



ION EXCHANGE (INDIA) LIMITED

Regd Office : Ion House, Dr. E Moses Road, Mahalaxmi, Mumbai 400011.

CIN :L74999MH1964PLC014258

Email- ieil@ionexchnage.co.in

Web:www.ionindia.com

NOTICE OF POSTAL BALLOT

(Pursuant to Section 110 of the Companies Act, 2013 and Rules made there under)

TO

THE MEMBERS OF THE COMPANY

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 ("Act") read with the Companies (Management and Administration) Rules, 2014 ("Rules"), and other applicable provisions, if any, of the Companies Act, 2013 (which shall include any statutory modifications, amendments or re-enactments thereto) that the Company is seeking the Shareholders' consent to pass the following Resolution set out below by way of Postal Ballot.

1. Appointment of Mr. Rajesh Sharma as Chairman and Managing Director:

To consider and if thought fit to pass with or without modification the following Resolution as a Special Resolution through Postal Ballot:

"RESOLVED THAT in modification to the earlier ordinary resolution passed by the shareholders of the company at the 50th Annual General Meeting held on 26th September, 2014, pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule V and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the said Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the approval of Central Government, if any, consent of the members be and is hereby accorded to the re-appointment of Mr. Rajesh Sharma as Chairman & Managing Director for a period of 5 years commencing from 1st April, 2014 and to the payment of remuneration as set out in the agreement to be entered into by the Company with Mr. Rajesh Sharma.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) of the Company be and is hereby authorized to make modification to the terms of the re-appointment and / or remuneration and / or agreement with Mr. Rajesh Sharma, as it considers appropriate and / or as may be required by the Central Government in accordance with any provision under the Act, for the time being in force (including any statutory modification(s) or re-enactment(s) thereof).

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the tenure of the Chairman & Managing Director, Mr. Rajesh Sharma, the Company shall pay him remuneration by way of salary and perquisites as set out in the explanatory statement annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary or increase the remuneration payable to the Chairman & Managing Director, Mr. Rajesh Sharma, to the extent the Board may consider appropriate and as permitted in accordance with any provision under the Act read with

Schedule V, as amended from time to time and the Company will not have to take further approvals as long as the remuneration payable to the Chairman & Managing Director, Mr. Rajesh Sharma does not exceed the maximum permissible under the relevant Act, rules and regulations that are for the time being in force including any statutory modification or re-enactment thereof.”

By order of the Board of Directors

(Milind Puranik)
Company Secretary

Place : Mumbai

Date : 5th October, 2015

NOTES:

1. A statement setting out material facts pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. The Notice of Postal Ballot is sent to all the Shareholders, whose names appear on the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) on 30th September 2015.
3. The Board of Directors have appointed Shri Virendra Bhatt, Practising Company Secretary, Mumbai as the scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
4. Shareholders who have registered their e-mail IDs for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs are being sent Notice of Postal Ballot by email and to others are sent by Courier along with Postal Ballot Form and the self addressed business reply envelope. Shareholders who have received Postal Ballot Notice by e-mail and who wish to vote through physical Postal Ballot Form can download Postal Ballot Form from the link <http://www.ionindia.com/aboutUs/investorRelations.asp> or seek duplicate Postal Ballot Form from M/s. TSR Darashaw Pvt. Ltd. 6-10, Haji Moosa Patrawala Industrial Estate, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011. Tel: 6656 8484/94 Email: csg-unit@tsrdarashaw.com, fill in the details and send the same to the scrutinizer.
5. In compliance with provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement, the Company is offering E-voting facility to all the Shareholders of the company. For this purpose, the Company has entered into a tripartite agreement with National Securities Depository Limited (NSDL) and TSR Darashaw Pvt. Ltd., our Registrar and Transfer Agent for facilitating e-voting facility to enable the shareholders to cast their votes electronically instead of dispatching Postal Ballot Form. The instructions for e-voting are as under:
 - A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):**
 - i. Open the e-mail and also open PDF file namely “IONEXCH e-voting.pdf” with your Client ID or Folio No. as password/ PIN for e-voting. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
 - iii. Click on Shareholder – Login.

- iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
- v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
- vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
- vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
- viii. Select "EVEN" (E-Voting Event Number) of Ion Exchange (India) Limited for casting your vote in favour or against the resolution which starts on 7th October 2015. Kindly note that vote once cast cannot be modified. For an EVEN, you can log in any number of times on e-voting platform of NSDL till you have voted on all the resolutions or till the end of voting period i.e. upto close of 5th November, 2015.
- ix. Now you are ready for e-voting as Cast Vote page opens.
- x. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- xi. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/ JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to bhattvirendra1945@yahoo.co.in , with a copy marked to evoting@nsdl.co.in.
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e- voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com.

B. In case a Member receives Postal Ballot Form by Courier: (for Members whose email addresses are not registered with the Company/Depositories):

- i. Initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.
6. Kindly note that the shareholders can opt for only one mode of voting, i.e. either by physical Postal Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Postal Ballot also and vice versa. However, in case shareholder cast their vote by both physical postal ballot and e-voting, then voting done through e-voting shall prevail and voting done through Ballot Form will be treated as invalid.
 7. Shareholders desiring to exercise vote by physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed, in the enclosed self-addressed business reply envelope to the Scrutinizer, so as to reach the scrutinizer not later than close of working hours (i.e. 5.00 p.m.) on Thursday, 5th November 2015. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered / speed post etc. at the expense of the shareholders will also be accepted. Members are requested not to send any paper (other than the resolution/authority mentioned herein above) along with the Ballot Form as all such envelopes will be sent to the scrutinizer and if any extraneous paper is found in such envelope the same would be destroyed by the scrutinizer. Assent / dissent received after Thursday, 5th November 2015 (i.e. 5.00 p.m.) would be strictly treated as if reply from the Shareholders has not been received.

8. The voting period starts on Wednesday, 7th October, 2015 and ends on the close of the working hours (i.e. 5.00 p.m.) on Thursday, 5th November 2015. The e-voting module shall also be disabled by National Securities Depository Limited for voting thereafter.
9. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 30th September, 2015.
10. As per Rule 22 of the Companies (Management and Administration) Rules 2011, inter-alia details of dispatch of Notice and Postal Ballot Form to the Shareholders will be published in atleast One English language and one vernacular language newspaper circulating in Mumbai.
11. Ballot Forms which are incomplete or unsigned or defective in any manner are liable to be rejected. The scrutinizer's decision in this regard shall be final and binding.
12. The scrutinizer will submit report to the Chairman and Managing Director or Company Secretary of the Company after completion of the scrutiny of the Postal Ballot Forms and the result of the Postal Ballot will be announced on Saturday, 7th November 2015 at 3.00 p.m. at the registered office of the Company situated at Ion House, Dr. E Moses Road, Mahalaxmi, Mumbai 400011. The result of the Postal Ballot alongwith the scrutinizer's Report will also be displayed on the Company's website www.ionindia.com and also on the website of NSDL i.e. <https://evoting.nsdli.com> and shall be communicated to the Stock Exchange where the Company's shares are listed. In the event, the draft resolution is assented to by the requisite majority of shareholders by means of Postal ballot, the date of declaration of postal ballot result shall be deemed to be the date of passing of the resolution.
13. The Board of Directors has appointed Company Secretary as the person responsible for the entire postal ballot process.
14. All the documents referred to in the Notice and explanatory statement shall be open for inspection at the registered office of the Company on all working days between 2.00 p.m. to 4.00 p.m. upto the date of declaration of the result of postal ballot.
15. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses so that they can receive the Annual Report and other communication from the Company electronically.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 1 of the accompanying Notice:

Item No. 1

It is proposed to modify the earlier ordinary resolution passed by the shareholders of the company at the 50th Annual General Meeting (AGM) held on 26th September, 2014, pursuant to the letter received from Ministry of Corporate Affairs (MCA), Government of India, New Delhi dated 22nd September, 2015, in response to the application made by the company for seeking approval regarding appointment of Mr. Rajesh Sharma as Chairman and Managing Director for five years commencing from 1st April, 2014, by passing Special resolution on the same terms and conditions which were approved at the AGM.

Further details are as under:

The Board of Directors at their meeting held on 30th May 2013 and shareholders at the Annual General Meeting held on 24th September 2013 had appointed Mr. Rajesh Sharma as Chairman and Managing Director for five

years commencing from 1st April, 2013. However pursuant to enactment of Companies Act, 2013 and letter dated 4th July 2014 of Ministry of Corporate Affairs it is proposed to reappoint Mr. Rajesh Sharma as Chairman & Managing Director for five years commencing from 1st April, 2014. The Nomination and Remuneration Committee and the Board approved the terms of remuneration payment at its meeting held on 29th July, 2014. The appointment is subject to the provisions of Sections 196, 197, 198 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule V and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the said Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the approval of Central Government. The main terms and conditions of the appointment are as under:

- Basic Salary : Rs.12,00,000/- (Rupees Twelve Lacs only) per month. On the expiry of every 12 months from the effective date of this Agreement (i.e. 1st April 2014) the basic salary shall stand increased by Rs.1,25,000/- (Rupees One Lac Twenty Five Thousand only) per month.
- Commission : For each financial year at a rate to be decided by the Board of Directors but not exceeding 5 % of the net profits of the Company.
- Housing : i) Free furnished accommodation in case the accommodation is owned by the Company.
ii) In case the accommodation is hired by the Company, expenditure by the Company on hiring furnished accommodation for the Chairman & Managing Director will be subject to the ceiling of 60% of the basic salary over and above 10% payable by the Managing Director.
iii) In case no accommodation is provided by the Company, the Chairman & Managing Director shall be entitled to House Rent Allowance subject to the ceiling of 60 % of the Basic Salary.
- Provident Fund : 12% of the Basic Salary or as per the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and relevant rules thereof, in force.
- Superannuation : 15% of the Basic Salary
- Gratuity : 15 days Basic Salary for each year of service.
Contribution to the provident fund, superannuation fund or annuity fund and encashment of leave at the end of the tenure will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- Leave Travel Allowance : Rs.5,00,000/- (Rupees Five Lacs only) for the Chairman & Managing Director and his family, once a year incurred in accordance with the rules of the Company.
- Insurance : Provision of term Insurance, Medical and Accident Insurance for self and family. The premium not to exceed Rs.10,00,000/- (Rupees Ten Lacs) per annum.
- Medical Benefits : Reimbursement of medical expenses for the Chairman & Managing Director, spouse and dependent children.
- Club Fees : Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

The Expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962 and shall not exceed Rs.2,00,000/- (Rupees Two Lac) per annum.

Provision of car with driver and telephone at residence will not be considered as perquisites.

In case when in any financial year during the current tenure of the Chairman & Managing Director, the Company has no profits or profits are inadequate, remuneration will be payable to the Chairman & Managing Director as set out hereinabove.

The other terms and conditions of the appointment of Mr. Rajesh Sharma are as under:

1. Mr. Rajesh Sharma shall be entrusted with powers of management of the business of the Company. He shall faithfully and diligently serve the Company as Chairman & Managing Director and exercise such other powers and functions as may be conferred on him by the Board.
2. Mr. Rajesh Sharma shall be posted in Mumbai.
3. Any discovery, invention made by Mr. Rajesh Sharma shall belong to the Company.
4. Mr. Rajesh Sharma shall maintain secrecy in regard to the affairs of the Company.
5. Mr. Rajesh Sharma shall not engage in any other business during the tenure of the Agreement.
6. The Company will reimburse Mr. Rajesh Sharma expenses incurred by him for traveling and entertainment in connection with the business of the Company.
7. So long as Mr. Rajesh Sharma functions as the Chairman & Managing Director, he shall not be interested directly or indirectly in any selling agency of the Company.
9. Should Mr. Rajesh Sharma by reason of ill-health or accident remain absent for a period of 180 days in a period of twelve consecutive months, the Company will be entitled to terminate his Agreement.
10. The Company shall be entitled to determine the Agreement, should Mr. Rajesh Sharma be negligent in discharge of his duties.
11. Either party shall be entitled to determine this Agreement by giving to the other six months' notice in writing.

Pursuant to the determination of the agreement by the Company, for and during the balance remaining period of Agreement OR 6 months from the date of determination whichever is later, the Chairman & Managing Director shall be entitled to and the Company shall accordingly pay to the Chairman & Managing Director remuneration at the same rates specified in the schedule hereto.

12. After the termination of Mr. Rajesh Sharma's appointment he will not represent himself as being interested in the Company's business.

None of the director or key managerial personnel (KMP) or relatives of directors or KMP is concerned or interested in the said Resolution, except Mr. Dinesh Sharma as relative and Mr. Rajesh Sharma as the resolution is for his appointment and remuneration payment.

The proposed Resolution does not relate to or affect any other company. We have therefore not set out the shareholding of the promoters, directors, managers or key managerial personnel of the Company holding 2% or more of the paid up share capital of any such other company.

The consent letter in Form DIR-2 and Declaration in Form DIR-8 from Mr. Rajesh Sharma to act as Chairman and Managing Director and draft agreement to be entered in to with Mr. Rajesh Sharma alongwith a copy of the letter dated 22nd September, 2015 from MCA is available for inspection at the Registered office of the company on working days between 2:00 to 4:00 p.m. till the passing of resolution.

The following are the additional disclosures under item 1.2.5 of Secretarial Standard 2 (SS-2):

Sr. No.	Particulars	Details
1.	Name of the Director	Mr. Rajesh Sharma
2.	Designation	Chairman and Managing Director
3.	Age	61 Years
4.	Qualifications & Experience	B.S.C, L.L.B Mr. Rajesh Sharma joined Ion Exchange in 1974. Before assuming the office of MD since 1 st April 2000, he held a number of portfolios like sales, marketing, management etc. Mr. Sharma has tremendous experience of Aqua Industry and under his able leadership the Company made phenomenal growth. Keeping in view his vast experience, the Board re-appointed him as Chairman & Managing Director for a further period of 5 years effective from 1.4.2014.
5.	Terms and conditions of Appointment or re-appointment	5 years commencing from 1 st April, 2014
6.	Details of remuneration sought to be paid	As stated herein above in explanatory statement.
7.	Remuneration last drawn for the Year 2013-2014(Cost to the Company)	Rs. 2,60,17,252
8.	Date of first appointment on the Board	26 th March, 1996
9.	Shareholding in the Company	7,81,218 Shares
10.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Rajesh Sharma is related to Mr. Dinesh Sharma who is Executive Director.
11.	The number of meetings of the Board attended during the Calendar year	For 2013-14 Attended 6 Board Meetings For 2014-15 Attended 7 Board Meetings
12.	Other Directorships, Membership/Chairmanship of Committees of other Boards	1) Chairman /Director of other Companies <ul style="list-style-type: none"> • Watercare Investments (India) Ltd • Ion Exchange Enviro Farms Ltd • Power Water Financial Services Pvt Ltd • Ion Exchange Asia Pacific PTE Ltd.

		<ul style="list-style-type: none"> • Aqua Investments (India) Ltd • ION Exchange Waterleau Ltd • IEI Environmental Management (M) SDN.BHD. (Malaysia) • IEI Watertech (M) SDN.BHD. (Malaysia) • ION Exchange Infrastructure LTD • ION Exchange And Company LLC (OMAN) • ION Exchange LLC (USA) • ION Exchange Projects & Engineering Ltd. • ION Foundation • Ion Exchange PSS Ltd. (Thailand) • Ion Exchange Safic (Pty.) Ltd. - South Africa <p>2) Chairman Member of the Committees of the Company and other Companies.</p> <ul style="list-style-type: none"> • Member of the Stakeholders Relationship Committee & Corporate Social Responsibility Committee.
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The Board of Directors of your Company therefore recommends the resolution for the Members' approval for the appointment of Mr. Rajesh Sharma, as Chairman and Managing Director, as set out in the proposed resolution under item 1 of the Notice to be approved, as a Special Resolution.

The Company has received consent letter in Form DIR-2 to act as a Chairman and Managing Director under Section 152 (5) of the Companies Act, 2013 and the Rules made thereunder together with Declaration under Section 164 & 196 and the Rules made thereunder from Mr. Rajesh Sharma.

By order of the Board of Directors

(Milind Puranik)
Company Secretary

Place: Mumbai

Date : 5th October 2015