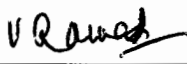
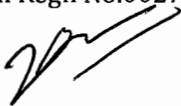
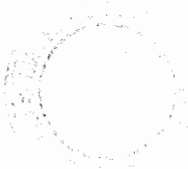


FORM A
(Pursuant to Clause 31(a) of the Listing Agreement)

Sl. No.	Particulars	Details
1.	Name of the Company	Parrys Sugar Industries Limited Scrip Code: BSE : 500162 NSE: PARRYSUGAR
2.	Annual Financial Statements for the year ended	March 31, 2015
3.	Type of Audit observation	No qualification or matter of emphasis has been included in the Audit Report
4.	Frequency of observation	Not applicable in view of comments in (3) above
5.	To be signed by:	
	Managing Director	 V.Ramesh Managing Director
	Chief Financial Officer	 V.Suri Chief Financial Officer
	Auditor of the Company	For R.G.N. Price & Co., Chartered Accountants Firm Regn No.002785S  H.S.Venkatesh Partner Membership No.026666 
	Audit Committee Chairman	 K.Balasubramanian Non-Executive Independent Director



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ANNUAL REPORT 2014 -15



PARRYS SUGAR INDUSTRIES LTD.

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CORPORATE INFORMATION

Board of Directors

K. Balasubramanian, *Chairman*
V. Ramesh, *Managing Director*
K. Ramadoss
V. Ravichandran
C. R. Rajan
Lalitha Balakrishnan

Company Secretary

Amar Kumar Dora

Chief Financial Officer

V. Suri

Registered Office

Venus Building, 3rd Floor,
1/2 Kalyanamantapa Road
Jakkasandra, Koramangala
Bengaluru - 560 034
Karnataka

Auditors

R.G.N Price & Co.

Bankers

State Bank of India

Investor Contacts

Registrar & Transfer Agents

Karvy Computershare Pvt. Ltd.
Unit: Parrys Sugar Industries Limited
Karvy Selenium Tower B,
Plot 31-32, Gachibowli, Financial District,
Nanakramguda
Hyderabad - 500 032
Tel: + 91 40 67161500
Fax: +91 40 23001153

Company

Amar Kumar Dora
Company Secretary
Tel: +91 80 49006666
Fax: +91 80 49006600
E-mail: investorgrievancescell@psil.murugappa.com
Website: www.parrysugar.com

NOTICE

Notice is hereby given that the twenty-ninth Annual General Meeting (AGM) of the members of **Parrys Sugar Industries Limited** will be held on **Friday, the 24th day of July, 2015 at 10.30 A.M. at Khincha Hall, Bharatiya Vidya Bhavan, Race Course Road, Bengaluru - 560001**, to transact the following businesses:

Ordinary Business:

1. Adoption of financial statements

To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2015 together with the Reports of the Board of Directors and the Auditors thereon.

2. Appointment of Director

To appoint a Director in place of Mr. V. Ravichandran (DIN: 00110086), who retires by rotation and, being eligible, offers himself for re-appointment.

3. Ratification of the appointment of Statutory Auditors

To ratify the appointment of Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the appointment of M/s. R.G.N Price & Co., Chartered Accountants, (Firm Registration No. 002785S), as Statutory Auditors of the Company from the conclusion of this meeting till the conclusion of the 30th Annual General Meeting of the Company, be and is hereby ratified on a remuneration of ₹7,00,000/- (Rupees Seven Lakhs) plus service tax as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit as approved by the Board of Directors of the Company".

Special Business:

4. Approval of Remuneration to Cost Auditor

To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2016 and in this regard to consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s Narasimha Murthy & Co., Cost Auditors (Firm Registration No. 000042) appointed by the Board of Directors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2016 be paid a remuneration of ₹ 90,000/- (Rupees ninety thousand only) plus service tax as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit as approved by the Board of Directors of the Company.

5. Appointment of Mr. V.Ramesh as the Managing Director of the Company.

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modifications or re-enactment(s) thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Mr. V. Ramesh (DIN: 01412093) as Managing Director of the Company for a period of two years with effect from September 1, 2014, without remuneration.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all acts, deeds and things as may be necessary, proper or expedient to give effect to the above resolution".

6. Appointment of Ms. Lalitha Balakrishnan (DIN: 02973332) as an Independent Director

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Lalitha Balakrishnan (DIN: 02973332) who is eligible for being appointed as an Independent Director and in respect of whom the Company

has received a notice in writing from a member under Section 160 of the Act signifying the intention to propose the candidature of Ms. Balakrishnan for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 3 years with effect from March 30, 2015.

By Order of the Board of Directors
For **Parrys Sugar Industries Limited**

Amar Kumar Dora
Company Secretary

Chennai
April 24, 2015

CIN: L28100KA1986PLC049077

Registered Office:

Venus Building, 3rd Floor, 1/2 Kalyanamantapa Road

Jakkasandra, Koramangala

Bengaluru - 560 034

Tel: +91 80 49006616 Fax: +91 80 49006600

E-mail: investorgrievancescell@psil.murugappa.com

Website: www.parrysugar.com

NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed in the format sent herewith, not less than FORTY-EIGHT HOURS before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.**

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such person shall not act as a proxy for any other person or shareholder.

2. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Items No. 4 to 6 to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 17th July, 2015 to Friday, the 24th July, 2015 (both days inclusive).
5. Members holding shares in electronic mode are requested to keep their email addresses updated and intimate immediately any change in their address, bank mandates to their Depository Participants. Members holding shares in physical mode are also requested to update their email addresses, advise any change in their address, bank mandates by writing to Karvy Computershare Pvt. Ltd. Unit: Parrys Sugar Industries Ltd. at Karvy Selenium Tower B, Plot number 31 & 32, Gachibowli, Hyderabad 500 008 quoting their folio number(s).
6. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Karvy for assistance in this regard.
7. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Karvy for consolidation into a single folio.
8. Pursuant to the provisions of Sections 205A, 205C and other applicable provisions, if any, of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial year 2006-07 to the Investor Education and Protection Fund (the IEPF) established by the Central Government. The due date on which the unclaimed dividend would be transferred to IEPF for the financial year 2007-08 have been given in the Corporate Governance Report. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 25, 2014 (date of last Annual General Meeting) on the website of the Company (www.parrysugar.com) as also on the website of the Ministry of Corporate Affairs.
9. Brief resume of Mr. V. Ravichandran, Mr. V. Ramesh and Ms. Lalitha Balakrishnan, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is annexed to this notice.

10. As per the provisions of section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014, Shareholders holding shares in physical form may file nomination in the prescribed SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in demat form, the nomination form may be filed with the respective Depository Participant.
11. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their dematerialised accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent M/s. Karvy Computershare Pvt. Ltd. (Karvy).
12. Pursuant to Clause 32 of the Listing Agreement entered into with the Stock Exchanges and Sections 20, 101 and 136 of the Companies Act, 2013, electronic copy of Annual Report and this Notice inter-alia indicating the process and manner of e- voting along with Attendance Slip and proxy form are being sent by e-mail to those shareholders whose e-mail addresses have been made available to the Company/ Depository Participants unless any member has requested for a hard copy of the same.
13. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public holidays up to the date of the Annual General Meeting. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
14. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for identification. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
15. Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company at least seven days before the date of the Annual General Meeting to enable the Company to keep the information ready at the meeting.
16. Voting through electronic means
 - (a) Pursuant to Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Clause 35B of the Listing Agreement, the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed in the notice of the twenty ninth Annual General Meeting scheduled to be held on Friday, July 24, 2015 at 10.30 a.m. by way of remote e-voting.

"Remote e-voting" means the facility of casting votes by a member using an electronic system from a place other than the venue of the General Meeting.
 - (b) The facility for voting through ballot paper shall be made available at the Meeting and Members attending the Meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the Meeting.
 - (c) The Company has engaged the services of Karvy Computershare Pvt. Ltd. ("Karvy") as the Agency to provide remote e-voting facilities.
 - (d) The remote e-voting facility commences on July 20, 2015 at 9.00 a.m and ends on July 23, 2015 at 5.00 p.m. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of the aforesaid period.
 - (e) **The cut-off date for the purpose of remote e-voting and voting at the Annual General Meeting is Friday, July 17, 2015.**
 - (f) Information and other instructions relating to Remote E-voting are as under:
 1. (A) In case a Member receiving an email from Karvy [for Members whose email IDs are registered with the Company / Depository Participant(s)]
 - (a) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - (b) Enter the login credentials (i.e. User ID and Password mentioned in the email). Your DP ID-Client ID/Folio No. will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - (c) After entering these details appropriately, Click on "LOGIN".
 - (d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and

answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- (e) You need to login again with the new credentials.
 - (f) On successful login, the system will prompt you to select the "EVENT" i.e., Parrys Sugar Industries Limited.
 - (g) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on cut-off date. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - (h) Shareholders holding multiple demat accounts /folios shall choose the voting process separately for each demat accounts/folios.
 - (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - (j) You may then cast your vote by selecting an appropriate option and click on "Submit".
 - (k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - (l) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e mail ID: sree@sreedharancs.com with a copy marked to evoting@karvy.com and investorgrievancescell@psil.murugappa.com. The scanned image of the above mentioned documents should be in the naming format "Parrys Sugar Industries Limited, 29th Annual General Meeting".
- (B) In case of Members receiving physical copy of the AGM Notice by Post [for Members whose email IDs are not registered with the Depository Participant(s)/ Company]:
1. The User ID and initial password is provided at the bottom of the attendance slip for the Annual General Meeting (which is being sent alongwith the Annual Report)
 2. Please follow all steps from Sl. No. (a) to (l) as mentioned in (A) above, to cast your vote.
 2. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
 3. The facility for voting through ballot paper shall be made available at the venue of the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through above Voting system.
 4. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
 5. Voting rights shall be in proportion to their shares of the paid up equity share capital of the Company, as on the cut-off date (record date), being Friday, July 17, 2015.
 6. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., Friday, July 17, 2015 only shall be entitled to avail the facility of remote e-voting / voting by ballot at the meeting.
 7. The Board of Directors of the Company has appointed Mr. V.Sreedharan, Partner, M/s V.Sreedharan & Associates, Practicing Company Secretaries (Membership Number FCS-2347; CP No. 833), as a Scrutinizer to scrutinize the remote e-voting and voting through ballot process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for said purpose.
 8. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e., Friday, July 17, 2015, may obtain the User ID and password in the manner as mentioned below:
 - (a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL : MYEPWD <SPACE> 1402345612345678

Example for Physical: MYEPWD <SPACE> XXXX1234567890

- (b) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - (c) Member may call Karvy's toll free number 1-800-3454-001.
 - (d) Member may send an e-mail request to evoting@karvy.com.
- If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.
9. The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. However, in view of the requirement under Clause 35A, the results will be declared within 48 hours of the conclusion of AGM. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.parrysugar.com and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges.
 10. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e., July 24, 2015.
 11. In case of any query pertaining to e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com> (Karvy's website).

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 4

The Board of Directors of the company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Narasimha Murthy & Co., Cost Accountants, to conduct the audit of the cost records of the Company for the financial year 2015-16.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to approve the remuneration payable to the Cost Auditors during the year 2015-16 as set out in the Resolution.

None of the Directors/Key Managerial Personnel of the Company and their relatives are in any way concerned or interested financially or otherwise in Resolution No. 4.

The Board commends the Ordinary Resolution set out in Item No. 4 of the Notice for approval by the Members.

Item No. 5

Mr. D. Kumaraswamy, retired as the Managing Director of the Company on August 31, 2014. Pursuant to Section 196, 203 and the rules made there under read with Schedule V of the Companies Act, 2013, the Board of Directors at their meeting held on July 25, 2014 have appointed Mr. V. Ramesh as the Managing Director of the Company w.e.f September 1, 2014. Mr. V.Ramesh was appointed as Additional Director by the Board w.e.f April 28, 2014 and as Director at the AGM held on July 25, 2014. The brief resume of Mr. V. Ramesh including the directorship/committee positions in other companies is attached to the Notice. Mr. V. Ramesh also holds the position as Managing Director of E.I.D.- Parry (India) Ltd., the Company's Holding Company.

Mr. V. Ramesh will not be entitled to any remuneration from the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives other than Mr. V. Ramesh is in any way concerned or interested financially or otherwise in the Resolution No. 5.

The Board commends the Ordinary Resolution as set out in Item No. 5 of the Notice for approval by the Members.

Item No. 6

As per the provisions of the Companies Act, 2013 and Listing Agreements, the Company is required to appoint a Woman Director. The Board of the Company ("the Board") vide their Resolution dated March 30, 2015 appointed Ms. Lalitha Balakrishnan as an Additional Director of the Company in terms of section 161 of the Companies Act, 2013. The Board also appointed her as an Independent Director under Sections 149, 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rules, 2014. Ms. Lalitha Balakrishnan is a Chartered Accountant with over 35 years of experience in various industries viz., engineering, petrochemicals, sugar, BPO and software. In terms of the provisions of Section 161(1) of the Act, Ms. Lalitha Balakrishnan would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Lalitha Balakrishnan for the office of Director of the Company. Ms. Lalitha Balakrishnan is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. The Company has received a declaration from Ms. Lalitha Balakrishnan that she meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Ms. Lalitha Balakrishnan fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement..

Brief resume of Ms. Lalitha Balakrishnan and additional information pursuant to Clause 49 of the Listing Agreement executed with Stock Exchanges is enclosed. Copy of the draft letter of appointment setting out the terms and conditions is available for inspection by members at the Registered Office of the Company and also uploaded on the website of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives other than Ms. Lalitha Balakrishnan is in any way concerned or interested financially or otherwise in the Resolution in Item No. 6.

The Board commends the Ordinary Resolution set out in Item No. 6 of the Notice for approval by the Members.

By Order of the Board of Directors
For **Parrys Sugar Industries Limited**

Amar Kumar Dora
Company Secretary

Chennai

April 24, 2015

CIN: L28100KA1986PLC049077

Registered Office:

Venus Building, 3rd Floor, 1/2 Kalyanamantapa Road

Jakkasandra, Koramangala

Bengaluru - 560 034

Tel: +91 80 49006616 Fax: +91 80 49006600

E-mail: investorgrievancescell@psil.murugappa.com

Website: www.parrysugar.com

As referred to in the AGM Notice dated 24/04/2015 and pursuant to clause 49 of the Listing Agreement, the profile of the directors retiring by rotation and seeking re-appointment and new appointment are given below.

Name of the Director		Mr. V. Ravichandran	Ms. Lalitha Balakrishnan	Mr. V. Ramesh
Date of Birth		09/06/1956	12/06/1955	16/07/1957
Date of Appointment		27/08/2010	30/03/2015	28/04/2014
Qualifications and experience		Engineering Graduate and holds a Post Graduate Diploma in Management from IIM, Ahmedabad, a Cost Accountant and a Company Secretary. 31 Years	Chartered Accountant 35 Years	B.Com, ICWA and PGDM from IIM-Bangalore 36 Years
Expertise in specific functional Area		Finance, Marketing and General Management	Finance, Accounting, statutory compliance, management accounts and design of management accounting systems, Information Technology	Finance, Commercial and General Business Management
Directorship in other Companies		E.I.D.- Parry (India) Limited Coromandel International Limited Murugappa Holdings Limited Parry Infrastructure Company Private Limited Silkroad Sugar Pvt. Ltd. Yanmar Coromandel Agrisolutions Private Limited CFL Mauritius Limited US Nutraceuticals LLC Parry America Inc. Foskor Pty Limited	Sword Global India Pvt. Ltd. Silkroad Sugar Pvt. Ltd.	E.I.D.- Parry (India) Ltd., Silkroad Sugar Pvt. Ltd. Parry Infrastructure Company Pvt. Ltd.
Chairman/Member of the Committees of the Boards of which he is a Director		E.I.D. - Parry (India) Ltd. Member- Stakeholders Relationship Committee Member – Nomination & Remuneration Committee Coromandel International Ltd. Member-Stakeholders Relationship Committee Parrys Sugar Industries Ltd. Chairman-Stakeholders Relationship Committee Member – Nomination & Remuneration Committee Silkroad Sugar Pvt. Ltd. Member – Nomination & Remuneration Committee	Silkroad Sugar Pvt. Ltd. Member-Audit Committee Member – Nomination & Remuneration Committee	E.I.D. – Parry (India) Ltd. Member – Stakeholders Relationship Committee Parrys Sugar Industries Ltd. Member – Stakeholders Relationship Committee Silkroad Sugar Pvt. Ltd. Member - Nomination & Remuneration Committee
No. of shares held in the Company		Nil	Nil	Nil
Inter-se relationship with any Director/KMP		Nil	Nil	Nil

BOARD'S REPORT

To all the members of Parrys Sugar Industries Limited

The Directors have pleasure in presenting their Twenty Ninth Annual Report together with the audited financial statements for the Financial Year ended March 31, 2015.

FINANCIAL RESULTS

The financial summary, performance highlights, operations/state of affairs of the Company for the year are summarised below:

	₹ in Lakhs	
Particulars	2014 – 15	2013 – 14
Gross Income	19946.53	17252.83
Profit/(Loss) Before Interest and Depreciation (EBITDA)	805.00	(660.66)
Finance Charges	1666.43	2303.17
Gross Profit/(Loss)	(861.43)	(2963.83)
Provision for Depreciation	712.55	639.91
Net Profit/(Loss) Before Tax	(1573.98)	(3603.74)
Taxes	–	–
Net Profit/(Loss) After Tax	(1573.98)	(3603.74)

DIVIDEND & RESERVES

In view of the losses incurred, your Board is unable to recommend any dividend for the financial year ended March 31, 2015.

The Company has not transferred any amount to the reserves for the year ended March 31, 2015.

SHARE CAPITAL

During the year, the Company has allotted 1,30,00,000, 8% Redeemable Cumulative Non-Convertible Preference shares of ₹10/- each to the Holding Company aggregating to ₹13 Crores. Consequently, the paid up share capital of the Company stood at ₹80.52 Crores w.e.f. March 21, 2015.

During the year, the Company has not issued any equity shares. As on March 31, 2015, none of the Directors of the Company hold any shares or convertible instruments of the Company.

The Paid up Equity Share Capital of the Company as on March 31, 2015 was ₹80.52 Crores.

COMPANY PERFORMANCE

During the year under review, the total revenue of the Company from operations was ₹19836.63 lakhs, 15.24% higher than ₹17213.81 lakhs in the previous year. Operating profit (EBITDA) was ₹805 Lakhs as against the loss of ₹ 660.66 Lakhs in the previous year. The interest cost was ₹1666.43 Lakhs as against ₹2303.17 Lakhs during the last year. The year was a challenging year for the Company in the face of high sugarcane procurement cost and a volatile sugar price. Operationally, Company has performed well in as much as the Company could bring down the losses by 56.32% as compared to the losses of the previous year.

The Sugar industry in India at present is going through an unprecedented crisis due to an all time low sugar selling price caused by fifth straight year of surplus production as well as a drop in global prices and high sugarcane procurement cost. For the 2014-15 sugar season, the Central Government fixed the Fair and Remunerative Price @ ₹2200/- per Tonne for a basic recovery rate of 9.5% with a premium of ₹2.34 for every 0.1% increase in the recovery rate. The steep rise in sugar cane price year after year which accounts for about 70 percent of total operation costs is expected to significantly impact the profitability of sugar mills this year. The continuous losses of several years have already made cane dues across the country to hit a record high. The Government is contemplating a series of measures to check the falling prices of sugar in the domestic market so that mills earn more revenue to clear the mounting sugar cane arrears due to farmers. The Indian Sugar Mills Association (ISMA) estimates that around a quarter of mills across the country could go into negative net worth and may not be able to crush cane next season. Though the linking sugar cane prices to the prices of end-products has long been advocated for long-term financial health and sustenance of the industry, the same is yet to be implemented by the State Governments effectively.

The major thrust of the Company is to work towards improving the yield, increasing the cane cultivation in its command area, further improving the operating efficiency and take measures to counter the challenge of low sugar price and threat of continuous increase in cane price.

PERFORMANCE OF BUSINESS SEGMENTS

Sugar

During the year, the Company crushed a total 5.55 Lakhs MT of cane as against 4.96 Lakhs MT of cane crushed in the previous year. The Company produced 6.73 Lakhs quintals of sugar as against 5.85 Lakhs quintals of sugar produced during the previous year.

The recovery of sugar from sugar cane was at 12.14% during the year as against the recovery of 11.80% during the previous year.

Power

The total power generated by our Co-generation plant was 382.75 Lakhs units as against the 329.16 Lakhs Units generated during the previous year. The revenue from sale of power was at ₹785.64 Lakhs as against ₹628.56 Lakhs during the previous year.

SUBSIDIARY

The Company has no subsidiary.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in Section 134(3) of the Companies Act, 2013, your Directors to the best of their knowledge and belief and according to information and explanations obtained from the management, confirm that:

- in the preparation of the annual accounts for the financial year ended March 31, 2015, the applicable accounting standards have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the loss of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual Accounts on a going concern basis.
- The Directors have laid down proper internal financial controls to be followed by the Company and such controls are adequate and operating effectively.
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. D. Kumaraswamy retired as Managing Director of the Company w.e.f. September 1, 2014. Mr. Kumaraswamy was appointed as a Director in May 2010 and became the Managing Director of the Company from August 28, 2010. The Board records its deep appreciation for the commendable services rendered by him in steering the company through the most difficult and challenging times.

The Board appointed Mr. V. Ramesh as the Managing Director with effect from September 1, 2014 subject to approval of the members at the Annual General Meeting.

Ms. Lalitha Balakrishnan was appointed as an Additional & Independent Director of the Company by the Board of Directors with effect from March 30, 2015. Ms. Lalitha Balakrishnan holds office as a Director until the ensuing Annual General Meeting and is eligible for appointment as Director. The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose the candidature of Ms. Lalitha Balakrishnan.

The Board of Directors recommended to the Shareholders, the appointment of Ms. V. Ramesh as Managing Director without any remuneration and Ms. Lalitha Balakrishnan as an Independent Director.

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. V. Ravichandran, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

As required under clause 49 of the Listing Agreement a brief resume, expertise and details of other directorships of Mr. V. Ramesh, Mr. V. Ravichandran and Ms. Lalitha Balakrishnan are annexed to the Notice convening the 29th Annual General Meeting of the Company.

All the Independent Directors viz., Mr. K. Balasubramanian, Mr. K. Ramadoss, Mr. C. R. Rajan and Ms. Lalitha Balakrishnan have submitted declarations confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board met 5 times during the financial year 2014-15, the details of which are given in the Corporate Governance Report.

In accordance with the provisions of Section 134 of the Act and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the performance of Committees of the Board, namely, Audit Committee, Risk Management Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee and also the directors individually. The manner in which the evaluation was carried out and the process adopted has been mentioned in the Corporate Governance Report.

The Board, on the recommendation of the Nomination & Remuneration Committee, has framed a policy for selection and appointment of Directors, Senior Management and their remuneration and also framed the criteria for determining qualifications, positive attributes and independence of directors. The Remuneration Policy and criteria for Board nominations are given in Annexure - A to this Report.

Mr. V. Ramesh, Managing Director; Mr. V. Suri, Chief Financial Officer and Mr. Amar Kumar Dora, Company Secretary are the Key Managerial Personnel of the Company as per Section 203 of the Companies Act, 2013.

AUDITORS AND AUDITOR'S REPORT

Statutory Auditors

The Shareholders at the 28th Annual General Meeting held on July 25, 2014, have appointed M/s R.G.N. Price & Co., as Statutory Auditors of the Company to hold office until the conclusion of 30th Annual General Meeting subject to ratification of their appointment at every intermittent AGM. M/s R.G.N. Price & Co., being eligible have expressed their willingness to continue as auditors of the Company and accordingly, the ratification of their appointment is recommended to the Shareholders.

Cost Auditors

As per Section 148 of the Companies Act 2013 read with Rule 4 of the Companies (Cost Records and Audit) Rules, 2014, the cost records maintained by the Company in respect of its Sugar and Cogeneration activity are required to be audited by a Cost Auditor. The Board of Directors, based on the recommendation of the Audit Committee, appointed M/s Narashima Murthy & Co, Cost Accountants (FRN: 000042), as the Cost Auditors for auditing the cost accounting records maintained by the Company for the financial year 2015-16 on a remuneration of ₹ 90,000/- plus service tax as applicable and reimbursement of out of pocket expenses. As required under the Companies Act, 2013, a resolution seeking members approval of the remuneration payable to the Cost Auditor forms part of the notice convening the Annual General Meeting.

The Cost Audit Report for the year 2013-14 was filed with the Ministry of Corporate Affairs in August 2014.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s V. Sreedharan & Associates, Company Secretaries in practice as the Secretarial Auditor to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is given in Annexure-B to this Report.

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors/Secretarial Auditors in their respective reports. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the year under review.

RISK MANAGEMENT

As required under Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Company has a mechanism to identify, assess, monitor and mitigate various risks to its key business objectives. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis. The Company has formulated a Risk Management Policy which is also available on the Company's website at www.parrysugar.com.

INTERNAL FINANCIAL CONTROLS

The Company has adequate Internal Financial Controls with proper checks to ensure that transactions are properly authorised, recorded and reported apart from safeguarding its assets. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis. The internal auditors of the Company reviews the controls across the key processes and submits reports periodically to the Management and significant observations are also presented to the Audit Committee for review. Follow up mechanism is in place to monitor the implementation of the various recommendations.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES.

Section 135 of the Companies Act, 2013 provides the threshold limit for applicability of the CSR to a Company i.e. (a) net worth of the Company to be ₹ 500 crore or more; or (b) turnover of the company to be ₹ 1,000 crore or more; or (c) net profit of the company to be ₹ 5 crore or more. As the Company does not fall under any of the threshold limits given above, the provisions of Section 135 are not applicable to the Company.

RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered into during the financial year with the related parties were on arm's length basis and were in the ordinary course of business. Section 188(1) of the Companies Act, 2013 exempts related party transactions that are in the ordinary course of business and are on arm's length basis. However, under clause 49 of the Listing Agreement, all material Related Party Transactions requires approval of the shareholders through special resolution. Accordingly, the Company has obtained the approval of the shareholders by way of special resolution for the material related party transactions. The Board of Directors and the Audit Committee have also approved the said related party transactions.

There are no materially significant related party transactions with the promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The policy on dealing with Related Party Transactions as approved by the Board is available at the investors section of the Company's website at www.parrysugar.com

The particulars of contracts/arrangements entered into by the Company with related parties as required to be disclosed are given in Annexure-C to this Report.

CORPORATE GOVERNANCE

The Report on corporate governance as stipulated under the Listing Agreement forms part of this Report. The requisite certificate from M/s V. Sreedharan & Associates, Practicing Company Secretaries confirming compliance with the conditions of corporate governance is attached to the Corporate Governance Report. The report also contains the details as required to be provided on Board evaluation, remuneration policy, implementation of risk management policy, whistle blower policy/vigil mechanism etc.

The Managing Director and the Chief Financial Officer have submitted a certificate to the Board regarding the financial statements and other matters as required under the Listing Agreement.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement, form part of this Annual Report.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

During the year, the Company has transferred an amount of ₹ 647,641/- being the unclaimed dividend for the year 2006-07 to the Investor Education and Protection Fund established by the Central Government.

DISCLOSURES

Committees of the Board

During the year, in accordance with the Companies Act, 2013 the Board re-constituted/re-named some of its Committees and presently the Company has the following Committees:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee

The details of all the Committees alongwith their composition, terms of reference and meetings held during the year are provided in the "Report on Corporate Governance" forming part of this Annual Report.

Vigil Mechanism & Whistle Blower Policy

The Company has a vigil mechanism and a whistle blower policy. The same has been posted on the Company's website and the details of the same are given in the Corporate Governance Report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in Annexure-D to this Report.

Particulars of Loans, Guarantees or Investments

During the financial year 2014-15, the Company has not given any guarantees/loan or made any investments.

Credit Rating

The Rating Committee of ICRA has reaffirmed the rating at [ICRA] BBB+ (pronounced as ICRA triple B plus) for the long term credit to the Company and [ICRA] A2 (pronounced as ICRA A two) for the short term credit to the Company. The outlook on the long term rating is Stable. The aforesaid ratings are valid till November 30, 2015.

Particulars of Employees

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure -E to this Report.

Extract of the Annual Return

The details of the extract of the Annual Return in Form MGT-9 are given in Annexure-F to this Report.

Report to the Board for Industrial and Financial Reconstruction (BIFR)

As the members are aware, the Company had reported the erosion in the net worth of the Company by more than 50% of the peak networth as required under Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 to BIFR. The Company has been filing quarterly reports with BIFR from time to time.

GENERAL

Your Directors state that no disclosure is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.

PERSONNEL RELATIONS

Your directors hereby place on record their appreciation for the services rendered by the executives, staff and workers of the Company for their hard work, dedication and commitment. During the year under review, relations between the employees and the management continued to remain cordial.

APPRECIATION

Your directors thank the various Central and State Government Authorities and Agencies for the continued help and cooperation extended by them. The Directors gratefully acknowledge all stakeholders of the Company viz., farmers, customers, members, dealers, vendors and banks for their excellent support during the year. The Directors also place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued cooperation to the Company.

For and on behalf of the Board of Directors

Chennai
April 24, 2015

K. Balasubramanian
Chairman

Annexure - A1 to the Board's Report

Remuneration Policy

1. Preamble

This Remuneration Policy provides the framework for remuneration of members of the Board of Directors, Key Managerial Personnel and other employees of the Company

This Policy is guided by the principles and objectives as enumerated in Section 178 of the Companies Act, 2013 to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company.

This policy reflects the remuneration philosophy and principles of the Murugappa Group and considers the pay and employment conditions with peers/competitive market to ensure that pay structures are appropriately aligned.

2. Remuneration of Non-Executive Directors

2.1 Non-Executive Directors ("NEDs") are paid remuneration by way of Sitting Fees.

The sitting fee payable to the NEDs for attending the Board and Committee meetings is fixed subject to the statutory ceiling. The fee is reviewed periodically and aligned to comparable best in class companies.

3. Remuneration of Executive Director

3.1 The compensation paid to the Executive Directors (including Managing Director) is within the scale approved by the Shareholders. The elements of the total compensation are approved by the N&R Committee within the overall limits specified under the Companies Act, 2013.

3.2 The elements of compensation of the Executive Director includes the elements as described in 4 below.

3.3 The N&R Committee determines the annual variable pay compensation in the form of annual incentive and annual increment for the Executive Director based on Company's and individual's performance as against the pre-agreed objectives for the year.

3.4 In case of inadequacy of profit in any financial year, the remuneration payable to the Executive Director shall be further subject to the relevant provisions of the Companies Act, 2013.

3.5 Executive Directors will not be paid sitting fees for any Board/Committee meetings attended by them.

4. Remuneration to Key Managerial Personnel/Other Employees

4.1 The Company's total compensation for Key Managerial Personnel/other employees consists of:

- o fixed compensation
- o variable compensation in the form of annual incentive
- o benefits
- o work related facilities and perquisites

4.2 Fixed compensation is determined on the basis of size and scope of the job typically as reflected by the level or grade of the job, trends in the market value of the job and the skills, experience and performance of the employee. Fixed compensation includes Basic Salary, Housing Allowance, Leave Travel Allowance and a cash allowance.

4.3 The Annual Incentive (variable pay) of executives is linked directly to the performance of the Business Unit and the Company in accordance with the Employees Incentive Scheme of the Company.

4.4 Based on the grade and seniority of employees, Benefits for employees include:

- 4.4.1 Health-Related:
 - 4.4.2 Health (hospitalization) insurance
 - 4.4.3 Accident and Life insurance
- 4.4.4 Retirement-Related:
 - 4.4.5 Statutory benefits such as Provident Fund account, Gratuity etc.

4.5 Employees are also eligible for work related facilities and perquisites as may be determined through HR policies issued from time to time based on the Grade of the employee.

4.6 A formal annual performance management process is applicable to all employees, including senior executives. Annual increases in fixed and variable compensation of individual executives are directly linked to the performance ratings of individual employee.

- 4.7 Overall compensation shall be subject to periodic reviews which takes into account data from compensation surveys conducted by specialist firms, as well as factors such as affordability based on the Company's performance and the economic environment.
- 4.8 Employees may be eligible for severance payments in accordance with the termination clause in their employment agreement subject to applicable regulatory requirements

5. Adoption, Changes and Disclosure of Information

- 5.1 This Remuneration Policy and any changes thereof are approved by the Board of Directors based on the recommendation(s) of the N&R Committee.
- 5.2 The policy may be reviewed at such intervals as the Board or N&R Committee may deem necessary.
- 5.3 Such disclosures of this Remuneration Policy as may be required under the Companies Act, 2013 and Listing Agreement may be made.

Annexure – A2 to the Board’s Report

Criteria for Board Nominations

The Nomination and Remuneration Committee (N & R Committee) of the Board is responsible for identifying persons for initial nomination as directors and evaluating incumbent directors for their continued service. The following are the qualifications, positive attributes and independence criteria laid down by the N&R Committee of Parrys Sugar Industries Ltd. in terms of section 178(3) of the Companies Act, 2013 to be considered for nominating candidates for Board positions/re-appointment of directors.

QUALIFICATIONS:

Personal Traits

- Highest personal and professional ethics, integrity and values
- Shares the values and beliefs of the Company.
- Inquisitive and objective perspective, practical wisdom and mature judgement
- Demonstrates intelligence, maturity, wisdom and independent judgement
- Self-confidence to contribute to board deliberations, has a stature that other board members will respect his or her views.

Experience and Background

- Well accomplished in his / her respective field.
- Demonstrated success at policy-setting and strategy development levels in a large organization (such as corporation, government, academic institution or profession)
- Typically first level leadership position (i.e., Chair, CEO or President or equivalent) or second level (i.e., COO, CFO or head of a major subsidiary or line of business) unless the Board is seeking a particular skill set (e.g., technology, human resources management or financial expert)
- Leadership role- at the time a potential director’s initial candidacy is evaluated must either be current or very fresh and recent, and incumbent directors should continue to demonstrate a sophisticated understanding and current knowledge of complex business issues
- A mastery of a broad knowledge area (e.g., engineering, finance, marketing, corporate affairs, technology, law, human resources management, executive leadership) that complements the skills of current board members and proposed board role
- Absence of adverse events (e.g., bankruptcy affiliations, securities law sanctions, disqualifications under Companies Act 2013 or other applicable laws etc.) that either disqualify or require adverse disclosures

Fit and proper

- The intangibles of demeanor, attitude and interpersonal skills that indicate the candidate will be an effective member of the board of directors “team” in a major company setting
- Should act on fully informed basis, in good faith, with due diligence and care and in the best interest of the Company and its stakeholders.
- Should be able to exercise objective independent judgement on corporate affairs.
- Special skills, expertise and background that contribute to the diversity of views and perspective of the board as a whole
- with respect to Directors being nominated for Independent position, the candidate should comply with the “Independence qualifications” as defined by applicable laws.
- Willingness to devote sufficient time to carry out the duties and responsibilities effectively, including attendance at meetings.
- Willingness to undertake appropriate induction and regularly update and refresh his/ her skills, knowledge and familiarity with the Company.
- Commitment to representing the long-term interests of the shareholders and balancing the interests of stakeholders.
- Willingness to challenge management in a constructive manner while working effectively as a part of a team in an environment of collegiality and trust.
- Adhere to the code of conduct of the Company.
- Protecting the legitimate interests of the Company, its shareholders and employees and maintain confidentiality.
- Meets the age criteria and applicable tenor restrictions placed by the Board.

- Absence of an unacceptable number of other board commitments.
- Absence of personal and business relationships/directorship that would pose a conflict of interest to the Board position.
- Absence of unfair obstruction in the functioning of the Board/Committees.

POSITIVE ATTRIBUTES:

The positive attributes for a director would encompass:

- Ethical Integrity & transparency.
- Has/acquires sufficient knowledge in the Company's business and operations.
- Demonstrate sound judgement gained through experience & expertise in management/ technical/ financial /governance or regulatory matters.
- Foresight - ability to see and prepare for future, anticipate needs, opportunities and threats.
- managerial abilities required to lead and guide the management such as effective communication skills, cultural sensitivity, flexibility, team player, strategic thinking, balancing risk with opportunity, ability to juggle several variables and make complicated decisions etc.

INDEPENDENCE STANDARDS:

A Director is independent if the Board affirmatively determines that he meets the Independence criteria provided under the applicable laws. In addition to applying these guidelines, the Board will consider all relevant facts and circumstances in making its determination relating to a director's independence.

Two core objectives in selecting board members and continued board service are that the skills, experiences and perspectives of the Board as a whole should be broad and diverse, and the collective talent should blend together to be as effective as possible.

Annexure – B to the Board's Report

Form No. MR-3 SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED: 31.03.2015

To,
The Members,
Parrys Sugar Industries Limited
Bangalore

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Parrys Sugar Industries Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on March 31, 2015 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. **(Not Applicable to the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 w.e.f. October 28, 2014 **(Not Applicable to the Company during the Audit Period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period)**

(vi) Other laws applicable specifically to the Company namely:

- (a) Sugarcane Control Order, 1966
- (b) Sugar Cess Act, 1982
- (c) Sugar Development Fund Act, 1982
- (d) Karnataka Sugar Cane (Regulation of Purchase and Supply) Act, 2013

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Ltd. and National Stock Exchange of India Ltd.

We have not examined compliance by the Company with

- (a) the Secretarial Standards issued by the Institute of Company Secretaries of India as they had not been notified by the Central Government upto March 31, 2015.
- (b) applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that based on the review of the compliance reports/certificates of the Managing Director/Company Secretary which were taken on record by the Board of Directors, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.

We further report that during the audit period, except for issue of 1,30,00,000 Redeemable Cumulative Non-Convertible Preference Shares of the face value of ₹ 10/- each for cash at par aggregating to a nominal value of ₹ 13 Crore on Private Placement Basis to E.I.D. Parry (India) Ltd. in one or more tranches, there were no events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

For **V. SREEDHARAN & ASSOCIATES**

V. Sreedharan
Partner

FCS: 234; CP No. 833

Bengaluru
April 20, 2015

FORM NO. AOC-2 – Related Party Transactions**[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]**

Form for disclosure of particulars of contracts/arrangements entered into by the Company with the related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sl. No.	Name of the related party and nature of relationship	Nature of contracts/ Arrangements / transactions	Duration of contracts/ arrangements/ transactions	Salient features of contracts / arrangements/ transactions including value, if any	Justification for entering into such contracts/ Arrangements / transactions	Date(s) of approval by the Board	Amount paid as advances, if any.	Date on which special resolution was passed in General Meeting u/s 188(1).
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Nil

2. Details of material contracts or arrangements or transactions at arm's length basis:

Sl. No.	Name of the related party and nature of relationship	Nature of contracts/ Arrangements / transactions	Duration of contracts/ arrangements / transactions	Salient features of contracts/ arrangements/ transactions including value, if any	Date(s) of approval by the Board	Amount paid as advances, if any.	Date on which special resolution was passed in General Meeting u/s 188(1).
1.	Silkroad Sugar Pvt. Ltd. (Fellow subsidiary)	Raw sugar sales	Ongoing	At market price	22.01.2015	–	12.03.2015
2.	E.I.D.- Parry (India) Ltd. (Holding Company)	Sale of sugar	Ongoing	At market price	22.01.2015	–	12.03.2015
		Sale of molasses	Ongoing	Cost plus margin	22.01.2015	–	12.03.2015
		Procurement/supply of cane, H&T labourers	Ongoing	Cost plus margin	22.01.2015	–	12.03.2015
		Reimbursement of expenses	Ongoing	Market price	22.01.2015	–	12.03.2015
		Sale of molasses	Ongoing	Market price	22.01.2015	–	12.03.2015
		Sale of bagasse	Ongoing		22.01.2015	–	12.03.2015
		Interest on the Unsecured loan	31.03.2015		22.01.2015		12.03.2015

Annexure-D to the Board's Report

Information to be given under Section 134 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

i)	The steps taken or impact on conservation of energy	- Replacement of Air compressor operated at 4Kg/cm² pressure with low pressure twin lobe Air blower operating pressure of 1 Kg/cm² - Sulphur burner Air blower motor has provided with VFD - P20 power saver installed for Factory lighting - VFD installed for C continuous pan grain feed pump motors. - Power consumption per ton of cane has been reduced from 27.52% to 26.57%.
ii)	The steps taken by the Company for utilizing alternate sources of energy	–
iii)	The capital investment on energy conservation equipment	Investment of ₹35 Lakhs for Steam saving and ₹10 lakhs for power saving have been made.

B. TECHNOLOGY ABSORPTION

i)	The efforts made towards technology absorption	Efforts are initiated and implemented for Heat Energy Conservation in Boiling House. Vapour bleeding modification has been made for pan boiling from I vapour to II vapour Direct Contact Heater (DCH) was installed for BH molasses condition.
ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	Steam % cane reduced by 1% Power consumption per Tonne of cane by 1 unit.
iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -	NA
(a)	The details of technology imported	NA
(b)	The year of import	NA
(c)	Whether the technology been fully absorbed	NA
(d)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NA
iv)	The expenditure incurred on Research and Development	–

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakhs)

	2014-15	2013-14
The foreign exchange earned in terms of actual inflows during the year and the Foreign exchange outgo during the year in terms of actual outflows.		
Foreign exchange earned	1595.26	647.89
Foreign exchange outgo	–	–

Annexure - E to the Board's Report

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Information as per Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014:

1. Ratio of Remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Name	Designation	Ratio
Mr. K. Balasubramanian	Director	@
Mr. K. Ramadoss	Director	@
Mr. C. R. Rajan	Director	@
Mr. Lalitha Balakrishnan	Director	*^
Mr. V. Ravichandran	Director	@
Mr. V. Ramesh	Managing Director	*
Mr. D. Kumaraswamy	Managing Director (till 31.08.2014)	*^

@ Only sitting fee was paid based on the number of meetings attended by each Director and hence the same is not comparable. The sitting fee was increased from ₹15000/- to ₹25000/- for attending Board and Audit Committee Meetings and from ₹ 10000/- to ₹ 15000/- for attending other Committee meetings.

(*) Appointed without remuneration

(*^) Since this information is for part of the year, the same is not comparable.

2. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name	Designation	% increase
Mr. K. Balasubramanian	Director	@
Mr. K. Ramadoss	Director	@
Mr. C. R. Rajan	Director	@
Mr. Lalitha Balakrishnan	Director	—
Mr. V. Ravichandran	Director	@
Mr. V. Ramesh	Managing Director	*
Mr. D. Kumaraswamy	Managing Director (till 31.08.2014)	*^
Mr. V. Suri	Chief Financial Officer	*
Mr. Amar Kumar Dora	Company Secretary	*^

@ Only sitting fee was paid based on the number of meetings attended by each Director and hence the same is not comparable.

(*) Appointed without remuneration

(*^) Since this information is for part of the year, the same is not comparable.

3. Percentage increase in the median remuneration of employees in the financial year: 0.07%

4. Number of permanent employees on the rolls of company: 140

5. Explanation on the relationship between average increase in remuneration and company performance:

The individual increments are based on individual performance. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

6. Comparison of remuneration of each Key Managerial Personnel against the performance of the Company.

Name	Designation	Remuneration ₹ Lakhs	Performance of the Company
Mr. V. Ramesh	Managing Director	—@	Current year, there has been a 15.61% increase in the revenue of the Company. The overall loss was brought down by 56.32% as compared to the previous year.
Mr. V. Suri	Chief Financial Officer	—@	
Mr. Amar Kumar Dora	Company Secretary	21.84	
Mr. D. Kumaraswamy	Managing Director	88.89(*)	

(*) remuneration for part of the year.

@ Mr. V. Ramesh and Mr. V. Suri are appointed without remuneration.

7. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

	31.03.2014	31.03.2015	% change
Market Capitalization of the Company (in ₹ Lakhs)	3623.05	3343.59	(7.71)
Closing Price at the BSE Ltd. (in ₹)	18.15	16.75	
Price Earnings Ratio as at the closing date	-0.97	-1.66	71.13

8. Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year:

Not comparable as the last public offer was in the year 1992.

9. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in salaries of employees other than managerial personnel is 14%. There was no increase in the managerial remuneration during the year.

10. Key parameters for any variable component of remuneration availed by the directors:

The Non-executive Directors are not entitled to any remuneration other than sitting fee for attending the meeting of the Board/ Committees of the Board. The variable component in the erstwhile Managing Director's remuneration was linked to the BSC of the Company's Balanced Score Card and achievement of the operational performance but within the overall remuneration approved by the Shareholders.

11. Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

None

12. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

B. (1) Information as per Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014:

Sl. No.	Particulars	
1	Name	Mr. D.Kumaraswamy
2	Designation	Managing Director (retired on 31.08.2014)
3	Remuneration received	₹88.88 Lakhs
4	Nature of employment	Contractual
5	Qualification and Experience	Bachelor of Commerce, Chartered Accountant & Company Secretary - 36 years
6	Date of commencement of employment	28.08.2010
7	Age	62 years
8	Previous employment	E.I.D.- Parry (India) Ltd.
9	Percentage of equity shares held in the Company	Nil.

Notes:

- Remuneration as shown above includes salary, allowances, company's contribution to provident, superannuation and gratuity funds, medical facilities and perquisites valued as per income-tax rules.
- Mr. D. Kumaraswamy is not relative of any director of the Company.

(2) Further no employee of the Company is covered by Rule 5(2)(iii) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

Annexure – F to the Board's Report

MGT - 9

EXTRACT OF ANNUAL RETURN for the financial year ended on 31/03/2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i. CIN :	L28100KA1986PLC049077
ii. Registration Date :	30/06/1986
iii. Name of the Company:	Parrys Sugar Industries Limited
iv. Category/Sub-Category of the Company:	Public Company Limited by shares
v. Address of the Registered office and contact details:	Venus Building, 3rd Floor, 1/2 Kalyanamantapa Road, Jakkasandra, Koramangala, Bengaluru - 560 034 Tel No. 080-49006666 Fax No. 080-49006600
vi. Whether listed company : Yes/No	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any:	Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel No. 040 6716 1570 Fax No. 040 2300 1153

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Sugar	10721-Manufacture or refining of sugar (sucrose) from sugercane	96
2.	Cogeneration	35106-Electric power generation using other non conventional sources	4

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
1.	E.I.D.- Parry (India) Ltd., Dare House, Parrys Corner, Chennai-600001	L24211TN1975PLC006989	Holding Company	65	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/HUF (b) Central Govt. (c) State Govt(s). (d) Bodies Corp. (e) Banks / FI (f) Any Other....	12975110		12975110	65.00	12975110		12975110	65.00	–
Sub-Total (A) (1)	12975110		12975110	65.00	12975110		12975110	65.00	–
(2) Foreign									
(a) NRIs - Individuals (b) Other - Individuals (c) Bodies Corp. (d) Banks / FI (e) Any Other....									
Sub-Total (A) (2)									
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	12975110		12975110	65.00	12975110		12975110	65.00	–
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds (b) Banks/FI (c) Central Govt. (d) State Govt(s). (e) Venture Capital funds (f) Insurance Companies (g) FIs (h) Foreign Venture Capital Funds (i) Others (Specify)	387504 394651	186	387690	1.94	387504	186	387690	1.94	– -0.12
Sub-Total (B)(1)	782155	186	782341	3.92	759153	186	759339	3.80	-0.12
(2) Non- Institutions									
(a) Bodies Corp i. Indian ii. Overseas (b) individuals i. Individual shareholders holding nominal share capital up to ₹ 1 lakh ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4608307 943783 12852	10939	4619246	23.14	4606589	10939	4617528	23.13	-0.01 0.09 -0.06

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c) Others (Specify)									
HUF	30052		30052	0.15	49160		49160	0.25	0.10
Non Resident Indian	29152	32860	62012	0.31	28213	32860	61073	0.31	–
Clearing members	954		954	0.00	1422		1422	0.01	–
Sub-Total (B)(2)	5625100	579156	6204256	31.08	5654740	572518	6227258	31.20	0.12
Total Public Shareholding = (B) (1) + (B) (2)	6407255	579342	6986597	35.00	6413893	572704	6986597	35.00	
C. Shares held by custodian for GDRs & ADRs									
Grand Total (A + B + C)	19382365	579342	19961707	100.00	19389003	572704	19961707	100.00	

(ii) Shareholding of Promoters:

Sl. No	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	E.I.D.- Parry (India) Ltd.	12975110	65	–	12975110	65	–	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	No change during the year			
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.):				
	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year 01/04/14 to 31/03/15)	
		No. of shares at the beginning (01/04/14)/ end of the year (31/03/15)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	GMR HOLDINGS PVT. LTD.							
	At the beginning of the year	4397295	22.03					
				14-Nov-14	(2197295)		2200000	11.02
				21-Nov-14	(2200000)		–	–
	At the end of the year	–	–					
2	NEW LEAINA INVESTMENTS LIMITED							
	At the beginning of the year	394651	1.98					
				30-Jun-14	(597)	Transfer	394054	1.97
				11-Jul-14	(41500)	Transfer	352554	1.77
				18-Jul-14	(47500)	Transfer	305054	1.53
				25-Jul-14	(50000)	Transfer	255054	1.28
				1-Aug-14	(58000)	Transfer	197054	0.99
				8-Aug-14	(87500)	Transfer	109554	0.55
				15-Aug-14	(79000)	Transfer	30554	0.15
				22-Aug-14	(30554)	Transfer	–	–
	At the end of the year	–	–					
3	UNITED INDIA INSURANCE COMPANY LIMITED							
	At the beginning of the year	263504	1.32	Nil movement during the year				
	At the end of the year	263504	1.32					
4	PARRYS SUGAR INDUSTRIES LTD. - UNCLAIMED SUSPENSE A/C							
	At the beginning of the year	141029	0.71	Nil movement during the year				
	At the end of the year	141029	0.71					
5	GENERAL INSURANCE CORPORATION OF INDIA							
	At the beginning of the year	124000	0.62	Nil movement during the year				
	At the end of the year	124000	0.62					
6	GURUMURTHY							
	At the beginning of the year	12852	0.06	4-Apr-14	108	Transfer	12960	0.06
				11-Apr-14	344	Transfer	13304	0.07
				18-Apr-14	25	Transfer	13329	0.07
				25-Apr-14	(539)	Transfer	12790	0.06
				2-May-14	(2400)	Transfer	10390	0.05
				9-May-14	(148)	Transfer	10242	0.05
				16-May-14	541	Transfer	10783	0.05
				23-May-14	(201)	Transfer	10582	0.05
				30-May-14	(1369)	Transfer	9213	0.05
				6-Jun-14	(2545)	Transfer	6668	0.03
				13-Jun-14	(483)	Transfer	6185	0.03
				20-Jun-14	483	Transfer	6668	0.03
				30-Jun-14	74	Transfer	6742	0.03
				4-Jul-14	245	Transfer	6987	0.04
				11-Jul-14	189	Transfer	7176	0.04
				18-Jul-14	140	Transfer	7316	0.04

Sl. No.	Name	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year 01/04/14 to 31/03/15)	
		No. of shares at the beginning (01/04/14)/ end of the year (31/03/15)	% of total shares of the Company				No. of shares	% of total shares of the Company
				25-Jul-14	(315)	Transfer	7001	0.04
				1-Aug-14	(8)	Transfer	6993	0.04
				8-Aug-14	(974)	Transfer	6019	0.03
				22-Aug-14	131	Transfer	6150	0.03
				29-Aug-14	(450)	Transfer	5700	0.03
				5-Sep-14	334	Transfer	6034	0.03
				12-Sep-14	(151)	Transfer	5883	0.03
				19-Sep-14	384	Transfer	6267	0.03
				30-Sep-14	1053	Transfer	7320	0.04
				3-Oct-14	4	Transfer	7324	0.04
				10-Oct-14	574	Transfer	7898	0.04
				17-Oct-14	391	Transfer	8289	0.04
				24-Oct-14	55	Transfer	8344	0.04
				31-Oct-14	(1460)	Transfer	6884	0.03
				7-Nov-14	1062	Transfer	7946	0.04
				14-Nov-14	(1470)	Transfer	6476	0.03
				21-Nov-14	(200)	Transfer	6276	0.03
				28-Nov-14	(248)	Transfer	6028	0.03
				5-Dec-14	158	Transfer	6186	0.03
				12-Dec-14	47	Transfer	6233	0.03
				19-Dec-14	18	Transfer	6251	0.03
				31-Dec-14	729	Transfer	6980	0.03
				2-Jan-15	(296)	Transfer	6684	0.03
				9-Jan-15	(1530)	Transfer	5154	0.03
				16-Jan-15	(110)	Transfer	5044	0.03
				23-Jan-15	(114)	Transfer	4930	0.02
				30-Jan-15	695	Transfer	5625	0.03
				6-Feb-15	308	Transfer	5933	0.03
				13-Feb-15	990	Transfer	6923	0.03
				20-Feb-15	365	Transfer	7288	0.04
				27-Feb-15	524	Transfer	7812	0.04
				6-Mar-15	108	Transfer	7920	0.04
				13-Mar-15	140	Transfer	8060	0.04
				27-Mar-15	(41)	Transfer	8019	0.04
				31-Mar-15	104	Transfer	8123	0.04
	At the end of the year	8123	0.04					
7	RAJESH KUMAR SHANKAR KIRPALANI							
	At the beginning of the year	12400	0.06	Nil movement during the year				
	At the end of the year	12400	0.06					
8	FELEX ENTERPRISES PVT. LTD.							
	At the beginning of the year	9052	0.05	Nil movement during the year				
	At the end of the year	9052	0.05					
9	BHAGYESH H SONEJI							
	At the beginning of the year	8757	0.04	Nil movement during the year				
	At the end of the year	8757	0.04					

Sl. No.	Name	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year 01/04/14 to 31/03/15)	
		No. of shares at the beginning (01/04/14)/ end of the year (31/03/15)	% of total shares of the Company				No. of shares	% of total shares of the Company
10	GHANSHYAM SHARES & STOCK BROKERS PVT. LTD.							
	At the beginning of the year	8352	0.04					
				4-Apr-14	(120)	Transfer	8232	0.04
				11-Apr-14	(169)	Transfer	8063	0.04
				18-Apr-14	180	Transfer	8243	0.04
				25-Apr-14	(350)	Transfer	7893	0.04
				2-May-14	(541)	Transfer	7352	0.04
				9-May-14	(610)	Transfer	6742	0.03
				16-May-14	(114)	Transfer	6628	0.03
				23-May-14	330	Transfer	6958	0.03
				30-May-14	(1530)	Transfer	5428	0.03
				6-Jun-14	(669)	Transfer	4759	0.02
				13-Jun-14	(1031)	Transfer	3728	0.02
				20-Jun-14	31	Transfer	3759	0.02
				30-Jun-14	31	Transfer	3790	0.02
				4-Jul-14	23	Transfer	3813	0.02
				11-Jul-14	89	Transfer	3902	0.02
				18-Jul-14	616	Transfer	4518	0.02
				25-Jul-14	15	Transfer	4533	0.02
				1-Aug-14	273	Transfer	4806	0.02
				8-Aug-14	(49)	Transfer	4757	0.02
				22-Aug-14	381	Transfer	5138	0.03
				29-Aug-14	(213)	Transfer	4925	0.02
				5-Sep-14	469	Transfer	5394	0.03
				19-Sep-14	1024	Transfer	6418	0.03
				3-Oct-14	(289)	Transfer	6129	0.03
				10-Oct-14	516	Transfer	6645	0.03
				24-Oct-14	5	Transfer	6650	0.03
				31-Oct-14	(1519)	Transfer	5131	0.03
				7-Nov-14	1016	Transfer	6147	0.03
				14-Nov-14	(200)	Transfer	5947	0.03
				28-Nov-14	16	Transfer	5963	0.03
				5-Dec-14	(248)	Transfer	5715	0.03
				12-Dec-14	214	Transfer	5929	0.03
				19-Dec-14	439	Transfer	6368	0.03
				2-Jan-15	(500)	Transfer	5868	0.03
				9-Jan-15	(300)	Transfer	5568	0.03
				16-Jan-15	74	Transfer	5642	0.03
				23-Jan-15	471	Transfer	6113	0.03
				30-Jan-15	624	Transfer	6737	0.03
				6-Feb-15	302	Transfer	7039	0.04
				13-Feb-15	800	Transfer	7839	0.04
				20-Feb-15	78	Transfer	7917	0.04
				27-Feb-15	569	Transfer	8486	0.04
				6-Mar-15	(50)	Transfer	8436	0.04
				13-Mar-15	36	Transfer	8472	0.04
				20-Mar-15	(1)	Transfer	8471	0.04
				27-Mar-15	236	Transfer	8707	0.04
				31-Mar-15	215	Transfer	8922	0.04
	At the end of the year	8922	0.04					

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year 01/04/14 to 31/03/15)	
		No. of shares at the beginning (01/04/14)/ end of the year (31/03/15)	% of total shares of the Company				No. of shares	% of total shares of the Company
11	GRANDHI ENTERPRISES PRIVATE LIMITED							
	At the beginning of the year	–	–					
				28-Nov-14	4397295	Transfer	4397295	22.03
	At the end of the year	4397295	22.03					
12	ASIA INVESTMENT CORPORATION (MAURITIUS) LTD.							
	At the beginning of the year	–	–					
				11-Jul-14	29000	Transfer	29000	0.15
				18-Jul-14	60000	Transfer	89000	0.45
				25-Jul-14	32500	Transfer	121500	0.61
				1-Aug-14	53000	Transfer	174500	0.87
				8-Aug-14	109960	Transfer	284460	1.43
				15-Aug-14	49500	Transfer	333960	1.67
				22-Aug-14	60054	Transfer	394014	1.97
				23-Jan-15	-1900	Transfer	392114	1.96
				30-Jan-15	-1500	Transfer	390614	1.96
				6-Feb-15	-5759	Transfer	384855	1.93
				20-Feb-15	-1817	Transfer	383038	1.92
				27-Feb-15	-1616	Transfer	381422	1.91
				6-Mar-15	-2700	Transfer	378722	1.90
				13-Mar-15	-1000	Transfer	377722	1.89
				20-Mar-15	-1423	Transfer	376299	1.89
				27-Mar-15	-2000	Transfer	374299	1.88
				31-Mar-15	-2650	Transfer	371649	1.86
	At the end of the year	371649	1.86					
13	ARUN CHATURBHUI							
	At the beginning of the year	–	–					
				9-May-14	1000	Transfer	1000	0.01
				13-Jun-14	2000	Transfer	3000	0.02
				1-Aug-14	2000	Transfer	5000	0.03
				5-Dec-14	3000	Transfer	8000	0.04
				16-Jan-15	2000	Transfer	10000	0.05
	At the end of the year	10000	0.05					
14	TULASIREDDY DEVIREDDY							
	At the beginning of the year	6758	0.03	Nil movement during the year				
	At the end of the year	6758	0.03					

v) Shareholding of Directors and Key Managerial Personnel:
(a) Shareholding of Directors

Sl. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	None of the Directors hold shares in the Company			
	At the End of the year				

(b) Shareholding of Key Managerial Personnel.

Sl. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Mr. V. Suri, Chief Financial Officer				
	At the beginning of the year	–	–	–	–
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	–	–	–	–
	At the End of the year	–	–	–	–
	Mr. Amar Kumar Dora, Company Secretary				
	At the beginning of the year	10	negligible	10	Negligible
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	–	–	–	–
	At the End of the year	10	negligible	10	Negligible

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	10536.42	7405.48	–	17941.90
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	929.47	305.00	–	1234.47
Total (i + ii + iii)	11465.89	7710.48	–	19176.37
Change in Indebtedness during the financial year				
Addition	2996.05	–	–	2996.05
Reduction	-2997.45	-4610.48	–	-7607.93
Net Change	-1.40	-4610.48	–	-4611.88
Indebtedness at the end of the financial year				
i) Principal Amount	9918.86	3100.00	–	13018.86
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	1545.63	–	–	1545.63
Total (i + ii + iii)	11464.49	3100.00	–	14564.49

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (₹ in Lakhs)
		Mr. D. Kumaraswamy	Mr. V. Ramesh (**)	
1	Gross salary	55.11	–	55.11
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	15.28	–	15.28
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39.83		39.83
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission			
	- as % of profit	29.65	–	29.65
	- others, specify...			
5	Others – Retirals	4.13	–	4.13
Total (A)		88.89*	–	88.89*
Ceiling as per the Act			–	50.00@

(*) the Company's application for approval of the remuneration of Mr. D. Kumaraswamy for the period from April 1, 2014 to August 31, 2014 is pending with the Central Government. @ Prorata

(**) Mr. V. Ramesh has been appointed as Managing Director with effect from September 1, 2014 without remuneration.

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (₹ in Lakhs)
		Mr. K. Balasubramanian	Mr. K. Ramadoss	Mr. C. R. Rajan	
	Independent Directors				
	• Fee for attending board / committee meetings	1.80	3.40	2.95	8.15
	• Commission	–	–	–	–
	• Others, please specify	–	–	–	–
	Total (1)	1.80	3.40	2.95	8.15

Note: Ms. Lalitha Balkrishnan become the member of the Board w.e.f. March 30, 2015.

Mr. V. Ravichandran					
Other Non-Executive Directors					
	• Fee for attending board/committee meetings	1.75			1.75
	• Commission	–			–
	• Others, please specify	–			–
Total (2)		1.75			1.75
Total (B) = (1) + (2)		3.55	3.40	2.95	9.90
Total Managerial Remuneration					88.89
Overall Ceiling as per the Act		₹50 Lakhs (Prorata). The Company's application for approval of the remuneration of Mr. D. Kumaraswamy for the period from April 1, 2014 to August 31, 2014 is pending with the Central Government.			

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Sl. No.	Particulars of Remuneration	CS*
1.	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	21.83
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	—
2	Stock Option	—
3	Sweat Equity	—
4	Commission	—
5	Others, please specify	—
Total (C)		21.83

(*) Employed for part of the year.

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT			NIL		
Penalty					
Punishment					
Compounding					

MANAGEMENT DISCUSSION & ANALYSIS

Sugar Industry – Global scenario

Sugar is one of the world's major agro-based industries and is also one of the most actively traded soft commodities on the exchanges. Brazil, India, the EU, China and Thailand rank amongst the top global producers of sugar. More than 80% of sugar is produced from sugar cane while the balance is from sugar beet. Brazil and India are the largest sugar producers from sugarcane and EU and U.S. are the major sugar producers from beet. India, the EU, China, Brazil and U.S are the major sugar consuming countries.

Global trends in Sugar

The world sugar industry is transiting through challenging times with prices barely meeting production costs. A global surplus sugar production for 4 years, beginning from 2011, continued to tilt the demand-supply equilibrium, sending sugar prices on a downward spiral. In 2014-2015, the key sugar producers such as Australia, India, the EU, Central America and Thailand will exceed the production records of 2012-13, a peak in the world surplus. As per the recent estimates, global sugar output will touch the 170 mt mark for sugar year 2014-2015 with consumption at around 167 mt, leaving a surplus of around 3 mt. Despite, inclement weather seasons reducing output and the continued shift in sugar mix to ethanol production in Brazil, the largest producer of sugar in the world, there will be surplus sugar available in the world market and the forecast for sugar prices at world market will hold down for few more years. Added to this, a decline in global sugar consumption pattern driven by lifestyle changes and government health regulations also adds to the price stress. While the consumption is declining in advanced economies, an upward trend in consumption is apparent in the developing and emerging economies, especially in Asia and Africa. While the short-term outlook is challenging, a shortfall in production due to economic non-viability, inclement weather conditions and the focus on bio fuels such as ethanol, a by-product of sugar as an alternative to oil, is predicted to result in a surge in both demand and prices in the long term.

Sugar Industry – Domestic scenario

India is the second largest producer of sugar in the world next to Brazil and also the largest consumer of sugar. Sugar is the second largest agro processing industry after cotton involving over 60 million farmers and dependents. Indian sugar production is characterized by a cyclic production pattern with typical sugar cycles lasting 2-3 years, as production adjusts to fall in price which in turn leads to lower supplies, price increase and higher production. Bulk consumers such as soft drink manufacturers, bakeries, confectionery, hotel and restaurant consumers account for 65% of milled sugar demand. Key developments in the sector impact global demand supply dynamics and prices.

The sugar production in 2014-15 season till March 31, 2015 was 247.20 lakh tonnes which is an increase of about 28.41 lakh tonnes over the last period. Karnataka is the third largest sugar producing state in the country next only to Maharashtra and Uttar Pradesh. The sugar production in Karnataka till March 31, 2015 was 42.50 Lakhs tonnes as against 38.84 Lakhs tonnes produced during the last season of the corresponding period.

Price of Sugar Cane

Sugarcane has been declared as an essential commodity under the Essential Commodities Act, 1955. Sugarcane (Control) Order 1966 promulgated by the Union of India in exercise of its power conferred on it under Sec.3 of the Essential Commodities Act, 1955 provides for fixation of Fair and Remunerative Price (FRP) on taking into account, the various factors as enumerated therein. The Commission for Agricultural Costs and Price (CACP), taking into account the actual recovery of sugar, produced during the previous sugar season and other by-products in the manufacture of sugar, recommends for fixation of FRP by the Union of India. Accordingly, on the basis of the recommendation of CACP, the Government of India fixes the FRP every year.

The FRP declared by the Central Govt has continuously increased over the years without any corresponding increase in sale price of sugar. The FRP which was ₹1700/- in the year 2012-13 was raised to ₹2100/- in the year 2013-14 which further raised to ₹2200/- in the year 2014-15. Apart from FRP declared by the Central Government, some state Government declare Sugar Cane Price either through the legislation prevailing in the state or through a notification known as State Advised Price which is usually higher than the FRP and is fixed without any scientific basis as a populist measure to appease the farmers.

A high SAP is unfair to the sugar mills as they have to bear an even higher financial obligation as the cost of production rises every year due to the steep increase in SAP. The fixing of cane prices for SY14 witnessed a considerable tussle between the State Government of Karnataka, cane farmers and the millers which substantially delayed crushing in most of the States.

Sugar Price

In March 2014, sugar prices across the country have been on the rise, increasing by around ₹700 per quintal over the previous month but the average sugar prices have been falling year after year. The sugar prices which was at ₹29170 in the year 2013-14 fell to ₹26000/- in the year 2014-15 to ₹2200/- per tonne during the current year. Sugar prices have dropped by about 9% from the year 2013-14 on account of excess supply in the market.

With the higher sugar production in the current season against the estimated consumption of 24.8 MT, carryover stock in the 2015-16 season is estimated 8.5 MT which is 2.5MT higher than the normative requirement of six million tonnes. The carry forward of sugar stocks is increasing every year. For the year 2014-15, 90 lakh tonnes is being carried forward as against 75 lakh tonnes in 2013-14.

The decline in Sugar Price has been driven by a multiplicity of factors viz., production outstripping demand, liquidation of stock at discounted price to pay cane farmers etc., and competition from sugar produced by processing raw sugar. During the festive season October – November 2014, when traditionally prices tend to spike because of demand surge, the prices continued to be on the lower side in view of availability of sufficient stocks against the demand.

While the government has encouraged sugar exports through subsidy assistance of ₹4000 a tonne, on raw sugar shipment upto 1.4 MT, falling raw sugar prices in the benchmark New York market have hit exports.

Sugar Division

The Company's Sugar Plant located at Ramdurg, Belagavi District in Karnataka, was taken on 25 years lease from Shri Dhanalakshmi Sahakari Sakkare Karkhane Niyamat (DSSKN). During the year the Company fared well in the production front adding about 60000 MT of cane to the crushing over the previous year. The average recovery percentage has gone up from 11.80% last year to 12.14% in the current year.

Cogeneration

Co-generation is the concept of producing two forms of energy from one fuel. One of the forms of energy must always be heat and the other may be electrical or mechanical energy. Cogenerated power has environmental benefits in terms of replacing fossil fuels and is also renewable in nature. For a sugar mill, opting for cogeneration of power has the advantages of getting an additional stream of revenue by selling electricity to the consumer through power grids.

The power produced through co-generation substitutes the conventional thermal alternative and reduces greenhouse gas emissions. In India, interest in high-efficiency bagasse based cogeneration started in the 1980s when electricity supply started falling short of demand. High-efficiency bagasse cogeneration was perceived as an attractive technology both in terms of its potential to produce carbon neutral electricity as well as its economic benefits to the sugar sector. In the present scenario, where fossil fuel prices are shooting up and there is a shortage and non-availability of coal, co-generation appears to be a promising development. The thrust on distributed generation and increasing awareness for cutting greenhouse gas emissions increases the need for cogeneration. Also it helps in controlling pollution from fossil fuels. The major bottlenecks in harnessing co-generation potential has been lack of management focus; weak financial position of many sugar mills, especially smaller units including those run by the co-operative sector; and relatively unattractive tariffs.

During the year, the Company's Unit at Ramdurg has generated power of 382.75 Lakhs units as against 329.08 Lakh units over the previous year.

Marketing

The Company is targeting lucrative sugar markets and increasing its sales target to Institutions, retail and to sugar deficit regions primarily in and around the Eastern part of the Country. With the production of M30 grade sugar, the Company is expanding its customer base. Besides the ability to sell the higher volumes of production, sales to these markets also has the advantage of a premium price as compared to local trade. The Company has also been participating in the PDS through e-tender and ventured into futures trading through NCDEX.

OUTLOOK

Globally, Sugar production is set to rise and greater swings in sugar trade were expected from the regions that were historically stable, including Europe and India. While the Brazilian industry reeled under debt and drought issues, India increased its sugar production and the European Union opened up to trade. The industry needs to absorb higher sugar production by increasing the flexibility of supply to better serve growing demands in emerging markets like China. The increased demands will lead to increased volatility and better price transparency and lower short term prices

The sugar production in India is characterized by the cyclical nature of production where 2-3 years of surplus are followed by 2-3 years of deficit. In recent years, the cycle has been more pronounced, with larger swings in production and trade. Trade generally follows a similar trend, with imports during the deficit phase of the cycle, replaced by large exports during the surplus phase. The cyclical production is due to uncertain weather conditions, lower productivity and use of traditional method of production. The government policies also amplify the cycle through incentives/subsidy schemes.

India is the fourth largest exporter of sugar and has the potential to export sugar to sugar deficit countries in the Middle East and East Africa. India enjoys freight advantage in exporting sugar to these countries but the only disadvantage is that price fetched in these countries is much lower than the price fetched in Europe and North America. The Indian sugar sector needs to focus on European and North American markets on a long term basis to fetch higher prices for Indian sugar.

The potential for expanding sugar production in India exists and can be fully exploited if adjustments were introduced to ensure a market driven relationship between sugar and sugarcane prices. The value addition from sugarcane by products, such as ethanol, electric power, and other derivatives, can cushion against low sugar prices and other market risks. Clearly, the liberalization of the sugar industry can only be undertaken within the context of broader domestic reforms, because of the linkages on both demand and supply sides that prevail in agricultural commodity prices.

RISKS AND CONCERNS

Pursuant to Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee. The details of the Committee, its terms of reference are given in the corporate governance report. The methodology for risk management primarily involves mapping of risks with strategy, assessing the risks on its importance, identifying de-risking measures and assigning it to risk owners and continuously monitoring the status of the risks. The risks were categorized into Strategy & Planning, operations and compliance and the risks associated with each risk category was further classified and identified as 'critical', 'major' and 'moderate'.

The major risks faced by Sugar business are the availability of cane, regulatory risks, price of sugar and that of sugar cane. The management periodically reviews the risk management framework to identify the major business risks as applicable to the Company and works out

their mitigation strategy. Sugarcane is the key raw material for sugar and any difficulty in getting cane at right time will have impact on the business. The key factors that influence cane availability are climatic condition, availability of cane harvesting labour and farmers opting competitive crops.

The sugar industry is regulated by the central and state governments. The Company is in close association with ISMA and SISMA to understand the development in the sector at the country level and regional level. The risks of rising prices of sugar cane and volatility in sugar prices are expected to be met by a number of measures viz. improving the yield, increasing the cane cultivation and improving the operating efficiency etc besides effort to increase the revenue from the byproducts.

Internal control systems and their adequacy.

The Company has well-established processes and clearly-defined roles and responsibilities for people at various levels. This coupled with adequate internal information systems in SAP ensures proper information flow for the decision-making process. The control mechanism also involves well documented policies, authorisation guidelines commensurate with the level of responsibility and standard operating procedures specific to the respective businesses. Adherence to these processes is ensured through frequent internal audits. The internal audits conducted are reviewed by the Audit Committee and requisite guidelines and procedures augment the internal controls. The internal control system is designed to ensure that financial and other records are reliable for preparing financial statements and other information which ensures that all transactions are properly reported and classified in the financial records.

Financial performance with respect to operational performance.

The Company's Sugar Plant located at Ramdurg in Karnataka, was taken on 25 years lease from Shri Dhanalakshmi Sahakari Sakkare Karkhane Niyamat (DSSKN). At the time of takeover, this unit was in a semi-finished condition. The Company made the necessary capital investment and made the unit operational. The performance of the unit since inception is as follows:

Sugar season	Cane crushed (MT)	Recovery	Sugar Produced (Qtls.)	Power exported (Lakh Units)
2008-2009	56,964	9.04	51,474	Nil
2009-2010	2,05,071	10.12	2,07,522	Nil
2010-2011	4,57,703	11.75	5,37,803	40.28
2011-2012	4,90,047	12.10	5,92,761	6.44
2012-2013	5,61,079	11.07	6,20,961	138.58
2013-2014	5,55,165	11.70	6,49,550	187.39
2014-2015	6,66,234	12.12	8,07,475	236.69

The initial capacity of the unit was 2500 TCD and 6 MW Co Gen. This unit commenced commercial operation in December 2008. The Company over the years has enhanced the cane crushing capacity to 4000 TCD and Co-generation capacity to 13 MW. The Company is continuously working on further improving operational efficiencies and production techniques, benchmarking with the best in the industry. The efforts of the Company in this direction have resulted in improvement of recovery, reduction of down time and production of quality sugar inviting better margin for the Company products.

Sugar

₹ in Lakhs

Revenue (excluding inter-segmental revenue)	18915.34
EBIDTA	453.00

Cogeneration

₹ in Lakhs

Revenue (excluding inter-segmental revenue)	785.64
EBIDTA	352.00

Material developments in Human Resources

In a challenging and competitive environment, the Company believes that people are the key to success and continues to focus on people capabilities by leveraging technology and creating a learning environment. The Human Resources function proactively develops innovative and business focussed methods to attract, develop, motivate and retain talent. Human resources strategy is closely aligned to key business and stems from the organisation purpose which is – "To build Credible, Reliable & Capable Human Capital to deliver superior Individual and Business performance". This vision is delivered by a high level of policy deployment initiatives and contemporary HR practices focussing key imperatives such as Capability Development, Talent Management, Employee Engagement, Productivity & Cost and HR excellence.

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

CAUTIONARY STATEMENT

The management discussion and analysis report containing your Company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied in the statement. Your Company's operation may inter-alia be affected by the supply and demand situations, input price and the availability, changes in the government regulations, tax laws and other factors. The Company cannot guarantee the accuracy of the assumptions and perceived performance of the Company in future.

REPORT ON CORPORATE GOVERNANCE

I. Company's Philosophy on code of Corporate Governance

Parrys Sugar Industries Limited (PSIL), a member of Murugappa Group of Companies, adheres to good corporate practices and is constantly striving to improve them and adopt the best practices. Adherence to business ethics and commitment to corporate social responsibility are the enablers for a company to maximising value for all its stakeholders. PSIL is committed to the spirit of Murugappa Group by upholding the core values of integrity, passion, responsibility, quality and respect in dealing with all stakeholders of the Company.

II. Board of Directors

Composition

As on March 31, 2015, the Company has 6 Directors of which 5 are Non-Executive Directors. Four of the six Board Members are Independent Directors. The Chairman of the Board is a Non-Executive Director and the Company has a Managing Director. The Composition of the Board is in conformity with Clause 49 of the Listing Agreements with the Stock Exchanges. As required under Section 149(3) of the Companies Act, 2013, Ms. Lalitha Balakrishnan, a woman director has been appointed as an Independent Director on the Board.

The Board has formulated a policy on Remuneration and the criteria for Board nominations which outlines the appointment criteria and qualifications for appointment on the Board of PSIL and the matters related to remuneration of Directors. The said policy has been published elsewhere in the Annual Report. The independent directors have confirmed that they satisfy the 'criteria of independence' as stipulated in clause 49 of the listing agreement.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in companies other than PSIL as on March 31, 2015 are given below:

Name of the Director	Category	Number of Board Meetings during the year 2014-15		Whether attended last AGM held on July 25, 2014	No. of Directorships in other companies #		No. of Committee positions in other companies \$	
		Held	Attended		Chairman of the Board	Member of the Board	Chairman of the Committee	Member of the Committee
Mr. K. Balasubramanian Chairman DIN: 00009132	Independent and Non-Executive	5	3	Yes	–	4	4	
Mr. V. Ramesh Managing Director (*) DIN: 01412093	Non-Independent, Executive	5	4	–	–	3	–	1
Mr. K. Ramadoss Director DIN: 03230018	Independent and Non-Executive	5	5	Yes	–	–	–	–
Mr. C. R. Rajan Director DIN: 00111933	Independent and Non-Executive	5	5	Yes	–	1	–	1
Mr. V. Ravichandran Director DIN: 00110086	Non-Independent and Non-Executive	5	4	–	–	5	–	3
Ms. Lalitha Balakrishnan Director (**) DIN: 02973332	Independent Non-Executive	5	–**	–	–	1	–	1
Mr. D. Kumaraswamy Managing Director (***) DIN: 00149344	Non-Independent and Executive	5	2 (***)	Yes	Na	Na	Na	Na
Mr. V. Suri (****) Director DIN: 05154266	Non-Independent and Non-Executive	5	1 (****)	Na	Na	Na	Na	Na

There are no inter-se relationships between our Board members.

Excludes Alternate Directorship, Directorship in Private Limited Companies which are not subsidiaries of Public Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

\$ Include Committee positions of only Audit Committees and Stakeholders Relationship Committees in accordance with Clause 49 excluding those in PSIL.

The Changes in the composition of Directors during the financial year 2014-15 is given below:

(*) Mr. Ramesh was appointed as Managing Director w.e.f 01.09.2014

(**) Ms. Lalitha Balakrishnan was appointed as Additional & Independent Director w.e.f. 30.03.2015

(***) Mr. D. Kumaraswamy retired as Managing Director on 31.08.2014

(****) Mr. V. Suri resigned as Director w.e.f. 28.04.2014

Details of Directors Shareholding:

None of the above Directors hold any shares in the Company as on March 31, 2015.

Membership on other Boards

Independent Directors are expected not to serve on the Boards of competing Companies. None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five committees across all the companies in which they are Directors. For this purpose, only membership and chairmanship in Audit Committee and Stakeholders Relationship Committee are considered. Every director informs the Company about the Committee positions he/she occupies in other companies and notifies the changes as and when takes place.

Board Meetings

The Board meets atleast once in a quarter to review the financial results and other items on the agenda. The Agenda of Board Meeting is circulated to all the Directors well in advance and contains all relevant information which are distributed to the Directors in advance. During the year 2014-15, information as mentioned in Annexure-X to Clause 49 of the Listing Agreement has been placed before the Board for its consideration.

Five Board meetings were held during the year ended March 31, 2015. These were held on April 28, 2014, July 25, 2014, October 28, 2014, January 22, 2015, March 21, 2015 and the maximum gap between the two Board Meetings did not exceed 120 days. Necessary quorum was present for all meetings.

None of the Non-Executive Directors have any material pecuniary relationship or transaction with the Company.

Code of Conduct

The Company has adopted the code of conduct for all Board members and Senior Management as required under Clause 49 of the Listing Agreement. The Code is posted on the Company's website: www.parrysugar.com. All Board members and Senior Management personnel have affirmed compliance with the Code on an annual basis and a declaration to this effect signed by Mr.V.Ramesh, Managing Director is attached to this Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually and the Committees viz., Audit, Nomination & Remuneration, Stakeholders Relationship and Risk Management. A structured questionnaire was prepared after taking into consideration the inputs received from the Directors covering various aspects such as attendance, quality contributions to Board deliberations, providing perspectives and feedback going beyond the information provided by the management, commitment to shareholder and other stakeholders interests etc.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interests of the Company and its minority shareholders etc. The performance evaluation of Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors at their meeting held separately.

Board training and Induction

At the time of appointment, the Director is explained in detail the compliances required from him under the Companies Act and Listing Agreement and other relevant regulations and his affirmations taken.

By way of an introduction to the Company, the MD/CFO interacts with the newly appointed Director and explains the functioning of various divisions/departments, the Company's market share, governance and internal control processes and other relevant information pertaining to the Company's business. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively fulfil his role as a Director of the Company. This is also given at the investors section of the Company's website www.parrysugar.com.

Board Committees

The Board has constituted Committees consisting of Executive and Non-Executive Directors to ensure focused attention on various facets of business and for better accountability. Pursuant to the Companies Act, 2013, as on March 31, 2015 the Company has the following Committees:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders Relationship Committee
4. Risk Management Committee

Each of the above Committees has been mandated to operate within a given framework. The Company Secretary acts as Secretary to all the Committees. The Minutes of the proceedings of the Committee Meetings are circulated to the Directors and noted at the Board Meeting.

III. Audit Committee

A. Composition, Meetings and Attendance of the Audit Committee during the year:

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreements entered into with Stock Exchanges. As on March 31, 2015, the Audit Committee of the Board comprises three members viz., Mr. K. Balasubramanian, Mr. K. Ramadoss and Mr. C.R. Rajan, Independent Directors. Mr. K. Balasubramanian, Independent Director is the Chairman of the Audit Committee. Mr. Balasubramanian was present at the Annual General Meeting held on July 25, 2014. The Company Secretary acts as the Secretary to the Audit Committee.

The Managing Director is a permanent invitee to the Audit Committee Meetings. Besides the Statutory Auditors and Internal Auditors, Cost Auditor and other members of the senior management also attend when invited to the meetings.

During the financial year ended March 31, 2015, the Audit Committee met five times on April 28, 2014, July 25, 2014, October 28, 2014, January 22, 2015 and March 21, 2015 and the maximum gap between the two Audit Committee Meetings did not exceed four months. The necessary quorum was present for all the meetings.

The composition of the Audit Committee and particulars of meetings held and attended by the members of the Audit Committee are given below:

Sl. No.	Name of the Member	Category	No. of Meetings	
			Held	Attended
1	Mr. K. Balasubramanian Chairman	Independent, Non-Executive	5	3
2	Mr. K. Ramadoss	Independent, Non-Executive	5	5
3	Mr. C.R. Rajan	Independent, Non-Executive	5	5

B. Terms of reference of Audit Committee:

The Committee adopted a revised terms of reference on April 28, 2014 in accordance with the Companies Act, 2013 and the Listing Agreement. The Terms of reference of the Committee are given below:

Terms of Reference

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - b) Changes, if any, in accounting policies and practices and reasons for the same
 - c) Major accounting entries involving estimates based on the exercise of judgement by management
 - d) Significant adjustments made in the financial statements arising out of audit findings

- e) Compliance with listing and other legal requirements relating to financial statements
 - f) Disclosure of any related party transactions
 - g) Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the Company, wherever it is necessary and appointment of valuers;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 18. To review the functioning of the Whistle Blower mechanism;
 19. To recommend to the Board, appointment of Cost Auditors and review of the reports thereon;
 20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 21. Oversee the vigil mechanism established for directors and employees – [Section 177(10) read with rule 7(2) Companies (Meetings of Board and its Powers) Rules, 2014.
 22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The scope of the Audit Committee also includes matters which are set out in Clause 49 of the Listing Agreement with Stock Exchanges read with Section 177 of the Companies Act, 2013 and the rules made thereunder, as amended from time to time.

IV. Nomination and Remuneration Committee:

Pursuant to Section 178 (1) of the Companies Act, 2013 the Remuneration Committee of the Company was renamed as "Nomination & Remuneration Committee" on April 28, 2014.

Composition and the details of the Meetings of the Committee held and attended during the year 2014-2015.

As on March 31, 2015, the Nomination & Remuneration Committee comprises four members viz., Mr. C. R. Rajan, Mr. K. Balasubramanian, Mr. V. Ravichandran and Mr. K. Ramadoss. Mr. C. R. Rajan, an independent director, is the Chairman of the Committee. The Company Secretary acts as the Secretary of the Committee. Mr. C. R. Rajan, Chairman of the Committee was present at the Annual General Meeting held on July 25, 2014.

The composition of the Nomination and Remuneration Committee and particulars of meetings held and attended by the members of the Committee are given below:

SL No.	Name of the Member	Category	No. of Committee Meetings	
			Held	Attended
1.	Mr. C. R. Rajan, Chairman	Independent, Non-Executive	3	3
2.	Mr. K. Balasubramanian	Independent, Non-Executive	3	2
3.	Mr. K. Ramadoss	Independent, Non-Executive	3	3
4.	Mr. V. Ravichandran	Non-Independent, Non-Executive	3	2

Terms of Reference

The Committee adopted a revised terms of reference on April 28, 2014 in accordance with the Companies Act, 2013 and the Listing Agreement. The Terms of reference of the Committee are given below:

The role of the Nomination and Remuneration Committee shall, inter-alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with criteria laid down and recommend to the board their appointment, removal and shall carry out evaluation of every director's performance.
3. Formulation of criteria for evaluation of Independent Directors and the Board;
4. Devising a policy on Board diversity;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
6. Determine and recommend to the Board, the remuneration payable including any revision in remuneration payable to Managing Director/Executive Directors/ Non-Executive Directors.
7. Take into consideration and ensure compliance of the provisions under Schedule V of the Companies Act, 2013 and the rules made thereunder while determining the remuneration.
8. Consider such other matters as the Board may advise the Committee.

Remuneration Policy

• Non-Executive Directors

Non-Executive Directors are paid sitting fees at ₹25,000/- for every Board and Audit Committee Meetings and ₹15,000/- for other Committee Meetings. The Company also reimburses the out of pocket expenses incurred by the Directors for attending the Meetings. The details of sitting fees paid to the Non-Executive Directors for the financial year 2014-15 are as under:

Name of the Director	Sitting Fees (₹ in Lakhs)
Mr. K. Balasubramanian	1.80
Mr. V. Ravichandran	1.75
Mr. C. R. Rajan	2.95
Mr. K. Ramadoss	3.40
Total	9.90

• Remuneration to Executive Directors

The remuneration and reward structure of Executive Directors including Managing Director and other employees comprise of fixed compensation, variable compensation in the form of annual incentive, benefits and work related facilities and perquisites. The Nomination and Remuneration Committee determines the remuneration of the Managing Director. While determining the remuneration, the Committee shall take into account the financial position of the Company, prevailing trend in the industry, qualification, experience and past performance of the person. The performance incentive is determined based on performance parameters as per the Company's Policy and also based on certain pre-agreed performance parameters.

The detailed Remuneration Policy formulated by the Committee for members of the Board, Key Managerial Personnel and other employees of the Company is annexed to the Directors Report.

The Company does not have any Employees Stock Option Scheme.

Pursuant to Schedule V of the Companies Act, 2013 read with Clause 49(VIII)(C) of the Listing Agreement, the details of remuneration paid to Mr. D. Kumaraswamy, erstwhile Managing Director for the period from April 1, 2014 to August 31, 2014 are furnished hereunder:

(₹ in Lakhs)

Name of the Director	Salary	Allowances & Perquisites	Incentive	Retirals	Total (*)
Mr. D. Kumaraswamy Managing Director	15.28	39.83	29.65	4.13	88.89

Mr. D. Kumaraswamy's tenure ended on August 31, 2014

V. Stakeholders Relationship Committee

Pursuant to Section 178 (1) of the Companies Act, 2013 the Shareholders/Investors Grievance Committee of the Company was renamed as "Stakeholders Relationship Committee" on April 28, 2014.

Functions of the Committee

The Committee adopted a revised terms of reference on April 28, 2014 in accordance with the Companies Act, 2013 and the Listing Agreement. The Terms of reference of the Committee are given below:

The role of the Stakeholders Relationship committee shall, inter-alia, include the following:

1. Dealing with the investors complaints like delay in transfers of shares, non-receipt of balance sheet, non-receipt of declared dividends/share certificates, dematerialisation of shares, replacement of lost/stolen/ mutilated share certificates, etc,
2. Investigate into investors complaints and take necessary steps for redressal thereof
3. To perform all functions relating to the interest of the stakeholders of the Company as may be required by the provisions of the Companies Act, 2013 and the rules made thereunder, Listing Agreements and the guidelines issued by SEBI or any other regulatory authority.
4. Approval of the share transfers and/or delegation thereof.

Composition and the details of the Meetings of the Stakeholders Relationship Committee held and attended during the year 2014-15

As on March 31, 2015, the Stakeholders Relationship Committee comprises Mr. V. Ravichandran, Mr. V. Ramesh and Mr. K. Ramadoss. Mr. V. Ravichandran, is the Chairman of the Committee. The composition of the Committee meets the requirements of Clause 49 of the Listing Agreement. The Company Secretary acts as the Secretary of the Committee.

During the financial year 2014-15, the Committee met three times on April 28, 2014, October 28, 2014 and January 22, 2015.

The composition of the Stakeholders Relationship Committee and particulars of meetings held and attended by the members of the Committee are given below:

Sl. No.	Name of the Member	Category	No. of Meetings	
			Held	Attended
1	Mr. V. Ravichandran, Chairman	Non-Independent, Non-Executive	3	2
2	Mr. K. Ramadoss	Independent, Non-Executive	3	2
3	Mr. V. Ramesh	Non-Independent, Executive	3	2

Mr. V. Suri ceased to be a member w.e.f. 28.04.2014; Mr. D. Kumaraswamy ceased to be a member w.e.f. 31.08.2014. Mr. K. Ramadoss and Mr. V. Ramesh was appointed as members w.e.f. 01.09.2014.

The details of complaints received and redressed during the financial year 2014-15 are given below:

Sl. No.	Particulars	No. of complaints		
		Received	Resolved	Pending
1	Non-receipt of dividend warrants	7	7	–
2	Non-receipt of securities	9	9	–
3	Non-receipt of Annual Report	1	1	–
Total		17	17	–

In terms of Clause 47(f) of the Listing Agreement, the designated e-mail address for investors complaints is investorgrievancescell@psil.murugappa.com.

Name, designation and address of Compliance Officer:

Mr. Amar Kumar Dora,
Company Secretary
Parrys Sugar Industries Limited
Venus Building, 3rd Floor, 1/2 Kalyanamantapa Road,
Jakkasandra, Koramangala
Bengaluru - 560 034

VI. Risk Management Committee

Business risk evaluation and management is an ongoing process within the organization. The Company has a reliable risk management framework to identify, monitor and minimize risks.

Broadly, the scope of the Risk Management Committee comprise of (i) Reviewing the risks and evaluate treatment including initiating the mitigation actions and ownership and (ii) Defining framework for identification, assessment, monitoring, mitigation and reporting of risks. Within its overall scope, the Committee reviews risk trends, exposure, potential impact analysis and mitigation plan.

During the financial year 2014-15, the Committee met on March 21, 2015.

The Composition of the Risk Management Committee as at March 31, 2015 and particulars of meetings held and attended by the members of the Committee are given below:

Sl. No.	Name of the Member	Category	No. of Meetings	
			Held	Attended
1	Mr.K.Ramados	Independent, Non-Executive	1	1
2	Mr. V. Ramesh	Non-Independent, Executive	1	1

Mr. D. Kumaraswamy ceased to be a member w.e.f. 31.08.2014 and Mr. V. Ramesh was appointed w.e.f. 01.09.2014.

VII. General Body Meetings:

(a) Annual General Meetings

The venue, date and time of the Annual General Meetings held during the preceding three years and the Special Resolution passed thereat are as under:

Year	Date & Time of Meeting	Venue	Special resolutions passed
2013-14	July 25, 2014 at 10.30 A.M.	Khincha Hall, Bharatiya Vidya Bhavan, Race Course Road, Bengaluru - 560 001	1. Approval of the borrowing powers of the Board pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013
			2. Approval to the Board for creation of charge on the assets of the Company pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013.
2012-13	July 22, 2013 at 10.30 A.M		—
2011-12	July 26, 2012 at 10.30 A.M		—

(b) Extraordinary General Meetings:

The venue, date and time of the Extraordinary General Meeting held during the preceding three years and the Special Resolution passed thereat are as under:

Year	Date & Time of Meeting	Venue	Special resolutions passed
2013-14	March 27, 2014 at 10.30 AM	Khincha Hall, Bharatiya Vidya Bhavan, Race Course Road, Bengaluru - 560 001	Issue of 8% preference shares of ₹10/- each aggregating to a nominal amount not exceeding ₹ 60 crores.
2012-13	March 30, 2012 at 10.30 AM		Amendment to the Articles of Association of the Company by adding a New Article-55A after the existing Article-55 for Reclassification of shares and; Issue of 8% preference shares of ₹10/- each aggregating to a nominal amount not exceeding ₹ 25 crores.

(c) Postal Ballot

One postal ballot was conducted in the year 2014-15 seeking Members' approval for approving the business mentioned below. In the postal ballot conducted for matters mentioned below pursuant to Clause 35B of the Listing Agreement, the Company had also offered e-voting facility through Karvy Computershare Pvt. Ltd., as an alternate, to enable the shareholders to cast their votes electronically instead of dispatching the Postal Ballot Form.

Mr. V. Sreedharan, Practicing Company Secretary was appointed as the Scrutiniser to conduct the Postal Ballot and e-Voting.

The details of the voting pattern on postal ballot and e-voting is given below:

Promoter/ Public	No. of votes polled	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
Special Resolution for approval of the Related Party Transactions.	4407943	4407375	568	99.987	0.013
Special Resolution for approval of remuneration of Mr. D. Kumaraswamy, erstwhile Managing Director for the period from April 1, 2014 to August 31, 2014.	17382616	17379734	2882	99.983	0.017
Special Resolution for approval of the issue of Redeemable Cumulative Non-convertible Preference Shares.	17382616	17382060	556	99.997	0.003

Mr. V.Ramesh, Managing Director announced the results of the postal ballot and e-Voting on March 12, 2015.

VIII. Disclosures

- (i) During the year, there were no material related party transactions that may have potential conflicts with the interests of the Company at large. Transactions with related parties are disclosed in Notes to Accounts. Disclosures from Senior Management that there had been no material financial and commercial transactions that had a potential conflict with the interest of the Company at large, were placed before the Board.
- (ii) There was no non-compliance by the Company and no penalties or strictures were imposed on the Company by Stock Exchanges or Securities Exchange Board of India or any statutory authority on any matter related to the capital markets during the last three years.
- (iii) Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has a Whistle-Blower Policy and Vigil Mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The said mechanism also provides for adequate safeguards against victimization of the persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. No employee of the Company was denied access to the Audit Committee. The said whistle blower policy and vigil mechanism has been hosted on the website of the Company at : www.parrysugar.com
- (iv) The Company has complied with all the mandatory requirements on Corporate Governance as specified in Clause 49 of the Listing Agreement with the Stock Exchanges. Compliance reports in the prescribed format has been submitted to the Stock Exchanges for all the quarters.
- (v) **The Company has also complied with the following non-mandatory requirements:**

Shareholder Rights

The quarterly financial results are published in leading financial newspapers and uploaded on the Company's websites besides being sent to the Stock Exchanges. The Company has therefore not been sending the half yearly financial results to the shareholders.

Audit qualifications

Company's financial statements are unqualified.

Separate posts of Chairman and CEO

The positions of Chairman and Managing Director are separate.

Reporting of Internal Auditor

The Internal Auditors of the Company directly report to the Audit Committee

Compliance certificate

Certificate from a Practicing Company Secretary, M/s V. Sreedharan & Associates confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to this Report.

(vi) Share Capital Audit

A qualified practicing Company Secretary carried out the audit to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Share Capital audit report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL. The audit is carried out every quarter and report thereon is submitted to the Stock Exchanges and is placed before the Board of Directors.

(vii) Compliance

The Board reviews periodically compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any.

(viii) Compliance of Clause 5A of the Listing Agreement

Pursuant to Clause 5A of the Listing Agreement, Shareholders holding physical shares and not having claimed share certificates have been sent reminder letters to claim the certificates from the Company. Based on their response, the Company dematted all such physical shares to "unclaimed suspense account" opened by the Company for the purpose.

The disclosure as required under Clause 5A of the Listing Agreement is given below:

Particulars	No. of shareholders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	1351	141029
Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	Nil	Nil
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	1351	141029

In addition, 37129 equity shares of E.I.D.- Parry (India) Ltd. is also held in the account pursuant to the Scheme of Arrangement (Demerger) in the ratio of 19:5.

The voting rights on the shares outstanding in the suspense account as on March 31, 2015 shall remain frozen till the rightful owner of such shares claims the shares. The claimants are requested to provide the correct details to the RTA so that the shares can be transferred to them subject to necessary due diligence and verification of such claims.

(ix) Transfer of Unpaid/Unclaimed amounts to Investor Education and Protection Fund

The Company has transferred the unpaid/unclaimed dividend for the financial year 2006-07 to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the Company or IEPF for the amounts so transferred nor shall any payment be made in respect of such claims.

The information relating to outstanding unclaimed dividend accounts and the dates by which it can be claimed by the members are given below:

Financial year	Date of Declaration	Date of Payment	Last date for claiming unpaid dividend
2007-08	September 25, 2008	October 3, 2008	October 31, 2015

The Members are requested to claim their unpaid/unclaimed dividends for the financial year 2007-08 at the earliest.

(x) Prevention of Insider Trading

The Securities and Exchange Board of India vide its Notification dated January 15, 2015 has notified The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (New Regulations). The New Regulations will come into effect from May 15, 2015 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 shall stand repealed from that date. Under the New Regulations, the requirements of initial disclosures are applicable to promoter, key managerial personnel and director of a company and requirements of continual disclosures are applicable to promoter, employee and director of a company. As required under the New Regulations, the Company has formulated a Code of practices and procedures for fair disclosures of unpublished price sensitive information and a Code of Conduct to regulate, monitor and report trading by insiders in securities of the Company.

(xi) Vigil Mechanism and Whistle Blower Policy

The Company pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement has established a whistle blower policy and vigil mechanism for Directors and employees to report serious concerns that could have a large impact on the Company such as incorrect financial reporting, unethical behaviour, actual or suspected fraud, unlawful and serious and improper conduct. The said mechanism provides for adequate safeguards against harassment

or victimization of person who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate cases. No employee of the Company was denied access to the Audit Committee. The said Whistle Blower Policy & Vigil Mechanism has been posted on Company's website: www.parrysugar.com

(xii) The Management Discussion and Analysis forms part of the Annual Report

IX. Means of communication

The Annual Reports, notices and other communications have been sent to each shareholder through the permitted mode. As per the statutory requirements under Clause 41 of the Listing Agreement with the Stock Exchanges, the quarterly/annual financial results and the segment-wise reports are generally published in "Business Standard", "Financial Express" and "Udayavani" (a regional daily in Kannada language). The financial results, shareholding pattern and other updates on the working of the Company have been posted on the Company's website: www.parrysugar.com. Besides the above, the Company also submits, inter-alia, to the Stock Exchanges, the full version of the Annual Report; quarterly report on corporate governance; quarterly/ yearly financial results; quarterly shareholding pattern; quarterly secretarial audit report; details of appointment/resignation of Directors and Company Secretary and such other reports as may be specified. In terms of clause 52 of the Listing Agreement with the Stock Exchanges, the Company also submits the statements, information and reports at <https://www.connect2nse.com/LISTING/> and <http://listing.bseindia.com> specified by the NSE and BSE, respectively. Under the SEBI Complaints Redress System (SCORES), the investor complaints are processed in a centralised web based complaints redress systems wherein the concerned Companies can upload Action Taken Reports (ATRs) for the complaints and the investors can view the action taken on their complaints and its current status online.

The Company has also designated the email id: investorgrievancescell@psil.murugappa.com exclusively for investor servicing.

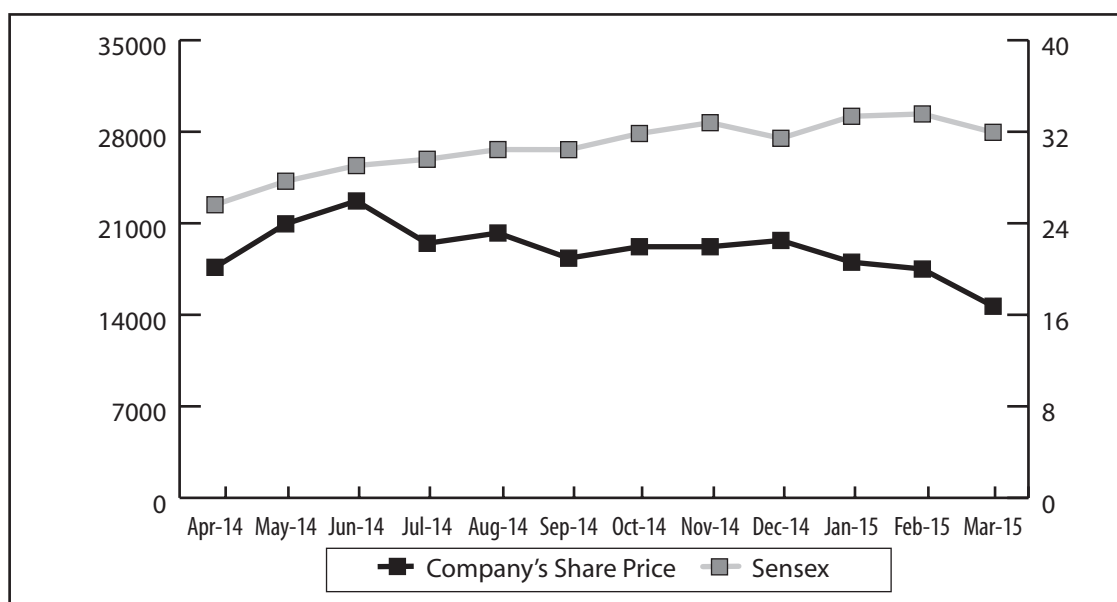
X. General Shareholder information

1. AGM:	Date: July 24, 2015 Time: 10.30 A.M. Venue: Khincha Hall, Bharatiya Vidya Bhavan, Race Course Road, Bengaluru – 560 001, Karnataka.												
2. Financial Calendar	Financial year : April to March The financial results are proposed to be declared as per the following tentative schedule: <table> <tr> <th>Particulars</th><th>Tentative schedule</th></tr> <tr> <td>Financial reporting for the quarter ending June 30, 2015</td><td>Before August 14, 2015</td></tr> <tr> <td>Financial reporting for the quarter/half year ending September 30, 2015</td><td>Before November 14, 2015</td></tr> <tr> <td>Financial reporting for the quarter/nine months ending December 31, 2015.</td><td>Before February 14, 2016</td></tr> <tr> <td>Financial reporting for the quarter/year ending on March 31, 2016.</td><td>In April/May 2016</td></tr> <tr> <td>Annual General Meeting for the year ending March 31, 2016.</td><td>July/August, 2016</td></tr> </table>	Particulars	Tentative schedule	Financial reporting for the quarter ending June 30, 2015	Before August 14, 2015	Financial reporting for the quarter/half year ending September 30, 2015	Before November 14, 2015	Financial reporting for the quarter/nine months ending December 31, 2015.	Before February 14, 2016	Financial reporting for the quarter/year ending on March 31, 2016.	In April/May 2016	Annual General Meeting for the year ending March 31, 2016.	July/August, 2016
Particulars	Tentative schedule												
Financial reporting for the quarter ending June 30, 2015	Before August 14, 2015												
Financial reporting for the quarter/half year ending September 30, 2015	Before November 14, 2015												
Financial reporting for the quarter/nine months ending December 31, 2015.	Before February 14, 2016												
Financial reporting for the quarter/year ending on March 31, 2016.	In April/May 2016												
Annual General Meeting for the year ending March 31, 2016.	July/August, 2016												
3. Date of Book Closure	Friday, the July 17, 2015 to Friday, July 24, 2015, both days inclusive												
4. Dividend payment date	Not applicable												
5. Listing on Stock Exchanges	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. Tel Nos.: (022) 22721233/34 Fax: (022) 22723121 Stock Code: 500 162 National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No.C/1, G. Block Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 Tel Nos. (022) 26598100-8114 Fax: (022) 26598237/38 Stock Code: PARRYSUGAR The Company has paid listing fees for the financial year to each of the Stock Exchanges.												

6. Market Price Data: Monthly, High, Low and trading volume for equity shares

Month	NSE				BSE			
	High Price	Low Price	Close Price	Volume (A)	High Price	Low Price	Close Price	Volume (B)
April 14	20.45	17.00	20.45	7791	20.75	16.60	20.15	18308
May 14	24.65	17.10	23.95	30435	24.20	16.85	23.95	20081
June 14	30.35	22.80	26.00	30628	31.00	22.80	25.95	24057
July 14	27.35	21.75	22.15	175179	28.00	22.10	22.25	43174
August 14	25.75	20.10	21.80	168748	24.80	19.60	23.15	47725
September 14	23.25	19.75	20.00	11386	23.70	20.55	20.95	5143
October 14	23.50	18.90	22.70	10608	25.25	17.55	21.95	17584
November 14	23.65	20.50	21.70	11497	23.30	20.80	21.95	8205
December 14	22.95	18.15	22.75	13996	24.15	20.00	22.50	11597
January 15	28.00	19.70	21.60	42255	26.90	19.80	20.60	8128
February 15	22.95	17.35	18.65	26368	22.35	17.10	20.00	9681
March 15	20.90	15.70	17.15	24011	21.40	16.40	16.75	13911

7. Share price performance compared with broad-based indices



8. Registrar & Transfer Agents

Main Office

Karvy Computershare Pvt. Ltd.

Unit: Parrys Sugar Industries Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032
Phone: 040 6716 1500
Fax: 040 23001153
E-mail ID: einward.ris@karvy.com
Website: www.karvy.com

Branch Office

Karvy Computershare Pvt. Ltd.

Unit: Parrys Sugar Industries Limited
No.59, Skanda Building, Puttanna Road
Basavanagudi, Bengaluru - 560 004
Phone: (080) 67453237/3244
Fax: (080) 26600786
E-mail Id: ircbangalore@karvy.com

9. Share Transfer System

97.13% of the shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. Regarding transfer of shares held in physical form, the transfer documents can be lodged with Karvy Computershare Pvt. Ltd. at any of the above mentioned addresses or at the Registered Office of the Company. The shares transfers received in physical form are processed within a period of 15 days from the date of receipt subject to the documents being valid and complete in all respects. The Stakeholders Relationship Committee of the Board of Directors has delegated the

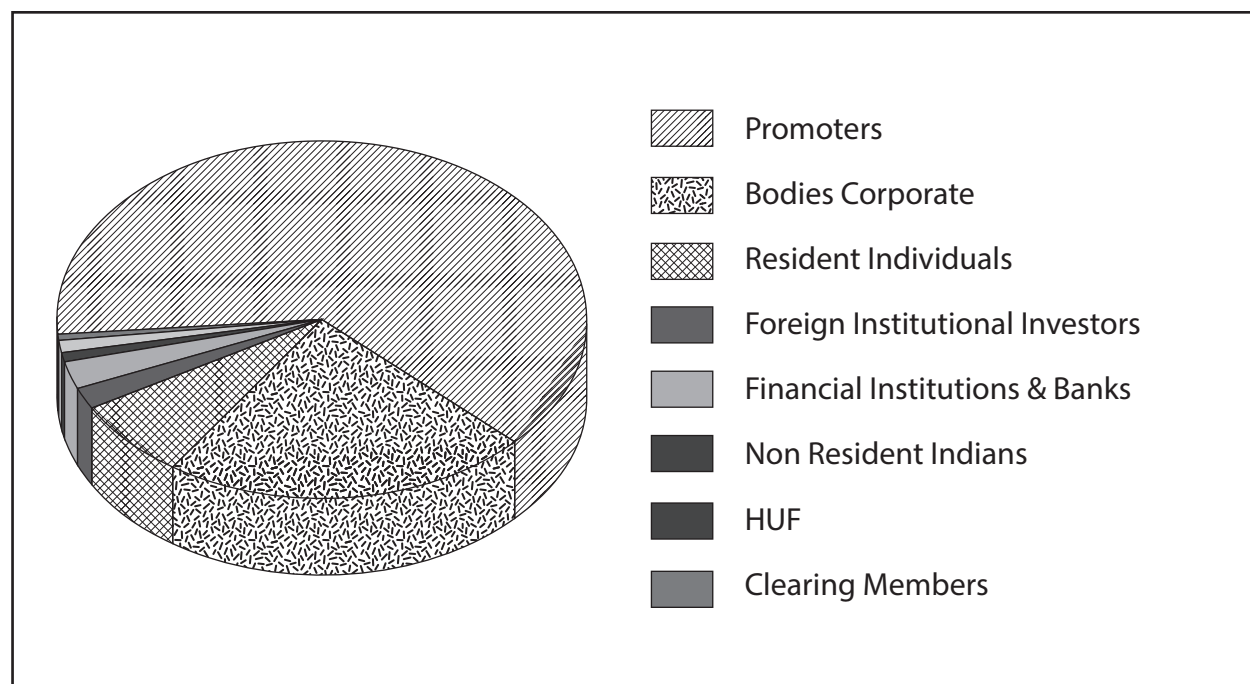
powers of approving transfers, transmission, issue of duplicate share certificates etc., to the Managing Director, Chief Financial Officer and Company Secretary. The quarterly details of shares transferred, transmitted, dematerialised etc., are placed before the Board. The Company obtains half yearly certificate from a Company Secretary in practice in compliance regarding share transfer formalities and submits a copy thereof to the Stock Exchanges in terms of Clause 47(c) of the Listing Agreement.

10. Distribution of shareholding of equity shares as on 31.03.2015

Category (Amount)	No. of Cases	% of Cases	Total Shares	% of Shares
1-5000	13307	96.83	1131107	5.67
5001- 10000	289	2.10	209205	1.05
10001- 20000	86	0.63	116335	0.58
20001- 30000	21	0.15	52220	0.26
30001- 40000	17	0.12	58882	0.29
40001- 50000	2	0.01	9328	0.05
50001- 100000	14	0.10	99643	0.50
100001& Above	7	0.06	18284987	91.60
TOTAL	13743	100.00	19961707	100.00

11. Categories of Equity Shareholders as on March 31, 2015

Sl. No.	Category	No. of Shareholders	Total Shares	% To Equity
1.	Promoters	1	12975110	65.00
2.	Bodies Corporate	176	4617528	23.13
3.	Resident Individuals	13305	1498075	7.50
4.	Foreign Institutional Investors	1	371649	1.86
5.	Financial Institutions & Banks	3	387690	1.94
6.	Non Resident Indians	108	61073	0.31
7.	HUF	142	49160	0.25
8.	Clearing Members	7	1422	0.01
	Total	13743	19961707	100.00



12. Distribution and Shareholding Pattern of Preference Shareholders as on March 31, 2014.

The entire Preference Shares of the Company are held by M/s E.I.D.-Parry (India) Limited, the Company's holding Company, as detailed below:

23,26,420 (8%) Non-cumulative Redeemable Preference Shares of ₹11/- each and

5,80,00,000 (8%) Cumulative Redeemable Preference Shares of ₹10/- each.

Members holding more than 1% of the Paid up Share Capital as on March 31, 2015

Name	No. of Shares	% of equity	Category
E.I.D.PARRY (INDIA) LTD.	12975110	65.00	PRO
GRANDHI ENTERPRISES PRIVATE LIMITED	4397295	22.03	LTD
ASIA INVESTMENT CORPORATION (MAURITIUS) LTD	371649	1.86	FII
UNITED INDIA INSURANCE COMPANY LIMITED	263504	1.32	IFI
Total	18007558	90.21	

13. Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form. Through Karvy Computershare Pvt. Ltd., the Company's Registrars & Share Transfer Agents, connectivity has been established with both the Depositories in India viz., National Securities Depository Ltd. and Central Depository Services (India) Limited (CDSL). The Company's shares are traded on the National Stock Exchange of India Limited and the Bombay Stock Exchange Ltd. in electronic form. The International Securities Identification Number (ISIN) allotted to the Company's shares under the Depository system is: INE353B01021.

The modes of holding of the Company's equity shares as on March 31, 2014 is as under:

Category	No. of Holders	Total Shares	% To Equity
PHYSICAL	5486	572704	2.87
N S D L	6064	19093230	95.65
C D S L	2193	295773	1.48
Total	13743	19961707	100.00

14. Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company do not have any outstanding GDRs/ ADRs/ Warrants or any Convertible instruments.

15. Plant locations

Sugar complex – Sugar & Co-generation Power (leased unit) at Khanapet village, PO Toragall, Ramdurg Taluk, Belgaum District, Karnataka.

16. Address for correspondence

Registered office Address:

Parrys Sugar Industries Limited
Venus Building, 3rd Floor,
1/2 Kalyanamantapa Road,
Jakkasandra, Koramangala
Bengaluru – 560 034
Phone: 080-49006666
Fax: 080-49006600
E-mail: investorgrievancescell@psil.murugappa.com

Registrar & Share Transfer Agents:

Karvy Computershare Pvt. Ltd.
(Unit: Parrys Sugar Industries Limited)
Unit: Parrys Sugar Industries Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032
Phone: 040 6716 1500
Fax: 040 23001153
E-mail: einward.ris@karvy.com

Declaration regarding compliance by Board Members and Senior Management with the Company's Code of Conduct

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has also been posted on the website of the Company.

It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2015 as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges.

Chennai
April 24, 2015

V. Ramesh
Managing Director

Corporate Governance Compliance Certificate

Corporate Identity No. : L28100KA1986PLC049077

Nominal Capital : ₹ 175 Crores

To the Members of Parrys Sugar Industries Limited

We have examined all the relevant records of Parrys Sugar Industries Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges for the year ended March 31, 2015. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records, produced and the explanations and information furnished, we certify that the Company has complied with all the mandatory and non-mandatory conditions of the said Clause 49 of the Listing Agreement

For V. Sreedharan & Associates
Company Secretaries

Pradeep B. Kulkarni
Partner
FCS 7260; CP No. 7835

Bengaluru
April 20, 2015

Independent Auditor's Report

To The Members of Parrys Sugar Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Parrys Sugar Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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 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 judgement, 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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,

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) in the case of Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

1. As required by the Companies (Auditor's Report) Order 2015 issued by the Central Government in terms of Section 143 (11) of the Act, we give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the order.
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 financial statements 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 March 31, 2015 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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 has disclosed the impact of pending litigations on its financial position in its financial statements which has been referred by us in Paragraph (vii)(b) of CARO 2015. – Refer Note 29 to the financial statements;
 - 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 pending amounts which were, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **RGN Price & Co.,**
Chartered Accountants
Firm Regn No. 002785S

H. S. Venkatesh
Partner
Membership No. 26666

Annexure to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Audit Report of even date to the members of Parrys Sugar Industries Limited on the Financial Statements of the Company for the year ended on March 31, 2015)

- (i) a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
b) Generally, fixed assets are physically verified by the Management, according to a phased programme designed to cover all items over a period of two years which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. As part of the programme, the Company has physically verified the fixed assets and no material discrepancies were noticed.
- (ii) a) The inventory has been physically verified by the Management during the year. In our opinion, frequency of verification is reasonable.
b) In our opinion, the procedures for physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) On the basis of our examination of Inventory records, in our opinion, the Company is maintaining proper records of Inventory and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) The Company has not accepted any deposits during the year. Hence Clause 3(v) of the Order is not applicable.
- (vi) Maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act. We have broadly reviewed the books and records of the Company in this connection and are of the opinion, that *prima facie*, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records to ascertain whether they are accurate and complete.
- (vii) (a) According to the information and explanations given to us, and records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable, with the appropriate authorities. There are no arrears of undisputed statutory dues outstanding as at March 31, 2015 for a period of more than six months from the date they become payable.
(b) According to the information and explanations given to us, and the records of the Company examined by us, there are no dues of income tax or sales tax or wealth 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 except the following:

Name of Statute	Nature of dues	Amount (₹ in lakhs), excluding interest, if any	Period to which amounts relate	Forum where the dispute is pending
The Finance Act, 1994	Service Tax	225.38	2012-13	CESTAT

- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The Company has accumulated losses. The Company has incurred cash losses during the financial year covered by the audit and has incurred cash losses in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or Banks or Debenture holders during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, Clause 3(x) of the Order is not applicable.

- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- (xii) During the course of our examination of the Books and Records of the Company carried out in accordance with the Generally Accepted Auditing Practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year nor have we been informed of such case by the Management

For **RGN Price & Co.,**
Chartered Accountants
Firm Regn No: 002785S

H. S. Venkatesh
Partner
Membership No.26666

Balance Sheet

			₹ in Lakhs	
Sl. No.	Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
I	EQUITY AND LIABILITIES			
1	Shareholder's funds			
	(a) Share Capital	1	8,052.08	6,752.08
	(b) Reserves and Surplus	2	(7,409.51)	(5,816.91)
2	Share Application Money Pending Allotment		–	–
3	Non-Current Liabilities			
	(a) Long-Term Borrowings	3	6,556.84	9,344.77
	(b) Deferred Tax Liability (Net)	32	–	–
	(c) Other Long-Term Liabilities	4	5,498.46	5,343.13
	(d) Long-Term Provisions	5	14.56	14.49
4	Current Liabilities			
	(a) Short-Term Borrowings	6	5,932.86	7,227.11
	(b) Trade Payables	7	9,759.90	6,749.67
	(c) Other Current Liabilities	8	5,783.48	5,907.54
	(d) Short-Term Provisions	9	38.78	37.93
TOTAL			34,227.45	35,559.81
II	ASSETS			
1	Non-Current Assets			
	(a) Fixed Assets	10		
	(i) Tangible Assets		11,072.56	11,000.84
	(ii) Intangible Assets		14.65	18.44
	(iii) Capital Work-in-Progress		–	–
	(b) Non-Current Investments	-	–	–
	(c) Deferred Tax Asset (Net)	-	–	–
	(d) Long-Term Loans & Advances	11	725.58	816.09
	(e) Other Non-Current Assets	12	–	38.89
2	Current Assets			
	(a) Current Investments	13	5.00	5.00
	(b) Inventories	14	16,867.43	15,784.80
	(c) Trade Receivables	15	2,725.79	4,725.36
	(d) Cash and cash equivalents	16	398.60	128.17
	(e) Short-Term Loans & Advances	17	2,359.94	2,941.58
	(f) Other current assets	18	57.90	100.64
TOTAL			34,227.45	35,559.81

See accompanying notes to the financial statements

25-46

The notes referred to above form an integral part of Balance Sheet

In terms of our report of even date attached

For and on behalf of the Board

For **R.G.N. Price & Co.**

Chartered Accountants

FRN : 002785S

K. Balasubramanian

Chairman

V. Ramesh

Managing Director

H.S. Venkatesh

Partner

Membership No. : 026666

Chennai

April 24, 2015

V. Suri

Chief Financial Officer

Amar Kumar Dora

Company Secretary

Statement of Profit and Loss

₹ in Lakhs

Sl. No.	Particulars	Note No	For the year ended March 31, 2015	For the year ended March 31, 2014
I	Revenues from Operations	19	19,836.63	17,213.81
II	Other Income	20	109.90	39.02
III	Total Revenue (I + II)		19,946.53	17,252.83
IV	Expenses:			
	Cost of materials consumed	-	16,891.45	12,407.56
	Changes in Inventories	21	(1,528.87)	1,863.44
	Employee benefit expenses	22	505.45	522.38
	Finance costs	23	1,666.43	2,303.17
	Depreciation and amortisation expenses	-	712.55	639.91
	Other Expenses	24	3,273.50	3,120.11
	Total Expenses		21,520.51	20,856.57
V	Profit/(Loss) before exceptional and extraordinary items and tax (III - IV)		(1,573.98)	(3,603.74)
VI	Exceptional items		-	-
VII	Profit/(Loss) before extraordinary items and tax (V - VI)		(1,573.98)	(3,603.74)
VIII	Extraordinary items		-	-
IX	Profit / (Loss) before tax		(1,573.98)	(3,603.74)
X	Tax Expenses:			
	(1) Current Income Tax		-	-
	(2) Deferred Income Tax	32	-	-
	(3) Total		-	-
XI	Profit/(Loss) for the period (IX - X)		(1,573.98)	(3,603.74)
XII	Earning Per Equity Share	45		
	(1) Basic		(10.07)	(18.78)
	(2) Diluted		(10.07)	(18.78)
	See accompanying notes to the financial statements	25-46		

The notes referred to above form an integral part of the Statement of Profit and Loss

In terms of our report of even date attached

For and on behalf of the Board

For **R.G.N. Price & Co.**
Chartered Accountants
FRN : 002785S

K. Balasubramanian
Chairman

V. Ramesh
Managing Director

H.S. Venkatesh
Partner
Membership No. : 026666
Chennai
April 24, 2015

V. Suri
Chief Financial Officer

Amar Kumar Dora
Company Secretary

Cash Flow Statement

	₹ in Lakhs	
	For the year ended March 31, 2015	For the year ended March 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Taxation	(1,573.98)	(3,603.74)
Adjustments for:		
Depreciation	712.55	639.91
Interest received	(63.09)	(38.77)
Interest and finance charges	1,666.43	2,303.17
Provisions no longer required written back	10.21	76.74
Bad Debts Written off	—	47.16
Provision for Doubtful advances	—	22.36
Loss on sale of fixed assets	0.62	1.78
	2,326.72	3,052.35
Operating profit/(loss) before working capital changes	752.74	(551.39)
Adjustments for:		
Trade and other receivables	2,754.51	(6,169.14)
Inventories	(1,082.63)	2,390.52
Trade and other payables	3,568.42	5,214.85
	5,240.30	1,436.23
Cash generated from operations	5,993.04	884.84
Interest paid	(1,355.27)	(1,909.81)
Income taxes paid	—	0.22
Net cash used in operating activities	4,637.77	(1,024.75)
B. CASH FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(802.54)	(1,530.37)
Proceeds from Sale of fixed assets	2.84	4.33
Interest/dividends received	61.94	37.20
Net cash used in investing activities	(737.76)	(1,488.84)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of Share Capital	1,300.00	3,000.00
Proceeds from Short-Term Loans	1,705.75	22,050.00
Repayments of Short-Term loans	(4,305.51)	(25,280.59)
Proceeds from Long-Term Loans	1,290.30	3,409.70
Repayment of Long-Term loans	(3,613.60)	(567.63)
UnPaid Dividend/transferred to IEPF	(6.52)	(24.57)
Net cash (used in)/from financing activities	(3,629.58)	2,586.91
Net Change in Cash and Cash Equivalents	270.43	73.32
Cash and Cash Equivalents as on 31.03.2014	128.17	54.85
Cash and Cash Equivalents as on 31.03.2015	398.60	128.17
[Refer Note 2 Below]		

Notes:

- The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2015 and the related Statement of Profit and Loss for the twelve months period ended on that date.
- Cash and Cash Equivalents - closing balance include balances aggregating to ₹ 5.04 Lakhs [2014: ₹ 11.56 Lakhs] with Scheduled banks in respect of unclaimed dividend, which are not available for use by the Company.

In terms of our report of even date attached

For and on behalf of the Board

For R.G.N. Price & Co.

Chartered Accountants
FRN : 0027855

H.S. Venkatesh

Partner
Membership No. : 026666
Chennai
April 24, 2015

K. Balasubramanian
Chairman

V. Suri
Chief Financial Officer

V. Ramesh
Managing Director

Amar Kumar Dora
Company Secretary

Notes forming part of accounts

	As at March 31, 2015	As at March 31, 2014		
₹ in Lakhs				
NOTE 1 : SHARE CAPITAL				
AUTHORISED :				
2,19,00,000 (2014: 2,19,00,000) Equity Shares of face value of ₹ 10/- each	2,190.00	2,190.00		
2,10,00,000 (2014: 2,10,00,000) (8%) Redeemable Non-Cumulative Preference Shares of face value of ₹ 11/- each	2,310.00	2,310.00		
13,00,00,000 (2014: 13,00,00,000) (8%) Redeemable Cumulative Preference Shares of face value of ₹ 10/- each	13,000.00	13,000.00		
	17,500.00	17,500.00		
ISSUED, SUBSCRIBED AND PAID-UP				
1,99,61,707 [2014: 1,99,61,707] Equity Shares of ₹ 10/- each fully paid up	1,996.17	1,996.17		
[1,29,75,110 Shares (2014: 1,29,75,110) of ₹ 10/- each are held by the Holding Company E.I.D Parry (India) Ltd.]				
Preference Shares				
(i) 23,26,420 8% Redeemable Non-Cumulative Preference shares of ₹ 11/- each [2014: 23,26,420 Non-Cumulative preference shares were held by E.I.D. Parry (India) Limited. These preference shares are redeemable on August 14, 2017]	255.91	255.91		
(ii) 1,50,00,000 (2014: 1,50,00,000) 8% Redeemable Cumulative Preference shares of ₹ 10/- each [These Preference shares are redeemable not later than 8 years from the date of issue, i.e. March 30, 2013, with a call option to the shareholders for redemption after three years from the date of issue.]	1,500.00	1,500.00		
(iii) 3,00,00,000 (2014: 3,00,00,000) 8% Redeemable Cumulative Preference shares of ₹ 10/- each [These Preference shares are redeemable not later than 8 years from the date of issue, i.e. March 27, 2014, with a call option to the shareholders for redemption after three years from the date of issue]	3,000.00	3,000.00		
(iv) 1,30,00,000 8% Redeemable Cumulative Preference shares of ₹ 10/- each [These Preference shares are redeemable not later than 5 years from the date of issue, i.e. March 21, 2015, with a call option to the shareholders for redemption after three years from the date of issue.]	1,300.00	–		
	8,052.08	6,752.08		
(i) Details of shareholders holding more than 5 percent of equity shares in the company are as follows				
Name of the Share holder	No. of Shares held			
	As at March 31, 2015		As at March 31, 2014	
	Nos.	%	Nos.	%
E.I.D.- Parry (India) Limited	1,29,75,110	65.00	1,29,75,110	65.00
GMR Holdings Private Limited	–	–	43,97,295	22.03
Grandhi Enterprises Pvt. Ltd.	43,97,295	22.03	–	–
(ii) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
Particulars	As at March 31, 2015		As at March 31, 2014	
	Nos.	₹ in Lakhs	Nos.	₹ in Lakhs
Equity Shares				
At the beginning of the period	1,99,61,707	1,996.17	1,99,61,707	1,996.17
Issued during the period	–	–	–	–
Outstanding at the end of the period	1,99,61,707	1,996.17	1,99,61,707	1,996.17
Preference Shares(Non Cumulative)				
At the beginning of the period	23,26,420	255.91	23,26,420	255.91
Issued during the period	–	–	–	–
Outstanding at the end of the period	23,26,420	255.91	23,26,420	255.91
Preference Shares (Cumulative)				
At the beginning of the period	4,50,00,000	4,500.00	1,50,00,000	1,500.00
Issued during the period	1,30,00,000	1,300.00	3,00,00,000	3,000.00
Outstanding at the end of the period	5,80,00,000	5,800.00	4,50,00,000	4,500.00

Notes forming part of accounts

	₹ in Lakhs			
	As at March 31, 2014	Additions	Utilised during the year	As at March 31, 2015
NOTE 2 : RESERVES AND SURPLUS				
CAPITAL RESERVES				
Capital Redemption Reserve	1,175.00	–	–	1,175.00
Securities Premium	991.97	–	–	991.97
Capital Reserve (as per scheme of arrangement of Demerger)	5,717.56	–	–	5,717.56
	7,884.53	–	–	7,884.53
REVENUE RESERVES				
General Reserve	1,570.73	–	18.61	1,552.12
(Refer Note No. : 2.1)	1,570.73	–	18.61	1,552.12
	9,455.26	–	18.61	9,436.65

2.1. During the year the Company adopted Schedule II of the Companies Act, 2013. As a result of this adoption ₹18.61 lakhs has been adjusted with general reserve.

	₹ in Lakhs	
	As at March 31, 2015	As at March 31, 2014
PROFIT AND LOSS ACCOUNT		
Opening Balance	(15,272.17)	(11,668.43)
Add: Profit (Loss) for the period	(1,573.98)	(3,603.74)
	(16,846.15)	(15,272.17)
Total Reserve and Surplus	(7,409.51)	(5,816.91)

	₹ in Lakhs	
	As at March 31, 2015	As at March 31, 2014
NOTE 3 : LONG-TERM BORROWINGS		
(a) Secured Term Loans :		
- Banks - Rupee Loan	3,216.84	5,989.59
- Government of India - Sugar Development Fund	3,240.00	1,949.70
	6,456.84	7,939.29
(b) Unsecured Term Loans :		
- Inter Corporate Loan	–	1,305.48
- Term Loans	100.00	100.00
	6,556.84	9,344.77

NOTE 4 : OTHER LONG-TERM LIABILITIES		
(a) Trade payables	189.76	34.43
(b) Payable to Holding Company	5,308.70	5,308.70
	5,498.46	5,343.13

NOTE 5 : LONG-TERM PROVISIONS		
Provision for employee benefits (Note 34 (a) & (b))	14.56	14.49
	14.56	14.49

Notes forming part of accounts

₹ in Lakhs

	As at March 31, 2015	As at March 31, 2014
NOTE 6 : SHORT-TERM BORROWINGS		
Loans repayable on demand		
- Cash Credit from Bank	2,932.86	1,227.11
- Commercial Paper	3,000.00	6,000.00
	5,932.86	7,227.11

NOTE 6 (A) DETAILS OF LOAN AND TERMS OF REPAYMENT

Details of Loan and terms of repayment

Lender	Refer Note	As at March 31, 2015	As at March 31, 2014	Terms of Repayment (as at March 31, 2015)
SBI Term Loan	26 (i)	2,286.00	2,815.17	Repayable during next 4 years
SBI SEFASU Term Loan	26 (ii)	1,460.00	1,460.00	Repayable during next 4 years with 1 year Moratorium
ICICI Bank Loan		–	3,059.44	Repaid during the year
SDF - Expansion loan	26 (iii)	2,700.00	1,671.65	Repayable during next 9 years with 4 years Moratorium
Yes Bank Term Loan	27 (i)	100.00	100.00	Repayable during next 4 years with 1 years Moratorium
SDF Cane Development Loan 2	26 (iii)	540.00	278.05	Repayable during next 6 years with 2 years Moratorium
SDF Cane Development Loan 1	26 (iii)	–	25.00	Repaid during the year
SBI Cash Credit	26 (iv)	2,932.86	1,227.11	On Demand
Commercial Paper	27 (ii)	3,000.00	6,000.00	Repayable during next 6 months
E. I. D. Parry (India) Ltd. Loans		–	1,305.48	Repaid during the year
Total		13,018.86	17,941.90	

₹ in Lakhs

	As at March 31, 2015	As at March 31, 2014
NOTE 7 : TRADE PAYABLES		
Other Trade Payables (Refer Note 33)	9,759.90	6,749.67
	9,759.90	6,749.67

NOTE 8 : OTHER CURRENT LIABILITIES

(a) Current maturities of long-term debt		
- Banks - Rupee Loan (Refer Note 26(ii))	529.17	1,345.02
- Government of India - Sugar Development Fund	–	25.00
(b) Interest accrued but not due on borrowings	1,545.63	1,234.47
(c) Unclaimed dividend	5.04	11.56
(d) Other payables		
- Other Miscellaneous Liabilities	3,703.64	3,291.49
	5,783.48	5,907.54

Notes forming part of accounts

₹ in Lakhs

	As at March 31, 2015	As at March 31, 2014
NOTE 9 : SHORT-TERM PROVISIONS		
Provision for employee benefits (Note 34 (a) & (b))	38.78	37.93
	38.78	37.93

NOTE 10 : FIXED ASSETS :

₹ Lakhs

Particulars	GROSS BLOCK			DEPRECIATION AND AMORTISATION					NET BLOCK		
	Cost/Value As at 01-04-2014	Additions	Deletions	Cost/Value As at 31-03-2015	As at 01-04-2014	For the year	Deletions	* Transfer to General Reserve	As at 31-03-2015	As at 31-03-2015	As at 31-03-2014
Tangible assets											
Land	42.63	—	—	42.63	—	—	—	—	—	42.63	42.63
Buildings	843.72	38.44	—	882.16	33.97	43.55	—	3.14	80.66	801.50	809.75
Plant and Equipment	11,958.22	760.64	—	12,718.86	1,824.93	660.79	—	15.47	2,501.19	10,217.67	10,133.29
Furniture and Fixtures	13.80	3.46	—	17.26	4.69	3.19	—	—	7.88	9.38	9.11
Vehicles	9.02	—	6.03	2.99	2.96	1.22	2.57	—	1.61	1.38	6.06
	12,867.39	802.54	6.03	13,663.90	1,866.55	708.75	2.57	18.61	2,591.34	11,072.56	11,000.84
Intangible Assets											
SAP & CMS Project	171.43	—	—	171.43	152.99	3.80	—	—	156.79	14.64	18.44
	13,038.82	802.54	6.03	13,835.33	2,019.54	712.55	2.57	18.61	2,748.13	11,087.20	11,019.28
Previous Year	11,191.89	1,853.80	6.87	13,038.82	1,380.39	639.91	0.76		2,019.54	11,019.28	9,811.50
Capital Work-in Progress		NIL	NIL								

* Note - During the year the Company adopted Schedule II of the Companies Act, 2013. As a result of this adoption ₹ 18.61 lakhs has been adjusted with general reserve.

₹ in Lakhs

	As at March 31, 2015	As at March 31, 2014
NOTE 11 : LONG-TERM LOANS AND ADVANCES		
Unsecured and considered good unless otherwise stated :		
(a) Security Deposits	511.49	510.15
(b) Other loans and advances		
- Advance Tax less Provision for Tax	40.44	40.44
- MAT Credit Entitlement	125.35	125.35
- Advance recoverable in cash or in kind or for value to be received		
> Unsecured and Considered Good	48.30	140.15
	725.58	816.09

NOTE 12 : OTHER NON-CURRENT ASSETS

Long Term Trade Receivables		
- Secured, considered good	—	38.89
	—	38.89

Notes forming part of accounts

	₹ in Lakhs	
	As at March 31, 2015	As at March 31, 2014
NOTE 13 : CURRENT INVESTMENT		
Quoted Investments		
Metkore Alloys & Industries Ltd. (formerly Cronimet Alloys India Ltd.)	5.00	5.00
Total Quoted Investments	5.00	5.00
Market value of the quoted investments	20.18	13.93
NOTE 14 : INVENTORIES		
(a) Raw materials	–	–
(b) Work-in-progress	200.44	304.35
(c) Finished goods	15,516.69	14,509.58
(d) By Products	622.82	538.53
(e) Stores and spares	527.48	432.34
	16,867.43	15,784.80
NOTE 15 : TRADE RECEIVABLES (UNSECURED)		
(a) Trade receivable outstanding for a period exceeding six months from the date they were due for payment :		
(i) Considered good	69.87	175.11
(ii) Considered doubtful	22.91	22.91
Less: Provision for doubtful Trade receivable	(22.91)	(22.91)
	69.87	175.11
(b) Trade receivable outstanding for a period not exceeding six months from the date they were due for payment :		
(i) Considered Good	2,655.92	4,550.25
	2,725.79	4,725.36
NOTE 16 : CASH AND CASH EQUIVALENTS		
(a) Balances with banks		
(i) In Current account	5.91	105.25
(ii) In Deposit account		
(iii) In Earmarked accounts		
- In Unpaid Dividend account	5.04	11.56
- In Margin Money accounts towards Bank Guarantee	11.00	11.00
- In Cane Development/SEFASU Loan No lien account	375.27	–
(b) Cash on hand	1.38	0.36
	398.60	128.17

Notes forming part of accounts

	₹ in Lakhs	
	As at March 31, 2015	As at March 31, 2014
NOTE 17 : SHORT-TERM LOANS AND ADVANCES		
Other loans and advances		
- Balance with Customs and Central Excise Authorities	242.34	500.51
- Advance recoverable in cash or in kind or for value to be received		
> TDS Receivable	6.05	–
> Unsecured and Considered Good	2,492.67	2,822.19
> Less: Provision for Doubtful Advances	(381.12)	(381.12)
	2,359.94	2,941.58
NOTE 18 : OTHER CURRENT ASSETS		
Income Accrued on Deposits etc.	4.78	3.63
Export Incentive Receivable	53.12	97.01
	57.90	100.64
	₹ in Lakhs	
	Year ended March 31, 2015	Year ended March 31, 2014
NOTE 19 : REVENUE FROM OPERATIONS:		
(a) Sales of Products	20,392.96	17,677.11
Less: Excise Duty	<u>691.98</u>	<u>669.58</u>
	19,700.98	17,007.53
(b) Other operating revenues		
- Liabilities/Provisions no longer required written back	10.21	76.74
- Export Incentive & Duty Drawback	23.84	97.01
- Insurance Claims Received	–	15.87
- Scrap Sales	18.74	2.77
- Sundry Income	82.86	13.89
	19,836.63	17,213.81
NOTE 20 : OTHER INCOME:		
Income from Investments	46.81	0.25
Interest on Deposits	63.09	38.77
	109.90	39.02
NOTE 21 : CHANGES IN INVENTORIES		
(Increase)/Decrease in Stocks		
Opening Stock:		
Work-in-process	304.35	121.86
Finished Goods	15,048.11	17,678.03
Less: ED on closing stock	<u>541.36</u>	<u>583.99</u>
	14,811.10	17,215.90
Closing Stock:		
Work-in-process	200.45	304.35
Finished Goods	16,139.52	15,048.11
	<u>16,339.97</u>	<u>15,352.46</u>
	(1,528.87)	1,863.44
	(1,528.87)	1,863.44

Notes forming part of accounts

₹ in Lakhs

	Year ended March 31, 2015	Year ended March 31, 2014
NOTE 22 : EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	385.31	411.25
Deputed Employee Cost	36.75	43.35
Contribution to Provident and Other Funds	26.34	20.30
Workmen and Staff Welfare Expenses	57.05	47.48
	505.45	522.38
NOTE 23 : FINANCE COST		
(a) Interest expense;		
- Other Fixed Loans	1,116.43	1,532.43
- Others	–	509.30
(b) Other borrowing costs	550.00	261.44
	1,666.43	2,303.17
NOTE 24 : OTHER EXPENSES		
(a) Consumption of Stores, Spares and Consumables	473.40	409.38
(b) Power and Fuel	25.66	31.00
(c) Rent	41.73	45.72
(d) Repairs and Maintenance		
- Buildings	11.50	8.48
- Plant and Machinery	<u>455.02</u>	<u>380.81</u>
(e) Insurance	29.22	36.74
(f) Rates and Taxes	649.21	590.77
(g) License Fee	6.32	13.90
(h) Material Handling Expenses	20.02	15.43
(i) Other Manpower Cost	380.02	336.15
(j) Distribution Expenses	17.60	4.35
(k) Travelling and Conveyance	71.95	88.45
(l) Communication Expenses	14.84	17.03
(m) Operation Lease Rentals	816.73	792.94
(n) Printing and Stationery	12.46	10.35
(o) Auditors' Remuneration	7.52	6.83
(p) Directors' Remuneration	88.89	123.39
(q) Directors' Fees and Commission	9.90	6.70
(r) Sales Promotion and Publicity	–	4.58
(s) Fixed Assets Scrapped	0.62	1.78
(t) Professional Charges	42.59	51.48
(u) Provision for Doubtful Debts and Advances	–	47.16
(v) Bad Debts/Advances Written Off	–	22.36
(w) General Manufacturing, Selling and Administration Expenses	98.30	74.33
	3,273.50	3,120.11

Notes forming part of financial statements

Corporate information

Parrys Sugar Industries Limited (PSIL) is carrying on the business of manufacture of sugar and cogeneration of power. PSIL is a subsidiary of E.I.D.- Parry (India) Ltd., one of the fastest growing organisations in India. PSIL's sugar factory is located at Ramdurg, Belgaum District, Karnataka State having a capacity to crush 4,000 Tonnes of Cane per day and 13 MW of Power.

25. SIGNIFICANT ACCOUNTING POLICIES

25.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the 2013 Act ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in accounting policy for depreciation.

25.2 Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

25.3 Inventories

- (i) Inventories other than by products are valued at the lower of cost determined on weighted average basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.
- (ii) Inventories of by-products are valued at estimated net realisable value.

25.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

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.

25.5 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.

25.6 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Plant and Machinery (Continuous Process) 18 years

Vehicles

- a) Motor cycle 4 years
- b) Motor Cars 4 years

- (i) In respect of additions and deletions during the year, depreciation charge is provided on pro-rata basis.
- (ii) Leased assets are depreciated on the remaining period of lease or as per the useful life prescribed in schedule II of the Companies Act, 2013 whichever is earlier.
- (iii) Leased assets are fully depreciated over the primary lease period.
- (iv) Intangible assets are amortised over their estimated useful life on straight line method as follows:
Software – Over the license period

Notes forming part of financial statements

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

25.7 Revenue Recognition

- (i) Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.
- (ii) Income from services rendered is recognised as and when services are rendered based on agreements/arrangements with the concerned parties.
- (iii) Export Incentive under Duty Entitlement Pass Book Scheme are treated as income in the year of export at the estimated realisable value.
- (iv) Interest income is accounted on accrual basis.
- (v) Dividend income is accounted when the right to receive the dividend is established.

25.8 Fixed Assets :-

Tangible Fixed Assets (other than those which have been revalued) are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Intangible Assets are stated at cost of acquisition less accumulated amortisation.

Leasehold land and leasehold improvements are amortised over the primary period of lease.

Capital Work-in-Progress: Projects under which tangible fixed assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

25.9 Foreign Currency Transactions

Initial Recognition: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement on Balance Sheet date: Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Settlement : Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Forward Contracts : Premium/discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

25.10 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

25.11 Employee Benefits

Employee benefits include provident fund, gratuity fund, compensated absences, long service awards.

(a) Defined contribution plans

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

(b) Defined benefit plans

For defined benefit plans in the form of gratuity fund and the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until

Notes forming part of financial statements

the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

(c) Short-Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (ii) in case of non-accumulating compensated absences, when the absences occur.

(d) Long-Term Employee Benefits :

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

25.12 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

25.13 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.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/expenses/assets/liabilities".

25.14 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

25.15 Earnings per Share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average

Notes forming part of financial statements

market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

25.16 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

25.17 Insurance claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

25.18 Impairment of Assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

25.19 Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

25.20 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/utilising the credits.

25.21 Operating Cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

26. SECURED LOANS

- (i) Term Loan & Short term(Bridge) loan extended by State Bank of India is primarily secured by Pari-passu first charge on fixed assets of the Company and collaterally secured by second charge on the current assets of the Company

Notes forming part of financial statements

- (ii) SEFASU Term Loan extended by State Bank of India secured by *Pari-passu* first charge on fixed assets of the Company and collaterally secured by second charge on the current assets of the Company.
- (iii) Sugar Development Fund(SDF) Loans for Cane Development & expansion is secured by a Bank Guarantee.
- (iv) Cash Credit facility extended by State Bank of India is secured by hypothecation of entire current assets of the company and further second charge on company's fixed assets.

The above loans extended by SDF & banks carry interest rates ranging from 4% p.a to 12.75% p.a. The loans extended by banks are linked to their base rate.

27. UNSECURED LOANS

- (i) Loan extended by Yes Bank Ltd is unsecured in nature. It carries an interest rate of 10.75% p.a
- (ii) Commercial Paper was issued to HDFC Trustees Co Ltd- HDFC A/c Liquid Fund at the discount rate of 9.25% p.a.

28. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) of ₹ NIL Lakhs (2014: ₹ NIL Lakhs).

29. Contingent Liabilities not provided for on account of : ₹ in Lakhs

Particulars	2014-15	2013-14
a) Bank Guarantees	4,665.79	4,301.65
b) Corporate Guarantees given by the Company to banks in respect of crop loans to farmers and H & T loan	22.42	1,768.32
c) Arrears of fixed cumulative dividends of Preference shares	145.01	0.77
d) Claims made by Government Departments against the Company not acknowledged as debts:		
Excise Duty/Service Tax under appeal	338.17	225.38
e) Preference Dividend attributable to Cumulative Preference Shares	435.73	144.24
f) Sugar Cane Price payable (FY 2013-14)	495.73	–

30. a) The Ministry of Corporate Affairs, Government of India has vide its Notification No GSR 225(E) dated March 31, 2009 has announced Companies Accounting Standards (Amendment) Rules 2009 prescribing changes to Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates' till 31-03-2020.

The Company has, pursuant to the adoption of such principles of Companies (Accounting Standards) Amendment Rules 2009, exercised the option of recognising the exchange differences arising on reporting of foreign currency monetary items at rates different from those at which they were recorded earlier, in the original cost of such depreciable fixed assets in so far such exchange differences arose on foreign currency monetary items relating to the acquisition of a depreciable asset as below:

Exchange differences aggregating to Rs.NIL Lakhs arising during the year ended March 31, 2015 (2014: ₹ 1.77 Lakhs) have been adjusted to the cost of the depreciable assets.

	in Lakhs	
b) Particulars	2014-15	2013-14
Borrowing Cost Capitalised on fixed assets/CWIP	Nil	196.23

31. OPERATING LEASES

- i. The Company has entered in to a non cancellable operating lease agreement with Shri Dhanalaxmi Sahakari Sakkare Karkhane Niyamit, Ramdurg for the lease of sugar factory together with the specified assets on Built, Own, operate and Transfer basis (BOOT) for a period of 25 years. Lease rentals of ₹ 816.73 Lakhs (2014: ₹ 792.94 Lakhs) in respect of the obligation under such lease agreement have been recognized in the Statement of Profit and Loss.

Future obligations of lease rentals applicable to the above lease agreement aggregate to ₹ 11,858.88 Lakhs (2014: ₹ 12,675.61 Lakhs) and are due:

	₹ in Lakhs	
Particulars	2014-15	2013-14
Not later than one year	841.23	816.73
Later than one year and not later than five years	3,624.99	3,519.40
Later than five years	7,392.66	8,339.48
Total	11,858.88	12,675.61

Notes forming part of financial statements

32. DEFERRED TAX

The major components of the deferred tax assets and liabilities on account of timing differences are as follows:

	₹ in Lakhs	
	Deferred Tax Liability/(Asset)	
	2014-15	2013-14
Deferred Tax Liability		
Difference between the written down value of assets as per books of account and Income Tax Act.	784.59	700.11
Deferred Tax Asset		
Unabsorbed Depreciation		
Business Loss	(784.59)	(700.11)
Others		
Net Deferred Tax liability	–	–

33. As per the information available with the Management, there are no suppliers falling under the Micro, Small and Medium Enterprise registered with the Company.

34. (a) The following table sets forth the status of the Gratuity Plan of the Company and the amount recognized in the Balance Sheet and Statement of Profit and Loss.

	₹ in Lakhs	
Particulars	Gratuity (Funded)	
	2014-15	2013-14
Present Value of obligations at the beginning of the year	14.36	11.32
Current service cost	5.68	4.36
Interest Cost	1.14	0.93
Benefits Settled	(108.20)	(1.64)
Actuarial loss/(gain)	103.88	(0.61)
Present Value of obligations at the end of the period	16.86	14.36
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	116.81	22.56
Transferred consequent to Demerger	–	(1.93)
Expected return on plan assets	5.39	1.63
Contributions	5.27	–
Benefits Paid	(108.20)	(1.64)
Actuarial gain/(Loss) on plan assets	(1.55)	0.41
Fair Value of plan assets at the end of the year	17.72	21.03
Amounts recognised in the Balance Sheet		
Projected benefit obligation at the end of the period	16.86	14.36
Fair value of plan assets at end of the period	17.72	21.03
Funded status of the plans – Asset/(Liability) recognised in the balance sheet	0.86	6.67
Cost for the period		
Current service cost	5.68	4.36
Interest Cost	1.14	0.93
Expected return on plan assets	(5.39)	(1.63)
Net actuarial (gain)/loss recognised in the period	105.43	(1.02)
Net Cost	106.86	2.64
Assumptions		
Discount rate	8.00%	8.85%
Expected return on assets	8.25%	8.25%
Rate of Compensation increase	6%	6%
Attrition rate	5%	5%
Retirement expectancy (in years)	58	58
Expected average remaining service (in Years)	22.49	23.30
Mortality rates	LIC 1994-96 ultimate table	LIC 1994-96 ultimate table
Actual return on plan assets (₹ in Lakhs)	(1.55)	0.41

Notes forming part of financial statements

Based on the above allocation and the prevailing yields on these assets, the long-term estimate of the expected rate of return on fund assets has been arrived at. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching government bonds.

The estimates of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

As per the best estimates of the management, contribution of ₹ 2.00 lakhs is expected to be paid to the plan during the year ending March 31, 2016

(b) Provision made during the year for other long-term employee benefits based on the actuarial valuation report amounted to ₹ 0.74 Lakhs (2014: ₹ 5.51 Lakhs).

(c) During the period, the Company has recognised the following amounts in the Statement of Profit and Loss, which are included in 'Contribution to Provident and Other Funds.

	₹ in Lakhs	
Particulars	2014-15	2013-14
Provident Fund and Employees' Pension Scheme	26.34	20.30

35. AUDITOR'S REMUNERATION AND EXPENSES	₹ in Lakhs	
	2014-15	2013-14
(i) Audit Fees	7.00	6.00
(ii) Fees for other services	0.44	0.73
(iii) Reimbursement of out of pocket expenses	0.08	0.10
Total	7.52	6.83

36. MANAGERIAL REMUNERATION	2014-15	2013-14
Salaries	15.28	35.49
Contribution to Provident and Other Funds	4.13	11.31
Allowances	39.83	52.98
Incentives	29.65	23.61
	88.89	123.39

37. PARTICULARS IN RESPECT OF FINISHED GOODS STOCK										
Classes of goods	UNIT	OPENING STOCK				CLOSING STOCK				
		2014-15		2013-14		2014-15		2013-14		
		Qty.	Value ₹ lakhs	Qty.	Value ₹ lakhs	Qty.	Value ₹ lakhs	Qty.	Value ₹ lakhs	
Sugar	Quintals	552,213	14,509.57	548,838	17,221.61	594,753	15,516.69	552,213	14,509.57	
Molasses	MT	10,300	473.79	7,336	366.81	8,607	456.19	10,300	473.79	
Work-in-process	Quintals	11,416	283.68	4,380	121.86	7,265	179.61	11,416	283.68	
WIP - Molasses	MT	499	20.68	—	—	509	20.83	499	20.68	
Bagasse	MT	4,980	64.74	6,937	89.61	12,818	166.63	4,980	64.74	
			15,352.46		17,799.89		16,339.96		15,352.46	

Notes forming part of financial statements

38. PARTICULARS IN RESPECT OF FINISHED GOODS – SALES

Classes of goods	UNIT	SALES (Including Excise Duty)			
		2014-15		2013-14	
		Qty.	Value ₹ lakhs	Qty.	Value ₹ lakhs
Sugar	Quintals	635,360	18,134.50	574,511	15,948.14
Molasses	MT	27,079	1,447.69	18,646	1,038.97
Cogeneration - Power#	Units	19,432,530	785.64	15,714,120	628.56
Others		20,445	25.13	1,724	61.44
			20,392.96		17,677.11

Net of captive consumption

39. ANALYSIS OF RAW MATERIALS CONSUMED

DESCRIPTION	UNIT	2014-15		2013-14	
		Qty.	Value ₹ lakhs	Qty.	Value ₹ lakhs
Sugarcane	MT	555,115	16,887.84	495,727	12,404.61
Others	MT	96	3.61	78	2.95
			16,891.45		12,407.56

40. VALUE OF IMPORTS ON C.I.F BASIS

	₹ in Lakhs	
	2014-15	2013-14
Capital Goods	–	–
Spares	–	–

41. EXPENDITURE IN FOREIGN CURRENCY

	₹ in Lakhs	
	2014-15	2013-14
Travel	–	–
Professional Fee	–	–

42. EARNINGS IN FOREIGN CURRENCY

	₹ in Lakhs	
	2014-15	2013-14
Sale of Raw Sugar		
Indian Rupee Equivalent USD 2.66 Million (2014: USD 1.08 Million)	1,595.26	647.89

43. SEGMENT REPORTING

The Company has identified two business segments viz. Sugar and Power. Segments have been identified and reported taking into account the nature of the products, the differing risks and returns, the organizational structure and internal business reporting system.

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as “Un-allocable”.
- Segment Assets and Segment Liabilities represent assets and liabilities of respective segment. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as “Un-allocable”.
- The Company generally accounts for inter segment sales/transfer as if the sales/transfers were to external parties at prevailing average market price on the date of transfer.

Notes forming part of financial statements

Information about primary business segments:					₹ in Lakhs	
Business Segments	Sugar		Power		Total	
Particulars	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Revenue						
Revenue from Customers	17,275.16	15,729.31	785.64	628.56	18,060.80	16,357.87
Export Sales - Raw Sugar	1,640.18	649.66	–	–	1,640.18	649.66
Inter Segment Revenue	1,723.15	889.14	1,737.44	1,554.22	3,460.59	2,443.36
Segment Revenues	20,638.49	17,268.11	2,523.08	2,182.78	23,161.57	19,450.89
Operating Expenses	18,704.06	17,587.94	437.46	325.55	19,141.52	17,913.49
Inter Segment Cost	1,737.44	1,554.22	1,723.15	889.14	3,460.59	2,443.36
Depreciation/Amortisation	461.36	409.60	251.20	230.31	712.56	639.91
Segment Result	(264.37)	(2,283.65)	111.27	737.78	(153.10)	(1,545.87)
Interest Expenses	(1,349.06)	(1,770.54)	(317.37)	(532.63)	(1,666.43)	(2,303.17)
Interest Income	63.09	39.02	–	–	63.09	39.02
Other income	178.63	205.00	3.83	1.28	182.46	206.28
Profit/(Loss) before tax	(1,371.71)	(3,810.17)	(202.27)	206.43	(1,573.98)	(3,603.74)
Taxation						
Current tax					–	–
Deferred tax					–	–
Net Profit/(Loss) after taxation/Adjusted Profits					(1,573.98)	(3,603.74)
Other Information						
Segment Assets	29,491.07	30,665.77	4,736.38	4,894.04	34,227.45	35,559.81
Segment Liabilities	33,521.66	34,543.27	63.22	81.37	33,584.88	34,624.64
Capital Expenditure	741.02	958.96	61.52	894.84	802.54	1,853.80
Other Non-cash expenses/(income) (net)	(9.59)	(9.97)	–	4.53	(9.59)	(5.44)

During the year under report, the Company has engaged in business only within India and not in any other country. The conditions prevailing in India being uniform, no separate geographical segment disclosure is considered necessary.

44. EARNINGS PER SHARE

The computation of earnings per share is set out below:

Particulars	2014-15	2013-14
Nominal Value of Equity Shares (₹)	10	10
Net Profit/(Loss) after Tax (₹ Lakhs)	(1,573.98)	(3,603.74)
Less: Preference Dividend attributable to Preference Shares (including corporate tax thereon) (₹ Lakhs)	435.73	144.24
Net Profit/(Loss) attributable to the Equity Shareholders (₹ Lakhs)	(2,009.72)	(3,747.98)
Shares:		
Weighted average number of Equity Shares of ₹ 10 each outstanding during the year	19,961,707	19,961,707
Basic and diluted Earnings/(Loss) – ₹ Per Share	(10.07)	(18.78)

Notes forming part of financial statements

45. RELATED PARTY DISCLOSURES

(i) Names of the related parties and description of relationship

Relationship	Name of the Parties
Holding Company	EID Parry (India) Limited
Fellow Subsidiaries	Coromandel International Ltd.
	Parry Chemicals Ltd.
	CFL Maturities Limited
	Coromandel Brazil Limitada - Partnership
	Sabero Organics Gujarat Limited
	Sabero Europe BV
	Sabero Australia Pty Ltd.
	Sabero Organics America SA
	Sabero Argentina SA
	Sabero Organics Merico SA De.CV
	Algawadi Bireshwar Sugars Private Limited (ABSPL)
	Parry America Inc.
	Parrys Investments Limited
	Parrys Sugar Limited
	Parry Infrastructure Company Private Limited
	Silkroad Sugars Private Limited
	Parry Phytoremedies Private Limited
	US Nutraceuticals Inc.
	Parry Agrochem Exports Limited
	Valensa Europe AG
	La Belle Botanics LLC
Key Management Personnel	Mr. V. Ramesh

(ii) Summary of transactions with the above related parties are as follows:

Nature of the Transaction	₹ in Lakhs	
	2014-15	2013-14
Purchase of Machinery		
Holding Company-EID Parry (India) Limited		
Purchase of Goods/Receipt of Services		
i. Holding Company-EID Parry (India) Limited	13.07	319.93
ii. Fellow Subsidiary		
Coromandel International Limited	–	21.69
Interest on Unsecured Loan		
i. Holding Company-EID Parry (India) Limited	113.97	352.18

Notes forming part of financial statements

		₹ in Lakhs	
Nature of the Transaction		2014-15	2013-14
Sale of Goods/Rendering of Services			
i.	Holding Company-EID Parry (India) Limited	1,313.01	2,401.66
ii.	Fellow Subsidiary		
	Silkroad Sugar Private Limited	1,596.27	647.89
Unsecured loans taken			
	Holding Company-EID Parry (India) Limited	–	450.00
Unsecured loans repaid			
	Holding Company-EID Parry (India) Limited	5.48	450.00
Issue of Preference Shares			
	Holding Company-EID Parry (India) Limited	1,300.00	3,000.00
Remuneration			
	Key Management Personnel	88.89	123.39
Balance Payable/(recoverable) at the end of the year:			
i.	Holding Comapany-EID Parry (India) Limited	5,629.43	6,183.73
ii.	Fellow Subsidiaries		
	Coromandel International Limited	–	15.54
	Silkroad Sugar Private Limited	–	(647.89)

46. Previous year's figures have been regrouped/reclassified to conform to Current year's classification.

In terms of our report of even date attached

For and on behalf of the Board

For R.G.N. Price & Co.

Chartered Accountants
FRN : 002785S

K. Balasubramanian
Chairman

V. Ramesh
Managing Director

H.S. Venkatesh

Partner
Membership No. : 026666
Chennai
April 24, 2015

V. Suri
Chief Financial Officer

Amar Kumar Dora
Company Secretary



PARRYS SUGAR INDUSTRIES LIMITED

(CIN: L28100KA1986PLC049077)

Regd. Office: Venus Building, 3rd Floor, 1/2 Kalyanamantapa Road, Jakkasandra, Koramangala, Bengaluru - 560 034, Karnataka,
Tel: 080-49006666 Fax: 080-49006600

e-mail: investorgrievancescell@psil.murugappa.com | website: www.parrysugar.com

FORM NO. MGT-11 PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s)																
Registered address:																
E-mail Id:																
Folio No/ Client Id																
DP ID:																

I/We, being the member (s) of shares of the above named company, hereby appoint

Name:	Email:
Address:	
	Signature_____

or failing him/ her

Name:	Email:
Address:	
	Signature_____

or failing him/ her

Name:	Email:
Address:	
	Signature_____



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the company, to be held on the Friday July 24, 2015 at 10.30 a.m. at Khincha Hall, Bharatiya Vidya Bhavan, Race Course Road, Bengaluru - 560 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution	Vote		
		For	Against	Abstain
1.	Adoption of the audited financial statements of the Company, the Reports of the Board of Directors and the Auditors thereon for the financial year ended March 31, 2015.			
2.	Appointment of Director in place of Mr. V.Ravichandran (DIN: 00110086) who retires by rotation and being eligible, seeks re-appointment.			
3.	Ratification of the appointment of M/s. R.G.N. Price & Co., as Statutory Auditors			
4.	Approval of the remuneration of M/s. Narasimha Murthy & Co., Cost Auditors			
5.	Appointment of Mr. V. Ramesh (DIN: 01412093) as Managing Director of the Company			
6.	Appointment of Ms. Lalitha Balakrishnan (DIN: 02973332) as an Independent Director			

Signed thisday of..... 2015.

Affix revenue stamp

Signature of shareholder	Signature of Proxy holder(s)
--------------------------	------------------------------

Note:

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



PARRYS SUGAR INDUSTRIES LIMITED

(CIN: L28100KA1986PLC049077)

Registered Office: Venus Building, 3rd Floor, 1/2 Kalyanamantapa Road, Jakkasandra, Koramangala, Bengaluru- 560034, Karnataka

Tel: +91 80 49006616 Fax: +91 80 49006600

Email: investorgrievancescell@psil.murugappa.com Website: www.parrysugar.com

ATTENDANCE SLIP FOR 29TH ANNUAL GENERAL MEETING

(to be handed over at the Registration Counter)

Folio No./DP ID and Client ID :

Name :

Address:

I/We hereby record my/our presence at the 29th Annual General Meeting of the Company on Friday, 24th July, 2015 at 10.30 a.m. at Khincha Hall, Bharatiya Vidya Bhavan, Race Course Road, Bengaluru - 560001.

First/Sole holder/Proxy

Second holder/Proxy

Third holder/Proxy

ELECTRONIC VOTING PARTICULARS

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

Please refer to the location map overleaf.



Location map of the venue of the
29th Annual General Meeting
of Parrys Sugar Industries Limited



The Spirit of the Murugappa Group

Integrity

Responsibility

Passion

The five lights

The values, principles and beliefs that have always guided us and continue to show the way forward.

Respect

Quality

Integrity

We value professional and personal integrity above all else. We achieve our goals by being honest and straightforward with all our stakeholders. We earn trust with every action, every minute of every day.

Passion

We play to win. We have a healthy desire to stretch, to achieve personal goals and accelerate business growth. We strive constantly to improve and be energetic in everything that we do.

Quality

We take ownership of our work. We unfailingly meet high standards of quality in both what we do and the way we do it. We take pride in excellence.

Respect

We respect the dignity of every individual. We are open and transparent with each other. We inspire and enable people to achieve high standards and challenging goals. We provide everyone equal opportunities to progress and grow.

Responsibility

We are responsible corporate citizens. We believe we can help make a difference to our environment and change lives for the better. We will do this in a manner that befits our size and also reflects our humility.



Parrys Sugar Industries Ltd.

CIN : L28100KA1986PLC049077

Registered Office :

Venus Building, 3rd Floor, 1/2 Kalayanamantapa Road, Jakkasandra, Koramangala, Bengaluru - 560034.

Tel.: 080 4900 6666 Fax: 080 4900 6600.

www.parrysugar.com