin and Industrial Chemicals were under pressure due to higher cost of raw material and sudden depreciation of the Rupee. The Company has started manufacturing intermediate to contain the price increase. The mining and energy business started one and half year back is expected to give excellent growth next year. The Company has invested in new Pharma facility at Ankleshwar and we will be manufacturing excipients and drug actives in this facility. Both these products have large potential in US and Europe markets and efforts are on to tie up with potential customers. The outlook for this segment is positive.

Consumer Products

The segment achieved turnover of Rs. 93 crores as compared to Rs. 82 crores of the previous year.

The division sustained increase business volume in spite of the general economic slow down with 17% growth in the Home Water

Solutions business. The revenue generated through Direct Sales business improved by 27%, Retail business grew by 15% and Service business increased by 8%, as compared to previous year. Growth in all Home Water Solutions businesses not only contributed to the top line but also improved the satisfaction levels of our customers in the process.

In the year under review, the domestic water purifier business attracted a large number of new entrants resulting in intense competition and ever-changing dynamics in the market place.

The Company continues to invest in its "Zero B" brand which has survived the onslaught from aggressive new players in the category. The brand was awarded "The Complete Domestic Water Solutions Provider" by Water Digest in association with UNESCO for the sixth consecutive year.

In the current year too, the thrust will be on improving the brand recall and increasing the market share by offering products suitable to the ever-increasing needs of potential customers.

The Institutional segment which caters to the needs of housing complexes, hotels, hospitals, administrative blocks of PSU units and educational institutions showed improved performance with rise of 25% sales over the previous year. The institutional segment also improved on margins. The growing demand for Sewage Treatment Plants in Housing complexes and hotels saw an increased sale of such units. The division is poised for growth in the next year.

To meet the requirements of the rural communities, your company continues to work towards increasing its penetration in rural India and adapting its products and technologies to suit their specific needs.

This has been undertaken by partnering with Government and Non Government Organisations (NGOs), developing a local distribution network and through awareness creation activities for safe drinking water and sanitation.

In the current year, your company will continue to work towards increasing its presence in the rural market by reaching out to new markets and widening our network in the existing markets.

Exports

During the year under review, your Company has achieved export turnover of Rs. 94 crores. The global economical recession resulted in a slow growth. The current economic conditions in Europe also affected the exports in those countries. The Division will focus on expanding its network in the African region where economy is likely to grow at relatively high pace.

D. RISKS, THREATS, CONCERNS AND RISK MITIGATION

Risk mitigation has been the priority of the managements' agenda. A structured method of evaluating risk and impact, a robust mitigation plan and continuous monitoring of performance is in operation.

Even this year i.e. 2011-12 was a mixed one with Indian economy performing in line with expectation on one hand and on the other hand, rise in fuel prices and interest cost triggered steep rise in inflation index. Most of the players in the industry, including that of the water industry have been affected. Your management

has been proactive in realising the impact of these economic indicators and has exercised caution in selection of the business opportunities and giving commitments.

With the volatile macro-economic scenario and changes in water industry, your Company remains vigilant of its market share with continued focus and reinforcement on credibility, quality, services and technology fronts to ensure competitiveness vis-a-vis major Indian and global players. Other mitigation plans include cost reduction, value engineering without compromising quality, and tie ups with vendors for quality assured supplies at competitive prices.

Regulatory policies and the changes in the law of the land, though completely beyond the control of the company, affect business operations. A periodic internal certification process that provide regulatory compliance assurance has been evolved to mitigate legal compliance related risks.

Your company being a technology driven company is continuously on look out for reputed and reliable new alliances and international partners to capitalise on the gains of technological innovations. Significant investment is also planned on research and development, technology upgradation and adoption of new technologies.

Fluctuation in exchange rates has been also identified as one of the risks that could impact export earning as well as raw material imports. However, the Company has adequate hedging methods in place to mitigate this risk. The Company has a conservative forex management policy and does not speculate in the forex market.

E. HUMAN RESOURCES & TRAINING

The Human Resource function plays a key role in building a conducive and performance-oriented work environment with focus on fairness, transparency, and accountability.

The function is linked with the strategic goals and objectives of the business, to improve productivity and efficiency, companywide. Global benchmarking is a powerful instrument that helps us compete with the best and serve our customers better.

Your Company recognises that talent management is a constantly evolving discipline, which needs to be addressed. This stems from our belief that performance leads to recognition. Identifying and grooming high potential employees for greater responsibility and leadership roles has certainly enabled employee retention. An employee satisfaction survey has been recently done to feel the pulse of the employees.

We have been successful in integrating Corporate Social Responsibility (CSR) as part of our HR initiatives, which has helped create a good rapport between our employees and the communities they work with. By volunteering to work together on CSR initiatives, team building and employee bonding with the organisation are also achieved.

F. INTERNAL CONTROLS

Control framework within the company is adequate. The existing review mechanism coupled with policy framework implemented

by your company provides reasonable assurance of the efficacy of the internal control operation within the Company.

The company has an in-house internal audit department staffed with qualified and experienced professionals. The annual audit plan takes into account the risk priorities assigned by the management and is approved by the Audit committee. Major audit observations and progress of implementation of directives by the Audit committee are reviewed by the committee that meets at regular intervals. The statutory auditors too review the audit observations and make suitable recommendations.

G. SOCIAL RESPONSIBILITY INITIATIVES

We take pride in saying that your Company has made a good start in the area of Corporate Social Responsibility (CSR), under the aegis of Ion Foundation.

We uphold our belief in earning the goodwill of every community that we operate in and have reached out to over 2000 underprivileged school children at remote locations in Patancheru, Anantapur, Ankleshwar, Goa, Kolkata, Mumbai, Navi Mumbai & outskirts. We plan to extend CSR to other locations as well.

We undertake programmes relating to Education, Health and Hygiene by working closely with NGOs and community leaders who help us in assessing pressing community needs. Our educational and vocational projects such as tuitions to first generation learners, infrastructural support, skilled training in agro-based activities, work towards building a self-sufficient future. Health & Hygiene measures include safe drinking water

solutions, Zero-B drinking water purifiers, construction of basic amenities, development of technology for rural India (removal of iron, nitrates, fluoride and arsenic contaminants from water) making it safe for potable purposes. What is more important is that the Company's businesses are undertaken in an environmentally responsible manner, committed to conservation of resources, pollution control and protection of the environment.

Corporate Social Responsibility not only touches the hearts and lives of the underprivileged but also employees at all our locations. Importantly, employees appreciate working for organisations that have strong values and so, alignment & integration of CSR as part of the employee program will help motivate, develop and retain employees.

Cautionary Statement

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

On behalf of the Board of Directors
Rajesh Sharma
Chairman

Mumbai
Date : 25th May, 2012

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy On Code Of Corporate Governance

The Company recognises that good corporate governance is a continuous exercise and always acts as a good corporate citizen which is inherent in the culture of the organisation. The Company believes in setting the highest standards in good and ethical corporate governance practices and follows the same by adopting fairness, transparency and accountability in all its operations on an ongoing basis. The Company firmly believes that these aspects as well as compliances of applicable legislations and timely disclosures enhance the image of the Company and the long term value of all shareholders and stakeholders. The Company's Board of Directors has framed a code of conduct for its senior managers including Board members. The code of conduct is available on the Company's website www.ionindia.com.

2. Board of Directors (The Board)

i. Composition & Category of Directors [as on 31st March, 2012]

The Board comprises of twelve directors, of whom nine directors including Chairman are non-executive and seven directors are independent. The Composition of Board is given below:

Name	Category
Mr. G.S. Ranganathan	Non-Executive Chairman Emeritus (Promoter)
Mr. Rajesh Sharma	Executive-Chairman & Managing Director
Mr. Dinesh Sharma	Executive
Mr. Aankur Patni	Executive
Dr. V. N. Gupchup	Non-Executive, Independent
Mr. M. P. Patni	Non-Executive
Mr. T. M. M. Nambiar	Non-Executive, Independent
Mr. A. Marfatia	Non-Executive, Independent
Mr. P. SampathKumar	Non-Executive, Independent
Mr. Abhiram Seth	Non-Executive, Independent
Mr. Shishir Tamotia	Non-Executive, Independent
Mrs. K.J. Udeshi *	Non-Executive, Independent

* Mrs. K.J. Udeshi appointed as additional director on 27th May 2011 and appointed as director on 27th September 2011

The Company does not have a Nominee Director on the Board.

ii. Board Meetings, Annual general meeting and Attendance of each Director

The Company held Six Board Meetings on 27.05. 2011, 28.07.2011, 27.09.2011, 21.10.2011, 25.01.2012 and

21.03.2012. At every board meeting, the matters specified under clause 49(IV), Annexure 1 of the Listing Agreement were placed and discussed.

The previous Annual General Meeting (AGM) of the Company held on 27th September, 2011 was attended by all the Directors.

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

Name	Number of Board Meetings as on (31/3/12)	Directorships in other Company(s)	Member/Chairman of Committees of other company(s) (as on 31/3/12)
Mr. G.S. Ranganathan	3	4	3 (includes 2 Chairmanships)
Mr. Rajesh Sharma	6	14	2
Mr. Dinesh Sharma	6	12	1 (chairman)
Mr. Aankur Patni	6	6	-
Dr. V. N. Gupchup	6	4	5 (includes 2 Chairmanships)
Mr. M. P. Patni	6	11	2
Mr. T. M. M. Nambiar	6	3	5 (includes 2 Chairmanships)
Mr. A. Marfatia	5	2	-
Mr. P. SampathKumar	4	1	1
Mr. Abhiram Seth	4	10	2
Mr. Shishir Tamotia	5	1	-
Mrs. K.J. Udeshi	6	3	5 (includes 1 Chairmanships)

iii. Code of Conduct

The Board of Directors has laid down code of conduct for all Board members and senior Management of the Company. A copy of the code has been put on the Company's website www.ionindia.com.

A declaration signed by the Managing Director is given below:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the code of conduct in respect of the Financial Year 2011-12.

Rajesh Sharma
Chairman & Managing Director

3. Audit Committee

The Audit Committee regularly reviews and analyses the adequacy of internal control system, the financial and risk management policies of the Company and other matters as laid down under clause 49(II) of the Listing Agreement with the Stock Exchange. The Internal Auditor submits reports periodically to the Committee and suggestions are given for effective functioning of the internal control system.

The Committee held four meetings during the year on 27.05.2011, 28.07.2010, 21.10.2011 and 25.01.2012.

Name	Number of the Audit Committee meetings attended
Mr.T.M.M.Nambiar	4
Dr. V.N.Gupchup	4
Mr. Abhiram Seth	2

4. Remuneration Committee

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

The remuneration paid to Managing Director Mr. Rajesh Sharma and Executive Directors Mr. Dinesh Sharma and Mr. Aankur

Patni during the financial year 2011- 2012 is given hereunder.

Name	Salary & Allowances (Rs.)	Contribution to Provident & other funds (Rs.)	Perquisites (Rs.)	Total (Rs.)
Mr. Rajesh Sharma	1,63,40,000	31,49,190	6,79,980	2,01,69,170
Mr. Dinesh Sharma	80,04,000	15,26,880	1,80,218	97,11,098
Mr. Aankur Patni	80,04,000	15,26,880		95,30,880

During the year, the Company paid Rs. 14,75,000 /- as sitting fees to the non-executive Directors for attending the Board and Committee Meetings. The details are given below:

Name	Amount paid (Rs.)
Mr. G.S. Ranganathan	2,55,000
Dr. V. N. Gupchup	2,50,000
Mr. M. P. Patni	1,70,000
Mr. T. M. M. Nambiar	2,50,000
Mr. A. Marfatia	1,00,000
Mr. P. SampathKumar	1,10,000
Mr. Abhiram Seth	1,20,000
Mr. Shishir Tamotia	1,00,000
Mrs. K.J. Udeshi	1,20,000
Total	14,75,000

5. Employee Stock Option Compensation Committee (ESOCC)

The Employee Stock Option Compensation Committee (ESOCC) of the company administers the Employee Stock Option Schemes. The ESOCC is headed by Mr. G S. Ranganathan (Non-Executive and Chairman) along with the members of the Committee are Mr. M. P. Patni (Non-Executive), Dr. V. N.Gupchup, Mr. T. M. M. Nambiar and Mr. P. SampathKumar (independent).

The details of Employees' Stock Option Schemes ESOS – 2001, ESOS – 2003, ESOS - 2005 and ESOS - 2008 as required to be given under SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended, are given hereunder: (as on 31st March, 2012)

		ESOS-2001	ESOS-2003	ESOS - 2005	ESOS - 2008
A.	Options granted	First grant – 3,84,500 (2 0 . 0 7 . 2 0 0 1) Second grant – 5,36,100 (08.08.2002) Third grant – 3,00,000 (05.06.2007)	First grant – 6,50,000 (0 2 . 0 4 . 2 0 0 4) Second grant –3,50,000 (05.06.2007)	First grant – 5,00,000 (2 9 . 0 3 . 2 0 0 6) Second grant –5,00,000 (24.07.2006)	12,00,000 (13.10.2008)
B.	Pricing Formula	First grant @ Rs.12.50 Second grant @ Rs.19.00 Third grant @ Rs.94.00 Computed on the average of the weekly closing prices on The Stock Exchange, Mumbai during the 13 weeks prior to the date of grant	First grant @ Rs.19.00 Second grant @ Rs.94.00 Computed on the average of two weeks high and low price of the shares traded on The Stock Exchange, Mumbai, preceding the date of grant or the	First grant @ Rs.67.00 Second grant @Rs.54.50 Computed on the average of two weeks high and low price of the share traded on The Stock Exchange, Mumbai, preceding the date of grant or the	First grant @ Rs.58.20 Computed on the average of two weeks high and low price of the share traded on The Stock Exchange, Mumbai, preceding the date of grant or the closing market price prior to the date of grant.

		ESOS-2001	ESOS-2003	ESOS - 2005	ESOS - 2008
		or the closing price on the date of the grant whichever is lower or with a discount not exceeding 25% on the price as computed by the above formula as may be decided by the ESOS Compensation Committee. (The closing market price on BSE as on the date of grant – First grant Rs. 13.70, Second grant Rs. 24.50, Third grant Rs. 125.10)	closing price on the date of the grant whichever is lower or with a discount not exceeding 25% on the price as computed by the above formula as may be decided by the ESOS Compensation Committee. (The Closing market price on BSE as on the date of grant – First grant Rs. 29.65, Second grant Rs.125.10)	closing market price prior to the date of grant. Exercise price shall be at a discount not exceeding 25% on the average price or the closing market price as computed by the above formula as may be decided by the ESOS Compensation Committee. (The closing market price on BSE as on the date of grant – First grant Rs.96.65, Second grant Rs.72.65)	Exercise price shall be at a discount not exceeding 25% on the average price or the closing market price as computed by the above formula as may be decided by the ESOS Compensation Committee. (The closing market price on BSE as on the date of grant – First grant Rs.77.55)
C.	Options Vested	First grant – 3,84,500 Second grant –5,36,100 Third grant – 3,00,000	First Grant – 6,50,000 Second Grant –3,50,000	First Grant – 4,80,000 Second Grant – 5,00,000	12,00,000
D.	Options Exercised	First grant – 2,77,000 Second grant –3,89,700 Third grant – 5,000	First Grant – 5,78,675 Second Grant - Nil	First Grant – 3,26,000 Second Grant –4,06,000	8,33,900
E.	The total no. of shares arising as a result of exercise of option	First grant – 2,77,000, Second grant –3,89,700 Third grant - 5,000	First Grant – 5,78,675 Second Grant - Nil	First Grant – 3,26,000 Second Grant –4,06,000	8,33,900
F.	Options Lapsed	First grant – 1,07,500 Second grant –146,400 Third grant – 45,000	First Grant – 71,325 Second grant – 68,000	First Grant – 1,74,000 Second grant –94,000	71,000
G.	Variations of terms of options	Pursuant to the approval of shareholders at 44th Annual General Meeting, the Employees' Stock Option Compensation Committee has decided to amend the vesting period for the options granted so that the date of vesting of all the options granted which were to be vested in tranches be advanced and all the options not vested as yet be vested simultaneously	i) Pursuant to the approval of shareholders at 42nd Annual General Meeting the Employees' Stock Option Compensation Committee has decided to advance the date of vesting of options so that options not vested as yet be vested immediately. ii) Pursuant to the approval of shareholders at 44 th Annual General Meeting, the Employees' Stock Option Compensation Committee has decided to amend the vesting period for	None	None

		ESOS-2001	ESOS-2003	ESOS - 2005	ESOS - 2008
			the options granted so that the date of vesting of all the options granted which were to be vested in tranches be advanced and all the options notvested as yet be vested simultaneously		
H.	Money realised by exercise of options	First grant – Rs.34,62,500/- Second grant – Rs.74,04,300/- Third grant - 4,70,000	First Grant – Rs.1,09,94,825/- Second grant - Nil	First grant - Rs. 2,18,42,000/- Second Grant - Rs.2,21,27,000/-	Rs.4,85,32,980/-
I.	Total number of options in force	First grant – Nil Second grant – Nil Third grant – 2,50,000	First Grant – Nil Second Grant – 2,82,000	First Grant – Nil Second Grant – Nil	2,95,100
J.	Employee wise details of options granted to:	Nil	Nil	Nil	Nil
	i) Senior Management Personnel				
	ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	None	None	None	None
	iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	None	None	None	None
		Note: No fresh options were granted during the year			
K.	Diluted earnings per share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 earning per share – Rs. 12.75				

		ESOS-2001	ESOS-2003	ESOS - 2005	ESOS - 2008
L.	where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	N.A.	N.A.	N.A.	Please refer Note 27 of Financial statements
M	Weighted average exercise prices and weighted average fair value of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	N. A	N. A	N. A	Please refer Note 27 of Financial statements
N.	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information: i. Risk – free interest rate ii. Expected life iii. Expected volatility iv. Expected dividends, and v. The price of the underlying share in market at the time of option granted.	N. A	N. A	N. A	Please refer Note 27 of Financial statements

6. Shareholders / Investors Grievance Committee

The members of the Committee are Mr. G. S.Ranganathan (Non Executive), Dr. V. N. Gupchup (Nonexecutive and Independent), and Mr. Rajesh Sharma. The Committee is headed by Dr. V. N. Gupchup and Company Secretary is the Compliance Officer.

Number of Queries / Complaints / Requests received during the financial year from shareholders / investors:

		Received	Resolved
1.	Non Receipt / Requests of Interest/ Dividend Warrants		
	1A) Warrants Already Paid	00	00
	1B) Requests Pertaining to outdated, duplicate warrants and changes on live warrants	20	20
	1C) Reply sent giving warrant details (Reconciliation in process)	00	00
	1D) Miscellaneous Queries in connection with payments	00	00
2.	Transfer of Securities	02	02
3.	Dematerialisation of Securities	08	08
4.	Name Correction	05	05
5.	Letters received from SEBI and other Statutory bodies	03	03
6.	Change of address requests	44	44
7.	ECS / Mandate requests	37	37
8.	Loss of Securities	47	47
9.	Split / Consolidation / renewal/ duplicate issue of securities	01	01
10.	Nomination requests	02	02
11.	Tax Exemption Form / PAN related	00	00
12.	Transmission of securities	15	15
13.	Exchange / Sub – division of old shares	31	31
14.	Dividend / Interest queries	109	109
15.	Document Registration	9	9
16.	Bonus Issue	00	00
17.	Redemption	06	06
18.	Other (miscellaneous)	41	41

Three complaints received through SEBI SCORES remain pending.

7. Annual General Meetings

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

Year	Date	Time	Location
2008-2009	24.09.2009	11.00 a.m.	Amar Gian Grover Auditorium, Lala Lajpat Rai Marg, Haji Ali, Mumbai – 400 034
2009-2010	21.09.2010	11.00 a.m.	Amar Gian Grover Auditorium, Lala Lajpat Rai Marg, Haji Ali, Mumbai – 400 034
2010-2011	27.09.2011	11.00 a.m.	Amar Gian Grover Auditorium, Lala Lajpat Rai Marg, Haji Ali, Mumbai – 400 034

Special Resolution Passed Through Postal Ballot:

During the year a ordinary resolution was passed on 11th April 2011 by the Company's members through Postal Ballot under section 293 (1) (a) of the Companies Act, 1956 to sell or transfer the Projects Division (covering domestic turnkey projects) as a going concern basis to a wholly owned subsidiary Ion Exchange Projects and Engineering Limited. Details of the aforesaid ordinary resolution passed through postal ballot are as under:

- i) Person who conducted the postal ballot exercise:
The Board appointed Mr. Virendra Bhatt, Practising Company Secretary, as scrutinizer to conduct postal ballot voting process. Mr. Bhatt conducted the process and submitted his report to the Chairman.
- ii) Procedure followed: The Postal Ballot Notice and accompanying documents were dispatched to shareholders under certificate of posting. A calendar of events was submitted to the Registrar of Companies, Maharashtra, Mumbai.
- ii) Details of voting pattern: After scrutinizing all the ballot forms received, the scrutinizer reported that the shareholders representing 99.77% of the total voting strength voted in favour of the resolution, based on which the results were declared and the resolution was carried with majority.

8. Disclosures

- i. The financial and commercial transactions entered into by Directors, their relatives and subsidiaries with the Company were not in conflict with the interests of the Company. The transactions with related parties are disclosed in the Notes to financial statements under Item no. 32.
- ii. The Company has complied with all the Statutory requirements and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other authority on any matter related to capital markets during the last three years.
- iii. The Company had laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and the Board of Directors review these procedures periodically.

9. Means of Communication

As per the requirements of listing agreement with The Stock Exchange, Mumbai, the quarterly, half yearly and annual financial results of the Company are faxed & sent to the Stock Exchange immediately after the same are approved by the Board. The same is published in English (Free press journal) and regional language (Navshakti) newspapers, within 48 hours of approval by the Board and uploaded on our company's website (www.ionindia.com).

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

10. Risks and concerns and their management

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

- Strategic: High – level goals, aligned with and supporting its mission.
- Operations: Effective and efficient use of its resources
- Reporting: Reliability of financial reporting. Compliance: Compliance with applicable laws and regulations.

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

Risks/ controls and mitigation measures are uploaded on Company's intranet for regular review and updation by process owners.

11. General Shareholder Information

i) Annual General Meeting

Date : 26th September 2012

Time : 11.00 a.m.

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

ii) Financial calendar year 2012-13

Financial year : 1st April to 31st March

Quarter ending : Last week of July, 2012
June 30, 2012

Quarter ending : Last week of October, 2012
September 30, 2012

Quarter ending : Last week of January, 2013
December 31, 2012

Year ending : Last week of May, 2013
March 31, 2013

iii) Book closure date

The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 13th September, 2012 to Wednesday, 26th September, 2012 (both days inclusive) for determining the entitlement of shareholders to receive dividend for the year ended 31st March, 2012, if declared at the Annual general meeting,

iv) Dividend payment date

Dividend, if declared shall be paid on or before 1st October, 2012

v) Listing on Stock Exchange

The Company's equity shares are listed at The Stock Exchange, Mumbai.

vi) Stock code and ISIN Number

The Stock Exchange, Mumbai - 500214.

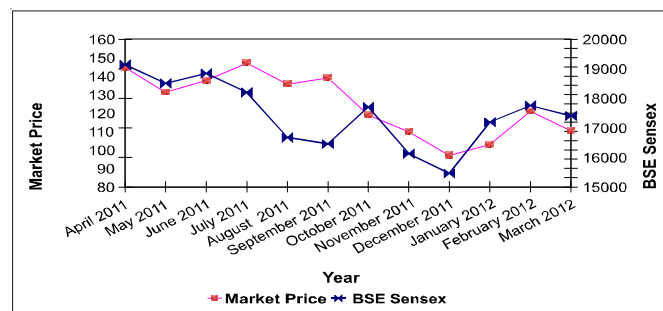
ISIN Number - INE570A01014.

The Stock Exchange, Mumbai

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

Month	High Price (Rs.)	Low Price (Rs.)
April 2011	159.00	130.05
May 2011	140.00	122.40
June 2011	147.80	127.30
July 2011	160.80	133.50
August 2011	147.65	123.55
September 2011	154.00	124.00
October 2011	128.70	109.00
November 2011	125.65	94.00
December 2011	110.00	84.05
January 2012	114.70	91.00
February 2012	134.80	107.00
March 2012	120.60	100.10

Market Price v/s. BSE Sensex



Share Transfer System

All activities relating to processing of share transfers in physical mode & dematerialization activities are undertaken at the Company's Registrar & Transfer Agents, M/s. TSR Darashaw Ltd. The approval for transfers in physical mode and confirmation to the depositories on Demat requests are given within 15 days of receipt, provided the documents are clear in all respects. During the financial year 2011-2012 the share transfer committee held 36 meetings. Mr. G.S. Ranganathan (Non-Executive), Dr. V.N. Gupchup (Non- Executive) and Mr. Rajesh Sharma are the

members of the Committee. The Company Secretary is the compliance officer.

Distribution of holdings as on 31/03/2012

Description	No. of Holders	%	No. of Shares	%
Less than - 500	12,266	87.43	1,489,376	10.98
501 - 1000	881	6.28	674,869	4.98
1001 - 2000	422	3.01	615,388	4.54
2001 - 3000	120	0.86	305,580	2.25
3001 - 4000	50	0.36	180,889	1.33
4001 - 5000	44	0.31	207,348	1.53
5001 - 10000	107	0.76	794,200	5.86
10001 - 999999999	140	0.99	9,294,211	68.53
TOTAL	14,030	100.00	13,56,861	100.00

Shareholding Pattern as on 31st March 2012

Category	Holdings	%
Promoter & Promoter Group	5517393	40.68
Mutual Funds & UTI	5234	0.04
Banks, Financial Institutions & Insurance Companies	195140	1.44
FII's	50	0
Domestic Companies	1267816	9.35
Public	6473060	47.73
NRIs/OCBs	103168	0.76
Total	13561861	100

Dematerialisation of Shares and Liquidity

The Company's Equity Shares are in compulsory demat i.e. electronic mode and as on 31st March, 2012, 73.36 % of the equity capital were held in dematerialised form.

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To the Members of Ion Exchange (India) Limited

We have examined the compliance of the conditions of Corporate Governance by Ion Exchange (India) Limited for the year ended 31st March, 2012, as stipulated in Clause 49 of the listing Agreement of the Company with the Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

GDR / ADR / Warrants - Not applicable as not issued.

Plant Locations

Resin manufacturing plant	Unit II – 5811-12-13, GIDC Ankleshwar Industrial Estate Ankleshwar – 393 002 Bharuch, Gujarat
Assembly Centre for Local and Export of Water Treatment Plants	R-14, TTC, MIDC Nr. Thane Belapur Road Rabale, Navi Mumbai - 400 701
Manufacture & Assembly of Standard Plants	105, SIPCOT Industrial Complex, Dharmapuri, Tamilnadu, Hosur - 635 126
Water Treatment Chemicals, Sugar Treatment Chemicals, Polymer products	19/A, Phase II Industrial Development Area, Medak Andhra Pradesh Patancheru - 502 319
Consumer Products	Plot nos. L48 & L49 Verna Electronics City Phase II, Verna, Salcette Goa - 403 722

Address for correspondence:

All investor related queries should be addressed to our Registrar & Transfer Agent.

M/s. TSR Darashaw Ltd.
(Formerly Known as M/s. Tata Share Registry Ltd.)
Unit : Ion Exchange (India) Ltd.
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road,
Mahalaxmi,
Mumbai – 400 011
Tel No.: 6656 8484
Fax No.: 6656 8494
email: csg-unit@tsrdarashaw.com
website: www.tsrdarashaw.com

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

V.V. CHAKRADEO & CO.
Company Secretaries

V. V. Chakradeo
Proprietor
(C.P. No.1705)

Place: Mumbai

Date: May 25, 2012

AUDITORS' REPORT

To

The Members of Ion Exchange (India) Limited

1. We have audited the attached Balance Sheet of Ion Exchange (India) Limited ("the Company") as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ("Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, ("Act") we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Statement of Profit and Loss and

Cash Flow Statement dealt with by this report are in agreement with the books of account;

- iv. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
- v. On the basis of the written representations received from the Directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **S.r. Batliboi & Co.**
Firm registration number: 301003E
Chartered Accountants

per **Vijay Maniar**
Partner
Membership No.:36738

Place : Mumbai

Date : 25th May, 2012

**Annexure referred to in paragraph [3] of our report of even date
Re: Ion Exchange (India) Limited ('the Company')**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted unsecured loans to five Companies (three being wholly owned subsidiaries and two being subsidiaries) covered in the register maintained under section 301 of the Act. The maximum amount involved during the year for subsidiaries was Rs.7,30,46,925 and year end balance of the loan was Rs.6,79,21,925. The maximum amount involved during the year for wholly owned subsidiaries was Rs. 5,24,21,659 and the year- end balance of loans granted to such parties was Rs. 4,29,08,374.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for loan granted to subsidiaries are not prima facie prejudicial to the interest of the Company. The Company has made interest-free loans to wholly-owned subsidiaries. According to the information and explanations given to us, and having regard to management's representation that the interest free loans are given to wholly-owned subsidiaries of the Company in the interest of the Company's business, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (c) The loans granted are re-payable on demand. We are informed that the Company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. *The payment of interest has not been regular.*
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Act.
- (e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lacs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time except in respect of transactions involving items of unique and specialised nature, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- (vi) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Act and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there have been slight delays in few cases.*
- (b) According to the information and explanations given to us, undisputed dues in respect of income-tax which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of the statute	Nature of dues	Amount (in Rs.)	Period to which the amount relates	Date of payment
Income Tax Act, 1961	Tax deducted at Source	62,075	2011-12	16 May 2012

- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (in Rs.)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise duty and Penalty	16,78,600	2004-05	Customs, Excise and Service Tax Appellate Tribunal
Sales Tax/VAT Act for Maharashtra, Gujarat and Goa states	Disallowance on account of non submission of required forms	26,31,863	1993-94	Joint Commissioner Appeals
		51,14,792	1995-96	Joint Commissioner Appeals
		3,09,79,413	1999-00	Joint Commissioner Appeals
		33,99,447	2000-01	Joint Commissioner Appeals
		6,97,121	2007-08	Assistant Commissioner Appeals
		6,73,123	2008-09	Deputy Commissioner Appeals
Sales Tax/VAT Act for the state of Goa	Disallowance on account of non submission of required forms and disallowance of Input Credit	26,21,528	2006-07	Assistant Commissioner Appeals
Finance Act, 1994 – Service Tax	Disallowance of service tax allocated to Manufacturing unit	4,78,557	2009-11	Assistant Commissioner of Central Excise
Finance Act, 1994 – Service Tax	Disallowance of service tax taken on input services	5,14,560	2007-09	Assistant Commissioner of Central Excise
Finance Act, 1994 – Service Tax	Disallowance of service tax taken on input services	6,81,278	2006-09	Additional Commissioner of Central Excise
The Customs Act, 1962	Liability on account of additional duty, interest and difference in valuation (to the extent ascertainable)	22,58,117	1998, 2002 and 2005	Joint Director General of Foreign Trade

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. BATLIBOI & CO.
Firm registration No.: 301003E
Chartered Accountants

per Vijay Maniar

Partner

Membership No.: 36738

Place : Mumbai

Date : 25th May, 2012

BALANCE SHEET as at 31st March 2012

	Notes	31st March 2012 Rupees	31st March 2011 Rupees
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
(a) Share capital	3	13,56,18,610	13,42,59,110
(b) Reserves and surplus	4	1,48,67,63,940	1,33,91,58,997
		<u>1,62,23,82,550</u>	<u>1,47,34,18,107</u>
NON-CURRENT LIABILITIES			
(a) Long-term borrowings	5	2,33,32,081	4,06,65,598
(b) Other Long term liabilities	6	6,11,65,823	6,11,89,331
(c) Deferred tax liabilities (Net)	7	3,53,22,800	4,50,95,375
(d) Long-term provisions	8	4,71,10,787	5,08,40,803
		<u>16,69,31,491</u>	<u>19,77,91,107</u>
CURRENT LIABILITIES			
(a) Short-term borrowings	9	28,63,02,009	32,59,65,078
(b) Trade payables	10 (a)	2,80,15,61,454	2,18,48,00,209
(c) Other current liabilities	10 (b)	77,14,92,036	53,80,23,827
(d) Short-term provisions	8	16,40,29,439	9,83,67,123
		<u>4,02,33,84,938</u>	<u>3,14,71,56,237</u>
TOTAL		<u>5,81,26,98,979</u>	<u>4,81,83,65,451</u>
ASSETS			
NON-CURRENT ASSETS			
(a) Fixed assets	11		
(i) Tangible Assets		57,56,94,407	56,82,25,968
(ii) Capital Work In Progress		13,27,58,792	1,05,78,816
(b) Non-current investments	12	35,28,24,377	29,88,99,722
(c) Long-term loans and advances	13	50,34,22,364	56,16,45,245
(d) Trade Receivables	14	10,05,89,966	13,78,90,579
(e) Other non-current assets	15	4,30,528	3,74,721
		<u>1,66,57,20,434</u>	<u>1,57,76,15,051</u>
CURRENT ASSETS			
(a) Current investments	16	4,89,046	4,89,046
(b) Inventories	17	41,09,38,302	38,41,65,496
(c) Trade Receivables	14	3,32,60,34,130	2,51,77,05,237
(d) Cash and Bank balances	18	10,43,06,631	16,86,46,626
(e) Short-term loans and advances	13	30,34,37,879	16,80,74,736
(f) Other current assets	15	17,72,557	16,69,259
		<u>4,14,69,78,545</u>	<u>3,24,07,50,400</u>
TOTAL		<u>5,81,26,98,979</u>	<u>4,81,83,65,451</u>
Summary of Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. R. BATLIBOI & CO.
Firm registration no.: 301003E
Chartered Accountants

per VIJAY MANIAR
Partner
Membership No.: 36738

Place : Mumbai
Date : 25th May, 2012

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

RAJESH SHARMA
Chairman & Managing Director

M. P. PATNI
Director

MILIND PURANIK
Company Secretary

Place : Mumbai
Date : 25th May, 2012

STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2012

	Notes	31st March 2012 Rupees	31st March 2011 Rupees
REVENUE			
Revenue from operations (Gross)	19	6,72,53,79,160	5,91,17,65,021
Less: Excise Duty	19	21,17,52,265	19,81,91,028
Revenue from operations (Net)	19	6,51,36,26,895	5,71,35,73,993
Other income	20	12,60,26,165	8,57,66,823
TOTAL REVENUE		6,63,96,53,060	5,79,93,40,816
EXPENSES			
Cost of materials consumed	21	4,44,79,33,018	3,85,56,26,830
Purchases of Traded Goods	22	28,69,11,343	24,94,17,744
(Increase)/decrease in inventories of Finished Goods, Work-in-Progress and Traded Goods	22	(3,95,09,857)	2,32,14,553
Employee benefits expense	23	61,66,94,233	53,24,20,401
Finance costs	24	8,85,41,166	7,01,86,188
Depreciation and amortization	25	6,49,70,064	5,99,73,421
Other expenses	26	91,78,92,533	81,45,47,072
TOTAL EXPENSES		6,38,34,32,500	5,60,53,86,209
PROFIT BEFORE TAX		25,62,20,560	19,39,54,607
[(including loss from operation relating to discontinuing operation amounting to Rs. 5,61,71,953 (2010-2011 : Rs. 8,53,10,877)) (Refer note 49)]			
TAX EXPENSE			
Current tax		9,05,00,000	6,34,00,000
Deferred Tax (Refer note 7)		(97,72,575)	92,55,712
TOTAL TAX EXPENSE		8,07,27,425	7,26,55,712
[(including tax relating to loss from operation of discontinuing operation amounting to Rs. Nil (2010-2011 : Rs. Nil)]			
PROFIT AFTER TAX		17,54,93,135	12,12,98,895
[(including loss of Rs. 5,61,71,953 (2010-2011 : Rs. 8,53,10,877) for discontinuing operation)]			
EARNINGS PER EQUITY SHARE:			
[Nominal value of shares Rs. 10 (2010-2011 : Rs. 10)] (Refer Note 27)			
Basic		12.98	9.13
Diluted		12.75	8.69

Summary of Significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. R. BATLIBOI & CO.
Firm registration no.: 301003E
Chartered Accountants

per VIJAY MANIAR
Partner
Membership No.: 36738

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

RAJESH SHARMA
Chairman & Managing Director

M. P. PATNI
Director

MILIND PURANIK
Company Secretary

Place : Mumbai
Date : 25th May, 2012

Place : Mumbai
Date : 25th May, 2012

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012**1. Basis of Preparation:**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared under historical cost convention on accrual basis except in case of assets for which revaluation is carried out. The financial statements comply in all material respects with the Accounting Standards notified under the Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 of India (the "Act"). The accounting policies have been consistently applied by the Company, except for the change in accounting policy explained below.

The operating cycle in case of projects division comprising of turnkey projects which forms a part of engineering segment is determined for each project separately based on the expected execution period of the contract. In case of the other divisions the company has ascertained its operating cycle as twelve months.

2. Significant Accounting Policies:**(i) Change in Accounting Policies:****Presentation and disclosure of financial statements**

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(ii) Fixed Assets, Depreciation and Impairment:

Fixed assets acquired before 30th April 1986 are stated at revalued amounts while assets acquired subsequent to that date are stated at historical cost of acquisition less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing cost relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation is provided at the following rates which is the useful lives estimated by the Management, on straight-line basis for assets acquired upto 31st March 1994:

Assets	Depreciation rate applied %
Buildings – Other than Factory Buildings	5
– Factory Buildings	5
Plant and Machinery	10/12.5
Effluent Treatment Plants	20
Moulds and Dies	20
Furniture and Fixtures	10
Office Equipments	15
Vehicles	20

Depreciation on additions made since April 1994 has been made on a pro-rata basis at the rates as prescribed in Schedule XIV to the Act on straight-line basis or as per the useful lives estimated by the Management, whichever is higher.

Site equipments are depreciated over 3 years.

Leasehold lands/assets are amortized over the period of lease.

All assets individually costing less than Rs. 5,000 are depreciated at 100% in the year of acquisition.

The incremental depreciation attributable to the revalued amount is transferred from the Revaluation Reserve to the Profit and Loss Account.

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

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

(iii) Foreign Currency Transactions:

Transactions in foreign currencies are recognized at exchange rates prevailing on the transaction dates. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise. Foreign currency monetary items are reported at the year end rates. Exchange differences arising on reinstatement of foreign currency monetary items are recognized as income or expense in the Profit and Loss Account. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

The premium or discount arising at the inception of forward exchange contracts is amortized as income or expense over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year. None of the forward exchange contracts are taken for trading or speculation purpose.

(iv) Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

(v) Inventories:

Inventories are valued at lower of Cost and Net Realisable Value. Cost for raw materials, 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 for Work-in-Progress includes raw material cost, 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 for Finished Goods includes raw material cost, cost of conversion, other costs incurred in bringing the inventories to their present location/ condition and excise duty. Cost is computed on weighted average basis.

Costs of traded goods is computed on First-in-First-out 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.

(vi) Accounting for CENVAT:

The Company follows on a consistent basis, the "non-inclusive" method of accounting for CENVAT under Central Excise Act with regard to its inventories, purchases and consumption.

(vii) Research and Development:

Capital expenditure on Research and Development is treated in the same manner as fixed assets. Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured.

(viii) Retirement & Other Employee Benefits:

a) Retirement Benefits in the form of Provident Fund and Superannuation Fund are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable.

b) Gratuity Liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit method made at the end of each financial year.

c) Short Term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered. Long Term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per Projected Unit Credit method made at the end of each financial year.

d) Actuarial gains/losses are immediately taken to Profit and Loss Account and are not deferred.

(ix) Revenue Recognition:

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

Sales are accounted for inclusive of Excise duty but excluding Sales tax. 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.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

Contract Revenue and Contract Costs in respect of construction contracts, execution of which is spread over different accounting periods, is recognized as revenue and expense respectively by reference to the basis of percentage of completion method of the project at the Balance Sheet date.

Determination of revenues under the percentage of completion method by the Company is based on estimates (some of which are technical in nature) concerning the percentage of completion, costs to completion, contracted revenue from the contract and the foreseeable losses of completion.

Foreseeable losses, if any, which are based on technical estimates, are provided in the accounts irrespective of the work done. The Company does not have outflow on account of warranty given to customers as all the outsourced work has a back to back guarantee.

Income from Services:

Revenue from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered. Income from commission and management fees is recognized on completion of services. Service income is accounted net of service tax.

Interest:

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends:

Revenue is recognized when the shareholders' right to receive payment is established by the Balance Sheet date.

(x) Taxation:

- a) Provision for current taxation has been made in accordance with the Indian Income tax laws prevailing for the relevant assessment years.
- b) Deferred tax is recognized, subject to the consideration of prudence, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

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

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

(xi) Employee Stock Compensation cost:

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Guidance note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the Intrinsic Value method. Compensation expense is amortized over the vesting period of the option on a straight-line basis. The unamortized portion of the cost is shown under Stock Options Outstanding.

(xii) 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).

Contingent liability is disclosed for a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or a reliable estimate of the amount of the obligation cannot be made.

(xiii) Derivative Instruments:

The Company uses derivative financial instruments such as forward exchange contracts to hedge its risk associated with foreign currency fluctuations. Accounting policy for forward exchange contracts is given in 1 (ii).

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

(xiv) Earnings Per Share:

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

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

(xv) Segment Reporting Policies:

Identification of segments:

Segments are identified and reported taking into account the nature of products and services, the differing risks and returns, the organization structure and the internal financial reporting system. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter-segment Transfers:

The Company accounts for inter-segment sales and transfers at market prices.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the turnover of the respective segments.

Unallocated costs:

The unallocated segment includes general corporate income and expense items which are not allocated to any business segment.

Segment policies:

The Company prepares its segment information in conformity with the Accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(xvi) Cash and Cash Equivalents:

Cash and Cash equivalents in the Cash Flow statement comprise Cash at Bank and in Hand and short-term investments with an original maturity of three months or less.

(xvii) Leases:

Where the Company is the Lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets given on operating leases by the Company are included in fixed assets. Lease income is recognized in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account.

Where the Company is lessee

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

(xviii) Borrowing costs:

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

(xix) Use of estimates:

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

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)**3. SHARE CAPITAL**

	31st March 2012	31st March 2011
	Rupees	Rupees
Authorised shares 1,50,00,000 (2010-2011 : 1,50,00,000) Equity Shares of Rs. 10 each.	<u>15,00,00,000</u>	<u>15,00,00,000</u>
Issued, Subscribed and fully paid-up shares: 1,35,61,861 (2010-2011 : 1,34,25,911) Equity Shares of Rs. 10 each.	<u>13,56,18,610</u>	<u>13,42,59,110</u>
	<u>13,56,18,610</u>	<u>13,42,59,110</u>

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

Equity Shares

	31st March 2012		31st March 2011	
	No. of Shares	Rupees	No. of Shares	Rupees
At the beginning of the period	1,34,25,911	13,42,59,110	1,27,25,861	12,72,58,610
Issued during the period - ESOS	1,35,950	13,59,500	7,00,050	70,00,500
Outstanding at the end of the period	<u>1,35,61,861</u>	<u>13,56,18,610</u>	<u>1,34,25,911</u>	<u>13,42,59,110</u>

(b) Terms/rights attached to equity shares

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

During the year ended 31st March 2012, the amount of per share dividend recognised as distribution to equity shareholders is Rs. 2 (2010-2011 : Rs. 2)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31st March 2012		31st March 2011	
	No. of Shares	% of holding	No. of Shares	% of holding
Rakesh Jhunjhunwala	8,75,000	6.45%	8,75,000	6.52%

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

(d) Aggregate number of share issued for consideration other than cash during the period of five years immediately preceding the reporting date.

The company has issued 15,70,900 shares (2010-2011 : 20,15,700) during the period of five years immediately preceding the reporting date on exercise of options granted under the Employee Stock Option Scheme (ESOS) wherein part consideration was received in form of employee services.

(e) Shares reserved for issued under ESOS

For details of shares allotted under various Employee Stock Option Schemes (ESOS) and shares reserved for issue under the Employees Stock Option Scheme (ESOS) of the company please refer note 29.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

4. RESERVES AND SURPLUS

	31st March 2012 Rupees	31st March 2011 Rupees
<u>Capital Reserve</u>	26,67,745	26,67,745
<u>Security Premium Account</u>		
Balance as at April 1	79,77,56,576	75,01,75,474
Add: Received on exercise of Employee Stock Option Scheme	91,63,823	4,75,81,102
	80,69,20,399	79,77,56,576
<u>Revaluation Reserve [Refer note 2(ii)]</u>		
Balance as at April 1	11,05,800	11,34,270
Less: Transfer to Profit and Loss Account	28,470	28,470
	10,77,330	11,05,800
<u>Employee Stock Options Outstanding [Refer note 2(xi) and note 29]</u>		
Employee Stock Options Outstanding	2,25,35,286	2,81,76,618
Less: Deferred Employee Compensation Outstanding	-	2,01,447
	2,25,35,286	2,79,75,171
<u>Special Reserve</u>	16,00,060	16,00,060
(As per Section 45 - 1C of the Reserve Bank of India Act)		
<u>Contingency Reserve</u>		
Balance as at April 1	-	4,00,00,000
Less: Transfer to General Reserve	-	(4,00,00,000)
	-	-
<u>General Reserve</u>		
Balance as at April 1	19,07,98,364	13,85,98,364
Add: Transfer from Contingency Reserve	-	4,00,00,000
Add: Transfer from Profit and Loss Account	1,32,00,000	1,22,00,000
	20,39,98,364	19,07,98,364
<u>Surplus in the statement of Profit and Loss Account</u>		
Balance as per last financial statements	31,72,55,281	24,03,82,050
Profit for the year	17,54,93,135	12,12,98,895
Less : Appropriations		
Dividend [Refer note 46]	1,96,500	9,29,475
Tax on dividend [Refer note 46]	(1,36,708)	(15,385)
Proposed final dividend [amount per share Rs. 2 (2010-2011 : Rs. 2)]	2,71,23,722	2,68,51,822
Tax on proposed final dividend	44,00,146	44,59,752
Transfer to General Reserve	1,32,00,000	1,22,00,000
Net Surplus in the statement of Profit and Loss Account	44,79,64,756	31,72,55,281
Total Reserves and Surplus	1,48,67,63,940	1,33,91,58,997

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

5. LONG TERM BORROWINGS:

	Non-current portion		Current maturities	
	31st March 2012 Rupees	31st March 2011 Rupees	31st March 2012 Rupees	31st March 2011 Rupees
<u>Term Loans from Banks</u> (Secured)				
Indian rupee loan from bank [See note (a) below]	-	70,65,000	70,65,000	1,41,16,000
Indian rupee loan from bank [See note (b) below]	-	-	6,00,00,000	-
Indian rupee Vehicle loan from banks [See note (c) below]	25,13,988	15,13,598	23,91,697	30,70,578
<u>Other Loans and Advances</u>				
Finance Lease obligation (secured) [See note (d) below]	40,46,093	-	16,09,591	-
Deposits (Unsecured) [See note (e) below]				
Deposit from Shareholders	65,000	2,55,000	2,15,000	1,65,000
Deposit from Public	1,67,07,000	3,18,32,000	2,25,99,000	1,35,81,000
	2,33,32,081	4,06,65,598	9,38,80,288	3,09,32,578
<u>The above amount includes</u>				
Secured borrowings	65,60,081	85,78,598	7,10,66,288	1,71,86,578
Unsecured borrowings	1,67,72,000	3,20,87,000	2,28,14,000	1,37,46,000
Amount disclosed under the head "Other current Liabilities " (refer note 10)	-	-	(9,38,80,288)	(3,09,32,578)
	2,33,32,081	4,06,65,598	-	-

- (a) Indian rupees loan from bank carries interest @ 13.00%. Indian rupees loan from bank is repayable in 17 quarterly installments of Rs. 35,29,000 each except for Last Installment which is of Rs. 35,36,000. The loan is secured by First Charge by way of mortgage and hypothecation of all movable and immovable properties situated at Vashi, Goa and Ankleshwar, both present and future.
- (b) Indian rupees loan from bank taken for a specific project carries interest @ 11.75% to 13.00%. Indian rupees loan from bank is repayable within 20 months from the date of first disbursement or out of excess contract proceeds whichever is earlier. The loan is secured by pari passu first charge on project specific current Assets, both present and future.
- (c) Indian rupee vehicle loans from banks carries interest @ 12.00% to 14.60% p.a. The loans are repayable in equal monthly installments along with interest, from the various dates of disbursements. The loans are secured by hypothecation of vehicles.
- (d) Finance lease obligation is secured by hypothecation of equipment's taken on lease.
- (e) Deposits from Shareholders and Public carry interest @7.00% to 8.00% p.a for deposits repayable after 1 year to 3 years from the respective dates of deposits.

6. OTHER LONG TERM LIABILITIES

	31st March 2012 Rupees	31st March 2011 Rupees
Deposits	3,76,56,908	3,72,12,450
Trade Payables	2,30,46,128	2,30,46,128
Interest accrued but not due	4,62,787	9,30,753
	6,11,65,823	6,11,89,331

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

7. DEFERRED TAX LIABILITY (NET)

Particulars	As at 31st March 2012		As at 31st March 2011	
	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset
	Rupees	Rupees	Rupees	Rupees
Difference between book and tax depreciation	7,51,04,054	-	7,77,29,661	-
Provision for doubtful debts	-	19,34,369	-	19,34,369
Provision for doubtful advances	-	56,98,204	-	58,55,661
Effect of expenditure allowable for the Tax Purposes in following years	-	3,21,48,681	-	2,48,44,256
Total	7,51,04,054	3,97,81,254	7,77,29,661	3,26,34,286
Deferred Tax Liability (net)	3,53,22,800		4,50,95,375	

8. PROVISIONS

	Long-term		Short-term	
	31st March 2012 Rupees	31st March 2011 Rupees	31st March 2012 Rupees	31st March 2011 Rupees
Provision for Income Tax [Net of Advance Tax Rs. 21,74,00,785 (2010-2011 : Rs. 14,01,15,757)]	-	-	10,60,56,846	5,98,84,245
Provision for Fringe Benefit Tax [Net of Advance Tax Rs. 4,81,12,305 (2010-2011 : Rs. 4,81,12,305)]	-	-	19,87,695	19,87,695
Provision for Leave Encashment	4,71,10,787	5,08,40,803	2,44,61,030	51,83,609
Proposed Dividend	-	-	2,71,23,722	2,68,51,822
Tax on Proposed Dividend	-	-	44,00,146	44,59,752
	4,71,10,787	5,08,40,803	16,40,29,439	9,83,67,123

9. SHORT TERM BORROWINGS

	31st March 2012 Rupees	31st March 2011 Rupees
Working Capital Loan from Banks (Secured) - [See note (a) below]	28,63,02,009	11,09,55,078
Loan from Banks (Unsecured) - [See note (b) below]	-	21,50,10,000
	28,63,02,009	32,59,65,078
<u>The above amount includes</u>		
Secured borrowings	28,63,02,009	11,09,55,078
Unsecured borrowings	-	21,50,10,000
	28,63,02,009	32,59,65,078

(a) Working Capital Loan from banks is secured by joint hypothecation of Book Debts and Stocks and collateral security by way of first charge on all immovable and movable properties and plant and machinery situated at Hosur and Patancheru and second charge on movable and immovable properties situated at Mumbai (Office Premises), Vashi and Goa. The Working Capital Loan is repayable on demand.

(b) Short Term Loan from Banks carry interest @10.00% to 11.50% p.a. and are repayable within a year.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)**10. OTHER CURRENT LIABILITIES**

	31st March 2012	31st March 2011
	Rupees	Rupees
10 (a) <u>Trade payables (including acceptances)</u> Refer note 41 for details of dues to Micro and small enterprises	2,80,15,61,454	2,18,48,00,209
	<u>2,80,15,61,454</u>	<u>2,18,48,00,209</u>
10 (b) <u>Other Current Liabilities</u>		
Current maturities of long term borrowings (refer note 5)	9,38,80,288	3,09,32,578
Interest accrued but not due	14,35,514	6,85,859
Deposits	3,54,65,178	3,66,33,510
Creditors for Capital Goods	2,91,85,599	90,36,968
Investor Education and Protection Fund will be credited by following amounts (as and when due) :		
- Unpaid Dividend	21,92,853	19,09,447
- Unclaimed Interest on Fixed Deposit	17,42,632	18,40,686
- Unclaimed Matured Deposit	24,50,000	24,97,000
Advance from Customers	55,37,63,878	39,24,63,535
Unearned revenue on AMC services	3,87,62,045	3,91,58,023
Taxes (Service tax, Sales Tax, TDS)	74,10,937	1,41,42,785
Others Liabilities	52,03,112	87,23,436
	<u>77,14,92,036</u>	<u>53,80,23,827</u>
	<u>3,57,30,53,490</u>	<u>2,72,28,24,036</u>

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

11. TANGIBLE ASSETS

	Amount (in Rupees)									
	Land (Freehold)	Land (Leasehold)	Building On Leasehold Land	Building On Freehold Land (Refer Note 1, 2, 3 & 5)	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments (Refer Note 6)	Total	
Gross Block										
As at 1st April 2010	87,01,593	2,39,84,441	22,86,91,539	12,95,89,239	61,42,09,181	8,65,20,979	2,56,09,371	15,29,55,736	1,27,02,62,079	
Addition during the year	-	-	20,97,152	2,59,81,036	2,68,93,885	12,44,046	5,91,000	69,33,267	6,37,40,386	
Disposal during the year	-	-	-	2,31,38,550	53,37,100	11,42,011	15,47,499	9,01,145	3,20,66,305	
As at 31st March 2011	87,01,593	2,39,84,441	23,07,88,691	13,24,31,725	63,57,65,966	8,66,23,014	2,46,52,872	15,89,87,858	1,30,19,36,160	
Addition during the year	-	-	12,94,518	1,20,44,559	3,88,57,789	26,74,871	39,66,225	1,49,89,621	7,38,27,583	
Disposal during the year	-	-	-	-	2,50,000	-	19,53,090	91,710	22,94,800	
As at 31st March 2012	87,01,593	2,39,84,441	23,20,83,209	14,44,76,284	67,43,73,755	8,92,97,885	2,66,66,007	17,38,85,769	1,37,34,68,943	
Depreciation / Amortisation										
As at 1st April 2010	-	55,29,390	7,99,70,643	3,48,63,001	38,71,67,605	5,50,46,683	1,18,10,162	11,22,53,290	68,66,40,774	
Depreciation during the year	-	3,02,992	66,20,523	23,10,681	3,32,80,585	43,49,718	19,64,942	1,11,72,450	6,00,01,891	
Deduction during the year	-	-	-	48,64,657	53,37,100	8,92,164	12,37,378	6,01,174	1,29,32,473	
As at 31st March 2011	-	58,32,382	8,65,91,166	3,23,09,025	41,51,11,090	5,85,04,237	1,25,37,726	12,28,24,566	73,37,10,192	
Depreciation during the year	-	3,02,993	67,21,290	26,04,883	3,69,65,167	45,96,700	18,15,458	1,19,92,043	6,49,98,534	
Deduction during the year	-	-	-	-	1,79,622	-	7,30,991	23,577	9,34,190	
As at 31st March 2012	-	61,35,375	9,33,12,456	3,49,13,908	45,18,96,635	6,31,00,937	1,36,22,193	13,47,93,032	79,77,74,536	
Net Block										
As at 31st March 2011	87,01,593	1,81,52,059	14,41,97,525	10,01,22,700	22,06,54,876	2,81,18,777	1,21,15,146	3,61,63,292	56,82,25,968	
As at 31st March 2012	87,01,593	1,78,49,066	13,87,70,753	10,95,62,376	22,24,77,120	2,61,96,948	1,30,43,814	3,90,92,737	57,56,94,407	

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)**FIXED ASSET (Contd.)**

1. Buildings on Freehold Land Includes Ownership blocks, the cost of which includes:
 - Rs. 250 (2010-2011 : Rs. 250) being the value of 5 Shares (unquoted) of Rs. 50 each, fully paid up in Sunrise Co-operative Housing Society Limited.
 - Rs. 3,500 (2010-2011 : Rs. 3,500) being the value of 70 Shares (unquoted) of Rs. 50 each, fully paid up in Andheri Usha Milan Co-operative Housing Society Limited.
2. Buildings on Freehold Land Includes Ownership blocks acquired at Mumbai, the Society formation of which is in progress.
Gross Book Value Rs. 62,16,250 (2010-2011 : Rs. 62,16,250)
Net book value Rs. 45,24,854 (2010-2011 : Rs. 46,26,179)
3. Buildings on Freehold Land Includes Ownership blocks comprising of 2 LIG flats (Nos. B-16 and B-17) and 1 MIG flat (No. B-14) at Hosur, the title deeds of which are awaited from authorities.
Gross Book Value Rs. 76,882 (2010-2011 : Rs. 76,882)
Net book value Rs. Nil (2010-2011 : Rs. Nil)
4. Capital Work in Progress includes amount of Rs. 25,33,481(2010-2011 : Rs. 25,33,481) paid for acquiring furnished office premises, the ownership of which is under legal dispute for which transfer formalities are in progress.
5. Buildings on Freehold Land includes buildings given on operating lease :
Gross Book Value Rs. Nil (2010-2011 : Rs. 3,34,69,098)
Accumulated depreciation Rs. Nil (2010-2011 : Rs. 77,32,279)
Depreciation for the year Rs. Nil (2010-2011 : Rs. 6,03,764)
Net book value Rs. Nil (2010-2011 : Rs. 2,57,36,819)
6. Office Equipment includes data processing items taken on finance lease :
Gross Book Value Rs. 59,50,081 (2010-2011: Nil)
Depreciation for the year Rs. 2,59,020 (2010-2011: Nil)
Net book value Rs. 56,91,061 (2010-2011: Nil)
7. Fixed assets pertaining to Discontinuing operations includes:
Gross Book Value Rs. 5,05,67,568 (2010-2011: Rs. 3,22,16,454)
Accumulated depreciation Rs. 2,91,92,080 (2010-2011: Rs. 2,62,18,330)
Net book value Rs. 2,13,75,489 (2010-2011: Rs. 59,98,124)

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

12. NON CURRENT INVESTMENT

TRADE INVESTMENTS (Valued at cost unless stated otherwise)

EQUITY INSTRUMENTS (UNQUOTED)

INVESTMENT IN SUBSIDIARIES

	31st March 2012 Rupees	31st March 2011 Rupees
17,60,000 (2010-2011 : 17,60,000) Equity Shares of Rs. 10 each, fully paid-up in Aqua Investments (India) Limited	1,76,00,000	1,76,00,000
17,70,000 (2010-2011 : 17,70,000) Equity Shares of Rs. 10 each, fully paid-up in Watercare Investments (India) Limited	1,77,00,000	1,77,00,000
5,47,000 (2010-2011 : 5,47,000) Equity Shares of Rs. 10 each, fully paid-up in Ion Exchange Enviro Farms Limited (refer note 34)	54,70,000	54,70,000
12,83,474 (2010-2011 : 4,60,000) Equity Shares of Singapore Dollars 1 each, fully paid up in Ion Exchange Asia Pacific Pte Ltd.	4,76,88,508	1,37,73,853
1,50,000 (2010-2011 : 1,50,000) Equity Shares of Malaysian Ringgit 1 each, fully paid up in IEI Environmental Management (M) Sdn. Bhd	18,10,111	18,10,111
1,00,000 (2010-2011 : 1,00,000) Equity Shares of United State Dollar 1 each, fully paid up in Ion Exchange LLC, USA	43,33,000	43,33,000
1,53,000 (2010-2011 : 1,53,000) Equity Shares of Omani Rial 1 each, fully paid up in Ion Exchange & Company LLC, Oman	1,80,85,140	1,80,85,140
10,000 (2010-2011 : 10,000) Equity Shares of Bangladeshi Taka 100 each, fully paid up in Ion Exchange Environment Management (BD) Limited	7,00,000	7,00,000
27,469 (2010-2011 : 27,469) Equity Shares of Bangladeshi Taka 100 each, fully paid up in Ion Exchange WTS (Bangladesh) Limited	2,45,000	2,45,000
31,20,000 (2010-2011 : 31,20,000) Equity Shares of Rs. 10 each, fully paid up in Ion Exchange Infrastructure Limited	3,12,00,000	3,12,00,000
21,50,000 (2010-2011 : 2,00,000) Equity Shares of Rs. 10 each, fully paid up in Global Composite & Structural Limited *	2,15,00,000	-
50,000 (2010-2011 : Nil) Equity Shares of Rs. 10 each, fully paid up in Ion Exchange Projects and Engineering Limited	5,00,000	-

(A) 16,68,31,759 11,09,17,104

INVESTMENT IN JOINT VENTURES

24,99,500 (2010-2011 : 24,99,500) Equity Shares of Rs. 10 each, fully paid-up in Ion Exchange Waterleau Limited	2,49,95,000	2,49,95,000
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(B) 2,49,95,000 2,49,95,000

INVESTMENT IN ASSOCIATES

2,94,875 (2010-2011 : 2,94,875) Equity Shares of Rs. 10 each, fully paid up in Ion Exchange Services Limited	9,20,948	9,20,948
24,000 (2010-2011 : 24,000) Equity Shares of Rs. 10 each, fully paid-up in Total Water Management Services (India) Limited	2,40,000	2,40,000
4,60,000 (2010-2011 : 4,60,000) Equity Shares of Rs. 10 each, fully paid-up in Aquanomics Systems Limited	46,00,000	46,00,000
1,30,000 (2010-2011 : 1,30,000) Equity Shares of Rs. 10 each, fully paid-up in Astha Technical Services Limited	13,00,000	13,00,000
21,50,000 (2010-2011 : 2,00,000) Equity Shares of Rs. 10 each, fully paid up in Global Composite & Structural Limited *	-	20,00,000

(C) 70,60,948 90,60,948

* Due to additional investment in the current year, Global Composite & Structural Limited, has become subsidiary of the Company w.e.f. 29.03.2012.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)**NON CURRENT INVESTMENT (contd.)**

	31st March 2012	31st March 2011
	Rupees	Rupees
INVESTMENT IN OTHERS		
6,000 (2010-2011 : 6,000) Equity Shares of Rs. 10 each, fully paid-up in IEK Plastics Limited [At cost less provision for other than temporary diminution in the value: Rs. 60,000 (2010-2011 : Rs. 60,000)]	-	-
15,000 (2010-2011 : 15,000) Equity Shares of Rs. 10 each, fully paid-up in IEI Mansel Services Limited [At cost less provision for other than temporary diminution in the value: Rs. 1,50,000 (2010-2011 : Rs. 1,50,000)]	-	-
113 (2010-2011 : 113) Equity Shares of Rs. 10 each, fully paid-up in Patancheru Enviro-tech Limited	1,130	1,130
10,500 (2010-2011 : 10,500) Equity Shares of Rs. 10 each, fully paid-up in Bharuch Enviro Infrastructure Limited	1,05,000	1,05,000
3,52,500 (2010-2011 : 3,52,500) Equity Shares of Rs. 10 each, fully paid-up in Bharuch Eco-Aqua Infrastructure Limited	35,25,000	35,25,000
21,518 (2010-2011 : 21,518) Equity Shares of Rs. 10 each, fully paid-up in Global Procurement Consultants Limited	2,45,540	2,45,540
1,000 (2010-2011 : Nil) Equity Shares of Rs. 10 each, fully paid-up in Ion Foundation	10,000	-
(D)	<u>38,86,670</u>	<u>38,76,670</u>
PREFERENCE SHARES (UNQUOTED)		
INVESTMENT IN OTHERS		
75,000 (2010-2011 : 75,000) 14.25% Preference Shares of Rs. 100 each, fully paid-up in HMG Industries Limited [At cost less provision for other than temporary diminution in the value Rs. 74,50,000 (2010-2011 : Rs. 74,50,000)]	50,000	50,000
(E)	<u>50,000</u>	<u>50,000</u>
DEBENTURES (UNQUOTED)		
INVESTMENT IN SUBSIDIARIES		
15,00,000 (2010-2011 : 15,00,000) 7% Secured Redeemable Non-Convertible Debenture of Rs. 100 each, fully paid up in Ion Exchange Enviro Farms Limited	15,00,00,000	15,00,00,000
(F)	<u>15,00,00,000</u>	<u>15,00,00,000</u>
Total Non Current Investments (A+B+C+D+E+F)	<u>35,28,24,377</u>	<u>29,88,99,722</u>
Aggregate amount of quoted Investments	-	-
Aggregate amount of unquoted Investments	35,28,24,377	29,88,99,722
Aggregate provision for diminution in value of investments	76,60,000	76,60,000

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

13. LOANS AND ADVANCES

	Non-current		Current	
	31st March 2012 Rupees	31st March 2011 Rupees	31st March 2012 Rupees	31st March 2011 Rupees
<u>Capital advances</u>				
Unsecured, considered good	32,50,727	41,46,934	-	-
(A)	32,50,727	41,46,934	-	-
<u>Tender, Security and other Deposits</u>				
Unsecured, considered good	2,49,38,295	2,03,98,017	34,34,760	76,15,884
Doubtful	9,94,041	7,70,840	-	-
	2,59,32,336	2,11,68,857	34,34,760	76,15,884
Less : Provision for doubtful deposits	9,94,041	7,70,840	-	-
(B)	2,49,38,295	2,03,98,017	34,34,760	76,15,884
<u>Loans and advances to related parties</u> [refer note 32 (I) and (II)]				
Unsecured, considered good	37,34,24,976	39,18,60,731	6,58,46,782	12,34,098
Doubtful	27,15,134	29,38,334	-	-
	37,61,40,110	39,47,99,065	6,58,46,782	12,34,098
Less : Provision for doubtful Loans and advances	27,15,134	29,38,334	-	-
(C)	37,34,24,976	39,18,60,731	6,58,46,782	12,34,098
<u>Advance to suppliers</u>				
Unsecured, considered good	-	-	7,58,06,210	6,56,57,517
Unsecured, considered good - related parties [refer note 32(I)]	-	1,63,00,000	2,42,21,013	1,57,05,124
Unsecured, considered doubtful	14,19,526	8,70,746	-	-
	14,19,526	1,71,70,746	10,00,27,223	8,13,62,641
Less : Provision for doubtful advances	14,19,526	8,70,746	-	-
(D)	-	1,63,00,000	10,00,27,223	8,13,62,641
<u>Other Loans and advances</u> (Unsecured, considered good unless otherwise stated)				
- Prepaid Expenses	-	-	4,46,11,010	3,42,86,449
- Claims Receivables	-	2,00,00,000	2,53,22,795	51,94,298
- Balances with Statutory Authorities	6,90,85,132	5,72,86,057	5,91,01,433	3,38,70,611
- Loans & Advance to Employees	2,38,333	-	50,93,876	36,16,414
- Income tax paid [net of provision for taxation Rs. 5,76,03,322 (2010-2011 : Rs. 8,02,78,322)]	3,24,84,901	5,16,53,506	-	-
- Inter Corporate Deposits (doubtful)	57,07,289	57,07,289	-	-
Other Loans and Advances (doubtful)	55,06,962	60,55,742	-	8,94,341
	1,12,14,251	1,17,63,031	-	8,94,341
Less : Provision for doubtful advances	1,12,14,251	1,17,63,031	-	-
	-	-	-	8,94,341
(E)	10,18,08,366	12,89,39,563	13,41,29,114	7,78,62,113
Total (A+B+C+D+E)	50,34,22,364	56,16,45,245	30,34,37,879	16,80,74,736

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

Loans and advances due by directors or other officers etc.

	Non-current		Current	
	31st March 2012 Rupees	31st March 2011 Rupees	31st March 2012 Rupees	31st March 2011 Rupees
Loans and advances to employees includes				
Due from directors	-	-	103,672	85,378

14. TRADE RECEIVABLES

	Non-current		Current	
	31st March 2012 Rupees	31st March 2011 Rupees	31st March 2012 Rupees	31st March 2011 Rupees
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured Considered good	10,05,89,966	13,68,70,456	93,98,76,949	70,81,03,150
Doubtful	59,61,994	59,61,994	-	-
	10,65,51,960	14,28,32,450	93,98,76,949	70,81,03,150
Less: Provision for doubtful receivable	59,61,994	59,61,994	-	-
(A)	10,05,89,966	13,68,70,456	93,98,76,949	70,81,03,150
<u>Other receivables</u>				
Unsecured, considered good	-	10,20,123	2,38,61,57,181	1,80,96,02,087
Doubtful	-	-	-	-
	-	10,20,123	2,38,61,57,181	1,80,96,02,087
Less : Provision for doubtful receivables	-	-	-	-
(B)	-	10,20,123	2,38,61,57,181	1,80,96,02,087
Total	(A + B)	13,78,90,579	3,32,60,34,130	2,51,77,05,237

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

15. OTHER ASSETS

	Non-current		Current	
	31st March 2012 Rupees	31st March 2011 Rupees	31st March 2012 Rupees	31st March 2011 Rupees
Unsecured, considered good unless stated otherwise				
Non Current Bank Balances (A)	-	-	-	-
(refer note 18)				
<u>Others</u>				
Interest Accrued on Margin Money	4,30,528	3,74,721	14,83,752	13,38,956
Rent Receivables	-	-	2,88,805	3,30,303
Rent Receivables (Doubtful)	17,05,011	17,05,011	-	-
	21,35,539	20,79,732	17,72,557	16,69,259
Less: Provision	17,05,011	17,05,011	-	-
(B)	4,30,528	3,74,721	17,72,557	16,69,259
Total (A + B)	4,30,528	3,74,721	17,72,557	16,69,259

16. CURRENT INVESTMENTS

	31st March 2012 Rupees	31st March 2011 Rupees
Current investments (valued at lower of cost or fair value unless stated otherwise)		
<u>Non Trade and Quoted</u>		
Shares of Sterlite Technologies Limited	2,05,000	2,05,000
5,875 (2010-2011 : 5,875) Equity Shares of Rs. 2 each, fully paid-up		
Shares of Jain Irrigation Systems Limited	546	546
70 (2010-2011 : 70) Equity Shares of Rs. 2 each, fully paid-up		
[Net of provision for diminution in the value Rs. 3,178 (2010-2011 : Rs. 3,178)]		
Shares of Canara Bank	2,83,500	2,83,500
8,100 (2010-2011 : 8,100) Equity Shares of Rs. 10 each, fully paid-up		
	4,89,046	4,89,046
Aggregate amount of quoted investments [Market value Rs. 40,74,369 (2010-2011 : Rs. 54,27,707)]	4,89,046	4,89,046
Aggregate provision for diminution in value of investments	3,178	3,178

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)**17. INVENTORIES** (valued at lower of cost and net realizable value)

	31st March 2012	31st March 2011
	Rupees	Rupees
Raw Materials and components [includes in transit Rs. 1,81,92,483 (2010-2011 : Rs. 2,02,49,488)] (refer note 21)	19,67,23,285	21,31,56,331
Work-in-Progress (refer note 22)	3,79,90,023	2,83,55,307
Finished goods (refer note 22)	7,53,82,717	4,95,30,075
Traded goods	3,88,74,952	3,12,72,489
Stores and spares	2,64,51,483	2,27,55,488
Contract Work-in-Progress (refer note 22)	3,55,15,842	3,90,95,806
	41,09,38,302	38,41,65,496

18. CASH AND BANK BALANCES

	Non-current		Current	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
	Rupees	Rupees	Rupees	Rupees
Cash and Cash Equivalents				
<u>Balances with banks:</u>				
- On current accounts	-	-	3,28,69,824	10,99,61,239
- On Exchange Earner's Foreign Currency Accounts	-	-	14,02,936	6,64,634
- On Unclaimed Dividend Account	-	-	21,92,853	19,09,447
- On Unclaimed Interest on Fixed Deposits	-	-	17,42,632	18,40,686
<u>Cash on Hand</u>	-	-	15,19,861	14,95,452
	-	-	3,97,28,106	11,58,71,458
<u>Other bank balances</u>				
On Deposit Account with original maturity for more than 12 months	-	-	37,00,000	27,00,000
On Margin Money Account	-	-	6,08,78,525	5,00,75,168
	-	-	6,45,78,525	5,27,75,168
Amount disclosed under non-current assets	-	-	-	-
	-	-	10,43,06,631	16,86,46,626

Margin money deposit given as security:

Margin money deposits with a carrying amount of Rs. 6,08,78,525 (2010-2011 : Rs. 5,00,75,168) are subject to first charge to secure bank guarantees issued by bank on our behalf.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

19. REVENUE FROM OPERATIONS

	31st March 2012	31st March 2011
	Rupees	Rupees
Revenue from Operations		
<u>Sale of Products</u>		
Finished Goods	5,73,05,29,796	4,96,72,92,116
Traded Goods	48,45,75,139	45,14,80,723
<u>Sale of services</u>	47,77,04,059	45,48,19,744
<u>Others operating revenue</u>		
Scrap Sale	1,06,19,840	66,82,302
Management Fees	2,19,50,326	3,14,90,136
Revenue from operations (gross)	6,72,53,79,160	5,91,17,65,021
Less: Excise Duty*	21,17,52,265	19,81,91,028
Revenue from operations (net)	6,51,36,26,895	5,71,35,73,993

* Excise duty on sales amounting to Rs. 21,17,52,265 (2010-2011 : Rs. 19,81,91,028) has been reduced from sales in Profit and Loss Account and Excise duty on (increase)/decrease in stock amounting to Rs. 38,91,917 (2010-2011 : Rs 48,29,265) has been considered as (income)/expenses in Note 26 of financial statements.

DETAILS OF PRODUCT SOLD

	31st March 2012	31st March 2011
	Rupees	Rupees
<u>Finished goods</u>		
Ion Exchange Resins	86,48,46,719	66,58,61,823
Water Treatments Plants & Accessories	3,54,03,98,634	3,09,95,07,301
Chemicals Additives	85,61,32,818	80,89,98,697
Consumer Products	25,73,99,360	19,47,33,267
	<u>5,51,87,77,531</u>	<u>4,76,91,01,088</u>
<u>Traded goods</u>		
Consumer Products	46,35,58,063	41,85,38,318
Activated Carbon	17,88,250	64,69,459
Others	1,92,28,826	2,64,72,946
	<u>48,45,75,139</u>	<u>45,14,80,723</u>
	<u>6,00,33,52,670</u>	<u>5,22,05,81,811</u>

DETAILS OF SERVICES RENDERED

	31st March 2012	31st March 2011
	Rupees	Rupees
Civil, Erection and Commissioning	16,26,95,142	18,29,27,432
Operation and Maintenance	23,95,77,083	19,28,06,567
Annual Maintenance Contracts	7,54,31,834	7,90,85,745
	<u>47,77,04,059</u>	<u>45,48,19,744</u>

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)**20. OTHER INCOME**

	31st March 2012	31st March 2011
	Rupees	Rupees
Interest Income on		
- From Banks	50,38,834	36,34,494
- From Subsidiary	1,25,53,471	1,14,17,277
- From Joint Venture	1,20,61,957	-
- From Others	2,87,514	2,19,252
Rent	2,94,93,371	3,03,00,612
Dividend Income on		
- Investment in subsidiaries	1,22,30,428	10,20,000
- Current investments	92,108	84,001
- Long-term investments	15,20,250	15,70,250
Amount set aside for liabilities, no longer required, written back	4,45,357	1,53,666
Exchange Gain (Net)	5,12,33,681	1,18,00,519
Profit on Fixed Assets sold/discarded (Net)	-	2,48,76,502
Other non operating Income	10,69,194	6,90,250
	12,60,26,165	8,57,66,823

21. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

	31st March 2012	31st March 2011
	Rupees	Rupees
Inventory at the beginning of the year	21,31,56,331	19,15,49,977
Add: Purchases*	4,43,14,99,972	3,87,72,33,184
Less: Inventory at the end of the year	19,67,23,285	21,31,56,331
Cost of Raw Material and components consumed **	4,44,79,33,018	3,85,56,26,830

* Includes direct expenses incurred on contracts Rs. 6,24,95,686
(2010-2011 : Rs. 6,55,49,648)

Details of raw material and components consumed

Styrene	21,82,02,129	17,62,04,305
Divinyl Benzene	6,94,85,342	5,05,45,445
Dimethylethanolamine	98,76,575	50,30,169
Paraformaldehyde	39,83,791	43,63,181
Ethylene Dichloride	1,29,30,571	1,40,79,488
Others #	4,07,09,58,924	3,53,98,54,594
	4,38,54,37,332	3,79,00,77,182

Details of InventoryRaw materials and components

Styrene	33,34,096	22,87,334
Divinyl Benzene	40,79,759	31,20,999
Dimethylethanolamine	10,48,099	6,24,800
Ethylene Dichloride	4,54,286	10,61,736
Others #	18,78,07,045	20,60,61,462
	19,67,23,285	21,31,56,331

** The value of Raw Materials consumed have been arrived at on basis of opening stocks plus purchases less closing stock. The consumption therefore includes adjustments for materials sold, shortage/ excess and obsolescence.

It is not practicable to furnish information in view of the large number of items which differ in size and nature; each being less than 10% in value of the total.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

22. (INCREASE)/DECREASE IN INVENTORIES

	31st March 2012 Rupees	31st March 2011 Rupees	(Increase)/ decrease Rupees
<u>Inventories at the end of the year</u>			
Traded Goods	3,88,74,952	3,12,72,489	(76,02,463)
Work-in-Progress	3,79,90,023	2,83,55,307	(96,34,716)
Finished Goods	7,53,82,717	4,95,30,075	(2,58,52,642)
Contract Work-in-Progress	3,55,15,842	3,90,95,806	35,79,964
	<u>18,77,63,534</u>	<u>14,82,53,677</u>	<u>(3,95,09,857)</u>
<u>Inventories at the beginning of the year</u>			
Traded Goods	3,12,72,489	3,74,44,932	61,72,443
Work-in-Progress	2,83,55,307	1,67,17,284	(1,16,38,023)
Finished Goods	4,95,30,075	6,72,81,830	1,77,51,755
Contract Work-in-Progress	3,90,95,806	5,00,24,184	1,09,28,378
	<u>14,82,53,677</u>	<u>17,14,68,230</u>	<u>2,32,14,553</u>
	<u>(3,95,09,857)</u>	<u>2,32,14,553</u>	

Details of purchase of traded goods

	31st March 2012 Rupees	31st March 2011 Rupees
Consumer products	26,70,96,906	21,95,03,898
Activated Carbon	17,98,665	52,26,240
Others	1,80,15,772	2,46,87,606
	<u>28,69,11,343</u>	<u>24,94,17,744</u>

Details of inventory

Traded goods

	31st March 2012 Rupees	31st March 2011 Rupees
Consumer products	3,77,59,535	3,05,77,408
Activated Carbon	11,15,417	6,95,081
Others	-	-
	<u>3,88,74,952</u>	<u>3,12,72,489</u>

Work-in-progress

	31st March 2012 Rupees	31st March 2011 Rupees
Resins	1,34,78,284	1,10,35,775
Water Treatment Plants	2,45,11,739	1,73,19,532
	<u>3,79,90,023</u>	<u>2,83,55,307</u>

Finished goods

	31st March 2012 Rupees	31st March 2011 Rupees
Resins	2,60,17,037	2,09,12,005
Water Treatments Plants & Accessories	2,29,64,060	53,22,838
Chemicals Additives	1,75,96,995	1,75,49,223
Consumer Products	88,04,625	57,46,009
	<u>7,53,82,717</u>	<u>4,95,30,075</u>

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)**23. EMPLOYEE BENEFIT EXPENSE (refer note 28)**

	31st March 2012	31st March 2011
	Rupees	Rupees
Salaries, Wages and Bonus	54,09,97,617	46,15,89,451
Contribution to Provident and Other Funds	4,28,53,827	4,16,28,847
Employee Compensation Expense / (Income)	(28,14,053)	(16,23,778)
Staff Welfare expenses	3,56,56,842	3,08,25,881
	61,66,94,233	53,24,20,401

24. FINANCE COSTS

	31st March 2012	31st March 2011
	Rupees	Rupees
Interest	7,53,82,707	5,96,29,508
Other borrowing costs	1,31,58,459	1,05,56,680
	8,85,41,166	7,01,86,188

25. DEPRECIATION AND AMORTIZATION EXPENSE

	31st March 2012	31st March 2011
	Rupees	Rupees
Depreciation of tangible assets (refer nont 11)	6,49,98,534	6,00,01,891
Less: recoupment from revaluation reserve	28,470	28,470
	6,49,70,064	5,99,73,421

26. OTHER EXPENSES (refer note 36)

	31st March 2012	31st March 2011
	Rupees	Rupees
Stores and Spare Parts consumed	25,06,348	26,32,744
Power and Fuel	7,90,72,948	6,44,54,720
Repairs and Maintenance - Buildings	34,72,152	34,67,644
- Plant and Machinery	1,45,58,439	1,48,50,325
- Others	1,31,91,435	1,19,81,392
Rent (Net of recoveries)	2,62,15,347	2,47,10,723
Rates and Taxes	2,90,69,625	2,66,09,071
Insurance (Net of recoveries)	41,69,736	30,22,631
Travelling and Conveyance	18,52,97,737	16,56,02,553
Excise Duty (Net of recoveries) (refer note 19)	38,91,917	48,29,265
Freight (Net of recoveries)	14,95,86,397	10,39,89,897
Packing (Net of recoveries)	2,67,69,431	2,32,85,894
Advertisement and Publicity	7,62,06,878	5,68,00,340
Commission	1,11,39,369	1,44,06,462
Legal and Professional Charges	2,92,63,749	2,60,45,335
Telephone and Telex	2,18,48,656	2,06,14,520
Bad Debts written off	3,29,89,535	5,53,00,869
Doubtful advances, deposits and claims w/ off	2,00,00,000	2,99,97,436
Auditors' Remuneration (Refer details below in 26.1)	27,14,025	27,60,517
Directors' Fees	14,75,000	16,10,000
Bank Charges	1,39,15,857	1,51,46,023
Loss on Fixed Assets sold/discarded (Net)	7,83,327	-
Backcharges on Contracts (refer note 47)	1,76,17,024	63,35,606
Establishment and Other Miscellaneous Expenses	15,21,37,601	13,60,93,105
	91,78,92,533	81,45,47,072

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

26.1 Auditors' Remuneration

	31st March 2012 Rupees	31st March 2011 Rupees
As Auditor		
- Audit Fees	14,75,000	14,75,000
- Tax Audit Fee	3,00,000	3,00,000
- Limited Review	5,25,000	5,25,000
As Advisor, or in any capacity in respect of		
- Other Services	3,55,000	4,10,000
Reimbursement of Expenses	59,025	50,517
	27,14,025	27,60,517

27. EARNINGS PER SHARE (EPS)

Particulars		31st March 2012	31st March 2011
I	Profit Computation for both Basic and Diluted Earnings per Share of Rs. 10 each		
	Net Profit as per Profit and Loss Account available for Equity Shareholders (In Rupees)	17,54,93,135	12,12,98,895
II	Weighted average number of equity shares for Earnings per Share computation		
	A) For Basic Earnings per Share	1,35,17,745	1,32,80,356
	B) For Diluted Earnings per Share		
	No. of shares for Basic EPS as per IIA	1,35,17,745	1,32,80,356
	Add: Weighted Average outstanding employee stock options deemed to be issued for no consideration	2,44,441	6,83,682
	No. of Shares for Diluted Earnings per Share	1,37,62,186	1,39,64,038
III	Earnings per Share in Rupees (Weighted Average)		
	Basic	12.98	9.13
	Diluted	12.75	8.69

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)**28. EMPLOYEE BENEFITS**

- A) The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded to a separate Trust duly recognized by Income tax authorities.

The following table summarise the components of net benefit expense recognized in the Profit and Loss Account and the funded status and amounts recognized in the Balance Sheet for the Gratuity Plan.

		Amount (in Rupees)	
Particulars		2011-2012	2010-2011
I	Profit and Loss Account		
	Net Employee benefit expense (recognized in Employee cost)		
	1. Current service cost	56,00,001	54,89,060
	2. Interest cost on benefit obligation	44,07,702	40,51,150
	3. Expected return on plan assets	(41,78,494)	(41,44,103)
	4. Net actuarial Loss / (Gain) recognized in the year	19,97,261	8,79,005
	Net benefit expenses	78,26,470	62,75,112
	Actual return on plan assets	43,05,686	27,33,277
II	Net Assets / (Liability) recognized in the Balance Sheet		
	1. Present Value of defined benefit obligation	(6,13,50,389)	(5,18,55,318)
	2. Fair value of Plan Assets	6,14,99,782	5,22,31,181
III	Changes in the present value of the defined benefit obligation are as follows:		
	1. Opening defined benefit obligation	(5,18,55,318)	(4,74,53,695)
	2. Interest cost	(44,07,702)	(40,51,150)
	3. Current service cost	(56,00,001)	(54,89,060)
	4. Benefits paid	26,37,085	46,06,766
	5. Actuarial Gains / (Losses) on obligation	(21,24,453)	5,31,821
	Closing defined benefit obligation	(6,13,50,389)	(5,18,55,318)
IV	Changes in the fair value of Plan assets are as follows:		
	1. Opening Fair value of Plan assets	5,22,31,181	4,74,53,695
	2. Expected returns	41,78,494	41,44,103
	3. Contributions by Employer	76,00,000	66,50,975
	4. Benefits paid	(26,37,085)	(46,06,766)
	5. Actuarial Gains / (Losses)	1,27,192	(14,10,826)
	6. Closing Fair value of Plan assets	6,14,99,782	5,22,31,181
V	Actuarial Assumptions:		
	1. Discount Rate	8.50%	8.50%
	2. Expected rate of Salary increase [Refer Note (b) below]	6.00%	6.00%
	3. Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
	4. Attrition Rate	2.00%	2.00%
	5. Rate of Return on Plan Assets	8.60%	8.00%

The Company expects to contribute Rs. 50,84,039 (2010-2011 : Rs. 64,75,328) to gratuity in 2012-2013.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Sr. No.	Categories of Assets	% of holding	
		2011-2012	2010-2011
1	Central & State Government Bonds	19%	22%
2	Public Sector Undertaking	11%	14%
3	HDFC Std. Life Ins. Co. Ltd.	70%	64%

The expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current and previous periods are as follows:

	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Defined Benefit obligation	(6,13,50,389)	(5,18,55,318)	(4,74,53,695)	(4,13,32,921)	(3,79,88,671)
Plan assets	6,14,99,782	5,22,31,181	4,74,53,695	4,13,32,921	3,79,88,671
Surplus / (deficit)	1,49,393	3,75,863	Nil	Nil	Nil
Experience adjustments on plan liabilities	21,24,453	24,00,079	1,62,808	(13,71,436)	31,75,724
Experience adjustments on plan assets	1,27,192	(14,10,826)	12,13,874	(17,08,489)	(6,54,558)

Notes:

- a) Amounts recognized as an expense and included in note 23:
 (i) Leave Encashment in "Salaries, Wages and Bonus" Rs. 2,07,31,014 (2010-2011 : Rs. 1,80,75,232)
 (ii) Gratuity in "Contribution to Provident & Other Funds" Rs. 75,85,876 (2010-2011 : Rs. 62,75,112)
- b) The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- B) Defined Contribution Plan:
 Amount recognized as an expense and included in the note 23 – "Contribution to Provident and Other Funds" of Profit and Loss Account Rs. 3,52,67,951 (2010-2011 : Rs. 3,53,53,735)

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)**29. EMPLOYEE STOCK OPTION SCHEME (ESOS)****ESOS 2001**

Pursuant to the resolution passed by the shareholders at the Annual General Meeting held on 27th September 2000, the Company has introduced ESOS for its directors and employees. The ESOS Compensation Committee formed for implementation of the scheme, in its meeting held on 20th July 2001, granted 3,84,500 options to eligible directors and employees of the Company at a price of Rs. 12.50 per share which constituted a discount of approximately 25% to the price as calculated on the basis of average of weekly closing price on The Stock Exchange, Mumbai for 13 weeks prior to the date of the grant. Under the scheme, 25% of the granted options shall vest and become exercisable in July every year. Pursuant to this, Fourth 25% of the options vested in July 2005. The vested options were exercisable upto 20th July 2009.

The Employee Stock Compensation Committee in its meeting on 8th August 2002, further granted 536,100 options to directors and other employees at a price of Rs. 19.00 per share, which constituted a discount of approximately 25% to the price as calculated on the basis of average of weekly closing price on The Stock Exchange, Mumbai for 13 weeks prior to the date of the grant. As in the case of First grant, 25% of these options shall vest and become exercisable in August every year. Pursuant to this, the Fourth 25% of the options vested in August 2006. The vested options were exercisable upto 8th August 2010.

The Employee Stock Compensation Committee in its meeting held on 5th June 2007, further granted 300,000 options to directors and other employees at a price of Rs. 94.00 per share, which constituted a discount of approximately 25% to the price as calculated on the basis of average of weekly closing price on The Stock Exchange, Mumbai for 13 weeks prior to the date of the grant. As in the case of First and Second grant, 25% of these options shall vest and become exercisable in June every year. Pursuant to this, Fourth 25% of the options will vest in June 2012. The vested options are exercisable upto 5th June 2016.

ESOS 2003

Pursuant to the resolution passed by the shareholders at the Annual General Meeting held on 25th September 2003, the Employee Stock Compensation Committee in its meeting on 2nd April 2004 implemented the Second Employees Stock Options Scheme (ESOS 2003) and granted 6,50,000 options to directors and other employees at a price of Rs. 19.00 per share, which constituted a discount of approximately 25% to the price as calculated on the basis of average of two weeks high and low of the share traded on The Stock Exchange, Mumbai prior to the date of the grant. Under the scheme 25% of these options shall vest and become exercisable in April every year. Pursuant to this, the Second 25% of the options vested in April 2006. Further, pursuant to Shareholders' approval at the Annual General Meeting held on 4th August 2006, the Employee Stock Compensation Committee decided to advance the date of vesting of balance 50% option. Pursuant to this, the Third and Fourth 25% (in all 50%) of the options vested in October 2006. The vested options were exercisable upto 26th October 2010.

The Employee Stock Compensation Committee in its meeting held on 5th June 2007, further granted 3,50,000 options to directors and other employees at a price of Rs. 94.00 per share, which constituted a discount of approximately 25% to the price as calculated on the basis of average of weekly closing price on The Stock Exchange, Mumbai for 13 weeks prior to the date of the grant. As in the case of First grant, 25% of these options shall vest and become exercisable in June every year. Pursuant to this, the Fourth 25% of the options will vest in June 2012. The vested options are exercisable upto 5th June 2016.

ESOS 2005

Pursuant to the resolution passed by the shareholders at the Annual General Meeting held on 29th September 2005, the Employee Stock Compensation Committee at its meeting on 29th March 2006 implemented the Third Employees Stock Options Scheme (ESOS 2005) and granted 5,00,000 options to directors and other employees at a price of Rs. 67.00 per share, which constituted a discount of approximately 25% of the closing market price prior to the date of the grant. Under the scheme, the options shall vest after one year from the date of the grant. The vested options were exercisable upto 29th March 2011.

The Employee Stock Compensation Committee in its meeting held on 24th July 2006, further granted 5,00,000 options to directors and other employees at a price of Rs. 54.50 per share, which constituted a discount of approximately 25% of the closing market price prior to the date of the grant. As in the case of the First grant, the options shall vest after one year from the date of the grant. The vested options are exercisable upto 24th July 2011.

ESOS 2008

Pursuant to the resolution passed by the shareholders at the Annual General Meeting held on 26th September 2008, the Employee Stock Compensation Committee at its meeting held on 13th October 2008 implemented the Fourth Employees Stock Options Scheme (ESOS 2008) and granted 12,00,000 options to directors and other employees at a price of Rs. 58.20 per share which constituted a discount of approximately 25% of the closing market price prior to the date of the grant. Under the scheme, the options shall vest after one year from the date of the grant. The vested options are exercisable upto 13th October 2013.

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

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

Details of options granted are as follows:

Particulars	ESOS Schemes				
	2001	2003	2005	2008	Total
	(1 st , 2 nd & 3 rd Grant)	(1 st & 2 nd Grant)	(1 st & 2 nd Grant)	(1 st Grant)	
Options outstanding as at 31st March 2011	2,60,000	3,27,000	70,000	4,47,050	11,04,050
	(2,67,000)	(3,39,250)	(2,05,500)	(11,38,100)	(19,49,850)
Granted during the year	-	-	-	-	-
	-	-	-	-	-
Lapsed during the year	10,000	45,000	66,000	20,000	1,41,000
	(2,000)	(12,250)	(1,22,000)	(9,500)	(1,45,750)
Exercised/ Allotted during the year	-	-	4,000	1,31,950	1,35,950
	(5,000)	-	(13,500)	(6,81,550)	(7,00,050)
Outstanding as at 31st March 2012	2,50,000	2,82,000	-	2,95,100	8,27,100
	(2,60,000)	(3,27,000)	(70,000)	(4,47,050)	(11,04,050)
Exercisable as at 31st March 2012	1,94,250	2,11,500	-	2,95,100	7,00,850

Figures in bracket denote previous year figures.

As at 31st March 2012, the Company has received Commitment Deposit of Rs. 31,748 (2010-2011 : Rs. 30,248) from its directors and employees under ESOS 2001, ESOS 2003, ESOS 2005 and ESOS 2008.

Stock Option granted

The company has not granted stock options during the year. The Black Scholes valuation model has been used for computing the weighted average fair value considering the followings inputs:

Particulars	ESOS Schemes 2001 3 rd Grant	ESOS Schemes 2003 2 nd Grant	ESOS Schemes 2008 1 st Grant
Exercise Price	94	94	58.20
Weighted Average Share Price	121.39	121.39	121.39
Expected Volatility *	45%	45%	45%
Life of the options granted (Vesting and exercise period) in years	4	4	1
Expected Dividends	2	2	2
Average risk-free interest rate	8.5%	8.5%	8.5%
Expected dividend rate	20%	20%	20%

* The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

Since the company used the Intrinsic Value Method, the impact on the reported net profit and earning per share by applying the fair value method:

Particulars	Amount (in Rupees)
Profit as reported	17,54,93,135
Add : Employee stock compensation under intrinsic value method	(28,14,053)
Less : Employee stock compensation under fair value method	3,77,284
Pro forma profit	17,23,01,798
Earnings Per Share	
Basic - As reported	12.98
- Pro forma	12.75
Diluted - As reported	12.75
- Pro forma	12.52

30. CONTRACTS IN PROGRESS (CIP):

Sr. No.	Particulars	Amount (in Rupees)	
		2011-2012	2010-2011
A.	Aggregate amount recognized as Contract Revenue	2,29,04,39,379	2,01,22,03,508
B.	In respect of Contracts in Progress as on 31 st March :		
	1) Aggregate amount of Costs incurred and recognized profits (less recognized losses)	2,12,87,42,261	1,79,27,68,328
	2) Amount of Customer Advance received	40,75,65,922	11,23,89,028
	3) Amount of Retentions	44,33,31,578	36,58,72,672
C.	Gross amount due from customers for contract work	94,63,808	2,67,01,820

31. NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

Segment

I. Information about Primary Business Segments

	Engineering		Chemicals		Consumer Products		Others		Total	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Revenue										
External Sales and Services (Gross)	3,94,60,22,594	3,50,72,53,082	1,81,59,18,871	1,55,05,93,478	94,14,61,126	82,23,95,146	2,19,76,569	3,15,23,315	6,72,53,79,160	5,91,17,65,021
Less: Excise duty recovered	(5,91,79,379)	(6,54,37,076)	(14,32,20,997)	(12,73,70,840)	(93,51,889)	(53,83,112)	-	-	(21,17,52,265)	(19,81,91,028)
External Sales and Services (Net)	3,88,68,43,215	3,44,18,16,006	1,67,26,97,874	1,42,32,22,638	93,21,09,237	81,70,12,034	2,19,76,569	3,15,23,315	6,51,36,26,895	5,71,35,73,993
Inter-segmental Sales	21,36,10,223	18,06,09,357	12,55,88,991	8,95,35,042	3,17,955	6,54,376	-	-	33,95,17,169	27,07,98,775
Other Income	2,45,19,908	35,48,000	2,19,62,543	92,33,666	4,34,754	28,863	4,91,67,183	5,76,85,271	9,60,84,389	7,04,95,800
Total Revenue	4,12,49,73,347	3,62,59,73,363	1,82,02,49,408	1,52,19,91,346	93,28,61,946	81,76,95,273	7,11,43,752	8,92,08,586	6,94,92,28,453	6,05,48,68,568
Less: Eliminations									(33,95,17,169)	(27,07,98,775)
Add : Interest Income							2,99,41,776	1,52,71,023	2,99,41,776	1,52,71,023
Total Enterprise Revenue									6,63,96,53,060	5,79,93,40,816
Result										
Segment Results	17,39,68,897	5,76,45,714	17,73,10,423	17,91,76,474	(1,95,15,954)	69,05,197	-	-	33,17,63,366	24,37,27,385
Unallocated Expenditure net of unallocated Income							(1,69,43,416)	51,42,387	(1,69,43,416)	51,42,387
Finance Cost							(8,85,41,166)	(7,01,86,188)	(8,85,41,166)	(7,01,86,188)
Interest Income							2,99,41,776	1,52,71,023	2,99,41,776	1,52,71,023
Profit before Taxation							(7,55,42,806)	(4,97,72,778)	25,62,20,560	19,39,54,607
Other Information										
Segment Assets	3,17,08,24,602	2,49,68,96,846	1,29,02,45,363	99,19,87,526	25,84,09,317	26,15,65,112	1,09,32,19,697	1,06,79,15,967	5,81,26,98,979	4,81,83,65,451
Segment Liabilities	2,57,00,29,798	2,00,55,05,997	65,72,88,614	48,06,03,505	19,27,59,278	14,10,76,686	77,02,38,738	71,77,61,156	4,19,03,16,429	3,34,49,47,344
Capital Expenditure	2,93,70,923	85,99,645	2,37,12,203	2,73,06,348	13,37,663	8,70,285	1,94,06,794	2,69,64,108	7,38,27,583	6,37,40,386
Depreciation	83,15,278	71,02,933	3,98,03,398	3,67,11,090	42,24,730	45,32,862	1,26,26,658	1,16,26,536	6,49,70,064	5,99,73,421
Non Cash Expenditure other than Depreciation	6,08,78,304	7,48,54,521	1,00,73,804	1,55,55,645	1,76,77,389	1,50,36,646	15,42,721	(10,46,922)	9,01,72,218	10,43,99,890

II. Information about Secondary Geographical Segments (in Rupees)

	India			Outside India			Total		
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12
External Revenue (net)	5,59,97,09,701	4,80,29,26,414	91,39,17,194	91,06,47,579	6,51,36,26,895	5,71,35,73,993	6,51,36,26,895	5,71,35,73,993	6,51,36,26,895
Carrying amount of segment assets	5,18,07,59,292	4,36,04,30,299	63,19,39,687	45,79,35,152	5,81,26,98,979	4,81,83,65,451	5,81,26,98,979	4,81,83,65,451	5,81,26,98,979
Additions to fixed assets	7,35,68,087	6,33,79,626	2,59,496	3,60,760	7,38,27,583	6,37,40,386	7,38,27,583	6,37,40,386	7,38,27,583

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

III. Notes:

- (a) The Company's operations are organized into three business segments, namely:
 Engineering Division – comprising of water treatment plants, spares and services in connection with the plants.
 Chemicals – comprising of resins, water treatment chemicals, sugar chemicals and paper chemicals.
 Consumer Products – comprising of domestic water purifiers.
- (b) The Segment Revenue in the geographical segments considered for disclosure are as follows:
 Revenue within India includes sales to customers located within India and earnings in India. Revenue outside India includes sales to customers located outside India and earnings outside India.

32. RELATED PARTY DISCLOSURES (As identified by the Management):Where control exists

- a) Subsidiary Companies
- Ion Exchange Enviro Farms Limited
 - Watercare Investments (India) Limited
 - Aqua Investments (India) Limited
 - Ion Exchange Asia Pacific Pte. Ltd., Singapore
 - Ion Exchange Asia Pacific (Thailand) Limited
 - IEI Environmental Management (M) Sdn. Bhd., Malaysia
 - Ion Exchange Environment Management (BD) Limited, Bangladesh
 - Ion Exchange Infrastructure Limited
 - Ion Exchange LLC, USA
 - Ion Exchange & Company LLC, Oman
 - Ion Exchange WTS (Bangladesh) Limited
 - Ion Exchange Projects and Engineering Limited (w.e.f. 11.04.2011)
 - Global Composites and Structurals Limited (w.e.f. 29.03.2012)

Others

- b) Associates
- Ion Exchange Services Limited
 - Aquanomics Systems Limited
 - IEI Water-Tech (M) Sdn. Bhd., Malaysia *
 - Astha Technical Services Limited
 - Total Water Management Services (I) Limited
 - Ion Exchange PSS Co. Limited, Thailand *
 - Ion Exchange Financial Products Pvt. Limited *
- c) Joint Venture
- Ion Exchange Waterleau Limited
- d) Entity having significant influence
- IEI Shareholding Trusts
- e) Key Management Personnel
- Mr. Rajesh Sharma - Chairman & Managing Director
 - Mr. Dinesh Sharma - Executive Director
 - Mr. Aankur Patni - Executive Director
- f) Relatives of Key Management Personnel
- Mr. Mahabir Patni - Father of Mr. Aankur Patni
 - Mrs. Nirmala Patni - Mother of Mr. Aankur Patni
 - Mrs. Aruna Sharma - Wife of Mr. Rajesh Sharma
 - Mrs. Poonam Sharma - Wife of Mr. Dinesh Sharma
 - Mrs. Nidhi Patni - Wife of Mr. Aankur Patni
 - Ms. Pallavi Sharma - Daughter of Mr. Rajesh Sharma
- g) Enterprise owned or significantly influenced by Key Management Personnel or their Relatives
- Arkepp and Associates
 - Ion Foundation

* Associate Companies of Subsidiaries

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

I. Transactions during the year with Related Parties except Entity having significant influence with outstanding balances as at year-end:

Amount (in Rupees)

Nature of transaction	Parties referred to in (a) above		Parties referred to in (b) and (c) above		Parties referred to in (e), (f) and (g) above		Total	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Sale of Goods*								
Ion Exchange Asia Pacific Pte. Limited, Singapore	1,04,22,316	1,39,29,758	-	-	-	-	1,04,22,316	1,39,29,758
Ion Exchange Asia Pacific (Thailand) Limited	1,08,25,191	99,01,559	-	-	-	-	1,08,25,191	99,01,559
IEI Environmental Management (M) Sdn. Bhd., Malaysia	30,29,665	22,05,815	-	-	-	-	30,29,665	22,05,815
Ion Exchange LLC, USA	8,89,76,976	7,75,31,786	-	-	-	-	8,89,76,976	7,75,31,786
Ion Exchange & Company LLC, Oman	16,00,51,518	21,20,48,022	-	-	-	-	16,00,51,518	21,20,48,022
Ion Exchange Environment Management (BD) Limited, Bangladesh	1,85,84,648	2,17,25,008	-	-	-	-	1,85,84,648	2,17,25,008
Ion Exchange Infrastructure Limited	2,23,69,440	11,41,276	-	-	-	-	2,23,69,440	11,41,276
Ion Exchange Enviro Farms Limited	27,72,878	18,20,374	-	-	-	-	27,72,878	18,20,374
Global Composites & Structurals Limited	76,04,821	-	-	-	-	-	76,04,821	-
Ion Exchange Services Limited	-	-	31,27,69,928	28,80,25,689	-	-	31,27,69,928	28,80,25,689
Aquanomics Systems Limited	-	-	14,78,88,091	10,94,66,684	-	-	14,78,88,091	10,94,66,684
Ion Exchange Waterleau Limited	-	-	2,82,88,293	4,97,399	-	-	2,82,88,293	4,97,399
Ion Foundation	-	-	-	-	3,00,021	-	3,00,021	-
Total	32,46,37,453	34,03,03,598	48,89,46,312	39,79,89,772	3,00,021	-	81,38,83,786	73,82,93,370
Management Fees								
Ion Exchange Services Limited	-	-	2,19,50,326	2,47,81,390	-	-	2,19,50,326	2,47,81,390
Aquanomics Systems Limited	-	-	-	67,08,746	-	-	-	67,08,746
Total	-	-	2,19,50,326	3,14,90,136	-	-	2,19,50,326	3,14,90,136
Rental Income								
Ion Exchange Infrastructure Limited	12,60,688	11,43,228	-	-	-	-	12,60,688	11,43,228
Ion Exchange Waterleau Limited	-	-	10,95,000	10,95,000	-	-	10,95,000	10,95,000
Total	12,60,688	11,43,228	10,95,000	10,95,000	-	-	23,55,688	22,38,228
Interest Income on Debenture and Loans and Advances								
IEI Environmental Management (M) Sdn. Bhd., Malaysia	1,21,500	-	-	-	-	-	1,21,500	-
Ion Exchange Enviro Farms Limited	1,24,31,971	1,14,17,277	-	-	-	-	1,24,31,971	1,14,17,277
Ion Exchange Waterleau Limited	-	-	1,20,61,957	-	-	-	1,20,61,957	-
Total	1,25,53,471	1,14,17,277	1,20,61,957	-	-	-	2,46,15,428	1,14,17,277
Services Rendered								
Ion Exchange Asia Pacific Pte. Ltd, Singapore	2,35,800	-	-	-	-	-	2,35,800	-

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

Amount (in Rupees)

Nature of transaction	Parties referred to in (a) above		Parties referred to in (b) and (c) above		Parties referred to in (e), (f) and (g) above		Total	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Services Rendered (Contd.)								
Ion Exchange Waterleau Limited	-	-	48,00,833	45,23,717	-	-	48,00,833	45,23,717
Aquanomics Systems Limited	-	-	14,463	9,035	-	-	14,463	9,035
Total Water Management Services (I) Limited	-	-	6,97,799	4,54,383	-	-	6,97,799	4,54,383
Total	2,35,800	-	55,13,095	49,87,135	-	-	57,48,895	49,87,135
Purchase of Goods/ Materials								
Ion Exchange Infrastructure Limited	20,37,52,633	29,73,39,033	-	-	-	-	20,37,52,633	29,73,39,033
Ion Exchange LLC, USA	11,57,770	-	-	-	-	-	11,57,770	-
Global Composites & Structurals Limited	18,77,58,374	-	-	12,11,47,575	-	-	18,77,58,374	12,11,47,575
Aquanomics Systems Limited	-	-	2,53,85,395	88,33,090	-	-	2,53,85,395	88,33,090
Ion Exchange Waterleau Limited	-	-	6,16,91,051	-	-	-	6,16,91,051	-
Total	39,26,68,777	29,73,39,033	8,70,76,446	12,99,80,665	-	-	47,97,45,223	42,73,19,698
Purchase of Miscellaneous items								
Ion Exchange Enviro Farms Limited	29,03,723	25,43,885	-	-	-	-	29,03,723	25,43,885
Total	29,03,723	25,43,885	-	-	-	-	29,03,723	25,43,885
Reimbursement of expenses								
Ion Exchange Infrastructure Limited	-	2,78,426	-	-	-	-	-	2,78,426
Total	-	2,78,426	-	-	-	-	-	2,78,426
Rental Expenses								
Ion Exchange Services Limited	-	-	28,80,000	28,80,000	-	-	28,80,000	28,80,000
Total	-	-	28,80,000	28,80,000	-	-	28,80,000	28,80,000
Services Received								
Ion Exchange Infrastructure Limited	1,93,025	-	-	-	-	-	1,93,025	-
Ion Exchange Services Limited	-	-	6,65,02,367	8,59,87,910	-	-	6,65,02,367	8,59,87,910
Total Water Management Services (I) Limited	-	-	2,63,682	3,67,760	-	-	2,63,682	3,67,760
Astha Technical Services Limited	-	-	1,91,39,835	70,69,120	-	-	1,91,39,835	70,69,120
Total	1,93,025	-	8,59,05,884	9,34,24,790	-	-	8,60,98,909	9,34,24,790
Interest Paid on Deposits								
Watercare Investments (India) Limited	3,36,512	2,44,707	-	-	-	-	3,36,512	2,44,707
Aqua Investments (India) Limited	4,06,528	2,99,551	-	-	-	-	4,06,528	2,99,551
Total	7,43,040	5,44,258	-	-	-	-	7,43,040	5,44,258
Advances Given								
Ion Exchange Asia Pacific Pte. Limited, Singapore	48,88,762	9,69,822	-	-	-	-	48,88,762	9,69,822

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

Amount (in Rupees)

Nature of transaction	Parties referred to in (a) above		Parties referred to in (b) and (c) above		Parties referred to in (e), (f) and (g) above		Total	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Advances Given (contd.)								
IEI Environmental Management (M) Sdn. Bhd., Malaysia	13,33,950	-	-	-	-	-	13,33,950	-
Ion Exchange Environment Management (BD) Limited, Bangladesh	5,22,138	-	-	-	-	-	5,22,138	-
Ion Exchange Infrastructure Limited	2,000	-	-	-	-	-	2,000	-
Ion Exchange Projects and Engineering Limited	8,58,081	-	-	-	-	-	8,58,081	-
Total Water Management Services (I) Limited	-	-	2,28,230	8,640	-	-	2,28,230	8,640
Ion Exchange Waterleau Limited	-	-	1,09,28,560	2,73,08,000	-	-	1,09,28,560	2,73,08,000
Ion Exchange Services Limited	-	-	-	1,81,975	-	-	-	1,81,975
Ion Exchange Financial Products Private Limited	-	-	1,800	-	-	-	1,800	-
Ion Foundation	-	-	-	-	3,500	10,000	3,500	10,000
Total	76,04,931	9,69,822	1,11,58,590	2,74,98,615	3,500	10,000	1,87,67,021	2,84,78,437
Advances Repaid								
Ion Exchange & Company LLC, Oman	-	13,975	-	-	-	-	-	13,975
Total Water Management Services (I) Limited	-	-	-	2,39,595	-	-	-	2,39,595
Ion Exchange Financial Products Private Limited	-	-	2,25,000	-	-	-	2,25,000	-
Ion Exchange Waterleau Limited	-	-	1,97,428	-	-	-	1,97,428	-
Ion Foundation	-	-	-	-	99,851	-	99,851	-
Total	-	13,975	4,22,428	2,39,595	99,851	-	5,22,279	2,53,570
Loans Given								
Ion Exchange Enviro Farms Limited	4,03,93,559	1,68,58,624	-	-	-	-	4,03,93,559	1,68,58,624
Ion Exchange LLC, USA	1,22,585	23,004	-	-	-	-	1,22,585	23,004
Total	4,05,16,144	1,68,81,628	-	-	-	-	4,05,16,144	1,68,81,628
Loans Repaid								
Ion Exchange Enviro Farms Limited	1,20,50,000	1,71,43,874	-	-	-	-	1,20,50,000	1,71,43,874
Ion Exchange Environment Management (BD) Limited, Bangladesh	-	29,694	-	-	-	-	-	29,694
Ion Exchange LLC, USA	-	5,53,078	-	-	-	-	-	5,53,078
Total	1,20,50,000	1,77,26,646	-	-	-	-	1,20,50,000	1,77,26,646
Inter Corporate Deposits Received								
Watercare Investments (India) Limited	40,30,000	34,25,000	-	-	-	-	40,30,000	34,25,000
Aqua Investments (India) Limited	48,50,000	41,00,000	-	-	-	-	48,50,000	41,00,000
Total	88,80,000	75,25,000	-	-	-	-	88,80,000	75,25,000

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

Amount (in Rupees)

Nature of transaction	Parties referred to in (a) above		Parties referred to in (b) and (c) above		Parties referred to in (e), (f) and (g) above		Total	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Inter Corporate Deposits Repaid								
Watercare Investments (India) Limited	40,30,000	34,25,000	-	-	-	-	40,30,000	34,25,000
Aqua Investments (India) Limited	48,50,000	41,00,000	-	-	-	-	48,50,000	41,00,000
Total	88,80,000	75,25,000	-	-	-	-	88,80,000	75,25,000
Dividend Received								
Ion Exchange & Company LLC, Oman	1,22,30,428	-	-	-	-	-	1,22,30,428	-
Ion Exchange Services Limited	-	-	5,89,750	5,89,750	-	-	5,89,750	5,89,750
Aquanomics Systems Limited	-	-	9,20,000	9,20,000	-	-	9,20,000	9,20,000
Ion Exchange Infrastructure Limited	-	10,20,000	-	-	-	-	-	10,20,000
Total	1,22,30,428	10,20,000	15,09,750	15,09,750	-	-	1,37,40,178	25,29,750
Back Charges on Contract								
Ion Exchange Environment Management (BD) Limited, Bangladesh	-	27,81,820	-	-	-	-	-	27,81,820
Ion Exchange WTS (Bangladesh) Limited	16,27,239	-	-	-	-	-	16,27,239	-
Total	16,27,239	27,81,820	-	-	-	-	16,27,239	27,81,820
Dividend Paid								
Watercare Investments (India) Limited	3,27,800	2,45,850	-	-	-	-	3,27,800	2,45,850
Aqua Investments (India) Limited	3,28,000	2,46,000	-	-	-	-	3,28,000	2,46,000
Ion Exchange Services Limited	-	-	5,74,116	4,30,587	-	-	5,74,116	4,30,587
Mr. Rajesh Sharma	-	-	-	-	12,50,872	9,38,154	12,50,872	9,38,154
Mr. Dinesh Sharma	-	-	-	-	7,50,200	5,62,650	7,50,200	5,62,650
Mr. Aankur Patni	-	-	-	-	4,69,336	3,52,002	4,69,336	3,52,002
Relatives of Key Management Personnel	-	-	-	-	11,47,308	8,60,481	11,47,308	8,60,481
Total	6,55,800	4,91,850	5,74,116	4,30,587	36,17,716	27,13,287	48,47,632	36,35,724
Sales Commission								
Arkepp and Associates	-	-	-	-	21,87,400	37,93,172	21,87,400	37,93,172
Total	-	-	-	-	21,87,400	37,93,172	21,87,400	37,93,172
Remuneration								
Mr. Rajesh Sharma	-	-	-	-	2,01,69,170	1,57,61,851	2,01,69,170	1,57,61,851
Mr. Dinesh Sharma	-	-	-	-	97,11,098	83,26,665	97,11,098	83,26,665
Mr. Aankur Patni	-	-	-	-	95,30,880	81,78,000	95,30,880	81,78,000
Total	-	-	-	-	3,94,11,148	3,22,66,516	3,94,11,148	3,22,66,516
Sale of Ownership Block (including Furniture and Fixture)								
Mr. Rajesh Sharma	-	-	-	-	-	4,30,00,000	-	4,30,00,000
Total	-	-	-	-	-	4,30,00,000	-	4,30,00,000

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

Amount (in Rupees)

Nature of transaction	Parties referred to in (a) above		Parties referred to in (b) and (c) above		Parties referred to in (e), (f) and (g) above		Total	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Purchase of Ownership Block								
Ion Exchange Services Limited	-	-	-	1,30,00,000	-	-	-	1,30,00,000
Total	-	-	-	1,30,00,000	-	-	-	1,30,00,000
Shares allotted under Employee Stock Option Scheme (ESOS)								
Mr. Rajesh Sharma	-	-	-	-	-	1,20,000	-	1,20,000
Mr. Dinesh Sharma	-	-	-	-	-	1,00,000	-	1,00,000
Mr. Aankur Patni	-	-	-	-	-	1,00,000	-	1,00,000
Relatives of Key Management Personnel	-	-	-	-	-	90,000	-	90,000
Total	-	-	-	-	-	4,10,000	-	4,10,000
Director Sitting Fees								
Mr. Mahabir P. Patni	-	-	-	-	1,70,000	1,80,000	1,70,000	1,80,000
Total	-	-	-	-	1,70,000	1,80,000	1,70,000	1,80,000
Outstanding Loans and Advances								
Ion Exchange Enviro Farms Limited	6,62,65,730	4,05,62,592	-	-	-	-	6,62,65,730	4,05,62,592
IEI Environmental Management (M) Sdn. Bhd., Malaysia	16,56,195	-	-	-	-	-	16,56,195	-
Ion Exchange Asia Pacific Pte. Limited, Singapore	92,37,115	26,99,763	-	-	-	-	92,37,115	26,99,763
Ion Exchange LLC, USA	3,05,71,124	2,68,12,411	-	-	-	-	3,05,71,124	2,68,12,411
Ion Exchange Environment Management (BD) Limited, Bangladesh	31,00,135	27,05,835	-	-	-	-	31,00,135	27,05,835
Ion Exchange & Company LLC, Oman	-	11,22,590	-	-	-	-	-	11,22,590
Ion Exchange Projects and Engineering Limited	8,58,081	-	-	-	-	-	8,58,081	-
Ion Exchange Infrastructure Limited	2,000	-	-	-	-	-	2,000	-
Total Water Management Services (I) Limited	-	-	4,11,934	13,952	-	-	4,11,934	13,952
Ion Exchange Waterleau Limited	-	-	9,62,06,246	8,40,24,130	-	-	9,62,06,246	8,40,24,130
Aquanomics Systems Limited	-	-	10,198	1,205	-	-	10,198	1,205
Ion Exchange Financial Products Pvt. Limited**	-	-	27,15,134	29,38,334	-	-	27,15,134	29,38,334
Ion Foundation	-	-	-	-	-	96,351	-	96,351
Total	11,16,90,380	7,39,03,191	9,93,43,512	8,69,77,621	-	96,351	21,10,33,892	16,09,77,163
Outstanding Advance to Supplier								
Ion Exchange Infrastructure Limited	1,98,50,319	69,62,745	-	-	-	-	1,98,50,319	69,62,745
Ion Exchange Services Limited	-	-	15,57,564	13,84,307	-	-	15,57,564	13,84,307
Aquanomics Systems Limited	-	-	2,97,000	-	-	-	2,97,000	-
Astha Technical Services Limited	-	-	25,16,130	-	-	-	25,16,130	-
Global Composite and Structural Limited	-	-	-	73,58,072	-	-	-	73,58,072
Ion Exchange Waterleau Limited	-	-	-	1,63,00,000	-	-	-	1,63,00,000
Total	1,98,50,319	69,62,745	43,70,694	2,50,42,379	-	-	2,42,21,013	3,20,05,124

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

Amount (in Rupees)

Nature of transaction	Parties referred to in (a) above		Parties referred to in (b) and (c) above		Parties referred to in (e), (f) and (g) above		Total	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Outstanding Receivables (Net of Payable) excluding Loans and Advances								
Ion Exchange Enviro Farms Limited	19,97,684	11,69,077	-	-	-	-	19,97,684	11,69,077
IEI Environmental Management (M) Sdn. Bhd., Malaysia	44,75,413	14,45,748	-	-	-	-	44,75,413	14,45,748
Ion Exchange Asia Pacific Pte. Limited, Singapore	1,50,80,034	3,23,01,041	-	-	-	-	1,50,80,034	3,23,01,041
Ion Exchange & Company LLC, Oman	9,58,46,404	7,52,98,604	-	-	-	-	9,58,46,404	7,52,98,604
Ion Exchange Asia Pacific (Thailand) Limited	1,91,37,838	83,23,978	-	-	-	-	1,91,37,838	83,23,978
Ion Exchange LLC, USA	7,36,99,645	5,76,60,706	-	-	-	-	7,36,99,645	5,76,60,706
Ion Exchange Environment Management (BD) Limited, Bangladesh	37,98,790	28,32,068	-	-	-	-	37,98,790	28,32,068
Ion Exchange WTS (Bangladesh) Limited	-	16,27,239	-	-	-	-	-	16,27,239
Ion Exchange Waterleau Limited	-	-	7,32,79,070	6,90,81,486	-	-	7,32,79,070	6,90,81,486
Aquanomics Systems Limited	-	-	8,80,88,927	4,75,57,872	-	-	8,80,88,927	4,75,57,872
IEI Water-Tech (M) Sdn. Bhd., Malaysia	-	-	2,03,282	2,03,282	-	-	2,03,282	2,03,282
Ion Exchange Services Limited	-	-	19,98,82,640	17,21,07,118	-	-	19,98,82,640	17,21,07,118
Global Composites and Structurals Limited	-	-	-	18,17,238	-	-	-	18,17,238
Total	21,40,35,808	18,06,58,461	36,14,53,919	29,07,66,996	-	-	57,54,89,727	47,14,25,457
Outstanding Payables (Net of Receivable) excluding Loans and Advances								
Global Composites and Structurals Limited	2,35,84,650	-	-	55,40,834	-	-	2,35,84,650	55,40,834
Ion Exchange Infrastructure Limited	9,77,75,088	9,07,91,543	-	-	-	-	9,77,75,088	9,07,91,543
Astha Technical Services Limited	-	-	26,05,307	7,71,647	-	-	26,05,307	7,71,647
Total Water Management (I) Limited	-	-	20,790	-	-	-	20,790	-
Arkepp and Associates	-	-	-	-	21,22,152	44,02,312	21,22,152	44,02,312
Total	12,13,59,738	9,07,91,543	26,26,097	63,12,481	21,22,152	44,02,312	12,61,07,987	10,15,06,336

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

Amount (in Rupees)

Nature of transaction	Parties referred to in (a) above		Parties referred to in (b) and (c) above		Parties referred to in (e) (f) and (g) above		Total	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Investments made during the year								
Global Composites & Structurals Ltd.	1,95,00,000	-	-	-	-	-	1,95,00,000	-
Ion Exchange Asia Pacific Pte. Limited, Singapore	3,39,14,655	-	-	-	-	-	3,39,14,655	-
Ion Exchange Projects and Engineering Limited	5,00,000	-	-	-	-	-	5,00,000	-
Ion Exchange WTS (Bangladesh) Limited	-	2,45,000	-	-	-	-	-	2,45,000
Ion Exchange Infrastructure Limited	-	2,61,00,000	-	-	-	-	-	2,61,00,000
Ion Exchange & Company LLC, Oman	-	75,08,340	-	-	-	-	-	75,08,340
Ion Exchange Waterleau Limited	-	-	-	1,11,00,000	-	-	-	1,11,00,000
Ion Foundation	-	-	-	-	10,000	-	10,000	-
Total	5,39,14,655	3,38,53,340	-	1,11,00,000	10,000	-	5,39,24,655	4,49,53,340
Investment in Equity Shares / Debentures								
Ion Exchange Enviro Farms Limited ***	15,54,70,000	15,54,70,000	-	-	-	-	15,54,70,000	15,54,70,000
Aqua Investments (India) Limited	1,76,00,000	1,76,00,000	-	-	-	-	1,76,00,000	1,76,00,000
Watercare Investments (India) Limited	1,77,00,000	1,77,00,000	-	-	-	-	1,77,00,000	1,77,00,000
Ion Exchange Asia Pacific Pte. Limited, Singapore	4,76,88,508	1,37,73,853	-	-	-	-	4,76,88,508	1,37,73,853
IEI Environmental Management (M) Sdn. Bhd., Malaysia	18,10,111	18,10,111	-	-	-	-	18,10,111	18,10,111
Ion Exchange Infrastructure Limited	3,12,00,000	3,12,00,000	-	-	-	-	3,12,00,000	3,12,00,000
Ion Exchange LLC, USA	43,33,000	43,33,000	-	-	-	-	43,33,000	43,33,000
Ion Exchange & Company LLC, Oman	1,80,85,140	1,80,85,140	-	-	-	-	1,80,85,140	1,80,85,140
Ion Exchange Environment Management (BD) Limited, Bangladesh	7,00,000	7,00,000	-	-	-	-	7,00,000	7,00,000
Ion Exchange WTS (Bangladesh) Limited	2,45,000	2,45,000	-	-	-	-	2,45,000	2,45,000
Ion Exchange Projects and Engineering Limited	5,00,000	-	-	-	-	-	5,00,000	-
Global Composites & Structurals Limited	2,15,00,000	-	-	20,00,000	-	-	2,15,00,000	20,00,000
Aquanomics Systems Ltd	-	-	46,00,000	46,00,000	-	-	46,00,000	46,00,000
Ion Exchange Waterleau Limited	-	-	2,49,95,000	2,49,95,000	-	-	2,49,95,000	2,49,95,000
Astha Technical Services Limited	-	-	13,00,000	13,00,000	-	-	13,00,000	13,00,000
Total Water Management Services (I) Limited	-	-	2,40,000	2,40,000	-	-	2,40,000	2,40,000
Ion Exchange Services Limited	-	-	9,20,948	9,20,948	-	-	9,20,948	9,20,948
Ion Foundation	-	-	-	-	10,000	-	10,000	-
Total	31,68,31,759	26,09,17,104	3,20,55,948	3,40,55,948	10,000	-	34,88,97,707	29,49,73,052

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

Amount (in Rupees)

Nature of transaction	Parties referred to in (a) above		Parties referred to in (b) and (c) above		Parties referred to in (e), (f) and (g) above		Total	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Corporate Guarantees Given								
Ion Exchange Infrastructure Limited	-	12,09,00,000	-	-	-	-	-	12,09,00,000
Aquanomics Systems Ltd	-	-	-	2,00,00,000	-	-	-	2,00,00,000
Total	-	12,09,00,000	-	2,00,00,000	-	-	-	14,09,00,000
Corporate Guarantees Discharged								
Ion Exchange Waterleau Limited	-	-	-	6,00,00,000	-	-	-	6,00,00,000
Total	-	-	-	6,00,00,000	-	-	-	6,00,00,000
Outstanding Corporate Guarantees								
Ion Exchange Asia Pacific Pte. Limited, Singapore	7,41,76,925	6,47,42,500	-	-	-	-	7,41,76,925	6,47,42,500
Ion Exchange Infrastructure Limited	22,50,00,000	22,50,00,000	-	-	-	-	22,50,00,000	22,50,00,000
Ion Exchange Environment Management (BD) Limited, Bangladesh	75,00,000	75,00,000	-	-	-	-	75,00,000	75,00,000
Aquanomics Systems Ltd	-	-	7,00,00,000	7,00,00,000	-	-	7,00,00,000	7,00,00,000
Ion Exchange Waterleau Limited	-	-	8,00,00,000	8,00,00,000	-	-	8,00,00,000	8,00,00,000
Total	30,66,76,925	29,72,42,500	15,00,00,000	15,00,00,000	-	-	45,66,76,925	44,72,42,500

* Gross Sales amount has been considered.

** Provision has been made in respect of the said amount.

*** Includes Rs. 15,00,00,000 investment in debentures for both years.

II. Transactions during the year with Entity having significant influence with outstanding balances as at year-end:

Amount (in Rupees)

Name of the Related Party	Outstanding Receivable		Loan given during the year		Loans repaid during the year		Dividend paid during the year	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
IEI Shareholding Trusts	23,09,53,000	23,50,56,000	-	-	41,03,000	32,21,000	53,25,828	39,94,371

III. Stock Options granted and outstanding to Key Management Personnel during the year : Nil (2010-2011: Nil).

IV. Disclosure pursuant to Clause 32 of the listing agreement:

(a) Loans and Advances in the nature of loans

Amount (in Rupees)

Name of the Related Party		As at 31st March 2012	Maximum Balance in 2011-2012	As at 31st March 2011	Maximum Balance in 2010-2011
Ion Exchange Enviro Farms Limited	Subsidiary	6,62,65,730	7,13,90,730	4,05,62,592	4,05,62,592
Ion Exchange Environment Management (BD) Limited, Bangladesh	100% Subsidiary	31,00,135	32,34,204	27,05,835	28,24,007
Ion Exchange LLC, USA	100% Subsidiary	3,05,71,124	3,21,27,300	2,68,12,411	2,79,70,114
Ion Exchange Asia Pacific Pte. Limited, Singapore	100% Subsidiary	92,37,115	1,70,60,155	26,99,763	26,99,763
IEI Environmental Management (M) Sdn. Bhd., Malaysia	Subsidiary	16,56,195	16,56,195	Nil	Nil

Notes:

1) Loans and advances shown above to the Subsidiaries fall under the category of 'Loans and Advances in nature of Loans where there is no repayment schedule'.

2) Interest on Loans and Advances to the Subsidiaries are charged at the prevailing market rates.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

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

Name of the Related Party	No. of shares as at	
	31st March 2012	31st March 2011
IEI Shareholding Trusts	26,62,914	26,62,914

33. In early 90s, the Company had given loans to Employees' IEI Shareholding Trusts. The amount outstanding as at 31st March 2012 is Rs. 23,09,53,000 (2010–2011 : Rs. 23,50,56,000). The Company has carried out valuation of the assets held by the Trusts. Considering the valuation, book value of the corpus of the Trusts as on the Balance Sheet date and future opportunities, the Management does not anticipate any ultimate loss arising out of these loans.
34. The Company has an investment of Rs. 54,70,000 (2010–2011 : Rs. 54,70,000) in Equity Shares and 15,00,000 (2010–2011 : 15,00,000) 7% Secured Redeemable Non-Convertible Debentures of Rs. 100 each fully paid up, in Ion Exchange Enviro Farms Limited (IEEFL), a subsidiary company, as at 31st March 2012 and it has also granted Loans and Advances aggregating Rs. 6,62,65,730 (2010–2011 : Rs. 4,05,62,592) as at 31st March 2012 to IEEFL. As at 31st March 2012, the accumulated losses of IEEFL have substantially exceeded its paid-up share capital. IEEFL has undertaken various cost reduction programs and it expects better returns in the coming years from its organic farming activities, bio-pesticides and bio-fertilizers marketing. Moreover, IEEFL has adequate assets in the form of developed and undeveloped land and the Redeemable Non-Convertible Debentures are being secured by way of mortgage of office premises. Also, the Supreme Court of India has admitted IEEFL's appeal against the Security Appellate Tribunal Order of refunding monies to investors with return and winding-up of scheme. In the month of March 2008, the matter was listed for filing reply by SEBI. SEBI did not file their reply and asked for time. The matter was adjourned thereafter. SEBI has since filed their reply and the matter will come up for hearing in due course. IEEFL has been legally advised that it has got a fair chance of successfully contesting the appeal. In view of the foregoing, the Management is of the opinion, that there is no diminution, other than temporary, in value of investment and the advances are fully recoverable. Hence, presently no provision is considered necessary.

35. INTEREST IN JOINT VENTURE

i) Jointly Controlled Entity by the Company:

Name of the Entity	Country of Incorporation	% Holding
Ion Exchange Waterleau Limited (w.e.f. 24th November 2005)	India	50%

ii) Company's share of each of the Assets, Liabilities, Income and Expenses with respect to Jointly Controlled Entity, based on the financial information of the Joint Venture are:

	31st March 2012	31st March 2011
	Rupees	Rupees
Current Assets	10,50,98,587	6,84,48,802
Non Current Assets	2,44,02,495	4,70,91,161
Current Liabilities	(14,98,08,087)	(11,09,88,344)
Non current Liabilities	(2,21,904)	(1,90,531)
Equity	(2,05,28,909)	43,61,088
Revenue	5,55,55,922	1,14,00,655
Cost of Material consumed	(4,14,35,934)	(47,69,346)
Depreciation	(2,16,151)	(1,98,055)
Employee benefit expenses	(36,58,630)	(29,79,467)
Other Expenses	(3,52,96,447)	(70,97,546)
Profit/(loss) before tax	(2,50,51,240)	(36,43,759)
Income tax expense / Adjustment	1,61,242	-
Profit/(loss) after tax	(2,48,89,998)	(36,43,759)

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

36. Capital expenditure incurred on Research and Development during the year is Rs. 36,07,067 (2010-2011 : Rs. 24,57,441). Revenue expenditure of Rs. 3,81,42,618 (2010-2011 : Rs. 3,47,39,727) incurred on Research and Development has been expensed to Profit and Loss Account under various expense heads.

37. LEASE

- a. Office Equipment's includes data processing equipments obtained on finance lease. The lease term is for 4 years and can be renewed at the option of the company. There is no escalation clause in the lease agreement. There are no subleases. Future minimum lease payment (MLP) under finance leases together with the present value of the net MLP are as follows

	31st March 2012	31st March 2011
Total minimum lease payments at the year end	4,57,383	-
Less : amount representing finance charges	23,718	-
Present value of minimum lease payments (Rate of interest : 4.95% p.a. to 6.8% p.a.)	4,33,665	-
Minimum Lease Payments :		
Not later than one year [Present value Rs.16,09,591 as on 31.03.2012 (Rs. Nil as on 31.03.2011)]	17,68,574	-
Later than one year but not later than five years [Present value Rs.39,06,826 as on 31.03.2012 (Rs. Nil as on 31.03.2011)]	47,83,509	-

- b. Certain Office Premises are obtained on operating lease. There are escalation clauses in the lease agreement. All the lease agreements are cancellable and there are no restrictions imposed by the lease arrangements. There are no sub-leases.

38. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts (net of advances) remaining to be executed on Capital Account not provided for is Rs. 1,98,81,429 (2010-2011 : Rs. 2,96,97,595).

39. CONTINGENT LIABILITIES

Contingent Liabilities not provided for:

- (a) Guarantee given by the Company on behalf of :
- i) Subsidiaries – Rs. 30,66,76,925 (2010-2011 : Rs. 29,72,42,500)
 - ii) Associates – Rs. 7,00,00,000 (2010-2011 : Rs. 7,00,00,000)
 - iii) Joint Venture – Rs. 8,00,00,000 (2010-2011 : Rs. 8,00,00,000)
 - iv) Others – Rs. 38,88,000 (2010-2011 : Rs. 38,88,000)
- (b) Demand raised by authorities against which the Company has filed an appeal.
- i) Income Tax – Rs. 83,01,220 (2010-2011 : Rs. 1,89,38,294)
 - ii) Excise Duty – Rs. 16,78,600 (2010-2011 : Rs. 30,52,000)
 - iii) Service Tax – Rs. 16,74,395 (2010-2011 : Rs. 41,33,445)
 - iv) Customs Duty (to the extent ascertainable) – Rs. 22,58,117 (2010-2011 : Rs. 22,58,117)
- (c) Claims against the Company arising in the course of business not acknowledged as debts (to the extent ascertainable) Rs. 1,94,94,696 (2010-2011 : Rs. 1,88,82,928).

Note: Future cash outflows/uncertainties, if any, in respect of above are determinable only on receipt of judgments/decisions pending with various forums/authorities.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

40. DERIVATIVE INSTRUMENTS AND UNHEDGE FOREIGN CURRENCY EXPOSURE

Particulars of Derivatives as at Balance Sheet date

Purpose	Particulars of Derivative			
	2011-12		2010-11	
	Type	Amount	Type	Amount
Hedge of Import Creditors	Buy	USD 3,00,000	Buy	USD 6,72,750
			Buy	EUR 5,10,450

Particulars of Unhedged foreign currency exposure as at Balance Sheet date

Particulars of Derivative	Particulars of Derivative			
	2011-12		2010-11	
	Amount (Rs.)	Foreign currency	Amount (Rs.)	Foreign currency
Import Creditors	20,44,64,407	USD 30,24,913 EUR 7,14,685 GBP 10,742	10,75,63,613	USD 20,92,640 EUR 2,16,933 GBP 3,500 JPY 2,90,000
Export Debtors	48,26,11,801	USD 63,45,849 EUR 1,06,688 OMR 1,25,723 KWD 852 AED 49,23,247 BHD 65,002 QR 10,800 GBP 4,56,255 SAR 15,70,135	36,74,44,656	USD 62,87,172 EUR 1,00,392 OMR 99,360 KWD 14,433 AED 54,63,145
Foreign Currency Bank Account	1,57,85,416	USD 28,128 AED 7,37,409 BHD 29,999	1,00,54,425	USD 40,035 AED 6,79,281
Foreign Currency in hand	2,46,103	AED 17,070 BHD 60	4,46,326	AED 36,674
Commission Payable	2,42,39,702	USD 3,57,261 AED 1,30,211 SAR 3,04,131	3,22,22,639	USD 6,04,890 AED 3,87,274 EUR 540 OMR 1,482 SAR 24,437
Advances to subsidiaires	4,44,43,069	USD 8,68,767	3,33,40,599	USD 6,86,245 SGD 75,252
Investments	7,28,61,759	USD 100,000 SGD 12,83,474 MYR 1,50,000 OMR 1,53,000 BDT 13,84,555	3,89,47,104	USD 1,00,000 SGD 4,60,000 MYR 1,50,000 OMR 1,53,000 BDT 13,84,555

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

41. The Company has initiated the process of obtaining confirmation from suppliers regarding the registration under the "Micro, Small and Medium Enterprises Development Act, 2006". The suppliers are not registered wherever the confirmation are received and in other cases, the Company is not aware of their registration status and hence information relating to outstanding balance or interest due is not disclosed as it is not determinable

42. VALUE OF IMPORTS CALCULATED ON CIF BASIS

	Amount (in Rupees)	
	2011-2012	2010-2011
Raw Materials	70,39,68,363	66,11,78,219
Capital Goods	1,03,80,682	-

43. EXPENDITURE IN FOREIGN CURRENCY (accrual basis)

	Amount (in Rupees)	
	2011-2012	2010-2011
Foreign Travel	3,49,33,811	2,92,72,758
Legal and Professional Fees	67,69,184	31,95,667
Other Expenses	6,01,96,856	5,18,84,360

44. IMPORTED AND INDIGENOUS RAW MATERIALS AND SPARE PARTS

	2011-2012		2010-2011	
	Value Rupees	% of total consumption	Value Rupees	% of total consumption
Imported: Raw materials	71,02,92,876	16.19	82,60,40,879	21.78
Indigenous: Raw materials	3,67,51,44,456	83.76	2,96,40,36,303	78.15
Indigenous: Spares parts	25,06,348	0.05	26,32,744	0.07
	4,38,79,43,680	100.00	3,79,27,09,926	100.00

45. EARNING IN FOREIGN CURRENCY (accrual basis)

	Amount (in Rupees)	
	2011-2012	2010-2011
Exports of goods calculated on F.O.B basis (Excluding exports to Bhutan and Nepal in Indian Rupees)	91,39,17,194	91,06,47,579
Freight and other Recoveries	69,02,954	70,25,079
Dividend	1,22,30,428	-
Interest	1,21,500	-

46. During the year 98,250 (2010-2011 : 6,19,650) equity shares were allotted to employees and directors under ESOS 2005 and ESOS 2008 on 27th May 2011 and 28th July 2011. Accordingly, dividend of Rs. 2.00 per share (20%) declared at the Annual General Meeting held on 27th September 2011 was also paid to those shareholders (book closure date being 27th September 2011).

47. Backcharges represents reimbursement of costs incurred by customers on the Company's behalf in the course of contract execution.

48. Book values of certain long term unquoted investments, aggregating to Rs. 14,25,36,619 are lower than its cost.

Considering the strategic and long term nature of the aforesaid investments, and asset base and business plan of the investee companies; in the opinion of the Management, the decline in the book value of the aforesaid investments is of temporary nature, requiring no provision.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2012- (contd.)

49. DISCONTINUING OPERATIONS

The Board of Directors of the Company at their meeting held on 22nd February 2011, had accorded their approval for the proposal to sell its Project Division (covering domestic turnkey projects) as a going concern under a 'Slump Sale' basis to Ion Exchange Projects and Engineering Limited, a wholly owned subsidiary company. On 11th April 2011, the Company has received approval of the shareholders for the transfer of the Project Division (covering domestic turnkey projects) by way of postal ballot. The Company is in the process of completing all the necessary formalities for the above mentioned transfer. The Project Division is being reported as a part of Engineering segment under Segment disclosures as given in note 31.

The details of the discontinuing operation are as under:

Particulars	Amount (in Rupees)	
	31st March 2012	31st March 2011
Total Assets	1,68,88,96,924	1,11,19,99,991
Total Liabilities	1,52,66,08,369	94,40,45,028
Total Revenue	1,71,92,17,187	1,32,46,97,521
Total Expenses	1,77,53,89,140	1,41,00,08,398
Loss for the year	5,61,71,953	8,53,10,877

The net cash flows attributable to the discontinuing operation are as follows:

Particulars	Amount (in Rupees)	
	2011-2012	2010-2011
Operating	(62,85,090)	(12,33,59,056)
Investing	(1,83,51,114)	(19,62,805)
Financing	4,56,17,006	(1,38,40,329)

50. Ion Exchange Asia Pacific Pte. Ltd., subsidiary company and Global Composites and Structural Limited, subsidiary company have during the year allotted 7,61,000 and 9,53,368 shares respectively against the receivables.

51. Till the year ended 31 March 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable. The company has reclassified previous years figures to conform to this year's classification.

As per our report of even date

For S. R. BATLIBOI & CO.
Firm registration no.: 301003E
Chartered Accountants

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

per VIJAY MANIAR
Partner
Membership No.: 36738

RAJESH SHARMA
Chairman & Managing Director

M. P. PATNI
Director

MILIND PURANIK
Company Secretary

Place : Mumbai
Date : 25th May, 2012

Place : Mumbai
Date : 25th May, 2012

CASH FLOW STATEMENT for the year ended 31st March 2012

	31st March 2012	31st March 2012	31st March 2011	31st March 2011
	Rupees	Rupees	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before tax as per Profit and Loss Account		25,62,20,560		19,39,54,607
Adjusted for:				
Depreciation and Amortisation Expense	6,49,70,064		5,99,73,421	
(Profit) / Loss on Assets sold / discarded (Net)	7,83,327		(2,48,76,502)	
Employee Compensation Income	(28,14,053)		(16,23,778)	
Finance Cost	8,85,41,166		7,01,86,188	
Dividend received	(1,38,42,786)		(26,74,251)	
Interest received	(2,99,41,776)		(1,52,71,023)	
Bad Debts written off	3,29,89,535		5,53,00,869	
Backcharges on Contracts	1,76,17,024		63,35,606	
Doubtful advances, deposits and claims written off	2,00,00,000		2,99,97,436	
Amount set aside for liabilities, no longer required, written back	(4,45,357)		(1,53,666)	
Unrealised Exchange Loss / (Gain)	(3,34,98,255)		(19,40,883)	
		14,43,58,889		17,52,53,417
Operating Profit Before Working Capital Changes		40,05,79,449		36,92,08,024
Movements in Working Capital:				
(Increase) / Decrease in Trade Receivables	(82,58,38,666)		(32,61,99,577)	
(Increase) / Decrease in Inventories	(2,67,72,806)		93,81,360	
(Increase) / Decrease in Loans and Advances	(8,20,18,787)		(5,75,30,781)	
(Increase) / Decrease in Other Current Assets	41,498		(3,24,954)	
(Decrease) / Increase in Trade Payables	61,70,71,650		21,58,54,513	
(Decrease) / Increase in Other liabilities	15,08,16,326		5,22,56,317	
(Decrease) / Increase in Provisions	1,55,47,405		1,25,24,068	
		(15,11,53,380)		(9,40,39,054)
Cash Generated From Operations		24,94,26,069		27,51,68,970
Taxes Paid		(6,34,96,004)		(2,88,52,864)
Net Cash from Operating Activities		18,59,30,065		24,63,16,106
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(17,49,62,721)		(7,36,46,262)	
Proceeds from sale of Fixed Assets	5,77,283		4,40,10,334	
Investments made in Subsidiaries (Refer note 50)	(1,29,26,698)		(53,45,000)	
Investments made in Others	(10,000)		(45,540)	
Deposit made during the year (with maturity more than three months)	(4,20,87,710)		(1,45,82,803)	
Deposit matured / received during the year (with maturity more than three months)	3,02,84,353		1,41,09,983	
Dividend received	1,38,42,786		26,74,251	
Interest received	2,97,41,173		1,63,48,648	
Net Cash Used in Investing Activities		(15,55,41,534)		(1,64,76,389)

Cash Flow Statement-(Contd.)

	31st March 2012	31st March 2012	31st March 2011	31st March 2011
	Rupees	Rupees	Rupees	Rupees
C. Cash Flow From Financing Activities:				
Proceeds from issuance of share capital on exercise of options	78,97,491		4,09,65,710	
Repayment of Borrowings	(24,11,02,395)		(36,27,01,249)	
Proceeds from Borrowings	24,70,53,519		25,33,64,000	
Dividend Paid	(2,70,48,322)		(2,00,18,267)	
Dividend Tax Paid	(43,23,044)		(32,28,755)	
Finance Cost	(8,90,09,132)		(6,98,79,053)	
Net Cash Used in Financing Activities		(10,65,31,883)		(16,14,97,614)
Net Increase/ (Decrease) in Cash and Cash Equivalents		(7,61,43,352)		6,83,42,103
Cash and Cash Equivalents as at the beginning of the year		11,58,71,458		4,75,29,355
Cash and Cash Equivalents as at the end of the year		3,97,28,106		11,58,71,458
Cash and Cash Equivalent Comprises of :				
Cash in hand		15,19,861		14,95,452
Balance with Banks (Refer Notes 3, 4 and 5 below)		3,82,08,245		11,43,76,006
Total		3,97,28,106		11,58,71,458

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Notified Accounting Standard - 3 on Cash Flow Statements.
- Figures in bracket indicate cash outgo.
- Cash and Cash Equivalents excludes the following Balances with Bank:
 - On Deposit Account [Earmarked under Rules 3A of Companies (Acceptance of Deposits) Rule, 1975] Rs. 37,00,000 (2010-2011 : Rs. 27,00,000)
 - On Margin Money Account Rs. 6,08,78,525 (2010-2011 : Rs. 5,00,75,168)
- Balances with bank includes Rs. 39,35,485 (2010-2011 : Rs. 37,50,133) being Unclaimed Dividend and Unclaimed Interest on Fixed Deposits which are not available for use by the company as they represent corresponding Unpaid Liabilities
- Includes Unrealised exchange gain Rs. 1,33,225 (2010-2011 : Rs. 8,89,777)
- Previous years' figures have been regrouped/rearranged to conform with current years' classifications.

As per our report of even date

For S. R. BATLIBOI & CO.
 Firm registration no.: 301003E
 Chartered Accountants

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

per VIJAY MANIAR
 Partner
 Membership No.: 36738

RAJESH SHARMA
 Chairman & Managing Director

M. P. PATNI
 Director

MILIND PURANIK
 Company Secretary

Place : Mumbai
 Date : 25th May, 2012

Place : Mumbai
 Date : 25th May, 2012

Statement pursuant to Section 212 of the Companies Act, 1956
relating to Subsidiary Companies

1	Name of subsidiary Company	Ion Exchange Enviro Farms Ltd.	Watercare Investments . (India) Ltd.	Aqua Investments (India) Ltd.	Ion Exchange Asia Pacific Pte. Ltd.
2	Financial Year of subsidiary Company ended	1st April, 2011 to 31st March, 2012	1st April, 2011 to 31st March, 2012	1st April, 2011 to 31st March, 2012	1st April, 2011 to 31st March, 2012
3	Number of shares held in subsidiary Company	5,47,000 Equity Shares of INR 10 each	17,70,000 Equity Shares of INR 10 each	17,60,000 Equity Shares of INR 10 each	12,83,474 Equity Shares of SGD 1 each
4	Total issued share capital of subsidiary Company	6,94,700 Equity Shares of INR 10 each	17,80,200 Equity Shares of INR 10 each	17,70,200 Equity Shares of INR 10 each	12,83,474 Equity Shares of SGD 1 each
5	Percentage of shares held in subscribed capital of subsidiary Company	78.74 %	99.43 %	99.42 %	100.00 %
6	Net aggregate amount of subsidiary's profit / (losses) so far as relates to Holding Company not dealt with Holding Company's Accounts:				
	i) for the subsidiary's financial year ended 31st March 2012.	INR (42,21,588)	INR 6,50,823	INR 8,23,776	USD (7,71,208)
	ii) for its previous financial years	INR (9,36,41,579)	INR (49,03,564)	INR (43,89,918)	USD (4,52,733)
		INR (9,78,63,167)	INR (42,52,741)	INR (35,66,142)	USD (12,23,941)
7	Net Aggregate amount of Subsidiary's profit / (losses) so far as relates to Holding Company dealt with Holding Company's Accounts:				
	i) for the subsidiary financial year ended 31st March 2012.	INR Nil	INR Nil	INR Nil	USD Nil
	ii) for its previous financial years	INR Nil	INR Nil	INR Nil	USD Nil
		INR Nil	INR Nil	INR Nil	USD Nil

**Statement pursuant to Section 212 of the Companies Act, 1956
relating to Subsidiary Companies (continued)**

1	Name of subsidiary Company	Ion Exchange Asia Pacific (Thailand) Ltd.*	IEI Environmental Management (M) Sdn. Bhd.	Ion Exchange Environment Management (BD) Limited	Ion Exchange WTS (Bangladesh) Limited
2	Financial Year of subsidiary Company ended	1st April, 2011 to 31st March, 2012	1st April, 2011 to 31st March, 2012	1st April, 2011 to 31st March, 2012	1st April, 2011 to 31st March, 2012
3	Number of shares held in subsidiary Company	30,000 Equity Shares of THB 100 each	1,50,000 Equity Shares of MYR 1 each	10,000 Equity Shares of BDT 100 each	27,469 Equity Shares of BDT 100 each
4	Total issued share capital of subsidiary Company	30,000 Equity Shares of THB 100 each	2,50,000 Equity Shares of MYR 1 each	10,000 Equity Shares of BDT 100 each	27,469 Equity Shares of BDT 100 each
5	Percentage of shares held in subscribed capital of subsidiary Company	100.00 %	60.00 %	100.00 %	100.00 %
6	Net aggregate amount of subsidiary's profit / (losses) so far as relates to Holding Company not dealt with Holding Company's Accounts:				
	i) for the subsidiary's financial year ended 31st March 2012.	THB (68,16,686)	MYR 94,121	BDT 4,64,566	BDT (16,675)
	ii) for its previous financial years	THB 24,02,823	MYR (99,899)	BDT 85,87,211	BDT (76,327)
		THB (44,13,863)	MYR (5,778)	BDT 90,51,777	BDT (93,002)
7	Net Aggregate amount of Subsidiary's profit / (losses) so far as relates to Holding Company dealt with Holding Company's Accounts:				
	i) for the subsidiary financial year ended 31st March 2012.	THB Nil	MYR Nil	BDT Nil	BDT Nil
	ii) for its previous financial years	THB Nil	MYR Nil	BDT Nil	BDT Nil
		THB Nil	MYR Nil	BDT Nil	BDT Nil

* By virtue of section 4(1)(c) of the companies Act, 1956, Ion Exchange Asia Pacific (Thailand) Ltd is subsidiary of the Company as Ion Exchange Asia Pacific Pte. Ltd. holds 100% of nominal value of its Share Capital

Statement pursuant to Section 212 of the Companies Act, 1956
relating to Subsidiary Companies (continued)

1 Name of subsidiary Company	Ion Exchange LLC	Ion Exchange & Company LLC	Ion Exchange Infrastructure Ltd.	Ion Exchange Projects and Engineering Ltd.	Global Composites & Structurals Ltd.
2 Financial Year of subsidiary Company ended	1st April, 2011 to 31st March, 2012	1st April, 2011 to 31st March, 2012	1st April, 2011 to 31st March, 2012	11th April, 2011 to 31st March, 2012	29th March, 2012 to 31st March, 2012
3 Number of shares held in subsidiary Company	1,00,000 Equity Shares of USD 1 each	1,53,000 Equity Shares of OMR 1 each	31,20,000 Equity Shares of INR 10 each	50,000 Equity Shares of INR 10 each	21,50,000 Equity Shares of INR 10 each
4 Total issued share capital of subsidiary Company	1,00,000 Equity Shares of USD 1 each	3,00,000 Equity Shares of OMR 1 each	41,00,000 Equity Shares of INR 10 each	50,000 Equity Shares of INR 10 each	28,30,000 Equity Shares of INR 10 each
5 Percentage of shares held in subscribed capital of subsidiary Company	100.00 %	51.00 %	76.10 %	100.00 %	76.00 %
6 Net aggregate amount of subsidiary's profit / (losses) so far as relates to Holding Company not dealt with Holding Company's Accounts:					
i) for the subsidiary's financial year ended 31st March 2012.	USD (1,73,344)	OMR 79,063	INR 8,14,844	INR (9,76,465)	INR Nil
ii) for its previous financial years	USD (5,33,617)	OMR 4,689	INR 3,28,81,636	INR Nil	INR Nil
	USD (7,06,961)	OMR 83,752	INR 3,36,96,480	INR (9,76,465)	INR Nil
7 Net Aggregate amount of Subsidiary's profit / (losses) so far as relates to Holding Company dealt with Holding Company's Accounts:					
i) for the subsidiary financial year ended 31st March 2012.	USD Nil	OMR 91,800	INR Nil	INR Nil	INR Nil
ii) for its previous financial years	USD Nil	OMR Nil	INR 25,50,000	INR Nil	INR Nil
	USD Nil	OMR 91,800	INR 25,50,000	INR Nil	INR Nil

For and on behalf of the Board of Directors of
ION EXCHANGE (INDIA) LIMITED

RAJESH SHARMA
Chairman & Managing Director

M. P. PATNI
Director

MILIND PURANIK
Company Secretary

Place : Mumbai

Date : 25th May, 2012

Auditor's Report

To

**The Board of Directors
Ion Exchange (India) Limited**

1. We have audited the attached consolidated balance sheet of Ion Exchange (India) Limited Group as at 31st March 2012, and also the consolidated statement of profit and loss and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 1,23,13,84,033 as at 31st March 2012, the total revenue of Rs. 1,19,23,24,415 and cash flows amounting to Rs. 20,96,481 for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. The Auditors of Ion Exchange Enviro Farms Limited, a subsidiary Company have qualified their audit report in respect of the matters stated below:-
 - a. *As stated in Note 40, Ion Exchange Enviro Farms Limited has filed an appeal with the Hon'ble Supreme Court of India against the order of Securities Appellate Tribunal for winding up of the Collective Investment Schemes and refunding the monies to investors with returns. For the reasons stated therein, pending the outcome of this*

appeal, the liability, if any, arising on this account is presently not ascertainable.

- b. *As stated in Note 41, maintenance expenses aggregating Rs. 3,74,31,294 (net of provision) is considered as fully recoverable by Ion Exchange Enviro Farms Limited. However, in view of the significant uncertainties involved, the amount of provision for eventual non-recovery of maintenance expenses, if any, is presently not ascertainable.*

We are unable to comment on the effect of the above matters on the accompanying consolidated financial statements. Our audit report on the consolidated financial statements for the year ended 31st March, 2011 was also modified in respect of the matters stated above.

5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements, *except for the possible effect of the matters stated in paragraph 4 above*, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated balance sheet, of the state of affairs of the Ion Exchange (India) Limited Group as at 31st March, 2012;
 - (b) in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and
 - (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For S.R. Batliboi & Co.
Firm registration no.: 301003E
Chartered Accountants

per Vijay Maniar
Partner
Membership No.: 36738

Place : Mumbai

Date : 25th May, 2012

CONSOLIDATED BALANCE SHEET as at 31st March 2012

	Notes	31st March 2012 Rupees	31st March 2011 Rupees
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
(a) Share capital	5	13,23,39,610	13,09,80,110
(b) Reserves and surplus	6	1,23,95,95,021	1,18,54,00,904
(c) Minority Interest		7,22,62,976	4,47,14,119
		<u>1,44,41,97,607</u>	<u>1,36,10,95,133</u>
NON-CURRENT LIABILITIES			
(a) Long-term borrowings	7	11,06,98,487	8,34,83,754
(b) Other Long term liabilities	8	6,82,43,605	7,69,25,288
(c) Deferred tax liabilities (Net)	9	4,21,78,381	4,62,97,717
(d) Long-term provisions	10	4,87,15,707	5,22,98,367
		<u>26,98,36,180</u>	<u>25,90,05,126</u>
CURRENT LIABILITIES			
(a) Short-term borrowings	11	41,19,70,771	35,78,09,982
(b) Trade payables	12 (a)	3,13,14,69,548	2,42,75,03,479
(c) Other current liabilities	12 (b)	95,97,52,746	65,40,36,560
(d) Short-term provisions	10	17,02,37,333	9,87,54,155
		<u>4,67,34,30,398</u>	<u>3,53,81,04,176</u>
TOTAL		<u>6,38,74,64,185</u>	<u>5,15,82,04,435</u>
ASSETS			
NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible Assets	13	74,03,35,799	60,33,46,720
(ii) Intangible Assets	14	61,20,087	20,28,527
(iii) Capital Work In Progress		15,15,57,251	9,04,11,514
(b) Non-current investments	15	4,71,36,016	4,48,59,113
(c) Long-term loans and advances	16	57,20,40,899	62,86,11,870
(d) Trade Receivables	17	15,65,30,180	19,93,69,348
(e) Other non-current assets	18	40,44,654	3,74,721
		<u>1,67,77,64,886</u>	<u>1,56,90,01,813</u>
CURRENT ASSETS			
(a) Current investments	19	16,52,941	16,52,941
(b) Inventories	20	66,00,05,122	56,10,02,951
(c) Trade Receivables	17	3,40,60,37,112	2,49,14,49,001
(d) Cash and Bank balances	21	18,82,61,162	30,71,30,136
(e) Short-term loans and advances	16	45,18,70,623	22,60,46,214
(f) Other current assets	18	18,72,339	19,21,379
		<u>4,70,96,99,299</u>	<u>3,58,92,02,622</u>
TOTAL		<u>6,38,74,64,185</u>	<u>5,15,82,04,435</u>

Summary of Significant accounting policies 4
The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S. R. BATLIBOI & CO.
Firm registration no.: 301003E
Chartered Accountants

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

per VIJAY MANIAR
Partner
Membership No.: 36738

RAJESH SHARMA
Chairman & Managing Director

M. P. PATNI
Director

MILIND PURANIK
Company Secretary

Place : Mumbai
Date : 25th May, 2012

Place : Mumbai
Date : 25th May, 2012

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2012

	Notes	31st March 2012 Rupees	31st March 2011 Rupees
REVENUE			
Revenue from operations (Gross)	22	7,42,79,92,473	6,27,31,99,989
Less: Excise Duty	22	21,17,52,265	19,81,91,028
Revenue from operations (Net)	22	7,21,62,40,208	6,07,50,08,961
Other income	23	12,38,89,037	8,65,43,729
Share of Earnings of Associates (Net)		52,08,977	47,51,890
TOTAL REVENUE		7,34,53,38,222	6,16,63,04,580
EXPENSES			
Cost of materials consumed	24	4,86,39,11,335	4,09,77,09,111
Purchases of Traded Goods	25	28,69,11,343	24,94,17,744
(Increase)/decrease in inventories of Finished Goods, Work-in-Progress and Traded Goods	25	(3,17,83,135)	(6,28,10,125)
Employee benefits expense	26	74,84,16,065	64,29,64,059
Finance costs	27	11,74,77,409	8,34,50,784
Depreciation and amortization	28	8,68,89,000	6,85,47,467
Other expenses	29	1,06,85,30,452	92,70,59,687
TOTAL EXPENSES		7,14,03,52,469	6,00,63,38,727
PROFIT BEFORE TAX		20,49,85,753	15,99,65,853
TAX EXPENSE			
Current tax		9,85,60,666	6,49,42,255
Deferred Tax		(1,07,44,168)	93,12,819
TOTAL TAX EXPENSE		8,78,16,498	7,42,55,074
PROFIT AFTER TAX		11,71,69,255	8,57,10,779
Less: Minority Interest		2,07,48,857	19,86,100
PROFIT AFTER MINORITY INTEREST		9,64,20,398	8,37,24,679
EARNINGS PER EQUITY SHARE:			
[Nominal value of shares Rs. 10 (2010-2011 : Rs. 10)] (Refer Note 33)			
Basic		7.31	6.46
Diluted		7.18	6.14
Summary of Significant accounting policies	4		

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

As per our report of even date

For S. R. BATLIBOI & CO.
Firm registration no.: 301003E
Chartered Accountants

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

per VIJAY MANIAR
Partner
Membership No.: 36738

RAJESH SHARMA
Chairman & Managing Director

M. P. PATNI
Director

MILIND PURANIK
Company Secretary

Place : Mumbai
Date : 25th May, 2012

Place : Mumbai
Date : 25th May, 2012

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012**1. Basis of Preparation:**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared under historical cost convention on accrual basis except in case of assets for which revaluation is carried out. The financial statements comply in all material respects with the Accounting Standards notified under the Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 of India (the "Act"). The accounting policies have been consistently applied by the Company, except for the change in accounting policy explained below.

2. Principles of Consolidation:

The consolidated financial statements relate to Ion Exchange (India) Limited, its Subsidiary Companies, Associates and Interest in Jointly Controlled Entity, ('the Group') mentioned in note 30, 31 and 32 below. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits. Unrealized losses are eliminated unless costs cannot be recovered.
- Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal.
- The difference between the cost of investment in the subsidiaries over the Company's portion of equity of the subsidiary is recognized in the financial statements as Goodwill or Capital Reserve.
- Goodwill on consolidation is amortized over a period of 5 years.
- Investments of the Company in Associates is accounted as per the Equity Method prescribed under Notified Accounting Standard 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements' under Companies Accounting Standard Rules, 2006 (as amended).
- Interest in Jointly Controlled Entity is accounted as per the Proportionate Consolidation Method prescribed under Notified Accounting Standard 27 – 'Financial Reporting of Interests in Joint Venture in Consolidated Financial Statements' under Companies Accounting Standard Rules, 2006 (as amended).
- Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their shares in the equity, subsequent to the dates of investments as stated above.

3. The Company has made further investments in the following Subsidiaries during the year, which are considered for consolidation:

- Ion Exchange Asia Pacific Pte. Ltd.
- Ion Exchange Projects and Engineering Limited
- Global Composites and Structurals Limited *

* The Global Composites and Structurals Limited was associate in previous year.

4. Significant Accounting Policies:**(i) Change in Accounting Policies:****Presentation and disclosure of financial statements**

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(ii) Fixed Assets, Depreciation and Impairment:**Tangible Assets:**

Fixed assets acquired before 30th April 1986 are stated at revalued amounts while assets acquired subsequent to that date are stated at historical cost of acquisition less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing cost relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

Depreciation is provided at the following rates which is the useful lives estimated by the Management, on straight-line basis for assets acquired upto 31st March 1994:

Assets	Depreciation rate applied %
Buildings – Other than Factory Buildings	5
– Factory Buildings	5
Plant and Machinery	10/12.5
Effluent Treatment Plants	20
Moulds and Dies	20
Furniture and Fixtures	10
Office Equipments	15
Vehicles	20
Computers	16.25

Depreciation on additions made since April 1994 has been made on a pro-rata basis at the rates as prescribed in Schedule XIV to the Act on straight-line basis or as per the useful lives estimated by the Management, whichever is higher, except for the following:

- Farm Equipments are depreciated @15%
- Site equipments are depreciated over 3 years
- In respect of certain Associates, the depreciation has been made on pro-rata basis at the rates as prescribed in Schedule XIV to the Act on WDV basis. The impact on account of the different method, however is not material.
- In respect of certain foreign Subsidiaries, the depreciation has been made on pro-rata basis at the rates and methods as prescribed in the respective local regulations of the country of incorporation. The impact on account of the different rates and methods, is however not material.
- Leasehold lands/assets are amortized over the period of lease.

All assets individually costing less than Rs. 5,000 are depreciated at 100% in the year of acquisition.

The incremental depreciation attributable to the revalued amount is transferred from the Revaluation Reserve to the Profit and Loss Account.

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

Intangible Assets:

Intangible assets comprise of Non-Compete Arrangement and Goodwill. Non-Compete Fee is recorded at its cost and is amortized over the period of arrangement on straight-line basis.

(iii) Foreign Currency Transactions:

Transactions in foreign currencies are recognized at exchange rates prevailing on the transaction dates. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise. Foreign currency monetary items are reported at the year end rates. Exchange differences arising on reinstatement of foreign currency monetary items are recognized as income or expense in the Profit and Loss Account. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

The premium or discount arising at the inception of forward exchange contracts is amortized as income or expense over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year. None of the forward exchange contracts are taken for trading or speculation purpose.

In respect of Non-integral foreign operations, the assets and liabilities, both monetary and non-monetary are translated at the closing rates and income and expenses are translated at average exchange rates and all the resulting exchange differences are accumulated in foreign exchange fluctuation reserve until disposal of the net investment.

(iv) Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)**(v) Inventories:**

Inventories are valued at lower of Cost and Net Realisable Value. Cost for raw materials, 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 for Work-in-Progress includes raw material cost, 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 for Finished Goods includes raw material cost, cost of conversion, other costs incurred in bringing the inventories to their present location/ condition and excise duty. Cost is computed on weighted average basis.

Costs of traded goods is computed on First-in-First-out 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.

(vi) Accounting for CENVAT:

The Company follows on a consistent basis, the "non-inclusive" method of accounting for CENVAT under Central Excise Act with regard to its inventories, purchases and consumption.

(vii) Research and Development:

Capital expenditure on Research and Development is treated in the same manner as fixed assets. Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured.

(viii) Retirement & Other Employee Benefits:

a) Retirement Benefits in the form of Provident Fund and Superannuation Fund are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable.

b) Gratuity Liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit method made at the end of each financial year.

c) Short Term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered. Long Term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per Projected Unit Credit method made at the end of each financial year.

d) Actuarial gains/losses are immediately taken to Profit and Loss Account and are not deferred.

(ix) Revenue Recognition:

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

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

Contract Revenue and Contract Costs in respect of construction contracts, execution of which is spread over different accounting periods, is recognized as revenue and expense respectively by reference to the basis of percentage of completion method of the project at the Balance Sheet date.

Determination of revenues under the percentage of completion method by the Company is based on estimates (some of which are technical in nature) concerning the percentage of completion, costs to completion, contracted revenue from the contract and the foreseeable losses of completion.

Foreseeable losses, if any, which are based on technical estimates, are provided in the accounts irrespective of the work done. The Company does not have outflow on account of warranty given to customers as all the outsourced work has a back to back guarantee.

Income from Services:

Revenue from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered. Income from commission and management fees is recognized on completion of services. Service income is accounted net of service tax.

Interest:

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends:

Revenue is recognized when the shareholders' right to receive payment is established by the Balance Sheet date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

(x) Taxation:

- a) Provision for current taxation has been made in accordance with the Indian Income tax laws prevailing for the relevant assessment years.
- b) Deferred tax is recognized, subject to the consideration of prudence, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

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

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

(xi) Employee Stock Compensation cost:

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Guidance note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the Intrinsic Value method. Compensation expense is amortized over the vesting period of the option on a straight-line basis. The unamortized portion of the cost is shown under Stock Options Outstanding.

(xii) 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).

Contingent liability is disclosed for a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or a reliable estimate of the amount of the obligation cannot be made.

(xiii) Derivative Instruments:

The Company uses derivative financial instruments such as forward exchange contracts to hedge its risk associated with foreign currency fluctuations. Accounting policy for forward exchange contracts is given in 4 (iii).

(xiv) Earnings Per Share:

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

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

(xv) Segment Reporting Policies:

Identification of segments:

Segments are identified and reported taking into account the nature of products and services, the differing risks and returns, the organization structure and the internal financial reporting system. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter-segment Transfers:

The Company accounts for inter-segment sales and transfers at market prices.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the turnover of the respective segments.

Unallocated costs:

The unallocated segment includes general corporate income and expense items which are not allocated to any business segment.

Segment policies:

The Company prepares its segment information in conformity with the Accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

(xvi) Cash and Cash Equivalents:

Cash and Cash equivalents in the Cash Flow statement comprise Cash at Bank and in Hand and short-term investments with an original maturity of three months or less.

(xvii) Leases:

Where the Company is the Lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets given on operating leases by the Company are included in fixed assets. Lease income is recognized in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account.

Where the Company is lessee

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

(xviii) Borrowing costs:

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

(xix) Use of estimates:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

5. SHARE CAPITAL

	31st March 2012 Rupees	31st March 2011 Rupees
Authorised shares 1,50,00,000 (2010-2011 : 1,50,00,000) Equity Shares of Rs. 10 each.	15,00,00,000	15,00,00,000
Issued, Subscribed and fully paid-up shares: 1,32,33,961 (2010-2011 : 1,30,98,011) Equity Shares of Rs. 10 each.	13,23,39,610	13,09,80,110
	13,23,39,610	13,09,80,110

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

Equity Shares

	31st March 2012		31st March 2011	
	No. of Shares	Rupees	No. of Shares	Rupees
At the beginning of the period	1,30,98,011	13,09,80,110	1,23,97,961	12,39,79,610
Issued during the period - ESOS	1,35,950	13,59,500	7,00,050	70,00,500
Outstanding at the end of the period	1,32,33,961	13,23,39,610	1,30,98,011	13,09,80,110

(b) Terms/rights attached to equity shares

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

During the year ended 31st March 2012, the amount of per share dividend recognized as distribution to equity shareholders is Rs. 2 (2010-2011 : Rs. 2)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31st March 2012		31st March 2011	
	No. of Shares	% of holding	No. of Shares	% of holding
Rakesh Jhunjhunwala	8,75,000	6.61%	8,75,000	6.68%

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

(d) Aggregate number of share issued for consideration other than cash during the period of five years immediately preceding the reporting date.

The company has issued 15,70,900 shares (2010-2011 : 20,15,700) during the period of five years immediately preceding the reporting date on exercise of options granted under the Employee Stock Option Scheme (ESOS) wherein part consideration was received in form of employee services.

(e) Shares reserved for issued under ESOS

For details of shares allotted under various Employee Stock Option Schemes (ESOS) and shares reserved for issue under the Employees Stock Option Scheme (ESOS) of the company please refer note 35.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)**6. RESERVES AND SURPLUS**

	31st March 2012 Rupees	31st March 2011 Rupees
<u>Capital Reserve</u>	26,67,745	26,67,745
<u>Capital Reserve on Consolidation</u>		
Balance as at April 1	2,86,53,317	1,26,15,164
Add : Adjustment on change in Investment in Subsidiaries and Associates	(41,44,867)	1,60,38,153
	2,45,08,450	2,86,53,317
<u>Security Premium Account</u>		
Balance as at April 1	79,77,56,576	75,01,75,474
Add: Received on exercise of Employee Stock Option Scheme	91,63,823	4,75,81,102
	80,69,20,399	79,77,56,576
<u>Revaluation Reserve</u>		
Balance as at April 1	11,05,800	11,34,270
Less: Transfer to Profit and Loss Account	28,470	28,470
	10,77,330	11,05,800
<u>Employee Stock Options Outstanding</u>		
Employee Stock Options Outstanding	2,25,35,286	2,81,76,618
Less: Deferred Employee Compensation Outstanding	-	2,01,447
	2,25,35,286	2,79,75,171
<u>Special Reserve</u>		
(As per Section 45 - 1C of the Reserve Bank of India Act)	16,00,060	16,00,060
<u>Contingency Reserve</u>		
Balance as at April 1	-	4,00,00,000
Less: Transfer to General Reserve	-	4,00,00,000
	-	-
<u>General Reserve</u>		
Balance as at April 1	21,76,64,297	16,54,64,297
Add: Transfer from Contingency Reserve	-	4,00,00,000
Add: Transfer from Profit and Loss Account	1,32,00,000	1,22,00,000
	23,08,64,297	21,76,64,297
<u>Legal Reserve</u> (in accordance with Commercial Companies Law of Oman, 1974)		
Balance as at April 1	5,15,173	1,93,894
Add: Transfer from Profit and Loss Account	51,70,568	3,21,279
	56,85,741	5,15,173
<u>Foreign Currency Translation Reserve</u>		
Balance as at April 1	51,478	(6,42,036)
Add: Foreign Currency Translation Profit / (Loss) during the year	(6,43,170)	6,93,514
	(5,91,692)	51,478
<u>Surplus in the statement of Profit and Loss Account</u>		
Balance as per last financial statements	10,74,11,287	6,77,77,751
Profit for the year	9,64,20,398	8,37,24,679
Less : Appropriations		
Dividend	1,04,02,352	9,29,475
Tax on dividend	(1,36,708)	(15,385)
Proposed final dividend [amount per share Rs. 2 (2010-2011 : Rs. 2)]	2,64,67,922	2,61,96,022
Tax on proposed final dividend	44,00,146	44,59,752
Transfer to Legal Reserve	51,70,568	3,21,279
Transfer to General Reserve	1,32,00,000	1,22,00,000
Net Surplus in the statement of Profit and Loss Account	14,43,27,405	10,74,11,287
Total Reserves and Surplus	1,23,95,95,021	1,18,54,00,904

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

7. LONG TERM BORROWINGS:

	Non-current portion		Current maturities	
	31st March 2012 Rupees	31st March 2011 Rupees	31st March 2012 Rupees	31st March 2011 Rupees
<u>Term Loans from Banks (Secured)</u>				
Indian rupee loan from bank [See note (a) below]	-	70,65,000	70,65,000	1,41,16,000
Indian rupee loan from bank [See note (b) below]	-	-	6,00,00,000	-
Indian rupee loans from bank [See note (c) below]	5,93,56,906	-	1,93,96,802	-
Loan from bank [See note (d) below]	2,32,41,570	3,71,28,571	-	-
Vehicle loans from banks [See note (e) below]	72,81,918	71,73,183	25,95,102	46,40,343
<u>Other Loans and Advances</u>				
Finance Lease obligation (secured) [See note (f) below]	40,46,093	-	16,09,591	-
<u>Deposits (Unsecured)</u> [See note (g) below]				
Deposit from Shareholders	65,000	2,55,000	2,15,000	1,65,000
Deposit from Public	1,67,07,000	3,18,62,000	2,25,99,000	1,35,51,000
	11,06,98,487	8,34,83,754	11,34,80,495	3,24,72,343
<u>The above amount includes</u>				
Secured borrowings	9,39,26,487	5,13,66,754	9,06,66,495	1,87,56,343
Unsecured borrowings	1,67,72,000	3,21,17,000	2,28,14,000	1,37,16,000
Amount disclosed under the head "Other Current Liabilities " (refer note 12)			(11,34,80,495)	(3,24,72,343)
	11,06,98,487	8,34,83,754	-	-

- (a) Indian rupees loan from bank carries interest @ 13.00%. Indian rupees loan from bank is repayable in 17 quarterly installments of Rs. 35,29,000 each except for Last Installment which is of Rs. 35,36,000. The loan is secured by First Charge by way of mortgage and hypothecation of all movable and immovable properties situated at Vashi, Goa and Ankleshwar, both present and future.
- (b) Indian rupees loan from bank taken for a specific project carries interest @ 11.75% to 13.00%. Indian rupees loan from bank is repayable within 20 months from the date of first disbursement or out of excess contract proceeds whichever is earlier. The loan is secured by pari passu first charge on project specific current Assets, both present and future.
- (c) (i) Term loan from a bank carries interest rate @ 13.35% to 14.00% p.a.. The loan is repayable in 75 monthly installments of Rs. 4,18,000 along with interest, from the date of loan. The loan is secured against Hypothecation of Plant & Machinery, tools and equipments, & furniture and fixtures, both present and future.
- (ii) Property loan from a bank carries interest rate @ 13.35% to 14.00% p.a. The loan is repayable in 71 monthly installments of Rs. 5,70,000 along with interest, from the date of loan. The loan is secured against Equitable mortgage of Land and building situated at Village Nichole, Tal. Wada, Dist. Thane
- (iii) Corporate Loan from a bank carries interest rate @ 13.35% p.a.. The loan is repayable in 96 monthly installments of Rs. 9,19,139 along with interest, after six months from the date of loan. The loan is secured against supplementary mortgage of factory land and building situated at village Nichole, Tal Wada, Dist. Thane.
- (d) Borrowing from a bank has been taken at an interest rate of 7.50% to 8.00%. Interest rate are renewable on quarterly basis at bank's discretion. The bank borrowing is secured by Joint and several guarantees of directors Ion Exchange & Co. LLC Oman, and assignment of specific receivables and cash margin and corporate guarantee.
- (e) Vehicle loans from banks carries interest @ 12.00% to 14.60% p.a. The loans are repayable in equal monthly installments along with interest, from the various dates of disbursements. The loans are secured by hypothecation of vehicles.
- (f) Finance lease obligation is secured by hypothecation of equipment's taken on lease.
- (g) Deposits from Shareholders and Public carry interest of 7.00% to 8.00% p.a for deposits repayable after 1 year to 3 years from the respective dates of deposits.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)**8. OTHER LONG TERM LIABILITIES**

	31st March 2012	31st March 2011
	Rupees	Rupees
Deposits	3,76,56,908	3,71,60,181
Trade Payables	2,30,46,128	2,30,46,128
Other	70,77,782	1,57,88,226
Interest accrued but not due	4,62,787	9,30,753
	6,82,43,605	7,69,25,288

9. DEFERRED TAX LIABILITY (NET)

	31st March 2012		31st March 2011	
	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset
	Rupees	Rupees	Rupees	Rupees
Difference between book and tax depreciation	8,30,23,572		8,07,67,339	-
Provision for doubtful debts		19,34,369	-	34,09,536
Provision for doubtful advances		56,98,204	-	58,55,661
Effect of expenditure allowable for the Tax Purposes in following years		3,30,54,533	-	2,48,44,256
Business losses and depreciation		1,02,669		1,45,514
Provision for leave encashment and gratuity	23,408	66,616		1,49,849
Preliminary expenses		12,208		64,806
Total	8,30,46,980	4,08,68,599	8,07,67,339	3,44,69,622
Deferred Tax Liability (net)	4,21,78,381		4,62,97,717	

10. PROVISIONS

	Long-term		Short-term	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
	Rupees	Rupees	Rupees	Rupees
Provision for Income Tax [Net of Advance Tax]	-	-	11,24,06,562	6,07,36,546
Provision for Fringe Benefit Tax [Net of Advance Tax]	-	-	19,87,695	19,87,695
Provision for Leave Encashment	4,81,88,714	5,15,23,403	2,44,79,818	51,83,609
Others	3,05,089	7,74,964	4,79,316	-
Proposed Dividend	-	-	2,64,67,922	2,61,96,022
Tax on Proposed Dividend	-	-	44,00,146	44,59,752
Group's Share in Provisions of Joint Venture	2,21,904	-	15,874	1,90,531
	4,87,15,707	5,22,98,367	17,02,37,333	9,87,54,155

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

11. SHORT TERM BORROWINGS

	31st March 2012	31st March 2011
	Rupees	Rupees
Working Capital Loan from Banks (Secured) - [See note (a), (b), (c) and (d) below]	40,94,70,771	14,27,99,982
Loan from Banks (Unsecured) - [See note (e) below]	-	21,50,10,000
Loans from Others - (Unsecured)	25,00,000	-
	41,19,70,771	35,78,09,982
<u>The above amount includes</u>		
Secured borrowings	40,94,70,771	14,27,99,982
Unsecured borrowings	25,00,000	21,50,10,000
	41,19,70,771	35,78,09,982

- (a) Includes Working Capital Loan from banks is secured by joint hypothecation of Book Debts and Stocks and collateral security by way of first charge on all immovable and movable properties and plant and machinery situated at Hosur and Patancheru and second charge on movable and immovable properties situated at Mumbai (Office Premises), Vashi and Goa. The Working Capital Loan is repayable on demand.
- (b) Includes Working Capital Loan of a subsidiary from banks secured against charges on all stock, trade receivables of the company. Working Capital Loan is repayable on demand and carries interest of 13.00% to 14.50 %.
- (c) Includes borrowing from a bank taken at an interest rate of 7.50% to 8.00%. Interest rate are renewable on quarterly basis at bank's discretion. The bank borrowing is secured by Joint and several guarantees of directors of Ion Exchange & Co. LLC Oman, and assignment of specific receivables and cash margin and corporate guarantee
- (d) Includes Working Capital Loan from banks secured against charges on all stock, trade receivables, mortgage of Factory Land and building at Village Nichole, Wada, Dist. Thane. Working Capital Loan is repayable on demand and carries interest of 13.00% to 14.00 %.
- (e) Short Term Loan from Banks carry interest @10.00% to 11.50% p.a. and are repayable within a year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)**12. OTHER CURRENT LIABILITIES**

	31st March 2012 Rupees	31st March 2011 Rupees
12 (a) <u>Trade payables</u> (including acceptances)		
Refer note 48 for details of dues to Micro and small enterprises	3,00,55,48,567	2,32,87,78,110
Group's Share of Trade Payables in Joint Venture	12,59,20,981	9,87,25,369
	<u>3,13,14,69,548</u>	<u>2,42,75,03,479</u>
12 (b) <u>Other Current Liabilities</u>		
Current maturities of long term borrowings (refer note 7)	11,34,80,495	3,24,72,343
Interest accrued but not due	15,25,021	6,85,859
Deposits	3,54,65,178	5,34,27,870
Creditors for Capital Goods	2,91,85,599	90,36,968
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
- Unpaid Dividend	22,12,853	19,09,447
- Unclaimed Interest on Fixed Deposit	17,42,632	18,40,686
- Unclaimed Matured Deposit	24,50,000	24,97,000
<u>Others</u>		
Advance from Customers	66,89,57,300	46,53,11,660
Unearned revenue on AMC services	3,87,62,045	3,91,58,023
Taxes (Service tax, Sales Tax, TDS)	97,73,736	1,70,94,491
Others Liabilities	3,23,26,654	1,73,89,287
Group's Share of other current liabilities of Joint Venture	2,38,71,233	1,32,12,926
	<u>95,97,52,746</u>	<u>65,40,36,560</u>
	<u>4,09,12,22,294</u>	<u>3,08,15,40,039</u>

NOTE TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012 - (Contd.)

13. Tangible Assets

	Land (Freehold)	Land (Leasehold)	Building On Leasehold Land	Building On Freehold Land (Refer Note 1, 2, 3 & 5)	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments (Refer Note 6)	Group's Share in Joint Venture	Amount (in Rupees)
Gross Block										
As at 1st April 2010	87,01,593	2,39,84,441	22,90,32,891	13,87,03,048	61,95,53,734	9,69,21,355	4,17,57,188	16,57,69,650	23,65,942	1,32,67,89,842
Addition during the year	-	-	21,94,824	2,59,81,036	2,75,75,602	42,05,591	5,91,000	1,00,83,748	4,200	7,06,36,001
Disposal during the year	-	-	-	2,31,38,550	53,37,100	11,42,012	19,72,646	9,50,354	-	3,25,40,662
Add : Exchange Gain / (Loss)	-	-	(25,937)	-	(28,374)	(2,700)	1,53,171	(51,434)	-	44,726
As at 31st March 2011	87,01,593	2,39,84,441	23,12,01,778	14,15,45,534	64,17,63,862	9,99,82,234	4,05,28,713	17,48,51,610	23,70,142	1,36,49,29,907
Addition during the year	-	-	14,03,015	1,47,39,159	11,00,06,660	34,84,584	65,16,392	1,66,10,999	3,10,426	15,30,71,235
Other Adjustment - Gross Block of New Subsidiary acquired during the year	-	1,38,34,457	-	2,16,72,923	4,66,33,049	4,48,250	-	25,01,708	-	8,50,90,387
Disposal during the year	-	-	-	-	2,50,000	-	19,53,090	2,22,750	-	24,25,840
Add : Exchange Gain / (Loss)	-	-	6,806	-	1,27,385	4,00,246	14,99,258	5,03,965	-	25,37,660
As at 31st March 2012	87,01,593	3,78,18,898	23,26,11,599	17,79,57,616	79,82,80,956	10,43,15,314	4,65,91,273	19,42,45,532	26,80,568	1,60,32,03,349
Depreciation / Amortisation										
As at 1st April 2010	-	55,29,390	8,00,04,779	3,67,84,325	39,17,81,381	5,84,82,872	1,76,77,210	11,69,24,302	8,27,403	70,80,11,662
Depreciation during the year	-	3,02,992	66,60,327	24,59,774	3,36,45,883	55,36,070	49,69,932	1,28,82,093	1,98,055	6,66,55,126
Deduction during the year	-	-	-	48,64,657	53,37,100	8,92,165	15,69,771	6,05,317	-	1,32,69,010
Add : Exchange (Gain) / Loss	-	-	(4,243)	-	(12,984)	(6,992)	2,44,367	(34,739)	-	1,85,409
As at 31st March 2011	-	58,32,382	8,66,60,863	3,43,79,442	42,00,77,180	6,31,19,785	2,13,21,738	12,91,66,339	10,25,458	76,15,83,187
Depreciation during the year	-	3,02,993	67,66,545	27,76,150	3,73,68,937	61,36,534	51,72,318	2,48,58,132	2,16,151	8,35,97,760
Other Adjustment - Cumulative Depreciation of New Subsidiary acquired during the year	-	-	-	41,38,575	1,09,17,567	1,41,523	-	10,75,785	-	1,62,73,450
Deduction during the year	-	-	-	-	1,79,622	-	7,30,991	1,25,657	-	10,36,270
Add : Exchange (Gain) / Loss	-	-	1,649	-	41,553	1,88,831	10,20,469	11,96,921	-	24,49,423
As at 31st March 2012	-	61,35,375	9,34,29,057	4,12,94,167	46,82,25,615	6,95,86,673	2,67,83,534	15,61,71,520	12,41,609	86,28,67,550
Net Block										
As at 31st March 2011	87,01,593	1,81,52,059	14,45,40,915	10,71,66,092	22,16,86,682	3,68,62,449	1,92,06,975	4,56,85,271	13,44,684	60,33,46,720
As at 31st March 2012	87,01,593	3,16,83,523	13,91,82,542	13,66,63,449	33,00,55,341	3,47,28,641	1,98,07,739	3,80,74,012	14,38,959	74,03,35,799

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

Tangible Assets (contd.)

1. Buildings on Freehold Land Includes Ownership blocks, the cost of which includes:
 - Rs. 250 (2010-2011 : Rs. 250) being the value of 5 Shares (unquoted) of Rs. 50 each, fully paid up in Sunrise Co-operative Housing Society Limited.
 - Rs. 3,500 (2010-2011 : Rs. 3,500) being the value of 70 Shares (unquoted) of Rs. 50 each, fully paid up in Andheri Usha Milan Co-operative Housing Society Limited.
2. Buildings on Freehold Land Includes Ownership blocks acquired at Mumbai, the Society formation of which is in progress.
Gross Book Value Rs. 62,16,250 (2010-2011 : Rs. 62,16,250)
Net book value Rs. 45,24,854 (2010-2011 : Rs. 46,26,179)
3. Buildings on Freehold Land Includes Ownership blocks comprising of 2 LIG flats (Nos. B-16 and B-17) and 1 MIG flat (No. B-14) at Hosur, the title deeds of which are awaited from authorities.
Gross Book Value Rs. 76,882 (2010-2011 : Rs. 76,882)
Net book value Rs. Nil (2010-2011 : Rs. Nil)
4. Capital Work in Progress includes amount of Rs. 25,33,481 (2010-2011 : Rs. 25,33,481) paid for acquiring furnished office premises, the ownership of which is under legal dispute for which transfer formalities are in progress.
5. Buildings on Freehold Land includes buildings given on operating lease :
Gross Book Value Rs. Nil (2010-2011 : Rs. 3,34,69,098)
Accumulated depreciation Rs. Nil (2010-2011 : Rs. 77,32,279)
Depreciation for the year Rs. Nil (2010-2011 : Rs. 6,03,764)
Net book value Rs. Nil (2010-2011 : Rs. 2,57,36,819)
6. Office Equipment includes data processing items taken on finance lease :
Gross Book Value Rs. 59,50,081 (2010-2011: Nil)
Depreciation for the year Rs. 2,59,020 (2010-2011: Nil)
Net book value Rs. 56,91,061 (2010-2011: Nil)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

14. INTANGIBLE ASSETS

Amount (in Rupees)

	Non Compete Fees	Goodwill	Total
Gross Block			
As at 1st April 2010	90,28,000	-	90,28,000
Addition during the year	-	4,88,793	4,88,793
Disposal during the year	-	-	-
Add : Exchange Gain / (Loss)	(98,000)	-	(98,000)
As at 31st March 2011	89,30,000	4,88,793	94,18,793
Addition during the year	-	72,83,515	72,83,515
Disposal during the year	-	-	-
Add : Exchange Gain / (Loss)	13,01,300	-	13,01,300
As at 31st March 2012	1,02,31,300	77,72,308	1,80,03,608
Depreciation / Amortisation			
As at 1st April 2010	55,66,937	-	55,66,937
Depreciation during the year	18,23,052	97,759	19,20,811
Deduction during the year	-	-	-
Add : Exchange (Gain) / Loss	(97,482)	-	(97,482)
As at 31st March 2011	72,92,507	97,759	73,90,266
Depreciation during the year	17,65,248	15,54,462	33,19,710
Deduction during the year	-	-	-
Add : Exchange (Gain) / Loss	11,73,545	-	11,73,545
As at 31st March 2012	1,02,31,300	16,52,221	1,18,83,521
Net Block			
As at 31st March 2011	16,37,493	3,91,034	20,28,527
As at 31st March 2012	-	61,20,087	61,20,087

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)**15. NON CURRENT INVESTMENT**

	31st March 2012 Rupees	31st March 2011 Rupees
TRADE INVESTMENTS (Valued at cost unless stated otherwise)		
EQUITY INSTRUMENTS (UNQUOTED)		
INVESTMENT IN ASSOCIATES		
Share in Ion Exchange Services Limited 3,44,625 (2010-2011 : 3,44,625) Equity Shares of Rs. 10 each, fully paid up [Includes Capital Reserve aggregating Rs. 38,50,408 (2010-2011 : Rs. 38,50,408)]	2,02,06,689	1,77,03,065
Share in Total Water Management Services (India) Limited 24,000 (2010-2011 : 24,000) Equity Shares of Rs. 10 each, fully paid up [Includes Goodwill aggregating Rs. Nil (2010-2011 : Rs. Nil)]	3,06,891	1,58,001
Share in Aquanomics Systems Limited 4,60,000 (2010-2011 : 4,60,000) Equity Shares of Rs. 10 each, fully paid-up [includes Goodwill Rs. Nil (2010-2011 : Rs. Nil)]	1,66,44,834	1,46,17,482
Share in Astha Technical Services Limited 2,28,000 (2010-2011 : 2,28,000) Equity Shares of Rs. 10 each, fully paid-up [includes Capital Reserve Rs. 21,78,006 (2010-2011 : Rs. 21,78,006)]	43,38,667	47,35,356
Share in IEI Water-Tech (M) Sdn. Bhd. Malaysia 3,00,000 (2010-2011 : 3,00,000) Shares of MYR 1 each, fully paid-up [includes Goodwill aggregating Rs. Nil (2010-2011 : Rs. Nil)]	-	37,18,539
Share in Ion Exchange Financial Products Private Limited 2,450 (2010-2011 : 2,450) Equity Shares of Rs. 10 each, fully paid-up [includes Goodwill aggregating Rs. Nil (2010-2011 : Rs. Nil)]	-	-
Share in Global Composites & Structurals Limited* 21,50,000 (2010-2011 : 2,00,000) Equity Shares of Rs. 10 each, fully paid up [Includes Goodwill aggregating Rs. Nil (2010-2011 : Rs. Nil)]	-	-
Share in Ion Exchange PSS Co. Limited 9,800 (2010-2011 : Nil) Equity Shares of Rs. 10 each, fully paid up	11,27,315	-
(A)	4,26,24,396	4,09,32,443

* Due to additional investment in the current year, Global Composite & Structurals Limited, has become subsidiary of the Company w.e.f. 29.03.2012.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

Non Current Investment (Contd.)

	31st March 2012 Rupees	31st March 2011 Rupees
INVESTMENT IN OTHERS		
Shares in IEK Plastics Limited 6,000 (2010-2011 : 6,000) Equity Shares of Rs. 10 each, fully paid-up [Net of provision for diminution in the value: Rs. 60,000 (2010-2011 : Rs. 60,000)]	-	-
Shares in IEI Mansel Services Limited 15,300 (2010-2011 : 15,300) Equity Shares of Rs. 10 each, fully paid-up. [Net of provision for diminution in the value: Rs. 1,53,000 (2010-2011 : Rs. 1,53,000)]	-	-
Shares in Patancheru Enviro-tech Limited 113 (2010-2011 : 113) Equity Shares of Rs. 10 each, fully paid-up	1,130	1,130
Shares in Bharuch Enviro Infrastructure Limited 10,500 (2010-2011 : 10,500) Equity Shares of Rs. 10 each, fully paid-up	1,05,000	1,05,000
Shares in Bharuch Eco-Aqua Infrastructure Limited 3,52,500 (2010-2011 : 3,52,500) Equity Shares of Rs. 10 each, fully paid-up	35,25,000	35,25,000
Shares of Global Procurement Consultants Limited 21,518 (2010-2011 : 21,518) Equity Shares of Rs. 10 each, fully paid-up	2,45,540	2,45,540
Shares of Ion Foundation 1,000 (2010-2011 : Nil) Equity Shares of Rs. 10 each, fully paid-up	10,000	-
Shares in Process Automation Engineering 750 (2010-2011: Nil) Equity Shares of Rs. 10 each, fully paid-up	75,000	-
Shares in The Thane Janta Shakari Banks 9,999 (2010-2011: Nil) Equity Shares of Rs. 50 each, fully paid-up	4,99,950	-
(B)	44,61,620	38,76,670
PREFERENCE SHARES (UNQUOTED)		
INVESTMENT IN OTHERS		
75,000 (2010-2011 : 75,000) 14.25% Preference Shares of Rs. 100 each, fully paid-up in HMG Industries Limited [At cost less provision for other than temporary diminution in the value Rs. 74,50,000 (2010-2011 : Rs. 74,50,000)]	50,000	50,000
(C)	50,000	50,000
Total Non Current Investments	(A+B+C) 4,71,36,016	4,48,59,113
Aggregate amount of quoted Investments	-	-
Aggregate amount of unquoted Investments	4,71,36,016	4,48,59,113
Aggregate provision for diminution in value of investments	76,63,000	76,63,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

16. LOANS AND ADVANCES

	Non-current		Current	
	31st March 2012 Rupees	31st March 2011 Rupees	31st March 2012 Rupees	31st March 2011 Rupees
<u>Capital advances</u>				
Unsecured, considered good	32,50,727	41,46,934	-	-
(A)	32,50,727	41,46,934	-	-
<u>Tender, Security and other Deposits</u>				
Unsecured, considered good	2,74,60,200	2,08,73,303	44,36,064	89,76,880
Doubtful	9,94,041	7,70,841	-	-
	2,84,54,241	2,16,44,144	44,36,064	89,76,880
Less: Provision for doubtful deposits	9,94,041	7,70,841	-	-
(B)	2,74,60,200	2,08,73,303	44,36,064	89,76,880
<u>Loans and advances to related parties</u> [refer note 38 (I) and (II)]				
Unsecured, considered good	30,74,19,457	31,90,80,130	2,13,79,171	1,11,508
Doubtful	27,15,134	29,38,334	-	-
	31,01,34,591	32,20,18,464	2,13,79,171	1,11,508
Less : Provision for doubtful Loans and advances	27,15,134	29,38,334	-	-
(C)	30,74,19,457	31,90,80,130	2,13,79,171	1,11,508
<u>Advance to suppliers</u>				
Unsecured, considered good	39,69,777	32,78,648	23,43,77,376	9,46,82,847
Unsecured, considered good - related parties [refer note 38(I)]	-	1,63,00,000	43,70,694	87,42,379
Unsecured, considered doubtful	30,90,078	25,41,298	-	-
	70,59,855	2,21,19,946	23,87,48,070	10,34,25,226
Less : Provision for doubtful advances	30,90,078	25,41,298	-	-
(D)	39,69,777	1,95,78,648	23,87,48,070	10,34,25,226
<u>Other Loans and advances</u>				
- Prepaid Expenses	43,924	3,76,526	4,60,24,863	4,91,22,419
- Claims Receivables	-	2,00,00,000	2,53,22,795	51,94,298
- Balances with Statutory Authorities	7,34,11,884	6,07,57,444	6,71,98,659	3,79,57,177
- Loans & Advance to Employees	2,38,333	-	53,16,627	36,39,732
- Income tax paid [net of provision for taxation]	3,89,87,353	5,52,71,146	77,56,304	62,08,423
- Inter Corporate Deposits	-	-	25,00,000	25,00,000
Inter Corporate Deposits (doubtful)	57,07,289	57,07,290	-	-
	57,07,289	57,07,290	25,00,000	25,00,000
Less : Provision for doubtful Inter Corporate Deposits	57,07,289	57,07,290	-	-
	-	-	25,00,000	25,00,000
- Other Loans and Advances	9,42,95,705	8,30,60,668	2,58,22,245	34,91,547
Other Loans and Advances (doubtful)	2,25,14,884	2,30,63,664	-	-
	11,68,10,589	10,61,24,332	2,58,22,245	34,91,547
Less : Provision for doubtful advances	2,25,14,884	2,30,63,664	-	-
	9,42,95,705	8,30,60,668	2,58,22,245	34,91,547
(E)	20,69,77,199	21,94,65,784	17,99,41,493	10,81,13,596
<u>Group's Share in Loans and Advances of Joint Venture</u>	(F)			
	2,29,63,539	4,54,67,071	73,65,825	54,19,004
Total	(A+B+C+D+E+F)	57,20,40,899	62,86,11,870	45,18,70,623

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

17. TRADE RECEIVABLES

	Non-current		Current	
	31st March 2012 Rupees	31st March 2011 Rupees	31st March 2012 Rupees	31st March 2011 Rupees
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	-	-	-	-
Unsecured Considered good	10,76,12,996	14,86,62,496	91,38,32,351	73,12,20,518
Doubtful	1,05,64,933	1,05,64,933	-	-
	11,81,77,929	15,92,27,429	91,38,32,351	73,12,20,518
Less: Provision for doubtful receivable	1,05,64,933	1,05,64,933	-	-
(A)	10,76,12,996	14,86,62,496	91,38,32,351	73,12,20,518
<u>Other receivables</u>				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	10,20,123	2,46,34,23,822	1,75,75,60,355
Doubtful	-	-	-	-
	-	10,20,123	2,46,34,23,822	1,75,75,60,355
Less: Provision for doubtful receivables	-	-	-	-
(B)	-	10,20,123	2,46,34,23,822	1,75,75,60,355
Group's Share in Trade Receivable of Joint Venture	(C) 4,89,17,184	4,96,86,729	2,87,80,939	26,68,128
Total (A + B + C)	15,65,30,180	19,93,69,348	3,40,60,37,112	2,49,14,49,001

18. OTHER ASSETS

	Non-current		Current	
	31st March 2012 Rupees	31st March 2011 Rupees	31st March 2012 Rupees	31st March 2011 Rupees
Unsecured, considered good unless stated otherwise				
Non Current Bank Balances (refer note 21)	(A) 31,14,838	-	-	-
<u>Others</u>				
Interest Accrued on Margin Money	9,29,816	3,74,721	15,83,534	15,91,076
Rent Receivables	-	-	2,88,805	3,30,303
Rent Receivables (Doubtful)	17,05,011	17,05,011	-	-
	26,34,827	20,79,732	18,72,339	19,21,379
Less: Provision	17,05,011	17,05,011	-	-
(B)	9,29,816	3,74,721	18,72,339	19,21,379
Total (A + B)	40,44,654	3,74,721	18,72,339	19,21,379

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)**19. CURRENT INVESTMENTS**

	31st March 2012	31st March 2011
	Rupees	Rupees
Current investments (valued at lower of cost or fair value unless stated otherwise)		
<u>Non Trade and Quoted</u>		
Shares of Sterlite Technologies Limited 5,875 (2010-2011 : 5,875) Equity Shares of Rs. 2 each, fully paid-up	2,05,000	2,05,000
Shares of Jain Irrigation Systems Limited 3,570 (2010-2011 : 3,570) Equity Shares of Rs. 2 each, fully paid-up [Net of provision for diminution in the value Rs. 3,178 (2010-2011 : Rs. 3,178)]	89,356	89,356
Shares of Canara Bank 8,100 (2010-2011 : 8,100) Equity Shares of Rs. 10 each, fully paid-up	2,83,500	2,83,500
Shares of Fairdeal Filaments Limited 83,600 (2010-2011 : 83,600) Equity Shares of Rs. 10 each, fully paid-up	2,94,070	2,94,070
Shares of Thambi Modern Spinning Mills Limited 6,100 (2010-2011 : 6,100) Equity Shares of Rs. 10 each, fully paid-up	12,265	12,265
Shares of Somani Swiss Industries Limited 87,000 (2010-2011 : 87,000) Equity Shares of Rs. 10 each, fully paid-up [Net of provision for diminution in the value Rs. 1,09,295 (2010-2011 : Rs. 1,09,295)]	-	-
Shares of Nova Steels Industries Limited 29,700 (2010-2011 : 29,700) Equity Shares of Rs. 10 each, fully paid-up [Net of provision for diminution in the value Rs. 32,835 (2010-2011 : Rs. 32,835)]	-	-
Shares of Rajender Pipes Limited 4,500 (2010-2011 : 4,500) Equity Shares of Rs. 10 each, fully paid-up [Net of provision for diminution in the value Rs. 7,240 (2010-2011 : Rs. 7,240)]	-	-
Shares of Mardia Steels Limited 3,700 (2010-2011 : 3,700) Equity Shares of Rs. 10 each, fully paid-up [Net of provision for diminution in the value Rs. 6,880 (2010-2011 : Rs. 6,880)]	-	-
Shares of MTZ Polyester Limited 3,75,000 (2010-2011 : 3,75,000) Equity Shares of Rs. 10 each, fully paid-up	7,68,750	7,68,750
	16,52,941	16,52,941
Aggregate amount of quoted investments (Market value Rs. 57,60,159 (2010-2011 : Rs. 83,09,541))	16,52,941	16,52,941
Aggregate provision for diminution in value of investments	1,59,428	1,59,428

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

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

	31st March 2012 Rupees	31st March 2011 Rupees
Raw Materials and components (refer note 24)	22,46,18,485	21,33,00,997
Work-in-Progress	9,32,75,042	7,09,57,474
Finished goods	21,74,48,890	17,60,36,355
Traded goods	3,88,74,952	3,12,72,489
Stores and spares	2,84,80,861	2,27,55,488
Contract Work-in-Progress	4,82,85,530	3,90,95,806
Group's Share in Inventories of Joint Venture	90,21,362	75,84,342
	66,00,05,122	56,10,02,951

21. CASH AND BANK BALANCES

	Non-current		Current	
	31st March 2012 Rupees	31st March 2011 Rupees	31st March 2012 Rupees	31st March 2011 Rupees
Cash and Bank Balances				
<u>Balances with banks:</u>				
- On current accounts	-	-	8,34,76,111	15,92,71,230
- On Exchange Earner's Foreign Currency Accounts	-	-	14,02,936	6,64,634
- On Unclaimed Dividend Account	-	-	21,92,853	19,09,447
- On Unclaimed Interest on Fixed Deposits	-	-	17,42,632	18,40,686
<u>Cash on Hand</u>	-	-	28,11,116	19,87,222
	-	-	9,16,25,648	16,56,73,219
<u>Other bank balances</u>				
On Deposit Account with original maturity for more than 12 months	31,14,838	-	89,43,312	49,13,222
On Margin Money Account	-	-	7,66,78,924	13,22,23,737
	31,14,838	-	8,56,22,236	13,71,36,959
Group's Share in Cash and Bank Balance of Joint Venture	-	-	1,10,13,278	43,19,958
	-	-	1,10,13,278	43,19,958
Amount disclosed under non-current assets	(31,14,838)	-	-	-
	-	-	18,82,61,162	30,71,30,136

Margin money deposit given as security

Margin money deposits with a carrying amount of Rs. 7,66,78,924 (2010-2011 : Rs. 13,22,23,737) are subject to first charge to secure bank guarantees issued by bank on our behalf.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)**22. REVENUE FROM OPERATIONS**

	31st March 2012 Rupees	31st March 2011 Rupees
Revenue from Operations		
<u>Sale of Products</u>		
Finished Goods	6,09,91,90,586	5,02,58,20,667
Traded Goods	48,45,75,139	45,14,80,723
<u>Sale of services</u>	74,54,43,570	73,88,91,111
Group's Share of Sales and Service Income of Joint Venture	5,53,87,263	1,09,86,928
<u>Others operating revenue</u>		
Scrap Sale	1,06,19,840	66,82,302
Management Fees	2,19,50,326	3,14,90,136
Income from Inputs and Contract Farming	1,08,25,749	78,48,122
Revenue from operations (gross)	7,42,79,92,473	6,27,31,99,989
Less: Excise Duty*	21,17,52,265	19,81,91,028
Revenue from operations (net)	7,21,62,40,208	6,07,50,08,961

* Excise duty on sales amounting to Rs. 21,17,52,265 (2010-2011 : Rs. 19,81,91,028) has been reduced from sales in Profit and Loss Account and Excise duty on (increase)/decrease in stock amounting to Rs. 38,91,917 (2010-2011 : Rs 48,29,265) has been considered as (income)/expenses in Note 29 of financial statements.

23. OTHER INCOME

	31st March 2012 Rupees	31st March 2011 Rupees
Interest Income on		
From Banks	58,47,503	36,34,494
From Joint Venture	1,20,61,957	-
From Others	5,41,792	6,48,282
Rent	3,73,07,443	3,95,76,504
Dividend Income	2,10,608	2,52,151
Amount set aside for liabilities, no longer required, written back	4,45,357	1,53,666
Exchange Gain (Net)	5,87,38,644	55,85,044
Profit on Fixed Assets sold/discarded (Net)	-	2,48,25,748
Other non operating Income	85,67,075	1,14,54,113
Group's Share of Other Income of Joint Venture	1,68,658	4,13,727
	12,38,89,037	8,65,43,729

24. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

	31st March 2012 Rupees	31st March 2011 Rupees
Inventory at the beginning of the year	21,33,00,997	19,16,92,122
Add: Purchases*	4,83,37,92,889	4,11,45,48,640
Less: Inventory at the end of the year	22,46,18,485	21,33,00,997
Group's Share in Cost of Goods Sold of Joint Venture	4,14,35,934	47,69,346
Cost of Raw Material and components consumed **	4,86,39,11,335	4,09,77,09,111

* Includes direct expenses incurred on contracts Rs. 6,24,95,686 (2010-2011 : Rs. 6,55,49,648)

** The value of Raw Materials consumed have been arrived at on basis of opening stocks plus purchases less closing stock. The consumption therefore includes adjustments for materials sold, shortage/ excess and obsolescence.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

25. (INCREASE)/DECREASE IN INVENTORIES

	31st March 2012 Rupees	31st March 2011 Rupees	(Increase)/ Decrease Rupees
<u>Inventories at the end of the year</u>			
Traded Goods	3,88,74,952	3,12,72,489	(76,02,463)
Work-in-Progress	4,45,35,887	7,09,57,474	2,64,21,587
Finished Goods	21,74,48,890	17,60,36,355	(4,14,12,535)
Contract Work-in-Progress	4,82,85,530	3,90,95,806	(91,89,724)
	<u>34,91,45,259</u>	<u>31,73,62,124</u>	<u>(3,17,83,135)</u>
<u>Inventories at the beginning of the year</u>			
Traded Goods	3,12,72,489	3,74,44,932	61,72,443
Work-in-Progress	7,09,57,474	3,54,34,267	(3,55,23,207)
Finished Goods	17,60,36,355	13,16,48,616	(4,43,87,739)
Contract Work-in-Progress	3,90,95,806	5,00,24,184	1,09,28,378
	<u>31,73,62,124</u>	<u>25,45,51,999</u>	<u>(6,28,10,125)</u>
	<u>(3,17,83,135)</u>	<u>(6,28,10,125)</u>	

Details of purchase of traded goods

	31st March 2012 Rupees	31st March 2011 Rupees
Consumer products	26,70,96,906	21,95,03,898
Activated Carbon	17,98,665	52,26,240
Others	1,80,15,772	2,46,87,606
	<u>28,69,11,343</u>	<u>24,94,17,744</u>

26. EMPLOYEE BENEFIT EXPENSE

	31st March 2012 Rupees	31st March 2011 Rupees
Salaries, Wages and Bonus	65,71,46,463	56,19,62,787
Contribution to Provident and Other Funds	4,82,96,210	4,46,23,515
Employee Compensation Expense / (Income)	(28,14,053)	(16,23,778)
Staff Welfare expenses	4,21,28,815	3,50,22,068
Group's Share in Employee benefits expense	36,58,630	29,79,467
	<u>74,84,16,065</u>	<u>64,29,64,059</u>

27. FINANCE COSTS

	31st March 2012 Rupees	31st March 2011 Rupees
Interest	9,59,10,157	6,64,43,907
Other borrowing costs	1,55,34,025	1,52,54,313
Group's Share in Interest expenses of Joint Venture	60,33,227	17,52,564
	<u>11,74,77,409</u>	<u>8,34,50,784</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)**28. DEPRECIATION AND AMORTIZATION EXPENSE**

	31st March 2012	31st March 2011
	Rupees	Rupees
Depreciation of tangible and intangible assets (refer note 13 and 14)	8,67,01,319	6,83,77,882
Less: recoupment from revaluation reserve	28,470	28,470
Group's Share in Depreciation and amortization expenses of Joint Venture	2,16,151	1,98,055
	8,68,89,000	6,85,47,467

29. OTHER EXPENSES (refer note 44)

	31st March 2012	31st March 2011
	Rupees	Rupees
Stores and Spare Parts consumed	25,06,348	26,32,744
Power and Fuel	7,95,26,818	6,60,72,803
Repairs and Maintenance - Buildings	34,72,152	34,67,644
- Plant and Machinery	1,45,58,439	1,48,50,325
- Others	1,91,99,126	1,62,63,287
Rent (Net of recoveries)	3,83,06,921	3,56,35,171
Rates and Taxes	3,20,52,396	2,90,74,990
Insurance (Net of recoveries)	72,05,250	42,36,985
Travelling and Conveyance	21,59,14,170	19,90,97,471
Excise Duty (Net of recoveries) (refer note 22)	38,91,917	48,29,265
Freight (Net of recoveries)	14,96,77,765	10,50,67,014
Packing (Net of recoveries)	2,67,69,431	2,35,40,265
Advertisement and Publicity	7,67,91,542	5,55,39,486
Commission to Agents and Discount	1,11,39,369	1,64,92,371
Legal and Professional Charges	4,06,49,268	3,81,05,266
Telephone and Telex	2,74,72,701	2,57,04,689
Intercrop Expenses	1,43,432	1,19,386
Project maintenance expenses	63,63,149	56,22,930
Bad Debts written off	3,29,89,535	5,61,55,201
Doubtful advances, deposits and claims written off	2,00,00,000	2,99,97,436
Project maintenance expenses written off	-	41,97,154
Auditors' Remuneration (Refer details below in 29.1)	27,14,025	27,60,517
Directors' Fees	16,75,000	17,80,000
Bank Charges	1,61,66,573	1,84,20,862
Unrealized Profit on Inventories	85,80,751	67,46,665
Loss on Fixed Assets sold/discarded (Net)	8,09,289	-
Backcharges on Contracts (refer note 50)	1,76,17,024	63,35,606
Impairment loss on investment in associates	37,18,539	-
Establishment and Other Miscellaneous Expenses	17,93,56,301	14,88,71,413
Group's Share in Operations and Other Expenses of Joint Venture	2,92,63,221	54,42,741
	1,06,85,30,452	92,70,59,687

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

29.1 Auditors' Remuneration

	31st March 2012 Rupees	31st March 2011 Rupees
As Auditor		
- Audit Fees	14,75,000	14,75,000
- Tax Audit Fee	3,00,000	3,00,000
- Limited Review	5,25,000	5,25,000
As Advisor, or in any capacity in respect of		
- Other Services	3,55,000	4,10,000
Reimbursement of Expenses	59,025	50,517
	27,14,025	27,60,517

30. SUBSIDIARY COMPANIES CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS ARE:

Name of the Company	Country of Incorporation	% of Voting Power as at	
		31st March 2012	31st March 2011
Aqua Investments (India) Limited	India	99.42	99.42
Watercare Investments (India) Limited	India	99.43	99.43
Ion Exchange Enviro Farms Limited (IEEFL)	India	79.60	79.60
Ion Exchange Asia Pacific Pte. Limited	Singapore	100.00	100.00
IEI Environmental Management (M) Sdn. Bhd.	Malaysia	60.00	60.00
Ion Exchange Environment Management (BD) Limited	Bangladesh	100.00	100.00
Ion Exchange Infrastructure Limited	India	76.00	76.00
Ion Exchange LLC	USA	100.00	100.00
Ion Exchange & Company LLC	Oman	51.00	51.00
Ion Exchange Asia Pacific (Thailand) Limited *	Thailand	100.00	100.00
Ion Exchange WTS (Bangladesh) Limited	Bangladesh	100.00	100.00
Ion Exchange Projects & Engineering Limited	India	100.00	-
Global Composites & Structurals Limited.**	India	76.00	22.73

* Holding through Subsidiary Company – Ion Exchange Asia Pacific Pte. Limited, Singapore

** Due to additional investment has become subsidiary Company w.e.f. 29.03.2012.

31. THE GROUP'S INTEREST IN JOINTLY CONTROLLED ENTITY CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS:

Name of the Company	Country of Incorporation	% of Voting Power as at	
		31st March 2012	31st March 2011
Ion Exchange Waterleau Limited	India	50.00	50.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)**32. THE ASSOCIATES CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS ARE:**

Name of the Company	Country of Incorporation	% of Voting Power as at	
		31st March 2012	31st March 2011
Total Water Management Services (I) Limited	India	48.00	48.00
Ion Exchange Services Limited *	India	41.58	41.58
IEI Water-Tech (M) Sdn. Bhd. **	Malaysia	30.00	30.00
Astha Technical Services Limited ***	India	46.53	46.53
Aquanomics Systems Limited	India	48.42	48.42
Ion Exchange Financial Products Pvt. Limited ****	India	24.02	24.02
Ion Exchange PSS Co. Limited **	Thailand	49.00	-

* Inclusive of holding through Subsidiary companies – Aqua Investments (India) Limited and Watercare Investments (India) Limited.

** Holding through Subsidiary Company – Ion Exchange Asia Pacific Pte. Limited, Singapore.

*** Inclusive of holding through Subsidiary Company – Ion Exchange Infrastructure Limited.

**** Holding through Subsidiary companies – Aqua Investments (India) Limited and Watercare Investments (India) Limited.

33. EARNINGS PER SHARE (EPS)

Particulars		31st March 2012	31st March 2011
I	Profit Computation for both Basic and Diluted Earnings per Share of Rs. 10 each		
	Net Profit as per Profit and Loss Account available for Equity Shareholders (In Rupees)	9,64,20,398	8,37,24,679
II	Weighted average number of equity shares for Earnings per Share computation		
	A) For Basic Earnings per Share	1,31,89,845	1,29,52,456
	B) For Diluted Earnings per Share		
	No. of shares for Basic EPS as per II A	1,31,89,845	1,29,52,456
	Add: Weighted Average outstanding employee stock options deemed to be issued for no consideration	2,44,441	6,83,682
	No. of Shares for Diluted Earnings per Share	1,34,34,286	1,36,36,138
III	Earnings per Share in Rupees (Weighted Average)		
	Basic	7.31	6.46
	Diluted	7.18	6.14

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

34. EMPLOYEE BENEFITS

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following table summarise the components of net benefit expense recognized in the Profit and Loss Account and the funded status and amounts recognized in the Balance Sheet for the Gratuity Plan.

Amount (in Rupees)

Particulars		2011-2012	2010-2011
I	Profit and Loss Account		
	Net Employee benefit expense (recognized in Employee cost)		
	1. Current service cost	58,99,529	56,46,990
	2. Interest cost on benefit obligation	44,63,837	40,75,624
	3. Expected return on plan assets	(42,36,698)	(41,86,818)
	4. Net actuarial Loss / (Gain) recognized in the year	21,71,964	8,66,589
	Net benefit expenses	82,98,632	64,02,385
	Actual return on plan assets	43,05,686	27,33,277
II	Net Assets / (Liability) recognized in the Balance Sheet		
	1. Present Value of defined benefit obligation	(6,25,03,033)	(5,23,31,234)
	2. Fair value of Plan Assets	6,22,21,633	5,27,80,044
III	Changes in the present value of the defined benefit obligation are as follows:		
	1. Opening defined benefit obligation	(5,25,48,702)	(4,77,59,623)
	2. Interest cost	(44,63,837)	(40,75,624)
	3. Current service cost	(58,99,529)	(56,46,990)
	4. Benefits paid	27,08,191	46,06,766
	5. Actuarial gains / (losses) on obligation	(22,99,156)	5,44,237
	Closing defined benefit obligation	(6,25,03,033)	(5,23,31,234)
IV	Changes in the fair value of Plan assets are as follows:		
	1. Opening Fair value of Plan assets	5,27,80,044	4,77,34,145
	2. Expected returns	42,36,698	41,86,818
	3. Contributions by Employer	77,14,784	68,76,673
	4. Benefits paid	(26,37,085)	(46,06,766)
	5. Actuarial Gains / (Losses)	1,27,192	(14,10,826)
	6. Closing Fair value of Plan assets	6,22,21,633	5,27,80,044
V	Actuarial Assumptions:		
	1. Discount Rate	8%-8.50%	8%-8.50%
	2. Expected rate of Salary increase [Refer Note (b) below]	5%-6.00%	5%-6.00%
	3. Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
	4. Attrition Rate	2%-3%	1%-3%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

Amounts for the current and previous periods are as follows:

	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Defined Benefit obligation	(6,25,03,033)	(5,23,31,234)	(4,76,84,022)	(4,14,78,416)	(3,81,15,604)
Plan assets	6,22,21,633	5,27,80,044	4,77,34,145	4,15,41,857	3,79,88,671
Surplus / (deficit)	(2,81,400)	4,48,810	50,123	63,441	(1,26,933)
Experience adjustments on plan liabilities	21,66,031	23,43,139	1,62,808	13,71,436	31,75,724
Experience adjustments on plan assets	1,27,192	(14,10,826)	12,13,874	(17,08,489)	(6,54,558)

Notes:

The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

35. EMPLOYEE STOCK OPTION SCHEME (ESOS)**ESOS 2001**

Pursuant to the resolution passed by the shareholders at the Annual General Meeting held on 27th September 2000, the Company has introduced ESOS for its directors and employees. The ESOS Compensation Committee formed for implementation of the scheme, in its meeting held on 20th July 2001, granted 3,84,500 options to eligible directors and employees of the Company at a price of Rs. 12.50 per share which constituted a discount of approximately 25% to the price as calculated on the basis of average of weekly closing price on The Stock Exchange, Mumbai for 13 weeks prior to the date of the grant. Under the scheme, 25% of the granted options shall vest and become exercisable in July every year. Pursuant to this, Fourth 25% of the options vested in July 2005. The vested options were exercisable upto 20th July 2009.

The Employee Stock Compensation Committee in its meeting on 8th August 2002, further granted 5,36,100 options to directors and other employees at a price of Rs. 19.00 per share, which constituted a discount of approximately 25% to the price as calculated on the basis of average of weekly closing price on The Stock Exchange, Mumbai for 13 weeks prior to the date of the grant. As in the case of First grant, 25% of these options shall vest and become exercisable in August every year. Pursuant to this, the Fourth 25% of the options vested in August 2006. The vested options were exercisable upto 8th August 2010.

The Employee Stock Compensation Committee in its meeting held on 5th June 2007, further granted 3,00,000 options to directors and other employees at a price of Rs. 94.00 per share, which constituted a discount of approximately 25% to the price as calculated on the basis of average of weekly closing price on The Stock Exchange, Mumbai for 13 weeks prior to the date of the grant. As in the case of First and Second grant, 25% of these options shall vest and become exercisable in June every year. Pursuant to this, Fourth 25% of the options will vest in June 2012. The vested options are exercisable upto 5th June 2016.

ESOS 2003

Pursuant to the resolution passed by the shareholders at the Annual General Meeting held on 25th September 2003, the Employee Stock Compensation Committee in its meeting on 2nd April 2004 implemented the Second Employees Stock Options Scheme (ESOS 2003) and granted 6,50,000 options to directors and other employees at a price of Rs. 19.00 per share, which constituted a discount of approximately 25% to the price as calculated on the basis of average of two weeks high and low of the share traded on The Stock Exchange, Mumbai prior to the date of the grant. Under the scheme 25% of these options shall vest and become exercisable in April every year. Pursuant to this, the Second 25% of the options vested in April 2006. Further, pursuant to Shareholders' approval at the Annual General Meeting held on 4th August 2006, the Employee Stock Compensation Committee decided to advance the date of vesting of balance 50% option. Pursuant to this, the Third and Fourth 25% (in all 50%) of the options vested in October 2006. The vested options were exercisable upto 26th October 2010.

The Employee Stock Compensation Committee in its meeting held on 5th June 2007, further granted 3,50,000 options to directors and other employees at a price of Rs. 94.00 per share, which constituted a discount of approximately 25% to the price as calculated on the basis of average of weekly closing price on The Stock Exchange, Mumbai for 13 weeks prior to the date of the grant. As in the case of First grant, 25% of these options shall vest and become exercisable in June every year. Pursuant to this, the Fourth 25% of the options will vest in June 2012. The vested options are exercisable upto 5th June 2016.

ESOS 2005

Pursuant to the resolution passed by the shareholders at the Annual General Meeting held on 29th September 2005, the Employee Stock Compensation Committee at its meeting on 29th March 2006 implemented the Third Employees Stock Options Scheme (ESOS 2005) and granted 5,00,000 options to directors and other employees at a price of Rs. 67.00 per share, which constituted a discount of approximately 25% of the closing market price prior to the date of the grant. Under the scheme, the options shall vest after one year from the date of the grant. The vested options were exercisable upto 29th March 2011.

The Employee Stock Compensation Committee in its meeting held on 24th July 2006, further granted 5,00,000 options to directors and other employees at a price of Rs. 54.50 per share, which constituted a discount of approximately 25% of the closing market price prior to the date of the grant. As in the case of the First grant, the options shall vest after one year from the date of the grant. The vested options are exercisable upto 24th July 2011.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

ESOS 2008

Pursuant to the resolution passed by the shareholders at the Annual General Meeting held on 26th September 2008, the Employee Stock Compensation Committee at its meeting held on 13th October 2008 implemented the Fourth Employees Stock Options Scheme (ESOS 2008) and granted 12,00,000 options to directors and other employees at a price of Rs. 58.20 per share which constituted a discount of approximately 25% of the closing market price prior to the date of the grant. Under the scheme, the options shall vest after one year from the date of the grant. The vested options are exercisable upto 13th October 2013.

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

Details of options granted are as follows:

Particulars	ESOS Schemes				
	2001	2003	2005	2008	Total
	(1 st , 2 nd & 3 rd Grant)	(1 st & 2 nd Grant)	(1 st & 2 nd Grant)	(1 st Grant)	
Options outstanding as at 31st March 2011	2,60,000	3,27,000	70,000	4,47,050	11,04,050
	(2,67,000)	(3,39,250)	(2,05,500)	(11,38,100)	(19,49,850)
Granted during the year	-	-	-	-	-
	-	-	-	-	-
Lapsed during the year	10,000	45,000	66,000	20,000	1,41,000
	(2,000)	(12,250)	(1,22,000)	(9,500)	(1,45,750)
Exercised/ Allotted during the year	-	-	4,000	1,31,950	1,35,950
	(5,000)	-	(13,500)	(6,81,550)	(7,00,050)
Outstanding as at 31st March 2012	2,50,000	2,82,000	-	2,95,100	8,27,100
	(2,60,000)	(3,27,000)	(70,000)	(4,47,050)	(11,04,050)
Exercisable as at 31st March 2012	1,94,250	2,11,500	-	2,95,100	7,00,850

Figures in bracket denote previous year figures.

As at 31st March 2012, the Company has received Commitment Deposit of Rs. 31,748 (2010-2011 : Rs. 30,248) from its directors and employees under ESOS 2001, ESOS 2003, ESOS 2005 and ESOS 2008.

Stock Option granted

The company has not granted stock options during the year. The Black Scholes valuation model has been used for computing the weighted average fair value considering the followings inputs:

Particulars	ESOS Schemes 2001 3 rd Grant	ESOS Schemes 2003 2 nd Grant	ESOS Schemes 2008 1 st Grant
Exercise Price	94	94	58.20
Weighted Average Share Price	121.39	121.39	121.39
Expected Volatility *	45%	45%	45%
Life of the options granted (Vesting and exercise period) in years	4	4	1
Expected Dividends	2	2	2
Average risk-free interest rate	8.5%	8.5%	8.5%
Expected dividend rate	20%	20%	20%

* The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

Since the company used the Intrinsic Value Method, the impact on the reported net profit and earning per share by applying the fair value method:

Particulars	Amount (in Rupees)
Profit as reported	9,64,20,398
Add : Employee stock compensation under intrinsic value method	(28,14,053)
Less : Employee stock compensation under fair value method	3,77,284
Pro forma profit	9,32,29,061
Earnings Per Share	
Basic - As reported	7.31
- Pro forma	7.07
Diluted - As reported	7.18
- Pro forma	6.94

36. CONTRACTS IN PROGRESS (CIP):

Sr. No.	Particulars	Amount (in Rupees)	
		2011-2012	2010-2011
A.	Aggregate amount recognized as Contract Revenue	2,69,56,91,074	2,62,05,40,092
B.	In respect of Contracts in Progress as on 31 st March :		
	1) Aggregate amount of Costs incurred and recognized profits (less recognized losses)	2,50,30,71,897	2,31,35,24,589
	2) Amount of Customer Advance received	48,42,09,454	11,74,93,809
	3) Amount of Retentions	56,01,77,729	43,91,55,223
C.	Gross amount due from customers for contract work	13,72,01,583	5,80,47,891
D.	Gross amount due to customers for contract work	-	6,17,25,257

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012

37. SEGMENT

I. Information about Primary Business Segments (in Rupees)

	Engineering		Chemicals		Consumer Products		Other Business		Unallocated		Total	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2011	31.03.2011
Revenue												
External Sales (Gross)	4,55,90,99,392	3,83,87,62,382	1,89,67,47,963	1,57,18,44,173	94,22,46,523	82,57,65,882	79,22,026	53,04,237	2,19,76,569	3,15,23,315	7,42,79,92,473	6,27,31,99,989
Less: Excise duty recovered	(5,91,79,379)	(6,54,37,076)	(14,32,20,997)	(12,73,70,840)	(93,51,889)	(53,83,112)	-	-	-	-	(21,17,52,265)	(19,81,91,028)
External Sales (Net)	4,49,99,20,013	3,77,33,25,306	1,75,35,26,966	1,44,44,73,333	93,28,94,634	82,03,82,770	79,22,026	53,04,237	2,19,76,569	3,15,23,315	7,21,62,40,208	6,07,50,08,961
Inter-segmental Sales	21,36,10,224	18,06,09,357	12,55,88,991	8,95,35,042	3,17,954	6,54,376	-	-	-	-	33,95,17,169	27,07,98,775
Other Income	2,76,85,872	63,36,946	2,77,87,263	52,10,305	4,27,387	31,065	1,54,70,446	1,68,36,012	3,92,75,794	5,85,98,515	11,06,46,762	8,70,12,843
Total Revenue	4,74,12,16,109	3,96,02,71,609	1,90,69,03,220	1,53,92,18,680	93,36,39,975	82,10,68,211	2,33,92,472	2,21,40,249	6,12,52,363	9,01,21,830	7,66,64,04,139	6,43,28,20,579
Less: Eliminations											(33,95,17,169)	(27,07,98,775)
Add : Interest Income									1,84,51,252	42,82,776	1,84,51,252	42,82,776
Total Enterprise Revenue											7,34,53,38,222	6,16,63,04,580

Result

Segment Results	21,40,20,967	6,04,01,432	13,49,01,129	15,22,40,149	(1,96,41,036)	73,98,397	71,21,169	47,17,802	-	-	33,64,02,229	22,47,57,780
Unallocated Expenditure net of unallocated Income							(3,23,90,319)		1,43,76,081		(3,23,90,319)	1,43,76,081
Finance Cost									(11,74,77,409)	(8,34,50,784)	(11,74,77,409)	(8,34,50,784)
Interest Income									1,84,51,252	42,82,776	1,84,51,252	42,82,776
Profit before Taxation									(13,14,16,476)	(6,47,91,927)	20,49,85,753	15,99,65,853

Other Information

Segment Assets	3,97,19,95,808	3,07,94,77,361	1,30,04,25,359	91,84,79,078	25,83,93,985	26,13,50,490	13,49,14,766	13,21,38,638	72,17,34,267	76,67,58,868	6,38,74,64,185	5,15,82,04,435
Segment Liabilities	3,24,63,33,846	2,41,76,30,842	71,34,22,669	47,91,09,462	19,32,17,212	14,18,36,815	2,07,09,913	4,05,74,526	76,95,82,938	71,79,57,657	4,94,32,66,578	3,79,71,09,302
Capital Expenditure	10,71,34,112	1,53,28,901	2,41,08,840	2,77,91,902	13,44,538	8,99,713	83,62,608	1,40,170	1,94,04,652	2,69,64,108	16,03,54,750	7,11,24,794
Depreciation	2,76,96,919	1,36,20,275	4,14,28,952	3,81,18,629	42,30,465	45,49,192	9,06,006	6,32,835	1,26,26,658	1,16,26,536	8,68,89,000	6,85,47,467
Non Cash Expenditure other than Depreciation	6,18,51,802	7,57,08,853	1,00,73,804	1,55,55,645	1,76,77,389	1,50,36,645	2,19,178	41,97,154	15,42,721	(10,46,922)	9,13,64,894	10,94,51,375

II. Information about Secondary Geographical Segment (in Rupees)

	India		Outside India		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
External Revenue (net)	5,59,18,31,940	4,56,62,67,793	1,62,44,08,268	1,50,87,41,168	7,21,62,40,208	6,07,50,08,961
Carrying amount of segment assets	5,28,96,39,739	4,33,52,15,725	1,09,78,24,446	82,29,88,710	6,38,74,64,185	5,15,82,04,435
Additions to fixed assets	8,32,04,361	6,51,93,774	7,71,50,389	59,31,020	16,03,54,750	7,11,24,794

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

III. Notes:

- (a) The Company's operations are organized into three business segments, namely:
Engineering Division – comprising of water treatment plants, spares and services in connection with the plants.
Chemicals – comprising of resins, water treatment chemicals, sugar chemicals and paper chemicals.
Consumer Products – comprising of domestic water purifiers.
- (b) The Segment Revenue in the geographical segments considered for disclosure are as follows:
Revenue within India includes sales to customers located within India and earnings in India. Revenue outside India includes sales to customers located outside India and earnings outside India.

38. RELATED PARTY DISCLOSURES (As identified by the Management):

a)	Associates	Ion Exchange Services Limited Aquanomics Systems Limited IEI Water-Tech (M) Sdn. Bhd., Malaysia * Astha Technical Services Limited Total Water Management Services (I) Limited Ion Exchange PSS Co. Limited, Thailand * Ion Exchange Financial Products Pvt. Limited *
b)	Joint Venture	Ion Exchange Waterleau Limited
c)	Entity having significant influence	IEI Shareholding Trusts
d)	Key Management Personnel	Mr. Rajesh Sharma - Chairman & Managing Director Mr. Dinesh Sharma - Executive Director Mr. Aankur Patni - Executive Director
e)	Relatives of Key Management Personnel	Mr. Mahabir Patni - Father of Mr. Aankur Patni Mrs. Nirmala Patni - Mother of Mr. Aankur Patni Mrs. Aruna Sharma - Wife of Mr. Rajesh Sharma Mrs. Poonam Sharma - Wife of Mr. Dinesh Sharma Mrs. Nidhi Patni - Wife of Mr. Aankur Patni Ms. Pallavi Sharma - Daughter of Mr. Rajesh Sharma
f)	Enterprise owned or significantly influenced by Key Management Personnel or their Relatives	Arkepp and Associates Ion Foundation

* Associate Companies of Subsidiaries

I. Transactions during the year with Related Parties except Entity having significant influence with outstanding balances as at year-end:

Nature of transaction	Amount (in Rupees)					
	Parties referred to in (a) and (b) above		Parties referred to in (d), (e) and (f) above		Total	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Sale of Goods *						
Ion Exchange Services Limited	31,28,06,555	28,80,57,556	-	-	31,28,06,555	28,80,57,556
Aquanomics Systems Limited	16,42,13,267	10,94,66,684	-	-	16,42,13,267	10,94,66,684
Ion Exchange Waterleau Limited	3,45,09,919	4,97,399	-	-	3,45,09,919	4,97,399
IEI Water-Tech (M) Sdn. Bhd., Malaysia	27,21,372	1,35,54,164	-	-	27,21,372	1,35,54,164
Ion Exchange PSS Co. Limited, Thailand	3,98,372	-	-	-	3,98,372	-
Ion Foundation	-	-	3,00,021	-	3,00,021	-
Total	51,46,49,485	41,15,75,803	3,00,021	-	51,49,49,506	41,15,75,803

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

Amount (In Rupees)

Nature of transaction	Parties referred to in (a) and (b) above		Parties referred to in (d), (e) and (f) above		Total	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Management Fees						
Ion Exchange Services Limited	2,19,50,326	2,47,81,390	-	-	2,19,50,326	2,47,81,390
Aquanomics Systems Limited	-	67,08,746	-	-	-	67,08,746
Total	2,19,50,326	3,14,90,136	-	-	2,19,50,326	3,14,90,136
Rental Income						
Ion Exchange Waterleau Limited	10,95,000	10,95,000	-	-	10,95,000	10,95,000
Total	10,95,000	10,95,000	-	-	10,95,000	10,95,000
Interest Income on Loans and Advances						
Ion Exchange Waterleau Limited	1,20,61,957	-	-	-	1,20,61,957	-
Total	1,20,61,957	-	-	-	1,20,61,957	-
Services Rendered						
Ion Exchange Waterleau Limited	48,00,833	45,23,717	-	-	48,00,833	45,23,717
Aquanomics Systems Limited	14,463	9,035	-	-	14,463	9,035
Total Water Management Services (I) Limited	6,97,799	4,54,383	-	-	6,97,799	4,54,383
Total	55,13,095	49,87,135	-	-	55,13,095	49,87,135
Purchase of Goods/ Materials						
Aquanomics Systems Limited	2,54,97,029	88,33,090	-	-	2,54,97,029	88,33,090
Global Composites & Structurals Limited	-	12,38,54,331	-	-	-	12,38,54,331
Ion Exchange Waterleau Limited	6,16,91,051	-	-	-	6,16,91,051	-
Total	8,71,88,080	13,26,87,421	-	-	8,71,88,080	13,26,87,421
Rental Expenses						
Ion Exchange Services Limited	28,80,000	28,80,000	-	-	28,80,000	2,880,000
Total	28,80,000	28,80,000	-	-	28,80,000	2,880,000
Services Received						
Ion Exchange Services Limited	6,65,73,642	8,59,87,910	-	-	6,65,73,642	8,59,87,910
Total Water Management Services (I) Limited	2,63,682	3,67,760	-	-	2,63,682	3,67,760
Astha Technical Services Limited	2,29,74,442	76,71,452	-	-	2,29,74,442	76,71,452
Global Composites & Structurals Limited	-	82,725	-	-	-	82,725
Relatives of Key Management Personnel	-	-	60,66,493	55,14,996	60,66,493	55,14,996
Total	8,98,11,766	9,41,09,847	60,66,493	55,14,996	9,58,78,259	9,96,24,843
Reimbursement of Expenses						
IEI Water-Tech (M) Sdn. Bhd., Malaysia	-	41,54,234	-	-	-	41,54,234
Total	-	41,54,234	-	-	-	41,54,234
Advances Given						
Total Water Management Services (I) Limited	2,28,230	8,640	-	-	2,28,230	8,640
Ion Exchange Waterleau Limited	1,09,28,560	2,73,08,000	-	-	1,09,28,560	2,73,08,000
Ion Exchange Services Limited	-	1,81,975	-	-	-	1,81,975
Ion Exchange Financial Products Private Limited	1,800	-	-	-	1,800	-
Ion Foundation	-	-	3,500	10,000	3,500	10,000
Total	1,11,58,590	2,74,98,615	3,500	10,000	1,11,62,090	2,75,08,615

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

Nature of transaction	Amount (In Rupees)					
	Parties referred to in (a) and (b) above		Parties referred to in (d), (e) and (f) above		Total	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Advanced Repaid						
Total Water Management Services (I) Limited	-	2,39,595	-	-	-	2,39,595
Ion Exchange Financial Products Private Limited	2,25,000	-	-	-	2,25,000	-
Ion Exchange Waterleau Limited	1,97,428	-	-	-	1,97,428	-
Ion Foundation	-	-	99,851	-	99,851	-
Total	4,22,428	2,39,595	99,851	-	5,22,279	2,39,595
Dividend Received						
Ion Exchange Services Limited	6,89,250	6,89,250	-	-	6,89,250	6,89,250
Aquanomics Systems Limited	9,20,000	9,20,000	-	-	9,20,000	9,20,000
Total	16,09,250	16,09,250	-	-	16,09,250	16,09,250
Dividend Paid						
Ion Exchange Services Limited	5,74,116	4,30,587	-	-	5,74,116	4,30,587
Mr. Rajesh Sharma	-	-	12,50,872	9,58,154	12,50,872	9,58,154
Mr. Dinesh Sharma	-	-	7,50,200	5,82,650	7,50,200	5,82,650
Mr. Aankur Patni	-	-	4,69,336	3,72,002	4,69,336	3,72,002
Relatives of Key Management Personnel	-	-	11,47,308	8,80,481	11,47,308	8,80,481
Total	5,74,116	4,30,587	36,17,716	27,93,287	41,91,832	32,23,874
Sales Commission						
Arkepp and Associates	-	-	21,87,400	37,93,172	21,87,400	37,93,172
Total	-	-	21,87,400	37,93,172	21,87,400	37,93,172
Remuneration						
Mr. Rajesh Sharma	-	-	2,01,69,170	1,57,61,851	2,01,69,170	1,57,61,851
Mr. Dinesh Sharma	-	-	97,11,098	83,26,665	97,11,098	83,26,665
Mr. Aankur Patni	-	-	95,30,880	81,78,000	95,30,880	81,78,000
Total	-	-	3,94,11,148	3,22,66,516	3,94,11,148	3,22,66,516
Sale of Ownership Block (including Furniture and Fixture)						
Mr. Rajesh Sharma	-	-	-	4,30,00,000	-	4,30,00,000
Total	-	-	-	4,30,00,000	-	4,30,00,000
Purchase of Ownership Block						
Ion Exchange Services Limited	-	1,30,00,000	-	-	-	1,30,00,000
Total	-	1,30,00,000	-	-	-	1,30,00,000
Shares allotted under Employee Stock Option Scheme (ESOS)						
Mr. Rajesh Sharma	-	-	-	2,55,000	-	2,55,000
Mr. Dinesh Sharma	-	-	-	2,35,000	-	2,35,000
Mr. Aankur Patni	-	-	-	2,35,000	-	2,35,000
Relatives of Key Management Personnel	-	-	-	2,25,000	-	2,25,000
Total	-	-	-	9,50,000	-	9,50,000
Director Sitting Fees						
Mr. Rajesh Sharma	-	-	50,000	30,000	50,000	30,000
Mr. Dinesh Sharma	-	-	40,000	30,000	40,000	30,000
Mr. Aankur Patni	-	-	40,000	40,000	40,000	40,000
Relative of Key Management Personnel	-	-	2,00,000	40,000	2,00,000	40,000
Total	-	-	3,30,000	1,40,000	3,30,000	1,40,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

Amount (In Rupees)

Nature of transaction	Parties referred to in (a) and (b) above		Parties referred to in (d), (e) and (f) above		Total	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Outstanding Loans and Advances						
Total Water Management Services (I) Limited	4,11,934	13,952	-	-	4,11,934	13,952
Ion Exchange Waterleau Limited	9,64,04,746	8,40,24,130	-	-	9,64,04,746	8,40,24,130
Aquanomics Systems Limited	10,28,948	1,205	-	-	10,28,948	1,205
Ion Exchange Financial Products Pvt. Limited**	27,15,134	29,38,334	-	-	27,15,134	29,38,334
Ion Foundation	-	-	-	96,351	-	96,351
Total	10,05,60,762	8,69,77,621	-	96,351	10,05,60,762	8,70,73,972
Outstanding Advance to Supplier						
Ion Exchange Services Limited	15,57,564	13,84,307	-	-	15,57,564	13,84,307
Aquanomics Systems Limited	2,97,000	-	-	-	2,97,000	-
Astha Technical Services Limited	25,16,130	-	-	-	25,16,130	-
Global Composites & Structurals Limited	-	73,58,072	-	-	-	73,58,072
Ion Exchange Waterleau Limited	-	1,63,00,000	-	-	-	1,63,00,000
Total	43,70,694	2,50,42,379	-	-	43,70,694	2,50,42,379
Outstanding Receivables (Net of Payable) excluding Loans and Advances						
Ion Exchange Waterleau Limited	7,50,67,424	6,90,81,486	-	-	7,50,67,424	6,90,81,486
Aquanomics Systems Limited	9,15,39,642	4,75,57,872	-	-	9,15,39,642	4,75,57,872
IEI Water-Tech (M) Sdn. Bhd., Malaysia	1,75,23,575	1,62,36,561	-	-	1,75,23,575	1,62,36,561
Ion Exchange Services Limited	19,99,04,345	17,21,07,118	-	-	19,99,04,345	17,21,07,118
Ion Exchange PSS Limited	3,98,372	-	-	-	3,98,372	-
Total	38,44,33,358	30,49,83,037	-	-	38,44,33,358	30,49,83,037
Outstanding Payables (Net of Receivable) excluding Loans and Advances						
Astha Technical Services Limited	36,75,108	7,71,647	-	-	36,75,108	7,71,647
Global Composites & Structurals Limited	-	55,40,834	-	-	-	55,40,834
Total Water Management (I) Limited	20,790	-	-	-	20,790	-
Arkepp and Associates	-	-	21,22,152	-	21,22,152	-
Total	36,95,898	63,12,481	21,22,152	-	58,18,050	63,12,481
Investments made during the year						
Ion Exchange Waterleau Limited	-	1,11,00,000	-	-	-	1,11,00,000
Ion Foundation	-	-	10,000	-	10,000	-
Ion Exchange PSS Limited	16,71,129	-	-	-	16,71,129	-
Total	16,71,129	1,11,00,000	10,000	-	16,81,129	1,11,00,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

Amount (In Rupees)

Nature of transaction	Parties referred to in (a) and (b) above		Parties referred to in (d), (e) and (f) above		Total	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Investment in Equity Shares / Debentures						
Aquanomics Systems Ltd	46,00,000	46,00,000	-	-	46,00,000	46,00,000
Ion Exchange Waterleau Limited	2,49,95,000	2,49,95,000	-	-	2,49,95,000	2,49,95,000
Astha Technical Services Limited	22,83,800	22,83,800	-	-	22,83,800	22,83,800
Total Water Management Services (I) Limited	2,40,000	2,40,000	-	-	2,40,000	2,40,000
Ion Exchange Services Limited	10,79,473	10,79,473	-	-	10,79,473	10,79,473
Global Composites & Structural Limited	-	20,00,000	-	-	-	20,00,000
IEI Water-Tech (M) Sdn. Bhd.	-	36,52,371	-	-	-	36,52,371
Ion Exchange Financial Products Pvt. Limited	24,500	24,500	-	-	24,500	24,500
Ion Exchange PSS Limited	16,71,129	-	-	-	16,71,129	-
Ion Foundation	-	-	10,000	-	10,000	-
Total	3,48,93,902	3,88,75,144	10,000	-	3,49,03,902	3,88,75,144
Corporate Guarantees Given						
Aquanomics Systems Ltd	-	2,00,00,000	-	-	-	2,00,00,000
Total	-	2,00,00,000	-	-	-	2,00,00,000
Corporate Guarantees Discharged						
Ion Exchange Waterleau Limited	-	6,00,00,000	-	-	-	6,00,00,000
Total	-	6,00,00,000	-	-	-	6,00,00,000
Outstanding Corporate Guarantees						
Aquanomics Systems Ltd	7,00,00,000	7,00,00,000	-	-	7,00,00,000	7,00,00,000
Ion Exchange Waterleau Limited	8,00,00,000	8,00,00,000	-	-	8,00,00,000	8,00,00,000
Total	15,00,00,000	15,00,00,000	-	-	15,00,00,000	15,00,00,000

* Gross Sales amount has been considered.

** Provision has been made in respect of the said amount.

II. Transactions during the year with Entity having significant influence with outstanding balances as at year-end:

Amount (in Rupees)

Name of the Related Party	Outstanding Receivable		Loan given during the year		Loans repaid during the year		Dividend paid during the year	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
IEI Shareholding Trusts	23,09,53,000	23,50,56,000	-	-	41,03,000	32,21,000	53,25,828	39,94,371

III. Stock Options granted and outstanding to Key Management Personnel during the year : Nil (2010-2011: Nil).

(a) Investment made by the loanee in the shares of the Company

Name of the Related Party	No. of shares as at	
	31st March 2012	31st March 2011
IEI Shareholding Trusts	26,62,914	26,62,914

39. In early 90s, the Company had given loans to Employees' IEI Shareholding Trusts. The amount outstanding as at 31st March 2012 is Rs. 23,09,53,000 (2010-2011 : Rs. 23,50,56,000). The Company has carried out valuation of the assets held by the Trusts. Considering the valuation, book value of the corpus of the Trusts as on the Balance Sheet date and future opportunities, the Management does not anticipate any ultimate loss arising out of these loans.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

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

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

IEEFL has filed appeal against the order of SAT in Hon'ble Supreme Court of India on 4th July 2006. The Supreme Court has admitted IEEFL's appeal. The management has been legally advised that IEEFL has got a fair chance of successfully contesting the appeal. Consequently no provision has been considered necessary for any liability that may arise, pending the final disposition of IEEFL's appeal by Hon'ble Supreme Court of India. In the month of March 2008, the matter was listed for filing reply by SEBI. SEBI did not file their reply and asked for time. The matter was adjourned thereafter. SEBI has since filed their reply and the matter will come up for hearing in due course.

41. Maintenance expenses recoverable represent expenses incurred on sites sold under the scheme, which are to be recovered from future income generated by sale of inter-crop and main crop. The recovery is dependant on farm activities. The Management expects that there will be sufficient future returns from crop sales to completely recover all these expenses.

However, having regard to various factors such as climatic conditions and matter stated in note 40 above, the recoverability of Maintenance Expenses is subject to significant uncertainties.

As a matter of prudence, based on the analysis by an independent expert, no provision is considered necessary by the Management for the balance as at the year end of Rs. 3,74,31,294 (2010-2011 : Rs. 4,36,76,153) as future returns from crop sales will be available to recover the same.

42. Security Deposit for Land represents amounts paid by the IEEFL for acquiring agricultural land, inclusive of stamp duty and registration charges, which are unsold as at 31st March 2012. IEEFL has conducted valuation of land and accordingly, provision of Rs. 55,82,922 (2010-2011 : Rs. 55,82,922) has been made as at 31st March 2012.
43. Advances for repurchase represents amounts paid to investors for purchase of sites sold to them in earlier years, at prices announced by IEEFL from time to time. These amounts are paid to investors on their execution of an irrevocable Power of Attorney in favour of IEEFL's nominees for sale thereof at future date.
44. Capital expenditure incurred on Research and Development during the year is Rs. 36,07,067 (2010-2011 : Rs. 24,57,441). Revenue expenditure of Rs. 3,81,42,618 (2010-2011 : Rs. 3,47,39,727) incurred on Research and Development has been expensed to Profit and Loss Account under various expense heads.

45. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts (net of advances) remaining to be executed on Capital Account not provided for is Rs. 1,98,81,429 (2010-2011 : Rs. 2,97,60,728).

46. CONTINGENT LIABILITIES

Contingent Liabilities not provided for:

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

- i) Associates – Rs. 7,00,00,000 (2010-2011 : Rs. 7,00,00,000)
- ii) Joint Venture – Rs. 8,00,00,000 (2010-2011 : Rs. 8,00,00,000)
- iii) Others – Rs. 38,88,000 (2010-2011 : Rs. 38,88,000)

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

- i) Income Tax – Rs. 83,01,220 (2010-2011 : Rs. 1,89,38,294)
- ii) Excise Duty – Rs. 16,78,600 (2010-2011 : Rs. 30,52,000)
- iii) Service Tax – Rs. 16,74,395 (2010-2011 : Rs. 41,33,445)
- iv) Customs Duty (to the extent ascertainable) – Rs. 22,58,117 (2010-2011 : Rs. 22,58,117)

(c) Claims against the Company arising in the course of business not acknowledged as debts (to the extent ascertainable) Rs. 1,94,94,696 (2010-2011 : Rs. 21,25,12,484).

Note: Future cash outflows/uncertainties, if any, in respect of above are determinable only on receipt of judgments/decisions pending with various forums/authorities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)**47. DERIVATIVE INSTRUMENTS AND UNHEDGE FOREIGN CURRENCY EXPOSURE**

Particulars of Derivatives as at Balance Sheet date

Purpose	Particulars of Derivative			
	2011-12		2010-11	
	Type	Amount	Type	Amount
Hedge of Import Creditors	Buy	USD 3,00,000	Buy	USD 6,72,750
			Buy	EUR 5,10,450

Particulars of Unhedged foreign currency exposure as at Balance Sheet date

Particulars of Derivative	Particulars of Derivative			
	2011-12		2010-11	
	Amount (Rupees)	Foreign currency	Amount (Rupees)	Foreign currency
Import Creditors	18,98,97,671	USD 27,40,184	9,48,50,463	USD 18,07,911
		EUR 7,14,685		EUR 2,16,933
		GBP 10,742		GBP 3,500
				JPY 2,90,000
Export Debtors	24,25,01,966	USD 19,72,599	18,26,06,956	USD 24,03,491
		EUR 1,06,688		EUR 1,00,392
		OMR 2,626		OMR 2,625
		KWD 852		KWD 14,433
		AED 49,23,247		AED 54,46,675
		BHD 65,002		
		QR 10,800		
		GBP 4,56,255		
		SAR 15,70,135		
Foreign Currency Bank Account	1,57,85,416	USD 28,128	1,00,54,425	USD 40,035
		AED 7,37,409		AED 6,79,281
		BHD 29,999		
Foreign Currency in hand	2,46,103	AED 17,070	4,46,326	AED 36,674
		BHD 60		
Commission Payable	2,42,39,702	USD 3,57,261	3,19,65,723	USD 5,99,136
		AED 1,30,211		AED 3,87,274
		SAR 3,04,131		EUR 540
				OMR 1,482
				SAR 24,437
Investments	11,27,315	USD 32,667	44,85,900	MYR 3,00,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2012-(Contd.)

48. The Company has initiated the process of obtaining confirmation from suppliers regarding the registration under the "Micro, Small and Medium Enterprises Development Act, 2006". The suppliers are not registered wherever the confirmation are received and in other cases, the Company is not aware of their registration status and hence information relating to outstanding balance or interest due is not disclosed as it is not determinable.
49. During the year 98,250 (2010-2011 : 6,19,650) equity shares were allotted to employees and directors under ESOS 2005 and ESOS 2008 on 27th May 2011 and 28th July 2011. Accordingly, dividend of Rs. 2.00 per share (20%) declared at the Annual General Meeting held on 27th September 2011 was also paid to those shareholders (book closure date being 27th September 2011).
50. Backcharges represents reimbursement of costs incurred by customers on the Company's behalf in the course of contract execution.
51. Till the year ended 31st March 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable. The company has reclassified previous year's figures to conform to this year's classification.

As per our report of even date

For S. R. BATLIBOI & CO.
Firm registration no.: 301003E
Chartered Accountants

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

per VIJAY MANIAR
Partner
Membership No.: 36738

RAJESH SHARMA
Chairman & Managing Director

M. P. PATNI
Director

MILIND PURANIK
Company Secretary

Place : Mumbai
Date : 25th May, 2012

Place : Mumbai
Date : 25th May, 2012

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March 2012

	31st March 2012	31st March 2012	31st March 2011	31st March 2011
	Rupees	Rupees	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before tax as per Profit and Loss Account		20,49,85,753		15,99,65,853
Adjusted for:				
Depreciation and Amortisation Expense	8,68,89,000		6,85,47,467	
(Profit) / Loss on Assets sold / discarded (Net)	8,09,289		(2,48,25,748)	
Employee Compensation Expense / (Income)	(28,14,053)		(16,23,778)	
Finance Cost	11,74,77,409		8,34,50,784	
Share of Earning in Associates	(52,08,977)		(47,51,890)	
Dividend received	(2,10,608)		(2,52,151)	
Interest received	(1,84,51,252)		(42,82,776)	
Bad Debts written off	3,29,89,535		5,61,55,201	
Backcharges on Contracts	1,76,17,024		63,35,606	
Doubtful advances, deposits and claims written off	2,00,00,000		2,99,97,436	
Amount set aside for liabilities, no longer required, written back	(4,45,357)		(1,53,666)	
Unrealised Profit on Inventories	85,80,751		67,46,665	
Unrealised Exchange Loss / (Gain)	(3,41,41,425)		(7,63,102)	
		22,30,91,336		21,45,80,048
Operating Profit Before Working Capital Changes		42,80,77,089		37,45,45,901
Movements in Working Capital:				
(Increase) / Decrease in Trade Receivables	(82,50,04,671)		(28,03,06,046)	
(Increase) / Decrease in Inventories	(2,54,01,994)		(8,27,40,875)	
(Increase) / Decrease in Loans and Advances	(15,98,46,996)		(1,97,98,867)	
(Increase) / Decrease in Other Current Assets	6,18,448		(3,24,954)	
(Decrease) / Increase in Trade Payables	64,77,94,913		27,43,36,651	
(Decrease) / Increase in Other liabilities	18,52,40,700		9,92,91,919	
(Decrease) / Increase in Provisions	1,57,07,923		1,30,93,838	
		(16,08,91,677)		35,51,666
Cash Generated From Operations		26,71,85,412		37,80,97,567
Taxes Paid		(6,94,61,184)		(3,65,43,317)
Net Cash from Operating Activities		19,77,24,228		34,15,54,250
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(19,35,71,108)		(9,81,36,998)	
Proceeds from sale of Fixed Assets	5,80,281		4,40,97,400	
(Increase) / Decrease in Investments made in Associates (Net)	26,50,955		16,02,649	
Purchase of Investments	-		45,540	
(Increase) / Decrease in Deposit (with maturity more than three months)	5,15,14,723		(5,34,40,263)	
Dividend received	2,10,608		2,52,151	
Interest received	1,79,03,699		54,47,081	
Net Cash Used in Investing Activities		(12,07,10,842)		(10,01,32,440)

Consolidated Cash Flow Statement- (Contd.)

	31st March 2012	31st March 2012	31st March 2011	31st March 2011
	Rupees	Rupees	Rupees	Rupees
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from issuance of share capital on exercise of options	78,97,491		4,09,65,710	
Increase in Minority Interest	-		(19,13,227)	
Increase / (Decrease) in Capital Reserve	-		1,60,38,153	
Repayment of Borrowings	(25,34,45,695)		(38,91,52,582)	
Proceeds from Borrowings	25,92,08,198		27,23,83,317	
Dividend Paid	(3,65,98,374)		(1,95,26,417)	
Dividend Tax Paid	(43,23,044)		(32,28,755)	
Finance Cost	(11,71,06,213)		(8,31,43,650)	
Net Cash Used in Financing Activities		(14,43,67,637)		(16,75,77,451)
Net Increase / (Decrease) in Cash and Cash Equivalents		(6,73,54,251)		7,38,44,359
Cash and Cash Equivalents as at the beginning of the year		16,99,93,177		9,61,48,818
Cash and Cash Equivalents as at the end of the year		10,26,38,926		16,99,93,177
Cash and Cash Equivalent Comprises of :				
Cash in hand		28,11,116		19,87,222
Balance with Banks (Refer Notes 3 and 4 below)		9,98,27,810		16,80,05,955
Total		10,26,38,926		16,99,93,177

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Notified Accounting Standard - 3 on Cash Flow Statements.
- Figures in bracket indicate cash outgo.
- Cash and Cash Equivalents excludes the following Balances with Bank:
 - On Deposit Account Rs. 89,43,312 (2010-2011 : Rs. 49,13,222)
 - On Margin Money Account Rs. 7,66,78,924 (2010-2011 : Rs. 13,22,23,737)
- Balances with bank includes Rs. 39,35,485 (2010-2011 : Rs. 37,50,133) being Unclaimed Dividend and Unclaimed Interest on Fixed Deposits which are not available for use by the company as they represent corresponding Unpaid Liabilities
- Previous years' figures have been regrouped/rearranged to conform with current years' classifications.

As per our report of even date

For S. R. BATLIBOI & CO.
Firm registration no.: 301003E
Chartered Accountants

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

per VIJAY MANIAR
Partner
Membership No.: 36738

RAJESH SHARMA
Chairman & Managing Director

M. P. PATNI
Director

MILIND PURANIK
Company Secretary

Place : Mumbai
Date : 25th May, 2012

Place : Mumbai
Date : 25th May, 2012

Sr. No.	Particulars	Summarised Statement of Financials of Subsidiary Companies under Section 212 (b) of the Companies Act, 1956												(Rs. In Lacs)	
		Ion Exchange Enviro Farms Limited		Watercare Investments Limited		Aqua Investments (India) Limited		Ion Exchange Asia Pacific Pte. Ltd.		Ion Exchange Asia Pacific (Thailand) Ltd.		IEI Environmental Management (M) Sdn. Bhd.		2011-12	2010-11
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11		
1.	Capital	69.47	69.47	178.02	178.02	177.02	177.02	487.31	135.11	50.33	44.71	42.26	37.38		
2.	Reserves	(1,244.47)	(1,190.86)	(42.77)	(49.32)	(35.87)	(44.16)	(626.13)	(202.14)	(74.04)	35.81	(42.25)	(13.91)		
3.	Total Assets	1,212.37	1,201.46	136.66	129.75	142.09	133.77	876.24	868.75	275.83	266.62	100.70	68.07		
4.	Total Liabilities	2,387.37	2,322.85	1.41	1.05	0.94	0.91	1,015.06	935.78	299.54	186.10	100.69	44.60		
5.	Investments other than investment in subsidiary	-	-	0.71	0.71	13.36	13.36	25.66	42.23	-	-	-	-		
6.	Total Turnover (including Other Income)	354.70	247.57	8.43	6.69	9.64	7.74	671.22	1,012.38	190.47	418.65	42.44	51.96		
7.	Profit / (Loss) Before Tax	(53.61)	(59.13)	8.07	6.48	9.29	7.54	(371.21)	(118.00)	(106.52)	13.85	(30.19)	1.07		
8.	Provision for Taxation	-	-	1.52	1.21	1.00	1.00	-	-	-	2.53	(5.59)	0.07		
9.	Profit / (Loss) After Tax	(53.61)	(59.13)	6.55	5.27	8.29	6.54	(371.21)	(118.00)	(106.52)	11.32	(24.60)	1.00		
10.	Proposed Dividend / Dividend (excluding Tax on Dividend)	-	-	-	-	-	-	-	-	-	-	-	-		
11.	Original Currency	INR	INR	INR	INR	INR	INR	USD	USD	THB	THB	MYR	MYR		
12.	Exchange rate as on 31st March in INR	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	51.16	44.65	1.68	1.49	16.90	14.95		

Summarised Statement of Financials of Subsidiary Companies under Section 212 (8) of the Companies Act, 1956

(Rs. In Lacs)

Sr. No.	Particulars	Ion Exchange Environment Management (BD) Limited		Ion Exchange WTS (Bangladesh) Limited		Ion Exchange LLC		Ion Exchange & Company LLC		Ion Exchange Infrastructure Limited		Ion Exchange Projects and Engineering Limited*		Global Composite & Structurals Limited**	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
1.	Capital	6.23	6.13	17.11	16.83	51.16	44.65	402.87	351.89	410.00	410.00	5.00	283.00	-	-
2.	Reserves	56.39	52.63	(20.07)	(19.65)	(361.66)	(238.26)	224.20	13.99	642.53	631.82	(9.76)	(135.40)	-	-
3.	Total Assets	277.62	232.56	0.05	0.05	991.96	767.14	2,430.34	2,632.40	3,327.42	2,849.50	4.07	2,681.68	-	-
4.	Total Liabilities	215.00	173.80	3.01	2.87	1,302.46	960.75	1,803.27	2,266.52	2,274.89	1,807.68	8.83	2,534.08	-	-
5.	Investments other than investment in subsidiary	-	-	-	-	-	-	-	-	9.84	9.84	-	5.75	-	-
6.	Total Turnover (including Other Income)	550.29	500.93	-	3.83	1,709.20	1,530.79	3,974.50	2,493.54	4,508.79	3,881.66	-	N.A.	-	-
7.	Profit / (Loss) Before Tax	8.09	5.29	(0.10)	(0.46)	(76.13)	(42.01)	475.91	32.69	15.69	20.07	(9.76)	N.A.	-	-
8.	Provision for Taxation	5.23	4.82	-	0.03	7.31	-	58.31	0.36	4.98	5.98	-	N.A.	-	-
9.	Profit / (Loss) After Tax	2.86	0.47	(0.10)	(0.49)	(83.44)	(42.01)	417.60	32.33	10.71	14.09	(9.76)	N.A.	-	-
10.	Proposed Dividend / Dividend (excluding Tax on Dividend)	-	-	-	-	-	-	224.36	-	-	-	-	N.A.	-	-
11.	Original Currency	BDT	BDT	BDT	BDT	USD	USD	OMR	OMR	INR	INR	INR	INR	N.A.	N.A.
12.	Exchange rate as on 31st March in INR	0.62	0.61	0.62	0.61	51.16	44.65	134.29	117.30	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

* Subsidiary w.e.f. 11th April 2011, hence figures for 2010-11 are not applicable

** Subsidiary w.e.f. 29th March 2012, hence figures for 2010-11 are not applicable

Note : The annual accounts of the above Subsidiary Companies and the related detailed information will be made available to the Holding and Subsidiary Company investors seeking such information at any point of time. The annual accounts of the Subsidiary Companies are also open for inspection by any investor at the Company's Registered Office and at the Registered Office of the respective Subsidiary Companies.

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Ion Exchange (India) Ltd.



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Ion Exchange (India) Ltd., (HO) Ion House, 1st Floor, Plot No. 2, Sector-18, Vashi, Navi Mumbai - 400705, India. Ph.: 022-39132226/27

SMS ZEROB to 53030 or E-mail at: marketing.cpd@ionexchange.co.in, Website: www.zerobonline.com



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ECS MANDATE FORM

M/s. TSR Darashaw Ltd.
Unit: ION EXCHANGE (INDIA) LTD.
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai - 400 011

Dear Sir,

I/We hereby authorise you to make payments directly to the bank account given below in respect of my/our holdings in ION EXCHANGE (INDIA) LTD.:

1. Name of the Sole/First holder Mr./Mrs./Ms. _____

Name of the Joint holder (if any) Mr./Mrs./Ms. _____

2. Folio No. _____

3. No. of Shares _____

4. Name of the Bank, branch, and address _____

5. Account No. _____

6. Type of Account
(Current/Savings/Others) _____

7. Ledger Folio No. of the A/c
(as in cheque book) _____

8. Nine digit code of the Bank
(Please enclose copy of blank
cancelled cheque) _____

I/We hereby declare that the particulars furnished above are correct. If for reason due to incorrect or incomplete information credit is not effected, I/We would not hold the Company responsible.

Date:

(Signature of Sole/First holder)

(Signature of Joint holder)

Certificate of Shareholder's Bank

(To be given only if photocopy of blank cancelled cheque is not enclosed)
Certified that the particulars furnished above are correct as per our records.

Date:

Stamp:

(Signature of Authorised official of the bank)



Registered Office: Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011.

PROXY

I/We _____ of _____
_____ in the district of _____
being member/members of the above named Company hereby appoint _____
of _____ in the district of _____
or failing him _____ of _____
_____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf
at the FORTY EIGHTH ANNUAL GENERAL MEETING of the Company to be held on Wednesday, the 26th
September, 2012 at 11.00 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2012

Regd. Folio No. _____

DP ID _____

Client ID _____

No. of Shares _____

Revenue
stamp
30p.

Members' Signature

Notes:

1. The Proxy form must be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time fixed for holding the Meeting.
2. A Proxy need not be a member.



Registered Office: Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011.

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Venue)

Regd. Folio No. _____ DP ID _____ Client ID _____ No. of Shares held _____

Name of the attending Member (in BLOCK letters)

Name of Proxy (in BLOCK letters)
(To be filled-in if the Proxy attends instead of the Member)

I hereby record my presence at the FORTY EIGHTH ANNUAL GENERAL MEETING at Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai - 400 025 on 26th September, 2012.

Signature of Member/Proxy

Notes:

1. Interested Joint Shareholders may obtain attendance slips from the Registered Office of the Company.
2. Shareholders/Joint Shareholders and Proxy are requested to bring the attendance slip with them. Duplicate slips will not be issued at the entrance of the meeting venue.

NOTES

10 YEARS AT A GLANCE

Rs. in Lacs

	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Income (including Other Income) *	68,514	59,975	51,840	45,474	50,979	44,486	32,457	26,105	21,532	19,457
Profit Before Tax	2,562	1,940	1,021	374	1,567	1,033	703	501	265	296
Tax (including Deferred Tax)	807	727	360	118	335	337	74	21	69	116
Fringe Benefit Tax	-	-	-	112	167	98	124	-	-	-
Profit After Tax	1,755	1,213	661	144	1,065	598	505	480	196	180
Dividend **	316	322	223	149	307	211	131	127	124	122
Dividend (%)	20%	20%	15%	10%	20%	15%	10%	10%	10%	10%
Retained Earnings	1,439	891	438	(5)	758	387	374	353	72	58
Share Capital	1,356	1,343	1,273	1,269	1,266	1,199	1,141	1,113	1,099	1,082
Reserves & Surplus ***	14,857	13,381	12,166	11,581	11,409	10,199	9,582	9,168	8,769	8,679

* Sales is inclusive of excise.

** Includes tax on dividend, if any.

*** Figures excluding revaluation reserve

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eco RO	Other ROs
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HRR* Technology improves Water Recovery phenomenally upto 70%	Water Recovery only 20 - 30%
ESS Technology cleans purifier automatically 24 x 7, prevents germ build up in water tank	No guarantee of storage tank water purity
8 Stage purification process removes all impurities & gives more pure water	Upto 7 stage purification
E-Health keeps tank water fresh for a week	Purity on storage water cannot be assured
Automatic Power Flush enhances membrane life	Manual or normal Auto Flush
International breakthrough in domestic RO water purifier	Other UVs & ROs are History
Performs well even with extreme high recovery rate	The burden on membrane leads to early expiry

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