

**Independent Auditor's Report
To The Members of
India Ethanol and Sugar Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of India Ethanol and Sugar Limited (“the Company”), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

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Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2016 ("The Order") issued by the Central Government of India in terms of subsection 11 of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For A Sardana & Co.
Chartered Accountants
Firm Registration No. 021890N

Ajay Sardana
Partner
Membership No.089011
New Delhi, April 21, 2018

Annexure A to the Independent Auditor's Report of even date on the Financial Statements of India Ethanol and Sugar Limited for the year ended March 31, 2018

Report on the statement of matters specified in paragraphs 3 and 4 of the Order.

- (i) In respect of its Fixed Assets:
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) These fixed assets have been physically verified by the management at reasonable intervals in accordance with a regular programme of verification. According to the information and explanation given to us, no material discrepancies were noticed on such verification;
 - (c) The Company does not own immovable properties.
- (ii) The Company does not have any inventories; accordingly, the provisions of clause 3 (ii) of the Order are not applicable to the Company.
- (iii) According to information and explanations given to us, the Company has not granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) According to information and explanations given to us, the Company has not entered into any transactions in respect of loans, investments, guarantees and security as covered under the provisions of section 185 and 186 of the Companies Act, 2013.
- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. Accordingly, the provisions of clause 3 (v) are not applicable to the Company.
- (vi) Having regard to the nature of the Company's business / activities, reporting under 3 (vi) pertaining to the maintenance of cost records is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities, to the extent applicable to it. There are no arrears of outstanding statutory dues as at March 31, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the Company did not have any dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the Company did not have any dues in respect of loans or borrowing to a financial institution, or bank, government or dues to debenture holders.
- (ix) According to the information and explanations given to us, the Company has not raised moneys raised by way of public issue, follow-on offer (including debt instruments) and term loans, during the year under audit.

- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers/ employees has been noticed or reported during the year;
- (xi) According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) are not applicable to the Company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 to the extent applicable and the details have been disclosed in Note 26 to the Financial Statements as required by the accounting standards and Companies Act, 2013.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For A Sardana & Co.
Chartered Accountants
Firm Registration No. 021890N

Ajay Sardana
Partner
Membership No.089011
New Delhi, April 21, 2018

Annexure B to the Independent Auditor's Report of even date on the Financial Statements of India Ethanol and Sugar Limited for the year ended March 31, 2018

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

We have audited the internal financial controls over financial reporting of India Ethanol and Sugar Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A Sardana & Co.
Chartered Accountants
Firm Registration No. 021890N

Ajay Sardana
Partner
Membership No.089011
New Delhi, April 21, 2018

India Ethanol and Sugar Limited
Balance Sheet as at March 31, 2018

	Note No.	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
I. Equity and liabilities			
Shareholders' funds			
(a) Share capital	3	1,900,000	1,900,000
(b) Reserves and surplus	4	<u>(945,090)</u>	<u>(631,810)</u>
		954,910	1,268,190
Non - current liabilities			
(a) Long-term provisions	5	<u>-</u>	<u>145,688</u>
		-	145,688
Current liabilities			
(a) Other current liabilities	6	16,431	12,570
(b) Short-term provisions	7	<u>-</u>	<u>4,453</u>
		16,431	17,023
Total		<u>971,341</u>	<u>1,430,901</u>
II. Assets			
Non - current assets			
(a) Fixed assets	8		
(i) Tangible assets		1,015	14,240
(b) Deferred tax assets (net)	9	725	42,487
(c) Long-term loans and advances	10	<u>77,916</u>	<u>83,476</u>
		79,656	140,203
Current assets			
(a) Cash and cash equivalents	11	88,260	1,290,698
(b) Other current assets	12	<u>803,425</u>	<u>-</u>
		891,685	1,290,698
Total		<u>971,341</u>	<u>1,430,901</u>

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

This is Balance Sheet referred to in our report of even date

For A Sardana & Co.
Chartered Accountants
Firm Registration No.021890N

For and on behalf of the board of directors

Ajay Sardana
Partner
Membership No. 089011
New Delhi, April 21, 2018

Kishor Kumar Srivastava Kubeir Khara
Director Director
DIN: 01223908 DIN: 03498226
New Delhi, April 21, 2018

India Ethanol and Sugar Limited
Statement of Profit and Loss for the year ended March 31, 2018

	Note No.	For the year ended March 31, 2018 Amount (Rs.)	For the year ended March 31, 2017 Amount (Rs.)
Income			
I.	13	97,995	915,579
II.		97,995	915,579
III. Expenses			
	14	219,826	454,347
		13,225	13,225
	15	136,462	26,442
Total expenses		369,513	494,014
IV. (Loss)/ profit before exceptional and extraordinary items and tax (II-III)		(271,518)	421,565
V.		-	-
VI. (Loss)/ profit before extraordinary items and tax (IV - V)		(271,518)	421,565
VII.		-	-
VIII. (Loss)/ profit before tax (VI- VII)		(271,518)	421,565
IX.			
		-	122,500
		41,762	(18,610)
Total tax expense		41,762	103,890
X. (Loss)/ profit for the year from continuing operations (VIII-IX)		(313,280)	317,675
XI.		-	-
XII.		-	-
XIII. Profit/(loss) from discontinuing operations (after tax) (XI-XII)		-	-
XIV. (Loss)/ profit for the year (X + XIII)		(313,280)	317,675
XV.	24		
		(1.65)	1.67
		(1.65)	1.67
		10.00	10.00

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

This is Statement of Profit and Loss referred to in our report of even date

For A Sardana & Co.
Chartered Accountants
Firm Registration No.021890N

For and on behalf of the board of directors

Ajay Sardana
Partner
Membership No. 089011
New Delhi, April 21, 2018

Kishor Kumar Srivastava
Director
DIN: 01223908
New Delhi, April 21, 2018

Kubeir Khera
Director
DIN: 03498226

India Ethanol and Sugar Limited
Cash Flow Statement for the year ended March 31, 2018

	Year Ended March 31, 2018 Amount (Rs.)	Year Ended March 31, 2017 Amount (Rs.)
A Cash flow from operating activities :		
Net (Loss)/ Profit Before Tax	(271,518)	421,565
Adjustments for :		
Profit on sale of investments in units of mutual funds	(42,704)	(46,748)
Provisions for gratuity and compensated absences written back	(55,291)	-
Dividend on units of mutual funds	-	(1,292)
Provision for gratuity and compensated absences	-	61,189
Depreciation	13,225	13,225
Operating (loss)/ profit before working capital changes	(356,288)	447,939
Changes in working capital:		
Other current liabilities	3,861	190
Long-term and short-term provisions	(94,850)	-
Other current assets	(803,425)	-
Cash (used in)/ generated from operating activities	(1,250,702)	448,129
Direct taxes refund/ (paid) (net)	5,560	(51,917)
Net cash (used in)/ generated from operating activities	(1,245,142)	396,212
B Cash flow from investing activities :		
Proceeds on sale of investments in units of mutual funds (net)	42,704	46,748
Dividend received on units of mutual funds	-	1,292
Net cash generated from/(used in) investing activities	42,704	48,040
C Cash flow from financing activities :		
Net cash generated from/(used in) financing activities	-	-
D Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(1,202,438)	444,252
E Cash and cash equivalents at the beginning of the year	1,290,698	846,446
F Cash and cash equivalents at the close of the year (D + E)	88,260	1,290,698

Notes:

- The figures of the previous year are regrouped wherever considered necessary.
- The above Cash Flow Statement has been prepared under the " Indirect Method " as set out in Accounting Standard (AS)-3 'Cash Flow Statements' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.
- Cash and cash equivalents as at the close of the year include: [Refer Note: 11]

	As at March 31, 2018	As at March 31, 2017
Cash in hand	15	4,223
Balances with scheduled banks:		
- in current accounts	88,245	1,286,475
Cash and cash equivalents at the end of the year	88,260	1,290,698

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

This is Cash Flow Statement referred to in our report of even date

For A Sardana & Co.
Chartered Accountants
Firm Registration No.021890N

For and on behalf of the board of directors

Ajay Sardana
Partner
Membership No. 089011
New Delhi, April 21, 2018

Kishor Kumar Srivastava
Director
DIN: 01223908
New Delhi, April 21, 2018

Kubeir Khara
Director
DIN: 03498226

India Ethanol and Sugar Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2018

1. Corporate information:

India Ethanol and Sugar Limited (“the Company”) was incorporated on October 19, 2006 with the main objects of buying, selling, importing, exporting, cultivating / manufacturing, dealing in all products or by products of sugar, sugar-candy, jaggery, khandsari sugar, beet, sugarcane, molasses, syrups, melada, alcohol, spirits, ethanol, and in connection therewith to acquire, construct and operate sugar or other works. The Company is yet to commence its business operations.

2. Summary of significant accounting policies

i) Basis of accounting and preparation of financial statements:

The financial statements are prepared under the historical cost convention on an accrual basis in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and Accounting Standards (AS) under Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

ii) Use of estimates:

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and the assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known / materialized.

iii) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

iv) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

v) Revenue recognition:

- Dividend Income on units of Mutual Funds is recognized when the right to receive dividend is unconditionally established and gains/losses are recognized on the date of redemption.
- Income from advisory services are recorded on accrual basis.
- Income from Interest on Fixed Deposits is recognised on accrual basis.

vi) Deferred employee stock compensation cost:

The Company follows intrinsic value method as per Guidance Note on Accounting for Employee Share-based Payments issued by The Institute of Chartered Accountants of India for accounting Employee Stock Options granted. Deferred employee stock compensation cost for stock options are recognized and measured by the difference between the estimated value of the company's shares at the stock options grant date and the exercise price to be paid by the option holders. The compensation expense is amortized over the vesting period of the options. The fair value of options for disclosure purpose is measured on the basis of a valuation performed in respect of stock options granted.

vii) Employee benefits:

The Company's contribution to Provident Fund and Employee State Insurance is charged to Statement of Profit and Loss. For the year ended March 31, 2018, as permitted under Accounting Standard 15 (Revised 2005) - Employee Benefits, as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, in respect of companies with few employees, retirement benefits in the form of Gratuity and Compensated Absences payable to employees is provided for on the accrual basis under the assumption that such benefits are payable at year end. During the previous year ended March 31, 2017, the Company had determined that liability for defined benefit plans namely compensated absences and gratuity for its employees, on the basis of an actuarial valuation conducted annually by an independent actuary, in accordance with Accounting Standards 15 (AS 15) Employee Benefits, as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. Actuarial gains and losses are recognized in Statement of Profit and Loss as income or expenses.

viii) Taxes on income:

Current tax is determined as the tax payable in respect of taxable income for the year in accordance with relevant tax regulations.

Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax or substantively enacted tax rates at the balance sheet date, as applicable, to the extent that the timing differences are expected to crystallize.

Deferred Tax Assets are recognized where realization is reasonably certain, whereas case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognized only if there is a virtual certainty of realization supported by convincing evidence. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

India Ethanol and Sugar Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2018

ix) Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for :

(1) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or

(2) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

x) Preliminary expenses:

Preliminary expenses are adjusted against securities premium account (net of tax) to the extent of balance available and thereafter the balance portion is charged off to the Statement of Profit and Loss, as incurred.

xi) Earnings per share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year.

xii) Segment reporting:

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

xiii) Fixed assets:

(a) Tangible assets:

Tangible fixed assets are stated at cost net of tax / duty credits availed if any less accumulated depreciation / impairment losses if any. Cost includes original cost of acquisition including incidental expenses related to such acquisition and installation.

(b) Intangible assets:

Intangible assets are stated at cost net of tax / duty credits availed if any less accumulated amortization/impairment losses if any. Cost includes original cost of acquisition including incidental expenses related to such acquisition.

xiv) Depreciation / Amortisation:

Depreciation on tangible fixed assets is provided on straight-line method at the rates specified in Schedule II to the Companies Act, 2013. Depreciation on additions to fixed assets is provided on pro-rata basis from the date the asset is put to use. Depreciation on sale / deduction from fixed asset is provided for up to the date of sale / deduction as the case may be. Assets taken on finance lease are depreciated over the life of the lease. Assets costing less than Rs. 5000 or less are fully depreciated in the year of purchase. Intangible assets consisting of Software are amortised on a straight line basis over a period of four years from the date when the assets are available for use.

xv) Impairment of assets:

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

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India Ethanol and Sugar Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2018

Note - 3

Share capital:

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Authorized				
Equity Shares of face value of Rs. 10 each	12,000,000	120,000,000	12,000,000	120,000,000
		<u>120,000,000</u>		<u>120,000,000</u>
Issued, subscribed and paid up				
Equity Shares of face value of Rs. 10 each fully paid up	190,000	1,900,000	190,000	1,900,000
As per Balance Sheet		<u>1,900,000</u>		<u>1,900,000</u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Equity shares				
Opening balance at the beginning of the year	190,000	1,900,000	190,000	1,900,000
Add: Shares issued during the year:	-	-	-	-
Less: Shares bought back during the year:	-	-	-	-
Outstanding at the end of the year	<u>190,000</u>	<u>1,900,000</u>	<u>190,000</u>	<u>1,900,000</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.

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

c. Details of shareholders holding more than 5% shares in the Company:

No. of shareholders	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of face value of Rs. 10 each fully paid up The entire share capital is held by Indiabulls Commodities Limited ("the holding Company") and its nominees	190,000	100%	190,000	100%

d. Employee Stock Option Schemes: (Refer Note: 27)

Note - 4

Reserves and surplus:

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Surplus/(deficit) in the Statement of Profit and Loss		
Opening balance	(631,810)	(949,485)
(Less)/ Add: (Loss) / profit for the year	(313,280)	317,675
As Per Balance Sheet	<u>(945,090)</u>	<u>(631,810)</u>

Note - 5

Long-term provisions:

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Provision for employee benefits (Refer Note 25)		
Provision for gratuity	-	130,266
Provision for compensated absences	-	15,422
As Per Balance Sheet	<u>-</u>	<u>145,688</u>

India Ethanol and Sugar Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2018

Note - 6

Other current liabilities:

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Expenses payable and other liabilities	16,431	12,570
As per Balance Sheet	16,431	12,570

Note - 7

Short-term provisions:

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Provision for employee benefits (Refer Note 25)		
Provision for gratuity	-	3,969
Provision for compensated absences	-	484
As per Balance Sheet	-	4,453

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India Ethanol and Sugar Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2018

Note - 8

Fixed Assets:

Amount in Rs.

Particulars	Gross Block (At Cost)				Accumulated Depreciation				Net Block	
	As at April 1, 2017	Additions during the year	Adjustments/ Sales during year	As at March 31, 2018	As at April 1, 2017	Additions during the year	Adjustments during the year	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
j) Tangible assets										
Computers	39,627	-	-	39,627	25,387	13,225	-	38,612	1,015	14,240
Total	39,627	-	-	39,627	25,387	13,225	-	38,612	1,015	14,240
Previous year	39,627	-	-	39,627	12,162	13,225	-	25,387		

India Ethanol and Sugar Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2018

Note - 9

Deferred tax assets (Net):

	<u>As at March 31, 2018 Amount (Rs.)</u>	<u>As at March 31, 2017 Amount (Rs.)</u>
Deferred tax asset:		
Arising on account of temporary differences due to:		
Difference between book balance and tax balance of fixed assets	725	-
Disallowance under Section 40A(7) of the Income-Tax Act, 1961	-	40,096
Disallowance under Section 43B of the Income-Tax Act, 1961	-	4,751
	725	44,847
Deferred tax liability:		
Arising on account of temporary differences due to:		
Difference between book balance and tax balance of fixed assets	-	2,360
	-	2,360
As Per Balance Sheet	725	42,487

In compliance with AS - 22 'Accounting for Taxes on Income' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, the Company has recorded deferred tax expenses of Rs. 41,762 (Previous year deferred tax credit Rs. 18,610) to the Statement of Profit and Loss for the year.

Note - 10

Long-term loans and advances:

(Unsecured, considered good)

	<u>As at March 31, 2018 Amount (Rs.)</u>	<u>As at March 31, 2017 Amount (Rs.)</u>
MAT credit entitlement	-	77,952
Tax deducted at source	77,916	5,524
[Net of Provision for taxation Rs. 122,500 (Previous year Rs.122,500)]		
As per Balance Sheet	77,916	83,476

Note - 11

Cash and cash equivalents:

	<u>As at March 31, 2018 Amount (Rs.)</u>	<u>As at March 31, 2017 Amount (Rs.)</u>
(a) Balances with banks		
In current accounts	88,245	1,286,475
(b) Cash on hand	15	4,223
As per Balance Sheet	88,260	1,290,698

Note - 12

Other Current Assets

	<u>As at March 31, 2018 Amount (Rs.)</u>	<u>As at March 31, 2017 Amount (Rs.)</u>
Other receivables	803,425	-
As per Balance Sheet	803,425	-

India Ethanol and Sugar Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2018

	For the year ended March 31, 2018 Amount (Rs.)	For the year ended March 31, 2017 Amount (Rs.)
Note - 13		
Other income:		
Advisory income	-	866,359
Profit on sale of investments in units of mutual funds	42,704	46,748
Dividend on units of mutual funds	-	1,292
Interest income on income tax refund	-	1,180
Provisions for gratuity and compensated absences written back	55,291	-
As per Statement of Profit and Loss	97,995	915,579
Note - 14		
Employee benefits expense		
Salaries	219,626	392,798
Contribution to other funds	200	360
Provision for gratuity and compensated absences	-	61,189
As Per Statement of Profit and Loss	219,826	454,347
Note - 15		
Other expenses:		
Rates and taxes	7,823	9,270
Legal and professional charges	5,900	6,606
Auditors' remuneration		
As statutory auditor	118,251	10,000
Postage & courier	41	-
Miscellaneous expenses	283	566
Conveyance expenses	4,164	-
As per Statement of Profit and Loss	136,462	26,442

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India Ethanol and Sugar Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2018

Note - 16

As per the best estimate of the management, no provision is required to be made as per Accounting Standard – 29, Provisions, Contingent Liabilities and Contingent assets, as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014, as amended, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

Note - 17

The Company has not entered into any derivative instruments during the year. Foreign currency exposures not hedged as at March 31, 2018 Rs. Nil (Previous year Rs. Nil).

Note - 18

In the opinion of the Board of Directors, all current assets, loans and advances appearing in the balance sheet as at March 31, 2018 have a value on realization in the ordinary course of the Company's business at least equal to the amount at which they are stated in the balance sheet and no provision is required to be made against the recoverability of these balances.

Note - 19

There are no contingent liabilities and capital & other commitments to be reported as at March 31, 2018 (Previous year Rs. Nil).

Note - 20

Figures are rounded off to the nearest Rupee wherever required.

Note - 21

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 :

Particulars	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
(iv) The amount of interest due and payable for the year	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note - 22

There are no borrowing costs to be capitalised as at March 31, 2018 (Previous year Rs. Nil).

Note - 23

Segment reporting:

Considering the nature of Company's business and operations and based on the information available with the management, there is/are no reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard (AS) – 17 on Segment Reporting as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. Hence, no further disclosures are required in respect of reportable segments, under AS 17, other than those already provided in the financial statements.

India Ethanol and Sugar Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2018

Note - 24

Earnings per share

Basic earnings per share is computed by dividing the net profit/(loss) attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share are computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The number of equity shares and potential diluted equity shares are adjusted for stock split and bonus shares as appropriate.

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net Profit/(Loss) available for equity shareholders (Rs.)	(313,280)	317,675
Weighted average number of equity shares used for computing Basic and Diluted earnings per share	190,000	190,000
Nominal value of equity shares – (Rs. Per Share)	10.00	10.00
Earnings per share – Basic (Rs. Per Share)	(1.65)	1.67
Earnings per share – Diluted (Rs. Per Share)	(1.65)	1.67

Note - 25

Employee benefits:

Defined benefit plans

During the year ended March 31, 2018, the Company had estimated its obligations for retirement benefits in the form of Gratuity and Compensated Absences payable to employees on an accrual basis under the assumption that such benefits are payable at year end, as permitted under AS 15 in respect of companies with a few employees. For the previous financial year ended March 31, 2017, the Company had estimated its obligations for retirement benefits in the form of Gratuity and Compensated Absences for all employees is based upon actuarial valuation done calculated using the Projected Unit Credit Method as specified under AS 15. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

Disclosure in respect of Gratuity and Compensated Absences:

Particulars	Amount (Rs.)		Amount (Rs.)	
	Gratuity (unfunded) March 31, 2018**	Gratuity (unfunded) March 31, 2017*	Compensated absences (unfunded) March 31, 2018**	Compensated absences (unfunded) March 31, 2017*
Reconciliation of liability recognized in the Balance Sheet:				
Present value of commitments (as per actuarial valuation)	-	134,235	-	15,906
Fair value of plans	-	-	-	-
Net liability in the Balance Sheet (Actual)	-	134,235	-	15,906
Movement in net liability recognized in the Balance Sheet:				
Net liability as at beginning of the year	134,235	86,883	15,906	2,069
Net expense/(gain) recognized in the Statement of Profit and Loss	(38,725)	47,352	(15,906)	13,837
Benefits paid during the year	95,510	-	-	-
Contribution during the year	-	-	-	-
Net liability as at end of the year	-	134,235	-	15,906
Expense recognized in the Statement of Profit and Loss:				
Current service cost	(38,725)	16,176	(15,906)	1,437
Interest cost	-	6,951	-	166
Expected return on plan assets	-	-	-	-
Actuarial (gains)/ losses	-	24,225	-	12,234
	(38,725)	47,352	(15,906)	13,837
Expense/(Income) charged to the Statement of Profit and Loss				
Return on plan assets:				
Expected return on plan assets	-	-	-	-
Actuarial (gains)/ losses	-	-	-	-
Actual return on plan assets	-	-	-	-

India Ethanol and Sugar Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2018

Note - 25

Employee benefits (continued) :

Particulars	Amount (Rs.)		Amount (Rs.)	
	Gratuity (unfunded) March 31, 2018**	Gratuity (unfunded) March 31, 2017*	Compensated absences (unfunded) March 31, 2018**	Compensated absences (unfunded) March 31, 2017*
Reconciliation of defined-benefit commitments:				
As at beginning of the year	134,235	86,883	15,906	2,069
Current service cost	(38,725)	16,176	(15,906)	1,437
Interest cost	-	6,951	-	166
Paid benefits	95,510	-	-	-
Actuarial (gains)/ losses	-	24,225	-	12,234
Commitments as at end of the year	-	134,235	-	15,906
Reconciliation of plan assets:				
Plan assets as at beginning of the year	-	-	-	-
Expected return on plan assets	-	-	-	-
Contributions during the year	-	-	-	-
Paid benefits	-	-	-	-
Actuarial (gains)/ losses	-	-	-	-
Plan assets as at end of the year	-	-	-	-

* based on actuarial valuation

** calculated on accrual basis for the year ended March 31, 2018

Experience adjustments:*

Particulars	Gratuity (Unfunded)	Gratuity (Unfunded)	Compensated absences (Unfunded)	Compensated absences (Unfunded)
	2017-18	2016-17	2017-18	2016-17
On plan liabilities gain/(loss)	-	(10,421)	-	(10,674)
On plan assets (gain)/loss	N.A.	N.A.	N.A.	N.A.
Present value of benefit obligation	-	134,235	-	15,906
Fair value of plan assets	N.A.	N.A.	N.A.	N.A.
Excess of (obligation over plan assets)/plan assets over obligation	-	134,235	-	15,906

*N.A for previous years.

The actuarial calculations used to estimate commitments and expenses in respect of Gratuity and Compensated Absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense.

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Discount rate – Gratuity and Compensated Absences	N.A.	7.35%
Expected return on plan assets	N.A.	N.A.
Expected rate of salary increase	N.A.	5.00%
Mortality table	N.A.	IALM (2006-08)

N.A.: Not Applicable

The employer best estimate of contributions expected to be paid during the annual period beginning after the Balance Sheet date, towards Gratuity and Compensated Absences is Rs. Nil (Previous year Rs. 34,139) and Rs.Nil (Previous year Rs. 3,428) respectively.

India Ethanol and Sugar Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2018

Note - 26

Related party transactions:

Disclosures in respect of AS - 18 'Related Party Disclosures' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended:

(a) Details of related parties:

Description of relationship	Names of related parties
(i) Where control exists	
Ultimate Holding Company	Indiabulls Ventures Limited (Formerly known as Indiabulls Securities Limited)
Holding Company	Indiabulls Commodities Limited
Fellow Subsidiary Companies (including step down subsidiaries)	Indiabulls Distribution Services Limited
	Devata Tradelink Limited
	Indiabulls Investment Advisors Limited (Formerly known as Indiabulls Brokerage Limited)
	Auxesia Soft Solutions Limited
	Positive Housings Private Limited (up to March 30, 2018)
	Indiabulls Alternate Investment Limited
	IVL Finance Limited (Formerly known as Shivshakti Financial Services Limited)
	Pushpanjali Finsolutions Limited
	Astraea Constructions Limited
	Silenus Buildtech Limited
	Astilbe Builders Limited
	Arbutus Constructions Limited
	Gyansagar Buildtech Limited
	Pushpanjali Fincon Limited
	Indiabulls Consumer Products Limited (w.e.f. July 05, 2016)
	Indiabulls Asset Reconstruction Company Limited (w.e.f. October 03, 2016)
Indiabulls Logistics Limited (w.e.f. January 19, 2017)	
Indiabulls Infra Resources Limited (w.e.f. February 01, 2017)	
(ii) Other related parties	
Key Management Personnel	Mr. Vivek Tukaram Sutar , Director
	Mr. Praveen Sehwat, Director (up to March 21, 2017)
	Mr. Kishor Kumar Srivastava , Director (w.e.f. March 21, 2017)
	Mr. Kubeir Khera , Director
	Mr. Sameer Gehlaut, Individual exercising significant influence
	Mr. Divyesh B Shah, Chief executive officer and whole time director of Indiabulls Ventures Limited

(b) Significant transactions with related parties during the year ended March 31, 2018: Nil (Previous year Rs. Nil)

(c) Statement of material transactions: Nil (Previous year Rs. Nil)

(d) Outstanding at year ended March 31, 2018: Nil (Previous year Rs. Nil)

In accordance with AS 18, disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed. Related Party relationships are given above are as identified by the Company and relied upon by the Auditors.

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India Ethanol and Sugar Limited
Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2018

Note - 27

Employee Stock Option Scheme of Indiabulls Ventures Limited ('IVL') "the ultimate holding Company":

Employees Stock Option Scheme - 2008

During the financial year ended March 31, 2009, IVL had issued an Employee Stock Option Scheme titled "Employee Stock Option Scheme - 2008" in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines").

Under the Scheme, IVL was authorised to grant 20,000,000 Equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies including their directors. All options under the Scheme are exercisable for Equity Shares of IVL. Employees covered by the plan were granted an option to purchase shares of IVL subject to the requirements of vesting.

A Compensation Committee constituted by the Board of Directors of IVL administered the plan. The Compensation Committee had granted, under the "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" ("IBVL ESOP - 2008"), 20,000,000 stock options representing an equal number of equity shares of face value Rs. 2 each in IVL, to the eligible employees, at an exercise price of Rs. 17.40, being the latest available closing market price on the National Stock Exchange of India Limited, as on January 23, 2009. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest in the eligible employees over a period of 10 years beginning from January 25, 2010 being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

Further, during the year ended March 31, 2017, the Compensation Committee had regranted 9,700,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in IVL, to the eligible employees, at an exercise price of Rs. 24.15, being the latest available closing market price on the National Stock Exchange of India Limited, as on June 30, 2016. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from July 2, 2017, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, during the year ended March 31, 2018, the Compensation Committee has regranted 500,000 and 880,600 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in IVL, to the eligible employees, at an exercise price of Rs. 219.65 and Rs. 254.85 respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on August 31, 2017 and March 23, 2018 respectively. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from September 2, 2018 and March 25, 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Particulars	IBVL ESOP - 2008			
	20,000,000 Options	9,700,000 Options Regranted	500,000 Options Regranted	880,600 Options Regranted
(1) Exercise price	Rs. 17.40	Rs. 24.15	Rs. 219.65	Rs. 254.85
(2) Expected volatility	79.00%	42.97%	46.70%	47.15%
(3) Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil
(4) Option Life (Weighted Average)	11 Years	6 Years	6 Years	6 Years
(5) Expected Dividends yield	22.99%	10.82%	1.27%	1.10%
(6) Risk Free Interest rate	6.50%	7.45%	6.54%	7.56%
(7) The fair value of the options under the plans using the Black-Scholes model based on the above parameters	Re. 0.84	Rs. 4.31	Rs. 106.31	Rs. 130.05

The expected volatility was determined based on historical volatility data.

Employees Stock Option Scheme - 2009

During the financial year ended March 31, 2010, IVL had issued Employee Stock Option Scheme titled as 'Indiabulls Ventures Limited Employees Stock Option Scheme - 2009' ("IBVL ESOP - 2009"). Under the Scheme, IVL was authorised to grant 20,000,000 options, representing equivalent number of equity shares of face value Rs. 2 each in one or more tranches at a price and on such terms and conditions as may be decided by the Compensation Committee, to the eligible employees of IVL and its subsidiaries.

During the year ended March 31, 2010, the Compensation Committee constituted granted 10,000,000 stock options representing an equal number of Equity Shares of face value Rs. 2 each in IVL, at an exercise price of Rs. 35.25, being the latest available closing market price on the National Stock Exchange of India Limited, as on November 30, 2009. The stock options so granted, shall vest uniformly over 10 years beginning from December 2, 2010 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

During the year ended March 31, 2011, the Compensation Committee had further granted 2,050,000 Stock Options representing an equal number of equity shares of face value Rs. 2 each in IVL, at an exercise price of Rs. 31.35, being the latest available closing market price on the National Stock Exchange of India Limited, as on April 9, 2010. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The Stock Options so granted, shall vest uniformly over 10 years beginning from April 13, 2011 being the first vesting date. The options granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

India Ethanol and Sugar Limited
Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2018

Note - 27

Employee Stock Option Scheme of Indiabulls Ventures Limited ('IVL') "the ultimate holding Company": (continued)

During the year ended March 31, 2016, the Compensation Committee had regranted under the IBVL ESOP - 2009 10,000,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value of Rs. 2 each in IVL, at an exercise price of Rs. 27.45, being the latest available closing market price on the National Stock Exchange of India Limited, as on August 24, 2015. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from August 26, 2016, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended March 31, 2017, IVL had received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by IVL.

During the year ended March 31, 2017, the Compensation Committee had further regranted 9,500,000 and 10,000,000 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in IVL, to the Eligible Employees, at an exercise price of Rs. 16.00 and Rs. 24.15 respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on May 11, 2016 and June 30, 2016. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from May 13, 2017 and July 2, 2017 respectively, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended March 31, 2017, IVL has received request from various option holders to surrender 10,000,000 stock options, which has been accepted by IVL.

During the year ended March 31, 2018, the Compensation Committee has regranted 10,000,000 and 669,400 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of Equity Shares of face value Rs. 2 each in IVL, to the Eligible Employees, at an exercise price of Rs. 219.65 and Rs. 254.85 respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on August 31, 2017 and March 23, 2018 respectively. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from September 2, 2018 and March 25, 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Particulars No. of Shares	IBVL ESOP - 2009						
	10,000,000 Options	2,050,000 Options	10,000,000 Options Regrant & Surrendered	9,500,000 Options Regranted	10,000,000 Options Regranted & Surrendered	10,000,000 Options Regranted	669,400 Options Regranted
(1) Exercise price	Rs. 35.25	Rs. 31.35	Rs. 27.45	Rs. 16.00	Rs. 24.15	Rs. 219.65	Rs. 254.85
(2) Expected volatility*	77.00%	48.96%	38.59%	40.74%	42.97%	46.70%	47.15%
(3) Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(4) Option Life (Weighted Average)	10 Years	10 Years	7 Years	6 Years	6 Years	6 Years	6 Years
(5) Expected Dividends yield	13.48%	6.86%	9.16%	16.33%	10.82%	1.27%	1.10%
(6) Risk Free Interest rate	7.50%	8.05%	6.50%	7.45%	7.45%	6.54%	7.56%
(7) Fair value of the options (Rs.)**	Rs. 6.48	Rs. 9.39	Rs. 4.77	Rs. 1.38	Rs. 4.31	Rs. 106.31	Rs. 130.05

*The expected volatility was determined based on historical volatility data.

** Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.

There is no impact on the Company's net loss and earnings per share in respect of IVL ESOS 2008 and IVL ESOS 2009, had the compensation cost for the stock options granted been determined based on the fair value approach.

India Ethanol and Sugar Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2018

Note - 27

Employee Stock Option Scheme of Indiabulls Ventures Limited ('IVL') "the ultimate holding Company": (continued)

The other disclosures in respect of the above Schemes are as under:-

Total Options under the Scheme	IBVL ESOP – 2008			
	20,000,000			
Options granted (Nos.)	20,000,000	9,700,000 (Regrant)	500,000 (Regrant)	880,600 (Regrant)
Vesting Period and Percentage	Ten years, 1st Year - 15%, 2nd year to 9th year - 10% each year, 10th year – 5%	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years
Vesting Date	January 25th each year, commencing January 25, 2010	July 2 nd each year, commencing July 2, 2017	September 2 nd each year, commencing September 2, 2018	March 25 th each year, commencing March 25, 2019
Exercise Price (Rs.)	17.40	24.15	219.65	254.85
Outstanding at the beginning of the year (Nos.)	1,526,316	9,700,000	-	-
Granted/ regranted during the year (Nos.)	-	-	500,000	880,600
Exercised during the year (Nos.)	220,400	-	-	-
Expired during the year (Nos.)	9,299	-	-	-
Surrendered and eligible for re-grant during the	28,050	-	-	-
Outstanding at the end of the year (Nos.)	1,268,567	9,700,000	500,000	880,600
Vested and exercisable at the end of the year (Nos.)	922,314	1,940,000	-	-
Remaining contractual Life (Weighted Months)	56	75	89	96

#Net of options surrendered before vesting

Total Options under the Scheme	IBVL ESOP – 2009						
	20,000,000						
Options granted (Nos.)	10,000,000	2,050,000	10,000,000 (Regrant & Surrendered)	9,500,000 (Regrant)	10,000,000 (Regrant & Surrendered)	10,000,000 (Regrant)	669,400 (Regrant)
Vesting Period and Percentage	Uniformly over a period of Ten years	Uniformly over a period of Ten years	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years
Vesting Date	December 2nd each year, commencing December 2, 2010	April 13th each year, commencing April 13, 2011	August 26th each year, commencing August 26, 2016	May 13th each year, commencing May 13, 2017	July 2nd each year, commencing July 2, 2017	September 2nd each year, commencing September 2, 2018	March 25th each year, commencing March 25, 2018
Exercise Price (Rs.)	35.25	31.35	27.45	16.00	24.15	219.65	254.85
Outstanding at the beginning of the year (Nos.)	-	450,000	-	9,153,000	-	-	-
Granted/ regranted during the year (Nos.)	-	-	-	-	-	10,000,000	669,400
Exercised during the year (Nos.)	-	300,000	-	1,758,100	-	-	-
Expired during the year (Nos.)	-	-	-	-	-	-	-
Surrendered and eligible for re-grant during the	-	-	-	242,400	-	30,000	-
Outstanding at the end of the year (Nos.)	-	150,000	-	7,152,500	-	9,970,000	669,400
Exercisable at the end of the year (Nos.)	-	-	-	72,500	-	-	-
Remaining contractual Life (Weighted Months)	-	72	-	79	-	89	96

#Net of options surrendered before vesting

India Ethanol and Sugar Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2018

Note - 28

In respect of amounts as mentioned under Section 124 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as on March 31, 2018 (Previous year Rs. Nil)

Note - 29

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.

As per our report of even date

For A Sardana & Co.
Chartered Accountants
Firm Registration No. 021890N

For and on behalf of the board of directors

Ajay Sardana
Partner
Membership No. 089011
New Delhi, April 21, 2018

Kishor Kumar Srivastava
Director
DIN: 01223908
New Delhi, April 21, 2018

Kubeir Khera
Director
DIN: 03498226