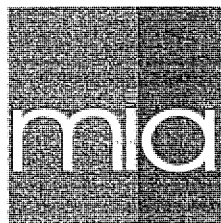


COMPANY NO: 645229-M

IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.  
*(Incorporated in Malaysia)*

REPORTS AND FINANCIAL STATEMENTS

31 MARCH 2016



ACCOUNTANTS : MANAGERS OF VALUE  
MEMBER FIRM OF  
MALAYSIAN INSTITUTE OF ACCOUNTANTS

*RAVINDRA KRISHNA & ASSOCIATES*

CHARTERED ACCOUNTANTS, MALAYSIA

COMPANY NO: 645229-M

**IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.**  
*(Incorporated in Malaysia)*

**REPORTS AND FINANCIAL STATEMENTS**

**31 MARCH 2016**

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Company No: 645229-M

**IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.**  
*(Incorporated in Malaysia)*

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**CORPORATE INFORMATION**

INCORPORATION : PRIVATE COMPANY LIMITED BY SHARES

DOMICILE : MALAYSIA

BOARD OF DIRECTORS : ANIL MANOCHA  
ANKUR PATNI (Alternate to Mahabir Prasad Patni)  
DINESH SHARMA (Alternate to Rajesh Sharma)  
MAHABIR PRASAD PATNI  
PURANDARE YOGESH WAMAN  
RAJESH SHARMA

COMPANY SECRETARY : MANOHUR A/L K.KUMARAN (MACS 01506)

PRINCIPAL PLACE OF BUSINESS : D5-3A-5, SOLARIS DUTAMAS,  
JALAN DUTAMAS 1,  
50480 KUALA LUMPUR.

REGISTERED OFFICE : SUITE 1.00A, 6<sup>TH</sup> FLOOR,  
WISMA YAKIN, JALAN MASJID INDIA  
50100 KUALA LUMPUR.

AUDITORS : RAVINDRA KRISHNA & ASSOCIATES  
(FIRM NO: AF 1221)  
(CHARTERED ACCOUNTANTS, MALAYSIA)  
10-2-2, 2<sup>ND</sup> FLOOR,  
QUEEN'S AVENUE, BLOCK 10,  
JALAN BAYAM, CHERAS,  
55100 KUALA LUMPUR.

PRINCIPAL BANKER : CIMB BANK BERHAD

Company No: 645229-M

**IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.**  
*(Incorporated in Malaysia)*

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**DIRECTORS REPORT**

The directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 31 March 2016.

**PRINCIPAL ACTIVITIES**

The principal activities of the Company during the financial year are providing engineering and consultancy services and sales of related product for environmental protection. There have been no significant changes in the nature of the principal activities of the Company during the financial year.

**FINANCIAL RESULTS**

	RM
Loss before taxation	(211,124)
Taxation	40,832
Net loss for the year	<u>(170,292)</u>

**DIVIDENDS**

No dividend has been declared or paid for the year ended 31 March 2016.

**DIRECTORS**

The directors who held office since the date of last report are:-

ANIL MANOCHA  
ANKUR PATNI (Alternate to Mahabir Prasad Patni)  
DINESH SHARMA (Alternate to Rajesh Sharma)  
MAHABIR PRASAD PATNI  
PURANDARE YOGESH WAMAN  
RAJESH SHARMA

**DIRECTORS' BENEFITS**

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

No director has since the end of the previous financial year, received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Company No: 645229-M

**IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.**  
*(Incorporated in Malaysia)*

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**DIRECTORS' INTERESTS**

None of the directors in office during and at the end of the year held any shares in the Company during the financial year 31 March 2016.

**RESERVES AND PROVISIONS**

All material transfers to or from reserves and provisions during the year are shown in the financial statements.

**ISSUE OF SHARES AND DEBENTURES**

The Company has not issued any shares and debentures during the financial year.

**BAD AND DOUBTFUL DEBTS**

Before the income statement and balance sheet were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and have satisfied themselves that all known bad debts have been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances, which would render the amounts written off of bad debts, or the amount of the provision for doubtful debts in the financial statement of the Company inadequate to any substantial extent.

**CURRENT ASSETS**

Before the income statement and balance sheet were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to realise, in the ordinary course of business, their values as shown in the accounting records of the Company have been written down to an amount which they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances, which would render the values attributed to the current assets in the financial statements of the Company misleading.

**VALUATION METHODS**

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Company misleading or inappropriate.

Company No: 645229-M

**IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.**  
*(Incorporated in Malaysia)*

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**CONTINGENT AND OTHER LIABILITIES**

At the date of this report there does not exist:-

- a. any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person, or
- b. any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liabilities has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Company to meet their obligations when they fall due.

**CHANGE OF CIRCUMSTANCES**

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amounts stated in the financial statements misleading.

**ITEMS OF AN UNUSUAL NATURE**

The results of the operations of the Company for the year ended 31 March 2016 were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

**HOLDING COMPANY**

The directors consider ION EXCHANGE (INDIA) LTD, a company incorporated in India as their holding company.

**EVENTS SUBSEQUENT TO BALANCE SHEET DATE**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the result of the operations of the Company for the financial year in which this report is made.

Company No: 645229-M

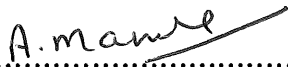
**IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.**  
*(Incorporated in Malaysia)*

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**AUDITORS**

The retiring auditors, Messrs RAVINDRA KRISHNA & ASSOCIATES.,(Firm No: AF-1221) have indicated their willingness to be re-appointed in accordance with section 172(2) of the Companies Act 1965.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS.



.....  
ANIL MANOCHA  
(Director)



.....  
PURANDARE YOGESH WAMAN  
(Director)

Kuala Lumpur, Malaysia.

Date: 28 APR 2016

Company No: 645229-M

**IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.**  
*(Incorporated in Malaysia)*

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**STATEMENT BY DIRECTORS**

Pursuant to Section 169(15) of the Companies Act 1965

We ANIL MANOCHA and PURANDARE YOGESH WAMAN being two of the directors of **IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.** (Company No: 645229-M) do hereby state on behalf of the directors that in our opinion, the financial statements as set out on pages 10 to 22 are drawn up in accordance with MASB Applicable Approved Accounting Standards for Private Entities in Malaysia and the provisions of the Companies Act 1965 so as to give a true and fair view of the state of affairs of the Company as at 31 March 2016 and of the results of their operations and of the changes in equity and of the cash flows of the Company for the year ended on that date.



.....  
ANIL MANOCHA  
(Director)



.....  
PURANDARE YOGESH WAMAN  
(Director)

Kuala Lumpur, Malaysia.

Date: 28 APR 2016



Company No: 645229-M

**IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.**  
*(Incorporated in Malaysia)*

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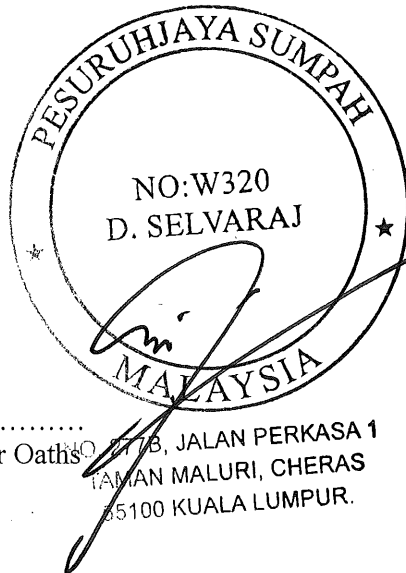
**STATUTORY DECLARATION**

Pursuant to Section 169(16) of the Companies Act 1965

I, ANIL MANOCHA being the director primarily responsible for the accounting records and financial management of **IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.** (Company No: 645229-M) do solemnly and sincerely declare that the financial statements as set out on pages 10 to 22 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act, 1960.

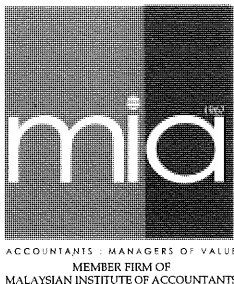
Subscribed and solemnly declared by )  
ANIL MANOCHA )  
PASSPORT NO: Z 2352608 )  
at Kuala Lumpur in the state of )  
Wilayah Persekutuan )  
on this 28 APR 2016 )

Before me :



.....  
Commissioner for Oaths  
NO. 577B, JALAN PERKASA 1  
TAMAN MALURI, CHERAS  
55100 KUALA LUMPUR.

.....  
*A. Manocha*  
ANIL MANOCHA  
(Director)



## **RAVINDRA KRISHNA & ASSOCIATES**

(CHARTERED ACCOUNTANTS, MALAYSIA)

(FIRM NO: AF 1221)

10-2-2, 2nd Floor, Queen's Avenue, Block 10, Jalan Bayam, Cheras, 55100 Kuala Lumpur.

Tel: 03-9200 8475 Fax: 03-9200 7475 Email: ravin1022@gmail.com

No. CBP : 000058408960

*RAVINDRAN KRISHNASAMY*  
*CA(M), FCCA (UK), CPA (Aust), FCTIM, AIIA*

### **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.**

#### **Report on the Financial Statements**

We have audited the financial statements of **IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.** (Company No.645229-M), which comprise the balance sheet as at 31 March 2016, and income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on page 10 to 22.

#### **Directors' Responsibility for the Financial Statements**

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 March 2016 and of its financial performance and cash flows for the year then ended.

**RAVINDRA KRISHNA & ASSOCIATES**

**IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.**  
*(Incorporated in Malaysia)*

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**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

*Ravindra Krishna Associates*

RAVINDRA KRISHNA & ASSOCIATES  
FIRM NO. AF 1221  
CHARTERED ACCOUNTANTS

*Ravi*

RAVINDRAN KRISHNASAMY  
APPROVAL NO. 1992/09/17 (J)  
CHARTERED ACCOUNTANT

Kuala Lumpur, Malaysia

Date:

28 APR 2016

**IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.**  
*(Incorporated in Malaysia)*

**BALANCE SHEET AS AT 31 MARCH 2016**

	NOTE	2016 RM	2015 RM
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	48,800	56,774
Deferred tax assets	6	194,830	153,081
		243,630	209,855
<b>CURRENT ASSETS</b>			
Inventories	7	31,972	83,565
Receivables	8	841,359	871,724
Bank and cash balances	9	10,988	28,836
		884,319	984,125
<b>CURRENT LIABILITIES</b>			
Payables	10	463,466	387,385
Amount due to holding company	11	1,288,742	1,260,562
		1,752,208	1,647,947
<b>NET CURRENT LIABILITIES</b>		(867,889)	(663,822)
		(624,259)	(453,967)
<b>CAPITAL AND RESERVES</b>			
Share capital	12	250,000	250,000
Reserves	13	(874,259)	(703,967)
Shareholders' deficiency		(624,259)	(453,967)
		(624,259)	(453,967)

*The accompanying notes form an integral part of these financial statements*

**IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.**  
*(Incorporated in Malaysia)*

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2016**

	NOTE	2016 RM	2015 RM
Revenue	14	430,799	599,691
Cost of sales	15	(371,722)	(528,673)
Gross profit		<u>59,077</u>	<u>71,018</u>
Other operating income		10,264	-
Administration expenses		(233,959)	(305,107)
Distribution & selling expenses		(34,290)	(52,275)
Other operating expenses		-	-
Loss from operations	16	<u>(198,908)</u>	<u>(286,364)</u>
Finance cost	18	(12,216)	(11,361)
Loss before taxation		<u>(211,124)</u>	<u>(297,725)</u>
Taxation	19	40,832	59,046
Net loss for the year		<u>(170,292)</u>	<u>(238,679)</u>

*The accompanying notes form an integral part of these financial statements*

**IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.**  
*(Incorporated in Malaysia)*

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016**

	SHARE CAPITAL RM	RETAINED EARNINGS RM	TOTAL RM
Balance as at 01 April 2014	250,000	(465,288)	(215,288)
Net loss for the year	-	(238,679)	(238,679)
Balance as at 31 March 2015	250,000	(703,967)	(453,967)
Balance as at 01 April 2015	250,000	(703,967)	(453,967)
Net loss for the year	-	(170,292)	(170,292)
Balance as at 31 March 2016	250,000	(874,259)	(624,259)

*The accompanying notes form an integral part of these financial statements*

**IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.**  
(Incorporated in Malaysia)

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2016**

	NOTE	2016 RM	2015 RM
<b>OPERATING ACTIVITIES</b>			
Loss before taxation		(211,124)	(297,725)
Adjustment for non cash item :-			
Depreciation	5	7,974	7,812
Operating loss before working capital changes		(203,150)	(289,913)
Decrease / (increase) in inventories		51,593	(45)
Decrease in receivables		30,365	816,646
Increase / (decrease) in payables		76,081	(643,499)
Increase in dues to holding company		28,180	148,038
Cash (utilised in) / generated from operations		(16,931)	31,227
Tax paid		(917)	-
Net cash (used in) / from operating activities		(17,848)	31,227
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	9(a)	-	(3,849)
Net cash used in investing activities		-	(3,849)
<b>FINANCING ACTIVITIES</b>			
		-	-
Net (decrease) / increase in cash and cash equivalents		(17,848)	27,378
Cash and cash equivalents			
- at beginning of year		28,836	1,458
- at end of year	9(b)	10,988	28,836

*The accompanying notes form an integral part of these financial statements*

**IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.**  
*(Incorporated in Malaysia)*

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**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016**

**1. GENERAL INFORMATION**

a) Principal activities

The principal activities of the Company during the financial year are providing engineering and consultancy services and sales of related product for environmental protection. There have been no significant changes in the nature of the principal activities of the Company during the financial year.

b) Reporting currency

The financial statements of the Company are reported in Ringgit Malaysia (RM).

**2. BASIS OF PREPARATION**

The financial statements have been prepared in accordance with MASB Applicable Approved Accounting Standards for Private Entities in Malaysia and the provisions of the Companies Act, 1965.

**3. DATE OF AUTHORISATION OF ISSUE**

The financial statements were authorised for issued by the Board of Directors on 28 April 2016.

**4. SIGNIFICANT ACCOUNTING POLICIES**

a) Basis of accounting

The financial statements have been prepared under the historical cost convention unless otherwise indicated.

b) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Depreciation provided is calculated on the straight line method on the basis of existence at balance sheet date to write off the cost of all other remaining property, plant and equipment over its estimated useful life. The principal annual rates used for these purpose are as follow :

EDP Equipment	16.21%	Office equipment	9.5%
Furniture & fittings	6.33%		

Property, plant and equipment are written down to recoverable amounts if, the recoverable amounts are less than their carrying values. Recoverable amount is the higher of an asset's net selling price and its value in use.



**IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.**  
*(Incorporated in Malaysia)*

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c) Income Taxes

Income tax on the profit or loss for the year comprises current and deferred taxes. Current tax is the expected amount of income tax payable in respect of the taxable profit for the year. It is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities and their tax bases at the balance sheet date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax assets and liabilities are not recognised on temporary differences which at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the assets are realised or the liabilities are settled. The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it becomes probable that sufficient future taxable profit will be available.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity. In this case the deferred tax is charged or credited directly in equity.

d) Impairment of assets

The carrying amounts of assets, other than deferred tax assets, inventories and financial assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual asset, or if it is not possible, for the cash-generating unit.

An impairment loss is recognised as an expense in the income statement immediately, unless it reverses a previous revaluation, in which case it is treated as a revaluation decrease.

**IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.**  
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d) Impairment of assets (continued)

Any subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. To the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

e) Inventories

Inventories are valued at the lower of cost and net realisable value. (Cost of finished goods and work-in-progress includes direct materials, direct labour, other direct costs and appropriate production overheads.) Net realisable value represents the estimated selling price less cost to be incurred in marketing, selling and distribution.

f) Receivables

Receivable are carried at anticipated realisable value. Bad debts are written off in the year in which they are identified. An allowance is made for doubtful debts based on a review of all outstanding amounts at the year end.

g) Cash flow statement

The Company adopt the indirect method in the preparation of cash flow statements. Cash and cash equivalents comprise cash in hand and cash at bank are readily convertible to known amount of cash which are subject to an insignificant risk of changes in value.

h) Provisions

Provisions for liabilities are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

i) Foreign currency transaction and balances

Transactions in foreign currencies are recorded in Ringgit Malaysia at rates of exchange ruling at the time of the transactions. Foreign currency monetary assets and liabilities are translated at exchange rates ruling at balance sheet date. Transaction gains and losses are recognised in the income statement as they arise.

**IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.**  
*(Incorporated in Malaysia)*

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j) Employee benefits

Short Term Employee Benefits

Salaries are recognised as an expense in the year in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when employees render services that increase their entitlement to future compensated absences. Non-accumulating compensated absences, such as sick and medical leaves are recognised when the absences occur. The expected cost of accumulating compensated absences is measured as the additional amount expected to be paid as a result of the unused entitlements that have accumulated at the balance sheet date.

Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF").

k) Revenue recognition

Revenue from services rendered is recognised in the income statement on an accrual basis.

**IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.**  
*(Incorporated in Malaysia)*

**5. PROPERTY, PLANT AND EQUIPMENT**

	EDP Equipment	Furniture & Fittings	Office Equipment	Total
	RM	RM	RM	RM
<b>At cost</b>				
As at 01 April 2014	9,247	55,819	24,395	89,461
Acquisition	3,849	-	-	3,849
Disposal / written off / eliminated	-	-	-	-
As at 31 March 2015 / 01 April 2015	13,096	55,819	24,395	93,310
Acquisition	-	-	-	-
Disposal / written off / eliminated	-	-	-	-
As at 31 March 2016	13,096	55,819	24,395	93,310
<b>Accumulated depreciation</b>				
As at 01 April 2014	(5,002)	(16,574)	(7,148)	(28,724)
Depreciation charges for the year	(1,961)	(3,533)	(2,318)	(7,812)
Disposal / written off / eliminated	-	-	-	-
As at 31 March 2015 / 01 April 2015	(6,963)	(20,107)	(9,466)	(36,536)
Depreciation charges for the year	(2,123)	(3,533)	(2,318)	(7,974)
Disposal / written off / eliminated	-	-	-	-
As at 31 March 2016	(9,086)	(23,640)	(11,784)	(44,510)
<b>Carrying amount</b>				
As at 31 March 2015	6,133	35,712	14,929	56,774
As at 31 March 2016	4,010	32,179	12,611	48,800

Note:

1) Fully depreciated property, plant &amp; equipment have been eliminated from cost and accumulated depreciation as at 31 March 2016.

**IEI ENVIRONMENTAL MANAGEMENT (M) SDN. BHD.**  
(Incorporated in Malaysia)

**6. DEFERRED TAXATION**

	2016 RM	2015 RM
As at beginning of the year	153,081	94,035
Amount recognised in the income statement (Note 19)	<u>41,749</u>	<u>59,046</u>
As at end of the year	<u>194,830</u>	<u>153,081</u>

Presented after appropriate offsetting as follows :

Deferred tax assets	<u>194,830</u>	<u>153,081</u>
	<u>194,830</u>	<u>153,081</u>

The components and movements of deferred tax assets during the financial year prior to offsetting are as follows:

**Deferred tax assets of the Company:**

	Tax losses & Unabsorbed Capital Allowances RM	Total     RM
As at 01 April 2015	153,081	153,081
Amount recognised in the income statement (Note 19)	<u>41,749</u>	<u>41,749</u>
As at 31 March 2016	<u>194,830</u>	<u>194,830</u>

**7. INVENTORIES**

	2016 RM	2015 RM
At cost	<u>31,972</u>	<u>83,565</u>
	<u>31,972</u>	<u>83,565</u>

**8. RECEIVABLES**

	2016 RM	2015 RM
Deposits	8,361	9,861
Prepayment	-	20,906
Sundry	<u>148,137</u>	<u>214,614</u>
	156,498	245,381
Trade	<u>684,861</u>	<u>626,343</u>
	<u>841,359</u>	<u>871,724</u>

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**9. CASH AND CASH EQUIVALENTS**

	2016 RM	2015 RM
(a) Property, plant and equipment purchased by:-		
Cash	-	3,849
	-	3,849
(b) Cash and cash equivalents		
Bank balances	10,988	28,219
Cash balances	-	617
	10,988	28,836

**10. PAYABLES**

	2016 RM	2015 RM
Accruals	75,092	54,181
Sundry	388,374	333,204
	463,466	387,385

**11. AMOUNT DUE TO HOLDING COMPANY**

The immediate holding company is ION EXCHANGE (INDIA) LTD., a company incorporated in India.

The amount due are unsecured, interest free and have no fixed terms of repayment and represents trade transactions and advances, except for a loan amounting RM 89,899 (USD 30,000) is charge at 9.50% interest annually. (Refer Note 18 below)

**12. SHARE CAPITAL**

	2016		2015	
	NO. OF SHARES	RM	NO. OF SHARES	RM
<u>Authorised ordinary shares of RM 1 each</u>				
As at beginning of the year	1,000,000	1,000,000	1,000,000	1,000,000
Created during the year	-	-	-	-
As at end of the year	1,000,000	1,000,000	1,000,000	1,000,000
<u>Issued and fully paid ordinary shares of RM 1 each</u>				
As at beginning of the year	250,000	250,000	250,000	250,000
Issued during the year	-	-	-	-
As at end of the year	250,000	250,000	250,000	250,000

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**13. RESERVES**

	2016 RM	2015 RM
Distributable Retained earnings	(874,259)	(703,967)
	(874,259)	(703,967)

**14. REVENUE**

	2016 RM	2015 RM
Sales of goods and services	430,799	599,691
	430,799	599,691

**15. COST OF SALES**

	2016 RM	2015 RM
Cost of sales and product consumed	371,722	528,673
	371,722	528,673

**16. LOSS FROM OPERATIONS**

	NOTE	2016 RM	2015 RM
The following items have been charged in arriving at loss from operations :-			
Auditor's remuneration		3,000	3,000
Loss on currency exchange		56,552	108,367
Office			
- Rental		26,400	26,400
Property, plant & equipment			
- Depreciation	5	7,974	7,812
Staff cost	17	93,483	97,265
		93,483	97,265

**17. STAFF COST**

	2016 RM	2015 RM
Employee provident fund	6,396	6,240
Insurance	26,467	22,295
Rental	-	9,000
Salaries	60,000	59,100
Social security cost	620	630
	93,483	97,265
Average number of employees during the year	1	1

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**18. FINANCE COST**

	2016 RM	2015 RM
Loan interest	12,216	11,361
	12,216	11,361

The interest is paid on a loan taken from ION EXCHANGE (INDIA) LTD. amounting RM 89,899 (USD 30,000). The interest is charged at 9.50% per annum. (Refer Note 11 above)

**19. TAXATION**

	2016 RM	2015 RM
Deferred taxation (Note 6)	(41,749)	(59,046)
Penalty	917	-
	(40,832)	(59,046)

A reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:-

	2016 RM	2015 RM
Loss before taxation	(211,124)	(297,725)
Taxation at Malaysian Statutory		
Income tax rate of 20%	(42,225)	(59,545)
Expenses not deductible for tax	1,594	2,388
Capital allowances	(1,118)	(1,889)
Penalty	917	-
Tax credit for the year	(40,832)	(59,046)

Subject to the agreement of the Inland Revenue Board, the Company has unutilised tax losses amounting to RM 912,916 (2015 – RM 709,766) and unabsorbed capital allowances amounting to RM 61,233 (2015 – RM 55,639) to be utilised against future taxable profit.

Lodged by : EXCEL CORPORATE SERVICES SDN BHD

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50100 KUALA LUMPUR.

Tel No : 03-26937634



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**DETAILED INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 RM	2015 RM
<b>REVENUE</b>	430,799	599,691
<b>LESS : COST OF SALES</b>		
Opening inventories	83,565	83,520
Purchases	320,129	528,718
Less: Closing inventories	(31,972)	(83,565)
	<u>371,722</u>	<u>528,673</u>
<b>GROSS PROFIT</b>	59,077	71,018
<b>OTHER INCOME</b>		
Deposit forfeited	10,264	-
	<u>10,264</u>	<u>-</u>
<b>GROSS INCOME BROUGHT FORWARD</b>	<u>69,341</u>	<u>71,018</u>
<b>LESS : EXPENDITURE</b>		
<b>Administration expenses</b>		
Communications and utilities		
- Courier and postage	2,474	4,588
- Electricity and water	2,962	3,905
- Telephone charges	27,866	37,957
General office expenses		
- Bank charges	468	411
- Filing fee	300	200
- Loss on currency exchange	56,552	108,367
- Membership fee	1,500	-
- Miscellaneous expenses	3,502	4,140
- Printing and stationery	2,437	3,712
- Rental	26,400	26,400
Professional charges		
- Audit fee	3,000	3,000
- Legal fee	-	4,128
- Secretarial fee	1,200	1,200
- Service tax	31	522
- Tax agent fee	3,810	1,500
Property, plant and equipment		
- Depreciation	7,974	7,812
Balance carried forward	<u>140,476</u>	<u>207,842</u>

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**DETAILED INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 RM	2015 RM
<b>GROSS INCOME BROUGHT FORWARD</b>	69,341	71,018
<b>LESS : EXPENDITURE</b>		
<b>Administration expenses</b>		
Balance brought forward	140,476	207,842
Staff cost		
- Employee provident fund	6,396	6,240
- Insurance	26,467	22,295
- Rental	-	9,000
- Salaries	60,000	59,100
- Social security cost	620	630
	233,959	305,107
<b>Distribution and selling cost</b>		
Marketing cost		
- Freight charges	8,514	18,181
- Travelling	24,204	32,174
Motor vehicle		
- Petrol, toll and parking	1,572	1,920
	34,290	52,275
<b>Finance cost</b>		
Loan interest	12,216	11,361
	12,216	11,361
<b>TOTAL EXPENDITURE</b>	280,465	368,743
<b>LOSS BEFORE TAXATION</b>	(211,124)	(297,725)