



**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, 2016, 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.



## 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, 2016, and its profit 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;

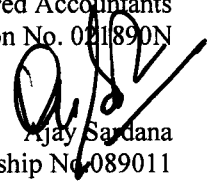
(e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

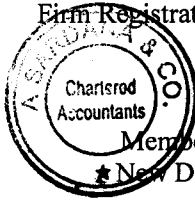
(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";



(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. 0211890N  
  
Ajay Sardana  
Membership No. 089011  
★ New Delhi, May 4, 2016



**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, 2016**

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 during the year. Accordingly, the provisions of clause 3 (v) are not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 Companies Act, 2013 to the products/services of the Company. Accordingly, the provisions of clause 3 (vi) are 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, 2016 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.
- (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. 021800N



*Ajay Sardana*

Ajay Sardana  
Membership No.089011  
New Delhi, May 4, 2016

**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, 2016**

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, 2016 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**

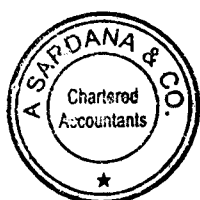
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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.

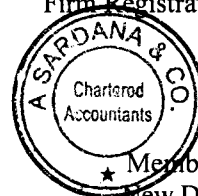
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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, 2016, 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



*(Handwritten Signature)*  
Ajay Sardana

★ Membership No.089011  
New Delhi, May 4, 2016

**India Ethanol and Sugar Limited**  
**Balance Sheet as at March 31, 2016**

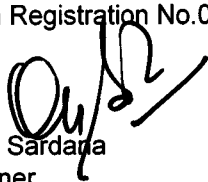
	Note No.	As at March 31, 2016 Amount (Rs.)	As at March 31, 2015 Amount (Rs.)
<b>I. Equity and liabilities</b>			
<b>Shareholders' funds</b>			
(a) Share capital	3	1,900,000	1,900,000
(b) Reserves and surplus	4	<u>(949,485)</u>	<u>(994,652)</u>
		<b>950,515</b>	<b>905,348</b>
<b>Non - current liabilities</b>			
(a) Long-term provisions	5	<u>87,155</u>	<u>-</u>
		<b>87,155</b>	<b>-</b>
<b>Current liabilities</b>			
(a) Other current liabilities	6	12,380	11,236
(b) Short-term provisions	7	<u>1,797</u>	<u>60,000</u>
		<b>14,177</b>	<b>71,236</b>
<b>Total</b>		<u><u><b>1,051,847</b></u></u>	<u><u><b>976,584</b></u></u>
<b>II. Assets</b>			
<b>Non - current assets</b>			
(a) Fixed Assets	8		
(i) Tangible Assets		27,465	-
(b) Deferred tax assets (net)	9	23,877	-
(c) Long-term loans and advances	10	<u>154,059</u>	<u>119,059</u>
		<b>205,401</b>	<b>119,059</b>
<b>Current assets</b>			
(a) Cash and cash equivalents	11	<u>846,446</u>	<u>857,525</u>
		<b>846,446</b>	<b>857,525</b>
<b>Total</b>		<u><u><b>1,051,847</b></u></u>	<u><u><b>976,584</b></u></u>

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

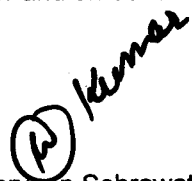
As per our report of even date

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

  
Ajay Sardana  
Partner  
Membership No. 089011  
New Delhi, May 4, 2016



For and on behalf of the board of directors

  
Parveen Sehrawat  
Director  
DIN: 03067112  
New Delhi, May 4, 2016

  
Kubeir Khara  
Director  
DIN: 03498226



**India Ethanol and Sugar Limited**  
**Statement of Profit and Loss for the year ended March 31, 2016**

	Note No.	For the year ended March 31, 2016 Amount (Rs.)	For the year ended March 31, 2015 Amount (Rs.)
<b>Income</b>			
I. Other income	12	414,670	671,980
II. Total revenue		<b>414,670</b>	<b>671,980</b>
<b>III. Expenses</b>			
Employee benefits expense	13	349,102	-
Finance costs	14	6,955	1,433
Depreciation		12,162	-
Other expenses	15	20,161	21,705
<b>Total expenses</b>		<b>388,380</b>	<b>23,138</b>
IV. Profit/(Loss) before exceptional and extraordinary items and		<b>26,290</b>	<b>648,842</b>
V. Exceptional items		-	-
VI. Profit/(Loss) before extraordinary items and tax (IV - V)		<b>26,290</b>	<b>648,842</b>
VII. Extraordinary items		-	-
VIII. Profit/(Loss) before tax (VI- VII)		<b>26,290</b>	<b>648,842</b>
IX. Tax expense:			
(1) Current Tax		6,270	124,000
Less: MAT credit entitlement		(1,270)	(119,059)
(2) Tax expense/(credits) relating to prior years (net)		-	(1,037)
(3) Deferred Tax (net)		(23,877)	-
<b>Total tax expense</b>		<b>(18,877)</b>	<b>3,904</b>
X. Profit/(Loss) for the year from continuing operations (VIII-IX)		<b>45,167</b>	<b>644,938</b>
XI. Profit/(loss) from discontinuing operations		-	-
XII. Tax expense of discontinuing operations		-	-
XIII. Profit/(Loss) from discontinuing operations (after tax) (XI-XII)		-	-
XIV. Profit/(Loss) for the year (X + XIII)		<b>45,167</b>	<b>644,938</b>
XV. Earnings per equity share:	24		
(1) Basic		0.24	3.39
(2) Diluted		0.24	3.39
(3) Face value per Equity Share (Rs.)		10.00	10.00

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

Ajay Sardana  
Partner  
Membership No. 089011  
New Delhi, May 4, 2016



For and on behalf of the board of directors

Parveen Sehrawat  
Director  
DIN: 03067112  
New Delhi, May 4, 2016

Kubeir Khara  
Director  
DIN: 03498226

**India Ethanol and Sugar Limited**  
**Cash Flow Statement for the year ended March 31, 2016**

	<b>Year Ended March 31, 2016 Amount (Rs.)</b>	<b>Year Ended March 31, 2015 Amount (Rs.)</b>
<b>A Cash flow from operating activities :</b>		
Net Profit/(Loss) Before Tax	26,290	648,842
Adjustments for :		
Profit on sale of investments in units of Mutual Funds	(14,670)	-
Provision for Gratuity and Compensated Absences	88,952	-
Depreciation	12,162	-
	<b>112,734</b>	<b>648,842</b>
<b>Operating profit before working capital changes</b>		
Changes in working capital:		
Other current liabilities	1,144	-
	<b>113,878</b>	<b>648,842</b>
<b>Cash generated from/(used in) operating activities</b>		
Direct taxes (paid)/refund (net)	(100,000)	(76,963)
	<b>13,878</b>	<b>571,879</b>
	<b>13,878</b>	<b>571,879</b>
<b>B Cash flow from investing activities :</b>		
Proceeds on sale of investments in units of Mutual Funds (net)	14,670	-
Purchase of fixed assets	(39,627)	-
	<b>(24,957)</b>	<b>-</b>
	<b>(24,957)</b>	<b>-</b>
<b>C Cash flow from financing activities :</b>		
Net cash generated from/(used in) financing activities	-	-
	<b>-</b>	<b>-</b>
	<b>-</b>	<b>-</b>
<b>D Net increase in cash and cash equivalents ( A+B+C )</b>	(11,079)	571,879
<b>E Cash and cash equivalents at the beginning of the year</b>	857,525	285,646
<b>F Cash and cash equivalents at the close of the year ( D + E )</b>	<b>846,446</b>	<b>857,525</b>
	<b>846,446</b>	<b>857,525</b>

**Note :**

- 1 The figures of the previous year are regrouped wherever considered necessary.
- 2 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.

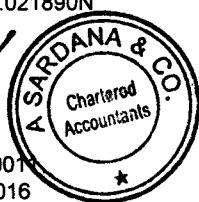
3 Cash and cash equivalents as at the close of the year include:	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Cash in hand	4,623	4,623
Balances with scheduled banks:		
- in current accounts	841,823	852,902
	<b>846,446</b>	<b>857,525</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>846,446</b>	<b>857,525</b>

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

As per our report of even date

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

Ajay Sardana  
Partner  
Membership No. 089011  
New Delhi, May 4, 2016



For and on behalf of the board of directors

Parveen Sehrawat  
Director  
DIN: 03067112  
New Delhi, May 4, 2016

Kuber Khara  
Director  
DIN: 03498226

**India Ethanol and Sugar Limited**  
**Notes to financial statements for the year ended March 31, 2016**

**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 is charged to Statement of Profit and Loss. The Company has defined benefit plans namely compensated absences and gratuity for its employees the liability for which is determined on the basis of an actuarial valuation conducted annually by an independent actuary in accordance with Accounting Standards 15 (AS 15) Employee Benefits (Revised), 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 recognised 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.

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**India Ethanol and Sugar Limited**  
**Notes to financial statements for the year ended March 31, 2016**

**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**  
Notes to financial statements for the year ended March 31, 2016

**Note - 3**

**Share capital:**

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
<b>Authorized</b>				
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>
<b>Issued, subscribed and paid up</b>				
Equity Shares of face value of Rs. 10 each fully paid up	190,000	1,900,000	190,000	1,900,000
		<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:**

**Equity shares**

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
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:	-	-	-	-
<b>Outstanding at the end of the year</b>	<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, 2016		As at March 31, 2015	
	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, 2016 Amount (Rs.)	As at March 31, 2015 Amount (Rs.)
<b>Surplus/(deficit) in the Statement of Profit and Loss</b>		
Opening balance	(994,652)	(1,639,590)
Add: Profit / (Loss) for the year	45,167	644,938
<b>As Per Balance Sheet</b>	<u>(949,485)</u>	<u>(994,652)</u>

**Note - 5**

**Long-term provisions:**

	As at March 31, 2016 Amount (Rs.)	As at March 31, 2015 Amount (Rs.)
<b>Provision for employee benefits</b>		
Provision for gratuity (Refer Note: 25)	85,123	-
Provision for compensated absences (Refer Note: 25)	2,032	-
<b>As Per Balance Sheet</b>	<u>87,155</u>	<u>-</u>

**Note - 6**

**Other current liabilities:**

	As at March 31, 2016 Amount (Rs.)	As at March 31, 2015 Amount (Rs.)
Expenses payable	12,380	11,236
<b>As per Balance Sheet</b>	<u>12,380</u>	<u>11,236</u>

**Note - 7**

**Short-term provisions:**

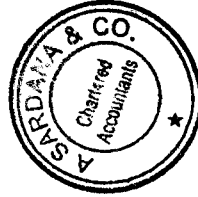
	As at March 31, 2016 Amount (Rs.)	As at March 31, 2015 Amount (Rs.)
Provision for gratuity (Refer Note: 25)	1,760	-
Provision for compensated absences (Refer Note: 25)	37	-
Provision for taxation	-	60,000
[Net of tax deducted at source and self assessment tax of Rs. 124,000 (Previous year Rs. 64,000)]		
<b>As per Balance Sheet</b>	<u>1,797</u>	<u>60,000</u>



India Ethanol and Sugar Limited  
Notes to financial statements for the year ended March 31, 2016

Note - 8  
Fixed Assets:

Particulars	Gross Block (At Cost)		Accumulated Depreciation				Net Block	
	As at April 1, 2015 Rs.	Additions during the year Rs.	As at March 31, 2016 Rs.	As at April 1, 2015 Rs.	Additions during the year Rs.	Special Depreciation Rs.	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
i). Tangible assets								
Computers	-	39,627	39,627	-	12,162	-	12,162	27,465
<b>Total</b>	-	<b>39,627</b>	<b>39,627</b>	-	<b>12,162</b>	-	<b>12,162</b>	<b>27,465</b>
Previous year	-	-	-	-	-	-	-	-



**India Ethanol and Sugar Limited**  
**Notes to financial statements for the year ended March 31, 2016**

**Note - 9**

**Deferred tax assets (Net):**

	<b>As at March 31, 2016 Amount (Rs.)</b>	<b>As at March 31, 2015 Amount (Rs.)</b>
<b>Deferred tax asset:</b>		
Arising on account of temporary differences due to:		
Disallowance under Section 40A(7) of the Income-Tax Act, 1961	26,847	-
Disallowance under Section 43B of the Income-Tax Act, 1961	639	-
	27,486	-
<b>Deferred tax liability:</b>		
Arising on account of temporary differences due to:		
Difference between book balance and tax balance of fixed assets	3,609	-
	3,609	-
<b>As Per Balance Sheet</b>	<b>23,877</b>	<b>-</b>

**Note - 10**

**Long-term loans and advances:**  
(Unsecured, considered good)

	<b>As at March 31, 2016 Amount (Rs.)</b>	<b>As at March 31, 2015 Amount (Rs.)</b>
MAT credit entitlement	120,329	119,059
Tax deducted at source	33,730	-
[Net of Provision for taxation Rs. 6,270 (Previous year Rs. Nil)]	154,059	119,059
<b>As per Balance Sheet</b>	<b>154,059</b>	<b>119,059</b>

**Note - 11**

**Cash and cash equivalents:**

	<b>As at March 31, 2016 Amount (Rs.)</b>	<b>As at March 31, 2015 Amount (Rs.)</b>
(a) Balance with banks In current accounts	841,823	852,902
(b) Cash on hand	4,623	4,623
<b>As per Balance Sheet</b>	<b>846,446</b>	<b>857,525</b>

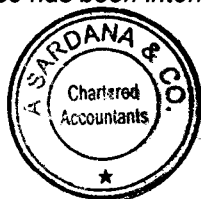
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**India Ethanol and Sugar Limited**  
**Notes to financial statements for the year ended March 31, 2016**

	<b>For the year ended March 31, 2016 Amount (Rs.)</b>	<b>For the year ended March 31, 2015 Amount (Rs.)</b>
<b>Note - 12</b>		
<b>Other income:</b>		
Advisory income	400,000	640,000
Profit on sale of investments in units of Mutual Funds	14,670	31,980
<b>As per Statement of Profit and Loss</b>	<b>414,670</b>	<b>671,980</b>
<b>Note - 13</b>		
<b>Employee benefits expense</b>		
Salaries	259,910	-
Contribution to Other Funds	240	-
Provision for Gratuity and Compensated Absences	88,952	-
<b>As Per Statement of Profit and Loss</b>	<b>349,102</b>	<b>-</b>
<b>Note - 14</b>		
<b>Finance costs:</b>		
Interest on Income Taxes	6,614	1,433
Bank charges	341	-
<b>As per Statement of Profit and Loss</b>	<b>6,955</b>	<b>1,433</b>
<b>Note - 15</b>		
<b>Other expenses:</b>		
Rates and taxes	3,616	8,896
Professional charges	6,545	2,809
Auditors' remuneration (Excluding service tax)	10,000	10,000
<b>As per Statement of Profit and Loss</b>	<b>20,161</b>	<b>21,705</b>

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**India Ethanol and Sugar Limited**  
**Notes to financial statements for the year ended March 31, 2016**

**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, 2016 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, 2016 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, 2016 (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, 2016 Amount (Rs.)	As at March 31, 2015 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, 2016 (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.

**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, 2016	Year ended March 31, 2015
Net Profit/(Loss) available for equity shareholders (Rs.)	45,167	644,938
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 and Diluted (Rs. Per Share)	0.24	3.39



**India Ethanol and Sugar Limited**  
Notes to financial statements for the year ended March 31, 2016

**Note - 25**

**Employee benefits:**

**Defined benefit plans**

Provision for Gratuity and Compensated Absences for all employees is based upon actuarial valuation done at the end of every financial year/period. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. After the issuance of the Accounting Standard 15 (revised) on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit' method. 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, 2016	Gratuity (unfunded) March 31, 2015	Compensated absences (unfunded) March 31, 2016	Compensated absences (unfunded) March 31, 2015
<b>Reconciliation of liability recognized in the Balance Sheet:</b>				
Present value of commitments (as per actuarial valuation)	86,883	-	2,069	-
Fair value of plans	-	-	-	-
<b>Net liability in the Balance Sheet (Actual)</b>	<b>86,883</b>	<b>-</b>	<b>2,069</b>	<b>-</b>
<b>Movement in net liability recognized in the Balance Sheet:</b>				
Net liability as at beginning of the year	-	-	-	-
Net expense/(gain) recognized in the Statement of Profit and Loss	86,883	-	2,069	-
Benefits paid during the year	-	-	-	-
Contribution during the year	-	-	-	-
<b>Net liability as at end of the year</b>	<b>86,883</b>	<b>-</b>	<b>2,069</b>	<b>-</b>
<b>Expense recognized in the Statement of Profit and Loss:</b>				
Current service cost	86,883	-	2,069	-
Interest cost	-	-	-	-
Expected return on plan assets	-	-	-	-
Actuarial (gains)/ losses	-	-	-	-
<b>Expense/(Income) charged to the Statement of Profit and Loss</b>	<b>86,883</b>	<b>-</b>	<b>2,069</b>	<b>-</b>
<b>Return on plan assets:</b>				
Expected return on plan assets	-	-	-	-
Actuarial (gains)/ losses	-	-	-	-
Actual return on plan assets	-	-	-	-
<b>Reconciliation of defined-benefit commitments:</b>				
As at beginning of the year	-	-	-	-
Current service cost	86,883	-	2,069	-
Interest cost	-	-	-	-
Paid benefits	-	-	-	-
Actuarial (gains)/ losses	-	-	-	-
<b>Commitments as at end of the year</b>	<b>86,883</b>	<b>-</b>	<b>2,069</b>	<b>-</b>
<b>Reconciliation of plan assets:</b>				
Plan assets as at beginning of the year	-	-	-	-
Expected return on plan assets	-	-	-	-
Contributions during the year	-	-	-	-
Paid benefits	-	-	-	-
Actuarial (gains)/ losses	-	-	-	-
<b>Plan assets as at end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Experience adjustments:\***

Particulars	Gratuity (Unfunded)	Compensated absences (Unfunded)
	2015-16	2015-16
On plan liabilities gain/(loss)	-	-
On plan assets (gain)/loss	N.A.	N.A.
Present value of benefit obligation	86,883	2,069
Fair value of plan assets	N.A.	N.A.
<b>Excess of (obligation over plan assets)/plan assets over obligation</b>	<b>86,883</b>	<b>2,069</b>

\*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, 2016	Year ended March 31, 2015
Discount rate – Gratuity and Compensated Absences	8.00%	N.A.
Expected return on plan assets	N.A.	N.A.
Expected rate of salary increase	5.00%	N.A.
Mortality table	IALM (2006-08)	N.A.

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. 216 (Previous year Rs. Nil) and Rs.21,165 (Previous year Rs. Nil) respectively.



**India Ethanol and Sugar Limited**  
Notes to financial statements for the year ended March 31, 2016

**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
<b>(i) Where control exists</b>	
Ultimate Holding Company	Indiabulls Ventures Limited (formerly known as Indiabulls Securities Limited)
Holding Company	Indiabulls Commodities Limited
<b>(ii) Other related parties</b>	
Fellow Subsidiary Companies (including step down subsidiaries)	Indiabulls Distribution Services Limited
	Devata Tradelink Limited
	Indiabulls Brokerage Limited
	Auxesia Soft Solutions Limited
	India Land And Properties Limited
	Positive Housings Private Limited
	Indiabulls Alternate Investment Limited (w.e.f. February 10, 2016)
	Shivshakti Financial Services Limited (formerly known as Shivshakti Financial Services Private Limited)
	Pushpanjli Finsolutions Limited (formerly known as Pushpanjli Finsolutions Private Limited)
	Astraea Constructions Limited (formerly known as Astraea Constructions Private Limited )
	Silenus Buildtech Limited (formerly known as Silenus Buildtech Private Limited)
	Astilbe Builders Limited (formerly known as Astilbe Builders Private Limited )
	Arbutus Constructions Limited (formerly known as Arbutus Constructions Private Limited )
	Gyansagar Buildtech Limited (formerly known as Gyansagar Buildtech Private Limited)
	Pushpanjli Fincon Limited (formerly known as Pushpanjli Fincon Private Limited )
Key Management Personnel	Mr. Vivek Tukaram Sutar , Director Mr. Parveen Sehrawat , Director Mr. Kubeir Khara , 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, 2016:**

Particulars	Fellow Subsidiary Companies of Holding Company (including step down subsidiaries)	Total
Advisory income	400,000	400,000
	-	-

Note: Figures in italics relates to the previous year

**(c) Statement of material transactions:**

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Advisory income		
- Indiabulls Distribution Services Limited	400,000	-

**(d) Outstanding at year ended March 31, 2016:**

Rs. 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.



**India Ethanol and Sugar Limited**  
Notes to financial statements for the year ended March 31, 2016

**Note - 27**

**Employee Stock Option Scheme of Indiabulls Ventures Limited (formerly known as Indiabulls Securities Limited) ('IVL') "the ultimate holding Company":**

**Employees Stock Option Scheme - 2008**

Pursuant to approval of the shareholders of IVL on January 19, 2009 IVL had cancelled and withdrawn the existing "Employee Stock Option Scheme - 2007", covering 15,000,000 stock option and established a new Employee Stock Option Scheme titled "Employee Stock Option Scheme - 2008" ("Scheme") 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 step down subsidiaries) including their directors. All options under the Scheme are exercisable for equity shares of IVL. Employees of IVL and its subsidiaries (including step down subsidiaries) covered by the Scheme 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 at its meeting held on January 24, 2009, had granted, under the "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" ("IBVL ESOP - 2008") (title changed by Compensation Committee at its meeting held on August 28, 2015 from "Indiabulls Securities Limited Employees Stock Option Scheme - 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 of IVL and its subsidiaries (including step down subsidiaries), at an exercise price of Rs 17.40, which was the latest available closing market price on the National Stock Exchange of India Ltd, as on January 23, 2009, following the intrinsic method of accounting as is prescribed in the Guidance Note issued by the Institute of Chartered Accountants of India on Accounting for Employees Share based Payments ("the Guidance Note"). 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, 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.

Particulars	IBVL ESOP -2008
(1) Exercise price	Rs. 17.40
(2) Expected volatility	79%
(3) Expected forfeiture percentage on each vesting date	Nil
(4) Option Life (Weighted Average)	11 Years
(5) Expected Dividends yield	22.99%
(6) Risk Free Interest rate	6.50%
The fair value of the options under the plans using the Black-Scholes Merton Options pricing model as certified by an independent firm of Chartered Accountants	Re. 0.84

The expected volatility was determined based on historical volatility data.

**Employees Stock Option Scheme - 2009**

The Shareholders of IVL at their Annual General Meeting held on September 30, 2009 had authorised IVL to grant 20,000,000 options, representing equivalent number of Equity shares of face value Rs. 2 each in one or more tranches, pursuant to a new employee stock option scheme titled as 'Indiabulls Ventures Limited Employees Stock Option Scheme - 2009' ("IBVL ESOP - 2009") (title changed by Compensation Committee at its meeting held on August 28, 2015 from "Indiabulls Ventures Limited Employees Stock Option Scheme - 2009". The options covered thereunder would be granted, at market price on the day prior to the date of grant and on such terms and conditions as may be decided by the Board of Directors of IVL, to the eligible employees of IVL and its subsidiaries (including step down subsidiaries). The Compensation Committee constituted by the Board of Directors of IVL had, at its meeting held on December 1, 2009, granted, under the "IBVL ESOP - 2009" 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 Ltd., as on November 30, 2009. The Stock Options so granted, shall vest uniformly within 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.

Further, the Compensation Committee constituted by the Board of Directors of IVL had, at its meeting held on April 12, 2010, granted, under the "IBVL ESOP - 2009" 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 Ltd., as on April 9, 2010. The Stock Options so granted, vest uniformly within 10 years beginning from April 13, 2011 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. Further, the Compensation Committee constituted by the Board of Directors of IVL had, at its meeting held on August 25, 2015, regranted surrendered and lapsed options eligible for regrant under the IBVL ESOP - 2009 1,00,00,000 (one Crore) Stock Options representing an equal number of equity shares of face value of Rs. 2/-each in the Company, at an exercise price of Rs.27.45, being the latest available closing market price on the National Stock Exchange of India Ltd., as on August 24, 2015. 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.

Particulars	IBVL ESOP - 2009		
	10,000,000	2,050,000	10,000,000 (Regrant)
(1) Exercise price	Rs. 35.25	Rs. 31.35	Rs. 27.45
(2) Expected volatility	77%	48.96%	38.59%
(3) Expected forfeiture percentage on each vesting date	Nil	Nil	Nil
(4) Option Life (Weighted Average)	10 Years	10 Years	7 Years
(5) Expected Dividends yield	13.48%	6.86%	9.16%
(6) Risk Free Interest rate	7.50%	8.05%	6.50%
The fair value of the options under the plans using the Black-Scholes Merton Option pricing model as certified by an independent firm of Chartered Accountants	Rs.6.48	Rs.9.39	Rs.4.77

The expected volatility was determined based on historical volatility data.



**India Ethanol and Sugar Limited**  
**Notes to financial statements for the year ended March 31, 2016**

**Note - 27**

**Employee Stock Option Scheme of Indiabulls Ventures Limited (formerly known as Indiabulls Securities Limited) ('IVL') "the ultimate holding Company":**

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

Total Options under the Scheme	IBVL ESOP – 2008	IBVL ESOP – 2009		
	20,000,000	20,000,000		
Options granted (Nos.)	20,000,000	10,000,000	2,050,000	1,00,00,000 (Regrant)
Vesting Period and Percentage	Ten years, 1st Year – 15% , 2nd year to 9th year -	Uniformly over a period of Ten years	Uniformly over a period of Ten years	Uniformly over a period of Five years
Vesting Date	January 25th each year, commencing January 25, 2010	December 2nd each year, commencing December 2, 2010	April 13th each year, commencing April 13th , 2011	August 24th each year, commencing August 24, 2016
Exercise Price (Rs.)	17.40	35.25	31.35	27.45
Outstanding at the beginning of the year (Nos.)	6,213,404	--	500,000	--
Options vested during the year (Nos.)#	915,808	--	50,000	--
Exercised during the year (Nos.)	706,460	--	--	--
Expired during the year (Nos.)	281,900	--	--	--
Surrendered and eligible for re-grant during the year(Nos.)	340,150	--	--	--
Outstanding at the end of the year (Nos.)	4,884,894	--	500,000	10,000,000
Exercisable at the end of the year (Nos.)	2,599,127	--	100,000	--
Remaining contractual Life (Weighted Months)	58	Nil	78	89

#Net of options surrendered before vesting

There is no impact on the Company's net profit after taxes 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.

*(This space has been intentionally left blank)*



**India Ethanol and Sugar Limited**  
**Notes to financial statements for the year ended March 31, 2016**

**Note - 28**

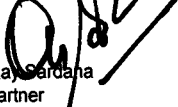
In respect of amounts as mentioned under Section 205C of the Companies Act, 1956, there were no dues required to be credited to the Investor Education and Protection Fund as on March 31, 2016 (Previous year Rs. Nil)

**Note - 29**

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

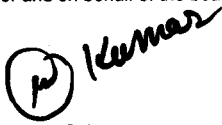
As per our report of even date

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

  
Aja Sardana  
Partner  
Membership No. 089011  
New Delhi, May 4, 2016



For and on behalf of the board of directors

  
Parveen Sehrawat  
Director  
DIN: 03067112  
New Delhi, May 4, 2016

  
Kubeir Khara  
Director  
DIN: 03498226