

**Parrys Sugar Industries Limited**

(Formerly GMR Industries Limited)

Registered Office:

Venus Building, 3rd Floor,

1/2 Kalyanamantapa Road, Jakkasandra, Koramangala
Bengaluru - 560 034, Karnataka, India

T : +91 80 49006666 F : +91 80 49006600

W : www.parrysugar.in

CIN - L28100KA19007PLC0649077

August 16, 2016

The Dy. General Manager Corporate Relationship Dept. BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street MUMBAI - 400 001	The Manager-Listing National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor Plot No.C/1, G. Block Bandra-Kurla Complex, Bandra (E) MUMBAI - 400 051
Scrip Code No: 500162	Scrip Code : PARRYSUGAR
Fax: 022- 22722082/ 22723121	Fax 022 - 26598237 / 26598238

Dear Sir,

Re: Regulation 34 of the SEBI (LODR) Regulations, 2015 – Submission of Annual Report for the year 2015-16

Pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015, we are forwarding herewith the Annual Report of the Company for the year 2015-16 containing the following:

- (a) Audited financial statements i.e. Balance Sheet, Profit and Loss Account for the year ended March 31, 2016
- (b) Cash Flow Statement for the year 2015-16
- (c) Directors Report;
- (d) Management Discussion and Analysis report

The aforesaid Annual Report for the year 2015-16 was adopted and approved at the Annual General Meeting of the Company held on July 22, 2016.

Thanking you,

Yours faithfully,

For Parrys Sugar Industries Limited

Company Secretary

Encl: a/a



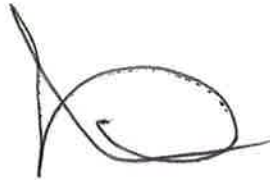
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FORM A

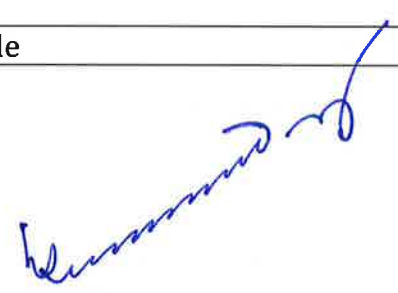
Sl. No.	Particulars	Details
1.	Name of the Company	Parrys Sugar Industries Limited
2.	Annual Financial Statements for the year ended	March 31, 2016
3.	Type of Audit observation	Un-modified
4.	Frequency of observation	Not applicable



V. Ramesh
Managing Director



V. Suri
Chief Financial Officer



K. Ramadoss
Audit Committee Chairman

For R.G.N. Price & Co.,
Chartered Accountants
Firm's Registration No: 002785S



Mahesh Krishnan
Partner
Membership No. 206520

Place: Chennai
Date: May 2, 2016



PARRYS SUGAR INDUSTRIES LTD.



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ANNUAL REPORT
2015-16



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CORPORATE INFORMATION

Board of Directors

C. R. Rajan, *Chairman*
V. Ramesh, *Managing Director*
K. Ramadoss
V. Ravichandran
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 / 67162222
Fax: +91 40 23420814

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 THIRTIETH Annual General Meeting (AGM) of the members of **Parrys Sugar Industries Limited** will be held on **Friday, July 22, 2016 at 10.30 A.M. at Khincha Hall, Bharatiya Vidya Bhavan, Race Course Road, Bengaluru - 560001**, to transact the following business:

Ordinary Business:

1. Adoption of financial statements

To receive, consider and adopt the audited financial statements of the Company for the year ended March 31, 2016 together with the Reports of the Board of Directors and the Independent 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. Re-appointment of Statutory Auditors

To re-appoint 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 all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules framed there under as amended from time to time, M/s. R.G.N Price & Co., Chartered Accountants, (Firm Registration No. 0027855), be and they are hereby re-appointed as Statutory Auditors of the Company for a period of 3 years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 33rd Annual General Meeting of the Company, on a remuneration of ₹7,75,000/- (Rupees Seven Lakh Seventy Five Thousand) per annum 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. Remuneration of Cost Auditor

To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2017 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), the remuneration of ₹90,000/- (Rupees ninety thousand) plus service tax as applicable and reimbursement of out of pocket expenses payable to M/s Narasimha Murthy & Co., Cost Auditors (Firm Registration No. 000042) to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2017 as approved by the Board of Directors of the Company, be and is hereby ratified.

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

Amar Kumar Dora
Company Secretary

Chennai
May 2, 2016

Registered Office:
Venus Building, 3rd Floor, 1/2 Kalyanamantapa Road
Jakkasandra, Koramangala
Bengaluru - 560 034
CIN: L28100KA1986PLC049077

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. A Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Item No. 4 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, July 15, 2016 to Friday, July 22, 2016, 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 2007-08 to the Investor Education and Protection Fund (the IEPF) established by the Central Government. There are no unclaimed/unpaid dividends pending transfer to IEPF. 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 24, 2015 (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. In terms of Section 152 of the Companies Act, 2013, Mr. V. Ravichandran, Director retires by rotation at the meeting and being eligible, offers himself for re-appointment. The relevant details of Mr. V. Ravichandran, as required under Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, ("SEBI (LODR) Regulations, 2015") 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 Regulation 36 of the SEBI (LODR) Regulations, 2015 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. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements 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. The route map showing directions to reach the venue of the AGM is annexed.
17. 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 Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed in the notice of the thirtieth Annual General Meeting scheduled to be held on Friday, July 22, 2016 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 18, 2016 at 9.00 a.m and ends on July 21, 2016 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 15, 2016.**
 - (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, 30th 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. 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 being Friday, July 15, 2016.
 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 15, 2016 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 despatch of the Notice of the Meeting and holding shares as on the cut-off date i.e., Friday, July 15, 2016, 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 a 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 48 hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. 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 22, 2016.
 11. In case of any query pertaining to e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com> (Karvy's website).

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 ending March 31, 2017.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has 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 2016-17 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.

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

Chennai
May 2, 2016

Amar Kumar Dora
Company Secretary

Details of Director seeking re-appointment at the Annual General Meeting

Particulars	Mr. V. Ravichandran
Date of Birth	09/06/1956
Date of Appointment	27/08/2010
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
Expertise in specific functional area	Finance, Marketing and General Management
Directorship in other Companies	E.I.D.- Parry (India) Limited
	Coromandel International Limited
	Murugappa Holdings Limited
	Parry Infrastructure Company Private Limited
	Parry Sugars Refinery India Private Limited
	Yanmar Coromandel Agrisolutions Private Limited
	CFL Mauritius Limited
	US Nutraceuticals LLC
	Parry America Inc.
	Foskor Pty Limited
	Alimtec S.A
Membership/Chairmanships of Committees of other public companies (includes only Audit and Stakeholders' Relationship Committee)	<u>Audit Committee</u> - Member Parry Infrastructure Company Private Limited <u>Stakeholders Relationship Committee</u> - Member Coromandel International Limited E.I.D.- Parry (India) Limited Murugappa Holdings Limited
Number of shares held in the Company	Nil
Inter-se relationship with any Director/KMP	Nil

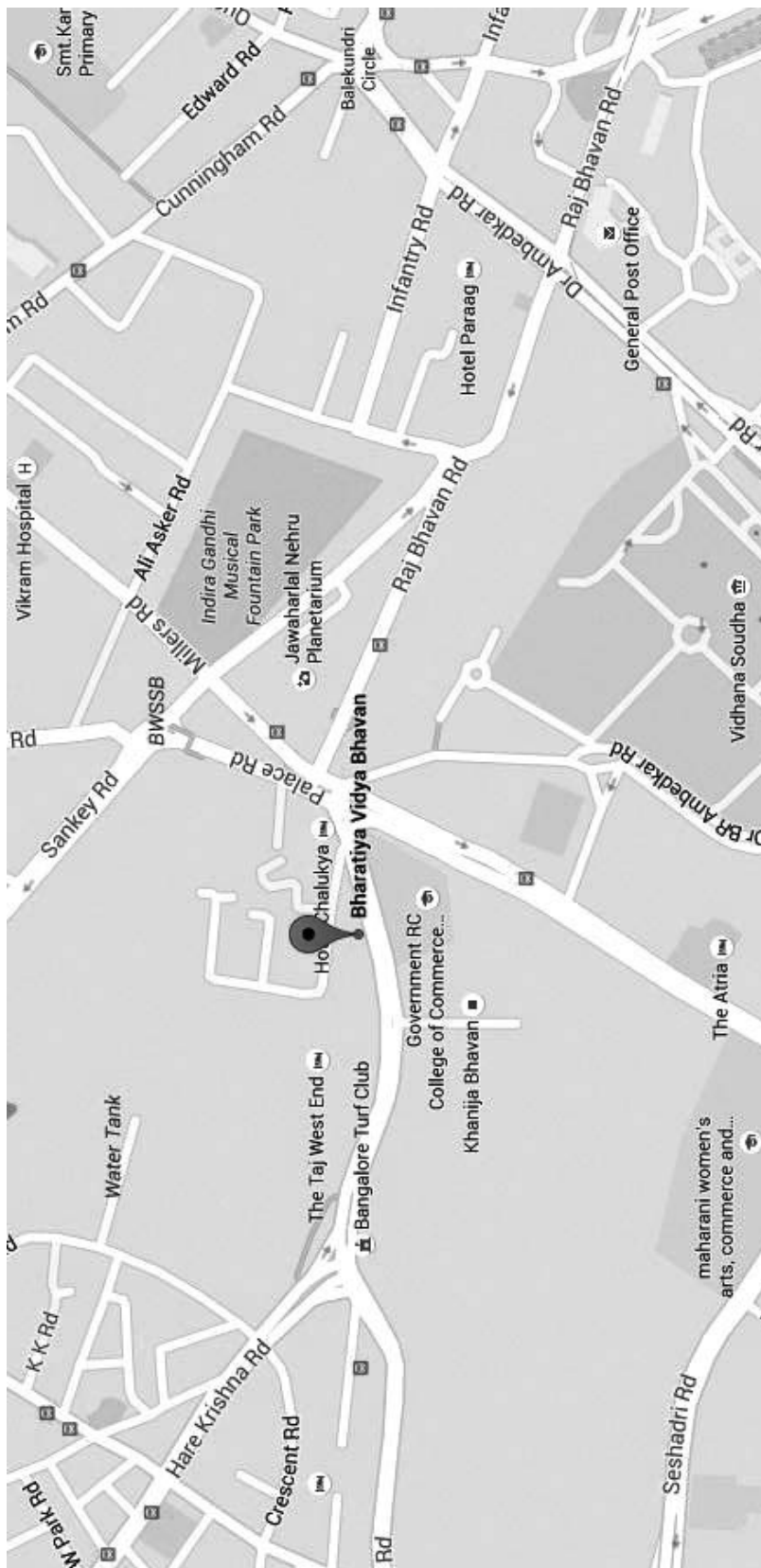
Location map of the venue of the
30th Annual General Meeting
of Parrys Sugar Industries Limited

Venue:

Khincha Hall, Bharatiya Vidya Bhavan, Race Course
Road, Bengaluru - 560001

Land Mark:

- Near Hotel Chalukya
- Opposite to RC College.



BOARD'S REPORT

To the members of Parrys Sugar Industries Limited

The Directors have pleasure in presenting their Thirtieth Annual Report together with the audited financial statements for the Financial Year ended March 31, 2016.

FINANCIAL RESULTS

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

	₹ in Lakh	
Particulars	2015-16	2014-15
Gross Income	29,233.96	19,946.53
Profit/(Loss) Before Interest and Depreciation (EBITDA)	(328.64)	805.00
Finance Charges	1,526.85	1,666.43
Gross Profit/(Loss)	(1,855.49)	(861.43)
Provision for Depreciation	743.14	712.55
Net Profit/(Loss) Before Tax	(2,598.63)	(1,573.98)
Taxes	-	-
Net Profit/(Loss) After Tax	(2,598.63)	(1,573.98)

DIVIDEND & RESERVES

In view of the losses incurred, your Board is unable to recommend any dividend for the financial year ended March 31, 2016. The Company has not transferred any amount to the reserves for the year ended March 31, 2016.

SHARE CAPITAL

During the year, the Company has allotted 3,50,00,000, 8% Redeemable Cumulative Preference shares of ₹10/- each to E.I.D.- Parry (India) Limited, the Holding Company aggregating to ₹35 Crore. Consequently, the paid up share capital of the Company stood at ₹115.52 Crore w.e.f. March 31, 2016.

During the year, the Company has not issued any equity shares. As on March 31, 2016, none of the Directors of the Company hold any shares or convertible instruments of the Company.

COMPANY PERFORMANCE

During the year under review, the total revenue of the Company from operations was ₹29121.44 lakh, 46.80% higher than ₹19836.63 lakh in the previous year. Operating Loss (Loss before Interest and Tax) was ₹1071.78 lakh as against ₹92.45 lakh profit in the previous year. The interest cost was ₹1526.85 lakh during the current Financial Year as against ₹1666.43 lakh during the previous year. During the year under review, the Company achieved an all around improvement on many operating parameters. The cane crushed was higher at 7.39 LMT as against 5.55 LMT in the previous year; the power generation was at 540.84 lakh Units as against 382.75 lakh Units in the previous year. The amount realized on power export was higher at ₹1442.13 lakh as against ₹785.64 lakh in the previous year. There was also improvement in most efficiency parameters this year. However, the sugar recovery dropped to 11.91% as against 12.14% in the previous year but higher as compared to many other factories in North Karnataka in the face of adverse agro-climatic conditions caused by lack of rain and drought like situation. The Company also worked on improving its sales mix to enhance sales to Institutions and get a better margin on its products. In spite of all the above, the Company reported a loss before tax of ₹2598.63 lakh during the Financial Year. The primary reason for the loss was low sugar prices during the first 9 months of the Financial Year which offset the achievements of the Company on all other fronts.

The Sugar Industry in India went through an unprecedented crisis due to all time low sugar selling prices caused by fifth straight year of surplus production as well as a drop in global prices. In fact it went below the cost of production for a substantial portion of the year. The sugar prices which remained subdued showed an upward trend only during the last quarter of the financial year.

In spite of the low sugar selling prices, the Company paid the Fair & Remunerative Price (FRP) of ₹2200/T for the SY 14-15 and ₹2300/T for the SY 15-16, the price being linked to a recovery percentage of 9.5%. Since your Company achieved higher recovery, the FRP was prorated. In fact, the Company is one of the few Mills in Karnataka to have discharged its obligations towards the farmers in time.

During the Financial Year, the Central Government announced a number of measures to alleviate the difficulties faced by the Industry including grant of a direct cane subsidy of ₹ 45/- MT as part of the FRP. The Government also took a series of measures viz. compulsory export of sugar linked to the Cane Subsidy, hike in import duty of sugar, abolition of the Duty Free Import Authorization Scheme, Interest Subvention scheme, subsidy for sugar exports, direct subsidy to farmers, remunerative prices for ethanol procurement and waiver

of excise duties on ethanol to further incentivize ethanol supplies for the Ethanol Blending Program. All these steps were taken by the Central Government with a view to improve the cash flows of sugar mills so that the Mills would be in a position to make cane payments to sugarcane farmers in time. This also improved the general sentiments in the Industry and had a positive impact on the sugar price during Q4 of the Financial Year.

There are reports which suggest that due to less rainfall and lower water availability in reservoirs in some Districts in Maharashtra and North Karnataka, the acreage of sugarcane available for harvesting in SY 16-17 will be lower. Therefore, there is an expectation that sugar production during SY 16-17 from the States of Maharashtra and Karnataka, due to lower acreage in some of their districts, will be lower than the current sugar season. This is expected to have an impact on the demand supply equilibrium of Cane and Sugar but positively impact the selling price.

Effective February 2016, the Central Government created a Sugarcane Price Stabilization Fund, funded through a levy of Special Cess as advocated by the Commission on Agricultural Costs and Prices. We hope that the Central Government will continue this since it will augur well for the Industry in the long run and help the Government in providing subsidies directly to the farmers in the event sugar prices go below the economic levels of the sugar prices linked to FRP. This could also resolve the financial crisis faced by the Sugar Industry to a large extent.

The major challenges for the Company is to continuously strive towards safeguarding the cane area in the face of stiff competition, improve recovery and yield, operating efficiencies with the Central Government playing its role by providing due subsidy in the event of low sugar prices.

PERFORMANCE OF BUSINESS SEGMENTS

Sugar

During the year, the Company crushed a total 7.39 lakh MT of cane as against 5.55 lakh MT of cane crushed in the previous year. The Company produced 8.80 lakh quintals of sugar as against 6.73 lakh quintals of sugar produced during the previous year. The recovery of sugar from sugar cane was at 11.91% during the year as against the recovery of 12.14% during the previous year.

Power

The total power generated by our Co-generation plant was 540.84 lakh units as against the 382.75 lakh Units generated during the previous year. The revenue from sale of power was at ₹1442.13 lakh as against ₹ 785.64 lakh during the previous year.

SUBSIDIARY

The Company has no subsidiary.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in Section 134(5) 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, 2016, 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, 2016 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

During the year Mr. K. Balasubramanian resigned with effect from the close of business hours on July 24, 2015. Mr. K. Balasubramanian was the Chairman from 24.10.2005 to 29.10.2007; 27.10.2009 to 27.08.2010; and from 23.07.2013 to 24.07.2015. The Board records its deep appreciation for the commendable services rendered by him. Mr. C. R.Rajan was elected as the Chairman of the Board with effect from November 5, 2015.

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. The details required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 of Mr. V. Ravichandran are annexed to the Notice convening the 30th Annual General Meeting of the Company.

All the Independent Directors viz., Mr. C. R. Rajan, Mr. K. Ramadoss 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 Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015.

The Board met 6 times during the financial year 2015-16, the details of which are given in the Corporate Governance Report.

Board Evaluation

In accordance with the provisions of Section 134 of the Act and SEBI (LODR) Regulations, 2015, 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 laid down 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, had 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. As per the Companies Act, 2013 M/s R.G.N. Price & Co., are eligible to be appointed for a second term. M/s R.G.N. Price & Co., have expressed their willingness to continue as auditors of the Company and accordingly, their appointment is recommended to the Shareholders at the ensuing meeting.

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, have 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 2016-17 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 2014-15 was filed with the Ministry of Corporate Affairs on September 28, 2015.

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 for the year 2015-16 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

The Company has voluntarily constituted a Risk Management Committee as per the terms given under Regulation 21 of the SEBI (LODR) Regulations, 2015. 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 review 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.

As the Company does not fall under any of the threshold limits given under the provisions of Section 135 of the Companies Act, 2013, the compliances under CSR 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 erstwhile clause 49 of the Listing Agreement and Regulation 23 of the SEBI (LODR) Regulations, 2015, all material Related Party Transactions requires approval of the shareholders. 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 were no loans and advances from / to the Holding / associate Company or to the firms/companies in which the Directors are interested.

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 Web Link: www.parrysugar.com/html/corporate_governance.html.

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 SEBI (LODR) Regulations, 2015 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 SEBI (LODR) Regulations, 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2015, forms part of this Annual Report.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

During the year, the Company has transferred an amount of ₹ 504,493/- being the unclaimed dividend for the year 2007-08 to the Investor Education and Protection Fund established by the Central Government.

LISTING AGREEMENT

The Securities and Exchange Board of India (SEBI), on September 2, 2015 issued SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. The said regulations which became effective December 1, 2015 required all Listed Companies to enter into the fresh Listing Agreements within six months from the effective date. Accordingly, the Company entered into Listing Agreement with BSE Limited and the National Stock Exchange of India Limited during December, 2015.

DISCLOSURES

Committees of the Board

The Company has the following Committees constituted in accordance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015:

- 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 2015-16, the Company has not given any guarantees/loan or made any investments.

Credit Rating

The Rating Committee of CRISIL has downgraded its rating on the Company's longterm and short term bank loan facilities of ₹200 Crore to CRISIL A/Stable and CRISIL A1 from CRISIL A+/Stable and CRISIL A1+ and the Short Term Debt (including commercial paper) of ₹100 Crores to CRISIL A1 from CRISIL A1+.

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
May 2, 2016

C. R. Rajan
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 The Executive Director, except a promoter director, is also eligible for ESOPs as per the scheme in force from time to time. Grants under the Scheme shall be approved by the N&R Committee.****3.5 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.****3.6 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:**

- Health (hospitalization) insurance
- Accident and Life insurance

4.4.2 Retirement-Related:

- Contribution to a Superannuation Fund (in addition to statutory benefits such as Provident Fund account, Gratuity etc.)

4.5 Employees are also eligible for work related facilities and perquisites, loans and advances 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 Sub Section (1) of Section 204 of the Companies Act, 1013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 1014]

FOR THE FINANCIAL YEAR ENDED: MARCH 31, 2016

To,

The Members,

PARRYS SUGAR INDUSTRIES LIMITED

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 us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my 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 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, 2016 (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, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 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 following:

- a. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.
- b. Listing Agreements (till November 30, 2015) entered into by the Company with BSE Limited and National Stock Exchange of India Limited and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (From December 1, 2015 up to March 31, 2016)

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

We have not examined compliance with 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.

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 applicable laws, rules, regulations and guidelines.

We further report that during the audit period, except for allotment on March 29, 2016 of 3,50,00,000 (Three Crore Fifty Lakhs) 8% Redeemable Cumulative Preference Shares of ₹ 10/- each amounting to ₹ 35 Crores (Rupees Thirty Five Crore) there was no event/action 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: 2347; C.P. No. 833

Bengaluru
April 18, 2016

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 terms 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 as of the related party and nature of relationship	Nature of contracts/ Arrangements /transactions	Duration of contracts / arrangements / transactions	Salient terms 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.	Parry Sugars Refinery India Private Limited (Fellow subsidiary)	Sale of Sugar	Ongoing	At market price	22.01.2015 & 05.11.2015	-	12.03.2015 & 30.12.2015
2.	E.I.D.- Parry (India) Ltd. (Holding Co)	Sale of Sugar, Bagasse and Molasses, procurement/ supply of cane, H&T labourers, Reimbursement of expenses from the Company to EID and vice versa; for amounts as may be approved by the Audit Committee of the Board of Directors.	Ongoing	At market price/Cost + margins as applicable	22.01.2015 & 05.11.2015	-	12.03.2015 & 30.12.2015

For and on behalf of the Board of Directors

Chennai
May 2, 2016**C. R. Rajan**
Chairman

Annexure-D to the Directors 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	-
ii).	The steps taken by the Company for utilizing alternate sources of energy	-
iii)	The capital investment on energy conservation equipment	-

B. TECHNOLOGY ABSORPTION

i)	The efforts made towards technology absorption	Continuous operation of E-Boiler and generated steam for sulphur melting. Steam traps provided in the steam line.
ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	Steam % cane reduced by 0.5%
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 Lakh)

	2015-16	2014-15
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	2265.83	1595.26
Foreign exchange outgo	8.23	-

Annexure-E to the Directors 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 Section 197(12) read with 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	@
Mrs. Lalitha Balakrishnan	Director	@
Mr. V. Ravichandran	Director	@
Mr. V. Ramesh	Managing Director	*

@ 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 ▲ Part of the year

The median remuneration of employees of the Company during the Financial Year 2015-16 was ₹234608/-.

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	@
Mrs. Lalitha Balakrishnan	Director	@
Mr. V. Ravichandran	Director	@
Mr. V. Ramesh	Managing Director	*
Mr. V. Suri	Chief Financial Officer	*
Mr. Amar Kumar Dora	Company Secretary	11.18

(*) appointed without remuneration. ▲ Part of the year

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

3. Percentage increase in the median remuneration of employees in the financial year: 6.13%

4. Number of permanent employees on the rolls of company: 127

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

On an average, employees received an annual increase of 6.30%. This increase is in line with the market trends. In order to ensure that remuneration reflects the Company performance, the variable component of the remuneration is linked to Company's performance.

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

Aggregate remuneration of Key Managerial Personnel (KMP) in FY 16 (₹ Lakh)	24.27
Revenue (₹ Lakh)	29233.96
Remuneration of KMPs (as a % of Revenue)	0.08
Profit Before Tax (PBT) (₹ Lakh)	(2598.63)
Remuneration of KMP (as % of PBT)	NA

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:

	31.03.2016	31.03.2015	% change
Market Capitalization of the Company (in ₹ Crores)	708.64	334.35	111.94
Closing Price at the BSE Ltd. (in ₹)	35.50	16.75	
Price Earnings Ratio as at the closing date	-2.24	-1.66	34.87

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 increase in average salary of employees is 6.30% as compared to increase in the managerial remuneration which is 11.18%.

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

Particulars	Mr. V. Ramesh Managing Director	Mr. V. Suri, Chief Financial Officer	Mr. Amar Kumar Dora Company Secretary
Remuneration in FY15 (₹Lakh)	-	-	24.27
Revenue (₹Lakh)		29233.96	
Remuneration as % of Revenue			0.08
Profit before Tax (₹ in Lakh)		(2598.63)	
Remuneration (as % of PBT)	-	-	NA

11. Key parameters for any variable component of remuneration availed by the Directors

Nil.

12. 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

13. 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:**

Nil

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

For and on behalf of the Board of Directors

Chennai
May 2, 2016

C. R. Rajan
Chairman

Annexure – F to the Directors Report

MGT-9

EXTRACT OF ANNUAL RETURN

For the financial year ended on 31/03/2016

[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:	Company having Share Capital
v. Address of the Registered office and contact details:	Venus Building, 3rd Floor, 1/2 Kalyanamantapa Road, Jakkasandra, Koramangala, Bengaluru-560034 Tel NO.080-49006666
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. +91 40 23001153

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 sugarcane	95
2.	Cogeneration	35106-Electric power generation using other non conventional sources	5

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:

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

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2015				No. of Shares held at the end of the year i.e. 31.03.2016				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	12975110	0	12975110	65.00	12975110		12975110	65.00	-
(b) Central Govt									
(c) State Govt (s)									
(d) Bodies Corp.									
(e) Banks / FI									
(f) Any Other....									
Sub-Total (A) (1)	12975110	0	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	387504	186	387690	1.94	387504	186	387690	1.94	
(b) Banks/FI									
(c) Central Govt									
(d) State Govt (s)									
(e) Venture Capital funds									
(f) Insurance Companies	371649		371649	1.86	-	-	-	-	-1.86
(g) FIs									
(h) Foreign Venture Capital Funds									
(i) Others (Specify)									
Sub-Total (B)(1)	759153	186	759339	3.80	387504	186	387690	1.94	-1.86
(2) Non- Institutions									
(a) Bodies Corp	4606589	10939	4617528	23.13	4740031	10939	4750970	23.80	0.67
i. Indian									
ii. Overseas									
(b) individuals	969356	528719	1498075	7.50	1129236	524937	1654173	8.29	0.79
i. Individual shareholders holding nominal share capital up to ₹ 2 lakh									
ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakh									

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2015				No. of Shares held at the end of the year i.e. 31.03.2016				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c) Others (Specify)									
HUF	49160		49160	0.25	81679		81679	0.41	0.16
Non Resident Indian	28213	32860	61073	0.31	28677	32860	61537	0.31	-
Clearing members	1422		1422	0.01	8626		8626	0.04	0.03
Sub-Total (B)(2)	5654740	572518	6227258	31.20	6030171	568736	6598907	33.06	1.86
Total Shareholding of Promoter = (B) (1) + (B) (2)	6413893	572704	6986597	35.00	6417675	568922	6986597	35.00	
C. Shares held by custodian for GDRs & ADRs			-				-		
Grand Total (A+B+C)	19389003	572704	19961707	100.00	19392785	568922	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 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	No change during the year			

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

SI No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year 01/04/2015 to 31/03/2016)	
		No. of shares at the beginning (01/04/2015) / end of the year (31/03/2016)	% of Total shares of the Company				No. of shares	% of total shares of the Company
1	RAJESH KUMAR SHANKAR KIRPALANI							
	At the beginning of the year	12400	0.06					
	At the end of the year	12400	0.06					
2	ARUN CHATURBHUI .							
	At the beginning of the year	10000	0.05	5/29/2015	1000	Transfer	11000	0.06
				7/3/2015	1200	Transfer	12200	0.06
				7/10/2015	1800	Transfer	14000	0.07
				10/30/2015	1000	Transfer	15000	0.08
	At the end of the year	15000	0.08					
3	GHANSHYAM SHARES & STOCK BROKERS PVT. LTD.							
	At the beginning of the year	8922	0.04	4/10/2015	551	Transfer	9473	0.05
				4/17/2015	-317	Transfer	9156	0.05
				4/24/2015	102	Transfer	9258	0.05
				5/1/2015	50	Transfer	9308	0.05
				5/8/2015	50	Transfer	9358	0.05
				5/15/2015	682	Transfer	10040	0.05
				5/22/2015	941	Transfer	10981	0.06
				6/12/2015	-38	Transfer	10943	0.05
				6/19/2015	-20	Transfer	10923	0.05
				6/30/2015	-287	Transfer	10636	0.05
				7/3/2015	269	Transfer	10905	0.05
				7/10/2015	49	Transfer	10954	0.05
				7/17/2015	-520	Transfer	10434	0.05
				7/24/2015	106	Transfer	10540	0.05
				7/31/2015	100	Transfer	10640	0.05
				8/14/2015	550	Transfer	11190	0.06
				8/28/2015	-483	Transfer	10707	0.05
				9/4/2015	-16	Transfer	10691	0.05
				9/11/2015	-1600	Transfer	9091	0.05
				9/18/2015	206	Transfer	9297	0.05
				9/25/2015	-131	Transfer	9166	0.05
				10/2/2015	395	Transfer	9561	0.05
				10/9/2015	-7	Transfer	9554	0.05
				10/16/2015	-94	Transfer	9460	0.05
				10/30/2015	-905	Transfer	8555	0.04
				11/6/2015	300	Transfer	8855	0.04
				11/13/2015	150	Transfer	9005	0.05
				11/20/2015	-1649	Transfer	7356	0.04
				11/27/2015	-793	Transfer	6563	0.03
				12/4/2015	50	Transfer	6613	0.03

SI No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year 01/04/2015 to 31/03/2016)	
		No. of shares at the beginning (01/04/2015) / end of the year (31/03/2016)	% of Total shares of the Company				No. of shares	% of total shares of the Company
				12/11/2015	-18	Transfer	6595	0.03
				12/18/2015	-2858	Transfer	3737	0.02
				12/25/2015	-1326	Transfer	2411	0.01
				12/31/2015	948	Transfer	3359	0.02
				1/1/2016	80	Transfer	3439	0.02
				1/8/2016	100	Transfer	3539	0.02
				1/15/2016	300	Transfer	3839	0.02
				1/29/2016	100	Transfer	3939	0.02
				2/12/2016	-2794	Transfer	1145	0.01
				2/19/2016	20	Transfer	1165	0.01
				2/26/2016	-13	Transfer	1152	0.01
				3/4/2016	200	Transfer	1352	0.01
				3/11/2016	-125	Transfer	1227	0.01
				3/18/2016	-1216	Transfer	11	0.00
				3/25/2016	1347	Transfer	1358	0.01
				3/31/2016	53	Transfer	1411	0.01
	At the end of the year	1411	0.01					
4	ASIA INVESTMENT CORPORATION (MAURITIUS) LTD							
	At the beginning of the year	371649	1.86	4/10/2015	-2900	Transfer	368749	1.85
				4/17/2015	-3167	Transfer	365582	1.83
				4/24/2015	-2450	Transfer	363132	1.82
				5/1/2015	-2300	Transfer	360832	1.81
				5/8/2015	-1400	Transfer	359432	1.80
				5/15/2015	-8350	Transfer	351082	1.76
				5/22/2015	-11550	Transfer	339532	1.70
				5/29/2015	-4000	Transfer	335532	1.68
				6/5/2015	-4326	Transfer	331206	1.66
				6/12/2015	-3909	Transfer	327297	1.64
				6/19/2015	-6425	Transfer	320872	1.61
				6/26/2015	-7235	Transfer	313637	1.57
				6/30/2015	-2513	Transfer	311124	1.56
				7/3/2015	-4575	Transfer	306549	1.54
				7/10/2015	-5100	Transfer	301449	1.51
				7/17/2015	-7075	Transfer	294374	1.47
				7/24/2015	-3580	Transfer	290794	1.46
				7/31/2015	-2665	Transfer	288129	1.44
				8/7/2015	-7499	Transfer	280630	1.41
				8/14/2015	-1700	Transfer	278930	1.40
				8/21/2015	-2200	Transfer	276730	1.39
				8/28/2015	-8774	Transfer	267956	1.34
				9/4/2015	-3688	Transfer	264268	1.32
				9/11/2015	-3538	Transfer	260730	1.31
				9/18/2015	-4664	Transfer	256066	1.28

SI No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year 01/04/2015 to 31/03/2016)	
		No. of shares at the beginning (01/04/2015) / end of the year (31/03/2016)	% of Total shares of the Company				No. of shares	% of total shares of the Company
				9/25/2015	-4950	Transfer	251116	1.26
				10/2/2015	-1500	Transfer	249616	1.25
				10/9/2015	-10000	Transfer	239616	1.20
				10/16/2015	-14312	Transfer	225304	1.13
				10/23/2015	-10700	Transfer	214604	1.08
				10/30/2015	-23500	Transfer	191104	0.96
				11/6/2015	-20100	Transfer	171004	0.86
				11/13/2015	-6900	Transfer	164104	0.82
				11/20/2015	-139500	Transfer	24604	0.12
				11/27/2015	-24604	Transfer	-	
	At the end of the year	0						
5	BHAGYESH H SONEJI							
	At the beginning of the year	8757	0.04	4/24/2015	-8757	Transfer	-	-
	At the end of the year	-	-					
6	PARRYS SUGAR INDUSTRIES LTD - UNCLAIMED SUSPENSE A/C							
	At the beginning of the year	141029	0.71	-	-	-		
	At the end of the year	141029	0.71					
7	GRANDHI ENTERPRISES PRIVATE LIMITED							
	At the beginning of the year	4397295	22.03	-	-	-		
	At the end of the year	4397295	22.03					
8	GENERAL INSURANCE CORPORATION OF INDIA							
	At the beginning of the year	124000	0.62	-	-	-		
	At the end of the year	124000	0.62					
9	UNITED INDIA INSURANCE COMPANY LIMITED							
	At the beginning of the year	263504	1.32	-	-	-		
	At the end of the year	263504	1.32					
10	SEMINARY TIE-UP (P) LTD							
	At the beginning of the year	9052	0.05	-	-	-		
	At the end of the year	9052	0.05					

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 Promoters				
	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 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	-	-	-	-
	Mr. Amar Kumar Dora, Company Secretary				
	At the beginning of the year	10	negligible	10	Negligible
	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	10	negligible	10	Negligible

V. INDEBTEDNESS:

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

	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
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
Change in Indebtedness during the financial year				
Addition	1447.00	349.85	-	1796.85
Reduction	-4296.23	-3000.00	-	-7296.23
Net Change	-2849.23	-2650.15	-	-5499.38
Indebtedness at the end of the financial year				
i) Principal Amount	8003.36	449.85	-	8453.21
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	611.90	-	-	611.90
Total (i+ii+iii)	8615.26	449.85	-	9065.11

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

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

B. Remuneration to other Directors:

₹ in Lakh

Sl. No.	Particulars of Remuneration	Fee for attending Board/Committee Meetings	Commission	Others	Total
1	Independent Directors				
	Mr. K. Balasubramanian	1.15	-	-	1.15
	Mr. C. R.Rajan	2.90	-	-	2.90
	Mr. K. Ramadoss	3.65	-	-	3.65
	Mrs. Lalitha Balakrishnan	2.25	-	-	2.25
	Total (1)	9.95	-	-	9.95
2	Other Non Executive Directors				
	Mr. V. Ravichandran	2.25	-	-	2.25
	Total (2)	2.25	-	-	2.25
	Total Managerial Remuneration (1 + 2)	12.20	-	-	12.20
	Ceiling as per the Companies Act @1% of the Net profit		NA		

C. Remuneration to other Directors, key managerial personnel other than MD/MANAGER/WTM:

₹ Lakh

Sl. No.	Particulars of Remuneration	CS	CFO*	Total
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.06	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.21	-	-
	(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			
	- others, specify...			
5.	Others, please specify	-	-	-
	Total (A)	24.27	-	-

(*) Appointed without remuneration

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no Penalties, Punishment or Compounding of Offences during the year ended March 31, 2016.

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. Around 80% of the sugar is produced from sugarcane 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

During the current five-year period, the Global Sugar Manufacturing industry has had to contend with unstable production and price levels. Till 2012 adverse weather conditions and increasing diversion of sugar stocks to ethanol production reduced the production of sugar, inflating the world price of sugar. In 2012, the prices crashed due to high global production and unhealthy stocks-to-use ratio and continued to decrease throughout the period, pushing the revenue down. In the next five years, the sugar industry is expected to perform better due to rising demand for renewable energies, growing global sugar consumption and government policies.

Sugar Industry – Domestic scenario

The domestic sugar production upto March 31, 2016 stood at 23.7 million tonnes, with a drop of 1.1 million tonnes less than last year. Lower production along with exports brought down the closing stocks to around 7.6 million MT in SY2016 from around 9.5 million MT in SY2015. The estimated decline in sugar stocks was a positive sign resulted in an improvement in domestic sugar realizations since August 2015. Despite the estimated decline in domestic sugar production, production may marginally outstrip domestic consumption by around 0.3 million MT. The decline in production is mainly driven by severe drought in the sugar producing States like Maharashtra and Karnataka, which impacted sugar cane availability. The production in Maharashtra is estimated to decline by 20% to around 8.4 million MT. In UP, production during SY2016 is estimated at similar levels to that in the previous year. In Karnataka, weaker monsoons are expected to negatively impact sugar production, while production is expected to marginally increase in Tamil Nadu.

Price of Sugar Cane

For the sugar year 2015-2016, the Commission for Agricultural Costs and Prices (CACP) has recommended a Fair and Remunerative Price @ ₹2300/- per Tonne for a basic recovery rate of 9.5% with a premium of ₹2.42 for every 0.1% increase in the recovery rate. There has been a steady increase in the Fair and Remunerative Price, without any corresponding increase in the sale price of sugar. For a recovery of 9.5% per ton, the FRP has continued to rise from ₹ 2100 in SY 2013-14 to ₹ 2200 for SY 2014-15 to ₹ 2300 per tonne for SY 2015-2016. However, for SY 2016-2017, the Government has committed to continue with the FRP of 2300 per ton. Further the Central Government announced a production subsidy of ₹ 45 per metric ton of cane, subject to certain conditions by sugar mills, pegging the effective cane price at ₹2255/- Mt for a recovery of 9.50%. The CACP has also recommended for creation of a Sugarcane Price Stabilization Fund mobilized through levy of a special cess to meet the differential price between the price determined through a Revenue Sharing Formula and the FRP which will be an effective mechanism to support the Industry in case of fall in sugar price.

Apart from FRP, some of the State Governments fix a higher price for cane, called the State Advised Price (SAP) which has also been continuously increased over the years. The State Advised Price (SAP) fixed by the UP Government for cane remains high at ₹ 280/quintal for SY2016. In Tamil Nadu, the State government increased the SAP to ₹ 285/quintal in SY2016 from ₹ 265/quintal in SY2015. The ability of the industry to secure a linkage between cane price and sugar realizations is critical for its long-term sustainability. Unless such linkage is established as per the report of the Dr. Rangarajan committee and as implemented by the states of Karnataka/ Maharashtra with the Central Government support for any difference between such price and the FRP is holistically adopted, the sugar cane cost will remain a cause of concern for the Industry.

Sugar Price

The sugar prices touch a three-year low of around ₹ 20,000/- to ₹23,000/MT in July 2015 caused by consecutive years of surplus production from SY2013 leading to surplus sugar in the domestic market along with the international sugar-surplus scenario and muted international sugar prices. However, since August 2015 the sugar realizations are on a rising trend with prices increased marginally to around ₹ 24,000/ MT in August 2015 with the government considering the option of exporting surplus sugar. After the government notified the mandatory export quota for SY2016, domestic sugar prices firmed around ₹ 25,500/MT in September 2015. Festive demand for sugar during the months of October and November 2015 led to an increase in sugar prices to nearly ₹ 26,000/MT in October 2015 and to nearly ₹ 26,700/ MT in November 2015. The announcement of cane production subsidy in December 2015, the expected increase in sugar exports and the sugar deficit scenario due to drought have combined to cause sugar prices to firm up to ₹ 31,000/MT in February 2016 and to ₹ 31,600/MT in March 2016. However, going forward, despite lower sugar production during SY2016, the sustainability of the upward trend in sugar prices remains critical on the sugar exports for SY2016 season as well as expectations on production figures for SY2017.

Over the medium term, international sugar prices will be largely determined by fluctuations in world sugar production as well as crude oil

prices, which determine the raw sugar-ethanol blend in major exporting countries like Brazil. In the medium term, lower sugar prices will boost consumption, but on the supply side, farmers are likely to shift to other crops, which in turn would reduce the sugar output, leading to a supply correction. However, with a decline in the output of major supplying nations including India and Brazil, and the resultant lower supplies to the world market, a supply deficit appears likely. Nevertheless, in the near to medium term, significant accumulated stocks would provide insulation from any sharp spikes in international sugar prices.

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 1.9 Lakh MT of cane to the crushing over the previous year. The Company crushed around 7.4 Lakh MT of cane as against 5.5 Lakh MT of cane last year. The average recovery percentage, though was lower at 11.91% as compared to 12.14% of last year, it was higher than the nearby mills in North Karnataka. During the year all operational parameters have been better than last 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 541 Lakhs units as against 383 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. During the financial year 2015-16, the Company has considerably increased the sales to institutions which offer a better price of its products.

OUTLOOK

The long-term profitability of Indian sugar companies will remain highly cyclical and dependent on domestic and international supply-demand trends. The latter in turn would hinge on agro-climatic conditions in the major sugar producing countries and the trends in crude oil prices. The price trends in the international markets will be one of the key determinants of the future profitability. Further, government/court action in ensuring removal of mandatory crushing by sugar mills for the entire cane offered to them by farmers in the command area and a rational linkage between cane and sugar prices will have a critical bearing on the long-term viability of sugar operations, especially in States governed by SAP. However, the sugar industry players with high operating efficiencies, forward integration and strong capital structure will be best placed to ride out the cycles.

RISKS AND CONCERNS

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
2015-2016	5,82,886	11.84	6,90,212	208.28

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. During the year under review, the total revenue of the Company from operations was ₹29121.44 lakhs, 46.80% higher than ₹19836.63 lakhs in the previous year. The average sales realization was at ₹ 23784 per MT vs ₹ 27684 last year. Operating profit (EBITDA) was ₹(328.65) lakhs as against ₹805 lakhs in the previous year. The interest cost was ₹1526.85 lakhs as against ₹1666.43 lakhs during the last year. 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 Lakh
Revenue (excluding inter-segmental revenue)		27,338.36
EBIDTA		(1,466.45)
Cogeneration		₹ in Lakh
Revenue (excluding inter-segmental revenue)		1,442.13
EBIDTA		1,137.80

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 focused 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 focusing 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, 2016, the Company had 5 Directors of which 4 are Non-Executive Directors. Three of the five 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 Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015").

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 Regulation 16(2) of the SEBI (LODR) Regulations, 2015.

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, 2016 are given below:

Name of the Director	Category	No. of Board Meetings held and attended during the year 2015-16	Whether attended last AGM held on July 25, 2014	No. of Directorships in other companies #		No. of Committee positions in other companies \$	
				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	6(2)	Yes	NA	NA	NA	NA
Mr. V.Ramesh Managing Director DIN: 01412093	Executive and Non-Independent	6(5)	Yes	-	3	-	2
Mr. K. Ramadoss Director DIN: 03230018	Independent and Non-Executive	6(6)	Yes	-	-	-	-
Mr. C. R. Rajan(**) Chairman DIN: 00111933	Independent and Non-Executive	6(6)	Yes	-	1	-	1
Mr. V. Ravichandran Director DIN: 00110086	Non-Independent and Non- Executive	6(6)	Yes	-	5	-	4
Mrs. Laliitha Balakrishnan Director DIN: 02973332	Independent and Non-Executive	6(6)	Yes	-	1	-	1

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

(*) Mr. K. Balasubramanian resigned as Director with effect from 24.07.2015 and consequently ceased to be the Chairman.

(**) Elected as Chairman w.e.f. November 5, 2015.

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 SEBI (LODR) Regulations, 2015.

NA - Not Applicable

Details of Directors Shareholding:

None of the Directors of the Company hold any shares in the Company as on March 31, 2016.

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. 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 2015-16, the information as mentioned in Part A of Schedule II of the SEBI (LODR) Regulations, 2015 have been placed before the Board for its consideration.

Six Board meetings were held during the year ended March 31, 2016. These were held on April 24, 2015, July 24, 2015, November 5, 2015, January 26, 2016, February 19, 2016 and March 18, 2016 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 Regulation 17 of the SEBI (LODR) Regulations, 2015. 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 SEBI (LODR) Regulations, 2015, 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 Committee. 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.

The details of the familiarisation programme of the Independent Directors are available on the website of the Company (www.parrysugar.com/html/corporate_governance.html).

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 and SEBI (LODR) Regulations, 2015, as on March 31, 2016 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 Regulation 18 of the SEBI (LODR) Regulations, 2015. As on March 31, 2016, the Audit Committee of the Board comprises three members viz., Mr. K. Ramadoss, Mr. C.R. Rajan and Mrs. Lalitha Balakrishnan, Independent Directors.

Mr. K. Balasubramanian was the Chairman of the Audit Committee till July 24, 2015. Mr. K. Ramadoss, Independent Director was elected as the Chairman of the Audit Committee w.e.f. November 5, 2015. Both Mr. K. Balasubramanian and Mr. Ramadoss were present at the Annual General Meeting held on July 24, 2015. The Company Secretary acts as the Secretary to the Audit Committee.

The Managing Director and Chief Financial Officer are permanent invitees 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, 2016, the Audit Committee met five times on April 24, 2015, July 24, 2015, November 5, 2015, January 26, 2016 and March 18, 2016 and the maximum gap between the two Audit Committee Meetings did not exceed one hundred and twenty days. 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, (*)	Independent, Non-Executive	5	2
2	Mr. K. Ramadoss	Independent, Non-Executive	5	5
3	Mr. C. R. Rajan	Independent, Non-Executive	5	5
4	Mrs. Lalitha Balakrishnan (**)	Independent, Non-Executive	5	3

(*) till July 24, 2015 (**) from July 24, 2015.

B. Terms of reference of Audit Committee:

The Terms of reference of the Committee are given below:

Terms of Reference

- 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - 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
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Modified opinion(s) in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 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 utilized 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 SEBI (LODR) Regulations, 2015 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:

As on March 31, 2016, the Nomination & Remuneration Committee comprises three members viz, Mr. K. Ramadoss, Mr. C.R.Rajan and Mr. V.Ravichandran. Mr. K. Ramadoss, an Independent Director, was elected as the Chairman of the Committee. The Company Secretary acts as the Secretary of the Committee. The Chairman of the Remuneration Committee was present at the Annual General Meeting held on July 24, 2015.

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	Independent, Non-Executive	1	1
2.	Mr. K. Balasubramanian (till 24.07.2015)	Independent, Non-Executive	1	1
3.	Mr. K. Ramadoss	Independent, Non-Executive	1	1
4.	Mr. V. Ravichandran	Non-Independent, Non-Executive	1	1

Terms of Reference

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.

Performance evaluation criteria for Independent Directors

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. The performance evaluation of Independent Directors was carried out by the entire Board.

V. Remuneration of Directors

There are no pecuniary relationship or transactions between the Company and the Non Executive Directors.

• Non-Executive Directors

The remuneration to Non Executive Directors are in line with the Remuneration Policy of the Company. 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 2015-16 are as under:

Name of the Director	Sitting Fees (Rupees Lakh)
Mr. K. Balasubramanian	1.15
Mr. V. Ravichandran	2.25
Mr. C. R. Rajan	2.90
Mr. K. Ramadoss	3.65
Mrs. Lalitha Balakrishnan	2.25
Total	12.20

• 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 takes 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 Board's Report.

The Company does not have any Employees Stock Option Scheme.

Mr. V. Ramesh, Managing Director was appointed for a period of 2 years w.e.f. September 1, 2014 without any remuneration and hence the disclosures with respect to his remuneration are not furnished.

VI. Stakeholders Relationship Committee

Functions of the Committee

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, dematerialization 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/SEBI (LODR) Regulations, 2015 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 Stakeholder Relationship Committee held and attended during the year 2015-16.

As on March 31, 2016, 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 is as per Regulation 20 of the SEBI (LODR) Regulations, 2015. The Company Secretary acts as the Secretary of the Committee.

During the financial year 2015-16, the Committee met four times on April 24, 2015, July 24, 2015, November 5, 2015 and January 26, 2016.

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	Non-Independent, Non-Executive	4	4
2	Mr. K. Ramadoss	Independent, Non-Executive	4	4
3	Mr. V. Ramesh	Executive, Non Independent	4	4

Details of number of complaints received and redressed during the year are given below:

Opening Balance	Received during the financial year 2015-16	Redressed during the financial year 2015-16	Closing balance
Nil	Nil	Nil	Nil

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-560034

VII. 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 shall review risk trends, exposure, potential impact analysis and mitigation plan.

During the financial year 2015-16, the Committee met on March 18, 2016.

The Composition of the Risk Management Committee as at March 31, 2016 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. Ramadoss	Independent, Non-Executive	1	1
2	Mr. V. Ramesh	Executive, Non-Independent	1	1

VIII. 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
2014-15	July 24, 2015 at 10.30 A.M.	Khincha Hall, Bharatiya Vidya Bhavan, Race Course Road, Bangalore-560001	-
2013-14	July 25, 2014 at 10.30 A.M.		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.	"	-

(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
2015-16	-	-	-
2014-15	-	-	-
2013-14	March 27, 2014 at 10.30 AM	Khincha Hall, Bharatiya Vidya Bhavan, Race Course Road, Bangalore-560001	Issue of 8% preference shares of ₹10/- each aggregating to a nominal amount not exceeding ₹ 60 crores.

(c) Postal Ballot

Two postal ballots were conducted in the year 2015-16 seeking Members' approval for approving the business mentioned below. 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 activities.

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

Postal Ballot Resolution dated December 30, 2015

	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
Ordinary Resolution for approval of the Related Party Transactions.	4522160	4522060	100	99.998	0.002

Postal Ballot Resolution dated March 28, 2016

	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 issue of Redeemable Cumulative Preference Shares on private placement basis.	17498942	17374430	124442	99.289	0.711

No special resolution is proposed to be conducted through postal ballot at the AGM to be held on July 22, 2016.

(d) Procedure for postal ballot

In compliance with Sections 108, 110 and other applicable provisions of the Act, read with related Rules, the Company provides electronic voting facility to all its Members, to enable them to cast their votes electronically.

The Company dispatches the postal ballot notices and forms along with postage pre-paid business reply envelopes to its Members whose names appear in the Register of Members/the List of beneficiaries as on a cut-off date. The Postal Ballot Notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding)/the Company's Registrar and Transfer Agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and the applicable Rules.

The Company engages the services of Karvy Computershare Private Limited for the purpose of providing e-voting facility to all its Members. The Members have the option to vote either by physical ballot or by e-voting.

Voting rights are reckoned on the paid-up value of shares registered in names of Members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the Scrutinizer on or before the end of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last day of e-voting.

The Scrutinizer submits his/her report to the Chairman, after the completion of scrutiny and the consolidated results of the voting by postal ballot are then announced by the Chairman or Director authorised by the Board. The results are also displayed on the website of the Company, www.parrysugar.com besides being communicated to the Stock Exchanges and the Registrar and Transfer Agent.

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 SEBI (LODR) Regulations, 2015, the quarterly/annual financial results and the segment-wise reports are generally published in "Business Standard" or "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. The Company also submits the statements, information and reports at <https://www.connect2nse.com> 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 system wherein the concerned Companies can upload Action Taken Reports (ATRs) for the complaints uploaded therein 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. 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 Regulation 22 of the SEBI (LODR) Regulations, 2015, the Company has a Whistle-Blower Policy and Vigil Mechanism for Directors and employees to report genuine concerns regarding unethical behavior, 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 SEBI (LODR) Regulations, 2015 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 complied with all mandatory requirements specified under SEBI (LODR) Regulations, 2015. The following non-mandatory requirements have also been complied with.

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.

Modified opinion in audit report

Company's financial statements have an unmodified audit opinion.

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 with Corporate Governance norms

The Company has complied with all the corporate governance requirements specified in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 including the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46. A certificate from Practicing Company Secretary M/s V. Sreedharan & Associates confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Regulations is annexed to this Report.

(vi) **The Company has no subsidiaries and hence no policy on material subsidiaries has been formed.**

(vii) Weblink of the policy on dealing with material related party transactions: http://www.parrysugar.com/html/corporate_governance.html

(viii) **Share Capital Audit**

A qualified practicing Company Secretary carried out secretarial 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.

(ix) **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.

(x) **Compliance of Regulation 39(4) of the SEBI (LODR) Regulations, 2015**

Pursuant to Regulation 39(4) of the SEBI (LODR) Regulations, 2015 the shares of the shareholders holding physical shares and not having claimed share certificates have been dematted and credited to "unclaimed suspense account" opened by the Company for the purpose.

The following details are given:

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, 2016 would 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.

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

The Company has transferred the unpaid or unclaimed dividend for the financial year 2007-08 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.

(xii) Prevention of Insider Trading.

Under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 the Company has formulated a Code of Conduct to regulate, monitor and report trading by insiders in the securities of the Company and a Code for Practices and Procedures for fair disclosure of unpublished price sensitive information. The Code for practices and procedures for fair disclosure of unpublished price sensitive information has been published on the Company's website: www.parrysugar.com.

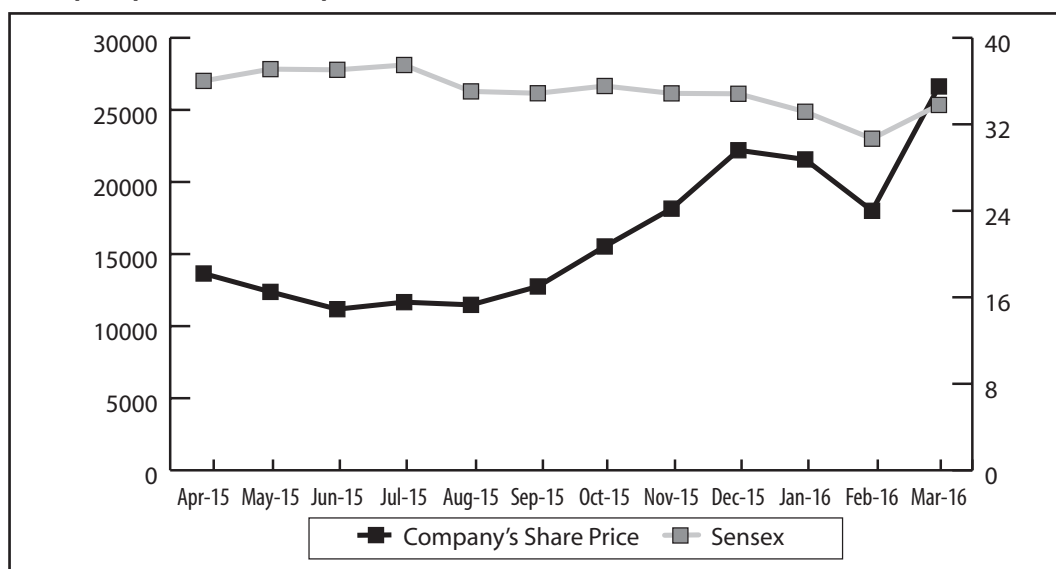
XI. General Shareholder information

1. AGM:	Date: July 22, 2016 Time: 10.30 A.M. Venue: Khincha Hall, Bharatiya Vidya Bhavan, Race Course Road, Bangalore – 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, 2016.</td><td>Before August 14, 2016</td></tr> <tr> <td>Financial reporting for the quarter/half year ending September 30, 2016.</td><td>Before November 14, 2016</td></tr> <tr> <td>Financial reporting for the quarter/nine months ending December 31, 2016.</td><td>Before February 14, 2017</td></tr> <tr> <td>Financial reporting for the quarter/year ending on March 31, 2017.</td><td>In April/May 2017</td></tr> <tr> <td>Annual General Meeting for the year ending March 31, 2016.</td><td>July/August, 2017</td></tr> </table>	Particulars	Tentative schedule	Financial reporting for the quarter ending June 30, 2016.	Before August 14, 2016	Financial reporting for the quarter/half year ending September 30, 2016.	Before November 14, 2016	Financial reporting for the quarter/nine months ending December 31, 2016.	Before February 14, 2017	Financial reporting for the quarter/year ending on March 31, 2017.	In April/May 2017	Annual General Meeting for the year ending March 31, 2016.	July/August, 2017
Particulars	Tentative schedule												
Financial reporting for the quarter ending June 30, 2016.	Before August 14, 2016												
Financial reporting for the quarter/half year ending September 30, 2016.	Before November 14, 2016												
Financial reporting for the quarter/nine months ending December 31, 2016.	Before February 14, 2017												
Financial reporting for the quarter/year ending on March 31, 2017.	In April/May 2017												
Annual General Meeting for the year ending March 31, 2016.	July/August, 2017												
3. Date of Book Closure	Friday, July 15, 2016 to Friday, July 22, 2016, 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: 500162 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

Date	NSE				BSE			
	High Price	Low Price	Close Price	Volume (A)	High Price	Low Price	Close Price	Volume (B)
April-15	19.50	16.30	18.40	35088	20.00	16.35	18.20	8400
May-15	19.30	16.15	17.00	53517	19.45	15.65	16.50	16780
June-15	17.60	13.15	14.80	42800	20.80	13.85	14.90	20632
July-15	18.95	14.30	15.35	40578	18.70	14.15	15.55	28404
August-15	17.00	13.50	15.80	37994	18.50	13.75	15.30	27493
September-15	19.40	13.60	16.25	13962	18.55	13.65	17.00	35857
October-15	25.00	15.00	20.90	142378	26.00	16.25	20.70	73,438
November-15	29.50	16.55	24.10	673612	29.70	16.65	24.20	243869
December-15	33.00	21.70	29.65	258444	33.50	22.00	29.60	101801
January-16	33.30	27.50	28.95	102220	32.50	26.50	28.75	26988
February-16	29.85	20.55	23.90	20895	26.00	21.55	24.00	21870
March-16	44.00	23.00	36.15	513313	43.75	22.85	35.50	276540

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 – 500 008
 Phone: 040 6716 1500
 Fax: 40 23001153
 Email ID: einward.ris@karvy.com

Branch Office

Karvy Computershare Pvt. Ltd.

Unit: Parrys Sugar Industries Limited
 No.59, Skanda Building, Puttanna Road
 Basavanagudi, Bangalore-560004
 Phone: (080) 67453237/3244
 Fax: (080) 26600786
 Email Id: ircbangalore@karvy.com

9. Share Transfer System

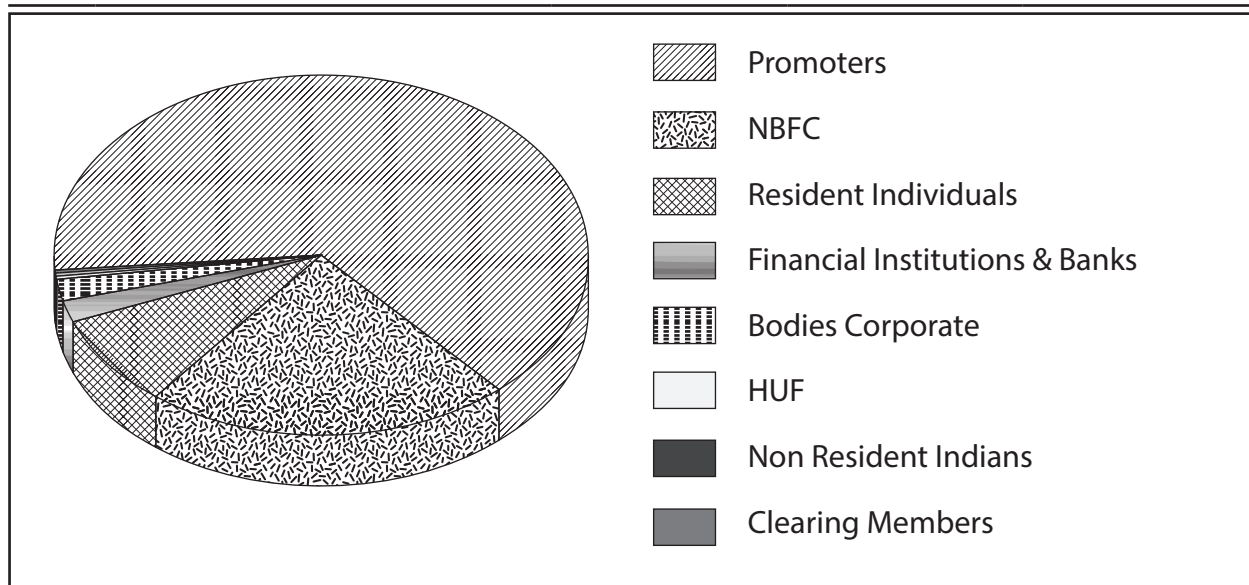
97.15% of the shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. Regarding transfer of shares held in physical form, the transfer documents can be lodged with Karvy Computershare Pvt. Ltd. at any of the above mentioned 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 Regulation 40(9) of the SEBI (LODR) Regulations, 2015.

10. Distribution of shareholding of equity shares as on 31.03.2016

Sl. No	Category	No. of Cases	% of cases	Total Shares	% of Shares
1	0001 - 5000	13247	96.36	1144584	5.73
2	5001- 10000	298	2.17	220279	1.10
3	10001- 20000	112	0.81	158472	0.79
4	20001- 30000	31	0.23	79326	0.40
5	30001- 40000	21	0.15	73984	0.37
6	40001- 50000	9	0.07	44328	0.22
7	50001- 100000	16	0.12	111042	0.56
8	100001& Above	14	0.10	18129692	90.82
Total		13748	100.00	19961707	100.00

11. Categories of Equity Shareholders as on March 31, 2016

Sl. No.	Category	No. of Holders	Total Shares	% To Equity
1	Promoters	1	12975110	65.00
2	NBFC	2	4397301	22.03
3	Resident Individuals	13279	1696095	8.50
4	Indian Financial Institutions & Banks	2	387690	1.94
5	Bodies Corporate	198	353669	1.77
6	HUF	142	81679	0.41
7	Non Resident Indians	101	61537	0.31
8	Clearing Members	22	8626	0.04
Total		13747	19961707	100.00



Members holding more than 1% of the Paid up Share Capital as on March 31, 2016

Name	No. of Shares	% of Equity	Category
E.I.D.- Parry (India) Limited	12975110	65.00	PRO
Grandhi Enterprises Private Limited	4397295	22.03	NBF
United India Insurance Company Limited	263504	1.32	IFI
TOTAL	17635909	88.35	

12. Distribution and Shareholding Pattern of Preference Shareholders as on March 31, 2016.

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

9,30,00,000 (8%) Cumulative Redeemable Preference Shares of ₹10/- each.

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 BSE 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, 2016 is as under:

Category	No. of Holders	Total Shares	% To Equity
Physical	5451	568922	2.85
NSDL	6009	19001307	95.19
CDSL	2288	391478	1.96
Total	13748	19961707	100.00

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

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

15. Commodity /Foreign exchange price risks and hedging activities

The Company enters into Derivative Contracts viz., Plain Forwards to hedge its foreign currency fluctuation risks for underlying assets/liabilities and high probable transactions at appropriate times, as per policy. The Company being in commodity business is also exposed to commodity price risks. To mitigate commodity price risk, the Company enters into short and medium term contracts with institutional and reputed buyers in addition to other marketing strategy.

16. Plant locations

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

17. 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
Email: investorgrievancescell@psil.murugappa.com

Registrar & Share Transfer Agents:

Karvy Computershare Pvt. Ltd.
(Unit: Parrys Sugar Industries Limited)
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad – 500 008
Phone: 040 6716 1500 / 671622222
Fax: 40 23420814

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, 2016 as envisaged in Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Chennai
May 2, 2016

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 period from April 01, 2015 to November 30, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from December 01, 2015 up to March 31, 2016. 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.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the mandatory requirements of Corporate Governance and Clauses (A), (C), (D) and (E) of Part E relating to discretionary requirements as specified in Schedule II of the said Regulations/ Listing Agreement, as applicable.

Bangalore,
April 18, 2016

For V. Sreedharan & Associates
Company Secretaries

(V. Sreedharan)
Partner

F.C.S.2347; C.P.No.833

Independent Auditor's Report

To The Members of M/s. Parrys Sugar Industries Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of M/s. Parrys Sugar Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016, and
- (ii) in the case of Statement of Profit and Loss, of the loss for year ended on that date, and
- (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 25(1)(b) to the financial statements, with regard to the preparation of the financial statements on a going concern basis despite erosion in the net worth of the Company.

Our opinion is not qualified in this matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order.

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) The going concern matter described in sub-paragraph (b) under the Emphasis of Matters paragraph above, in our opinion, does not have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (h) 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 in Note No. 29 of 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. The Company has not delayed in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.

Chennai
May 2, 2016

For **R.G.N. Price & Co.,**
Chartered Accountants
Firm's Registration No: 0027855

Mahesh Krishnan
Partner
Membership No. 206520

Annexures to the Independent Auditor's Report

Annexure-A referred to in Paragraph of Report on Other Legal and Regulatory Requirements of our report of even date on the Accounts of the Company, for the year ended 31st March 2016.

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) 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 during the year and no material discrepancies were noticed.
- (c) The title deeds of the immovable properties (land) is in the erstwhile name of the Company.
- (ii) The inventory has been physically verified by the Management during the year. In our opinion, frequency of verification is reasonable no material discrepancies were noticed during the course of physical verification..
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (iv) The provisions of Section 185 and 186 of the Act are not applicable, since the Company has not granted any loans to Directors nor has granted any loan or guarantee or security to any company, body corporate or to any person. The investment made by the Company is in compliance with Section 185 and 186 of the Act.
- (v) The Company has not accepted 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 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 undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and any other statutory dues to the appropriate authorities. There are no arrears of undisputed statutory dues outstanding as at March 31, 2016 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 service tax or duty of customs or duty of excise or value added tax, cess have not been deposited on account of any dispute, except the following:

Name of Statute	Nature of dues	Amount (₹ in lakh), 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
Central Excise Act, 1944	Central Excise	2.53	2012-13	Assistant Commissioner, Belgaum
Central Excise Act, 1944	Central Excise	6.49	2013-14	Additional Commissioner, Belgaum

- (viii) According to the information and explanations given to us, and records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowing to any financial institution or bank or government. The Company has not raised any debentures.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). The term loans obtained by the Company were applied for the purposes for which these were raised.
- (x) 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 explanation given to us, we have neither observed any instance of fraud by the Company or any fraud on the Company by its officers or employees of the Company nor have we been informed of such case by the Management, during the year.
- (xi) The Company has not paid any managerial remuneration and hence the provisions of Section 197 read with Schedule V to the Act are not applicable.

- (xii) The Company is not a Nidhi Company and hence, Clause 3(xii) of the Order is not applicable.
- (xiii) All the transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, and hence, Clause 3(xiv) is not applicable.
- (xv) According to the information and explanation provided to us and based on our examination of records, the Company has not entered into any non-cash transactions with Directors or persons connected with him and hence Clause 3(xv) is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence, Clause 3(xvi) is not applicable.

For **R.G.N. Price & Co.,**
Chartered Accountants
Firm's Registration No: 002785S

Mahesh Krishnan
Partner
Membership No. 206520

Chennai
May 2, 2016

Annexure-B referred to in Clause (h) of Paragraph of Report on Other Legal and Regulatory Requirements of our report of even date on the Accounts of the Company, for the year ended 31st March 2016.

We have audited the internal financial controls over financial reporting of Parrys Sugar Industries Limited ('the Company') as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

According to the information and explanations given to us and based on our audit, have, in all material respects, an adequate internal financial control over financial reporting and such internal financial control over financial reporting were operating effectively as at March 31, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **R.G.N. Price & Co.,**
Chartered Accountants
Firm's Registration No: 0027855

Mahesh Krishnan
Partner
Membership No. 206520

Chennai
May 2, 2016

Balance Sheet

₹ in Lakh

Sl. No.	Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
I	EQUITY AND LIABILITIES			
1	Shareholder's funds			
	(a) Share Capital	1	11,552.08	8,052.08
	(b) Reserves and Surplus	2	(10,008.14)	(7,409.51)
2	Share Application Money Pending Allotment		-	-
3	Non Current Liabilities			
	(a) Long Term Borrowings	3	6,553.27	6,744.87
	(b) Deferred Tax Liability (Net)	32	-	-
	(c) Other long Term Liabilities	4	1,808.70	5,308.70
	(d) Long Term Provisions	5	19.20	14.56
4	Current Liabilities			
	(a) Short Term Borrowings	6	99.52	5,932.86
	(b) Trade Payables	7	17,657.28	12,773.63
	(c) Other Current Liabilities	8	3,626.45	2,782.18
	(d) Short Term Provisions	9	49.25	38.78
	TOTAL		31,357.61	34,238.15
II	ASSETS			
1	Non Current Assets			
	(a) Fixed Assets	10		
	(i) Tangible Assets		10,457.27	11,072.56
	(ii) Intangible Assets		12.37	14.65
	(iii) Capital Work in Progress		-	-
	(b) Non Current Investments		-	-
	(c) Deferred Tax Asset (Net)		-	-
	(d) Long Term Loans & Advances	11	676.86	685.14
	(e) Other Non-Current Assets	12	-	-
2	Current Assets			
	(a) Current Investments	13	1,406.88	5.00
	(b) Inventories	14	12,276.24	16,867.43
	(c) Trade Receivables	15	1,688.47	2,736.49
	(d) Cash and cash equivalents	16	2,666.93	398.60
	(e) Short Term Loans & Advances	17	2,097.10	2,397.88
	(f) Other current assets	18	75.49	60.40
	TOTAL		31,357.61	34,238.15

See accompanying notes to the financial statements 25-48

The notes referred to above form an integral part of the 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 : 0027855

C. R. Rajan
Chairman
(DIN :00111933)

V. Ramesh
Managing Director
(DIN:01412093)

Mahesh Krishnan
Partner
Membership No: 206520

V. Suri
Chief Financial Officer

Amar Kumar Dora
Company Secretary

Chennai
May 2, 2016

Statement of Profit and Loss

₹ in Lakh

SI. No	PARTICULARS	Note No	For the year ended March 31, 2016	For the year ended March 31, 2015
I	Revenues from Operations	19	29,121.44	19,836.63
II	Other Income	20	112.52	109.90
III	Total Revenue (I + II)		29,233.96	19,946.53
IV	Expenses:			
	Cost of materials consumed	21	21,326.39	16,891.45
	Changes in Inventories	22	4,534.86	(987.51)
	Employee benefit expenses	23	577.48	505.45
	Finance costs	24	1,526.85	1,666.43
	Depreciation and amortisation expenses	10	743.14	712.55
	Other expenses	25	3,123.87	2,732.14
	Total Expenses		31,832.59	21,520.51
V	Profit / (Loss) before exceptional and extraordinary items and tax (III - IV)		(2,598.63)	(1,573.98)
VI	Exceptional items		-	-
VII	Profit / (Loss) before extraordinary items and tax (V - VI)		(2,598.63)	(1,573.98)
VIII	Extraordinary items		-	-
IX	Profit / (Loss) before tax		(2,598.63)	(1,573.98)
X	Tax Expenses:			
	(1) Current Income Tax		-	-
	(2) Deferred Income Tax	32	-	-
	(3) Total		-	-
XI	Profit / (Loss) for the period (IX - X)		(2,598.63)	(1,573.98)
XII	Earning Per Equity Share	46		
	(1) Basic		(15.83)	(10.07)
	(2) Diluted		(15.83)	(10.07)
	See accompanying notes to the financial statements	25-48		
	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

C. R. Rajan
Chairman
(DIN :00111933)

V. Ramesh
Managing Director
(DIN:01412093)

Mahesh Krishnan
Partner
Membership No: 206520

V. Suri
Chief Financial Officer

Amar Kumar Dora
Company Secretary

Chennai
May 2, 2016

Cash Flow Statement

	₹ In Lakh	
	For the year ended March 31, 2016	For the year ended March 31, 2015
A. Cash flow from Operating Activities		
Net Profit/(Loss) before Taxation	(2,598.63)	(1,573.98)
Adjustments for:		
Depreciation	743.14	712.55
Interest received	(39.44)	(63.09)
Interest and finance charges	1,526.85	1,666.43
Provisions no longer required written back	40.90	10.21
Bad Debts Written off	28.65	-
Provision for Doubtful advances	26.63	-
(Profit) / Loss on sale of fixed assets	-	0.62
	2,326.73	2,326.72
Operating profit/(loss) before working capital changes	(271.90)	752.74
Adjustments for:		
Trade and other receivables	1,288.70	2,754.51
Inventories	4,591.19	(1,082.63)
Trade and other payables	1,869.65	3,568.42
	7,749.54	5,240.30
Cash generated from/ (used in) operations	7,477.64	5,993.04
Interest paid	(2,460.58)	(1,355.27)
Income taxes paid	-	-
Net cash from / (used in) operating activities	5,017.06	4,637.77
B. Cash from Investing Activities		
Purchase of Fixed assets	(125.58)	(802.54)
Proceeds from Sale of fixed assets	-	2.84
Investment in Mutual Funds	(1,401.88)	-
Interest / dividends received	37.45	61.94
Net cash from / (used in) investing activities	(1,490.01)	(737.76)
C. Cash Flow from Financing Activities		
Proceeds from issuance of Share Capital	3,500.00	1,300.00
Proceeds from Short Term Loans	-	1,705.75
Repayments of Short Term loans	(5,833.34)	(4,305.51)
Proceeds from Long Term Loans	1,608.82	1,290.30
Repayment of Long Term loans	(529.16)	(3,613.60)
Unpaid Dividend transferred to IEPF	(5.04)	(6.52)
Net cash from / (used in) financing activities	(1,258.72)	(3,629.58)
Net change in cash and cash equivalents	2,268.33	270.43
Opening balance of cash and cash equivalents	398.60	128.17
Closing balance of cash and cash equivalents	2,666.93	398.60
[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, 2016 and the related Statement of Profit and Loss for the year ended on that date.
- Cash and Cash Equivalents - closing balance include balances aggregating to ₹ 157.55 lakhs [2015: ₹5.04 Lakhs] with Scheduled banks in respect of SEFASU Account (2015: 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

C. R. Rajan
Chairman
(DIN :00111933)

V. Ramesh
Managing Director
(DIN:01412093)

Mahesh Krishnan
Partner
Membership No: 206520

V. Suri
Chief Financial Officer

Amar Kumar Dora
Company Secretary

Chennai
May 2, 2016

Notes forming part of accounts

	₹ in Lakh			
	As at March 31, 2016	As at March 31, 2015		
NOTE 1 : SHARE CAPITAL				
AUTHORISED :				
2,19,00,000 (2015: 2,19,00,000) Equity Shares of face value of ₹ 10/- each	2,190.00	2,190.00		
2,10,00,000 (2015: 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 (2015: 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 [2015: 1,99,61,707] Equity Shares of ₹ 10/- each fully paid up	1,996.17	1,996.17		
[1,29,75,110 [2015: 1,29,75,110] Equity Shares 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 [2015: 23,26,420 Non Cumulative preference shares were held by E.I.D.- Parry (India) Limited. These preference shares are redeemable on 14th August 2017.)	255.91	255.91		
(ii) 1,50,00,000 (2015: 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. 30th March 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 (2015: 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. 27th March 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 (2015:1,30,00,000) 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. 21st March 2015, with a call option to the shareholders for redemption after three years from the date of issue]	1,300.00	1,300.00		
(v) 3,50,00,000 8% Redeemable Cumulative Preference Shares of ₹ 10/- each [These Preference shares are redeemable after 5 years from the date of issue i.e. 29th March 2016]	3,500.00	-		
	11,552.08	8,052.08		
(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, 2016		As at March 31, 2015	
	Nos.	%	Nos.	%
E.I.D.- Parry (India) Limited	1,29,75,110	65.00	1,29,75,110	65.00
Grandhi Enterprises Pvt. Ltd.	43,97,295	22.03	43,97,295	22.03

Notes forming part of accounts

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2016		As at March 31, 2015	
	Nos	₹ in Lakh	Nos	₹ in Lakh
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	5,80,00,000	5,800.00	4,50,00,000	4,500.00
Issued during the period	3,50,00,000	3,500.00	1,30,00,000	1,300.00
Outstanding at the end of the period	9,30,00,000	9,300.00	5,80,00,000	5,800.00

Terms attached to Equity shares

The Company has only one class of Equity share having a par value of ₹10/- per share. Each holder of equity share is entitled to one vote per share. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

	₹ in Lakh			
	As at March 31, 2015	Additions	Utilised during the year	As at March 31, 2016
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	1,552.12	-	-	1,552.12
	1,552.12	-	-	1,552.12
	9,436.65	-	-	9,436.65

	₹ in Lakh	
	As at March 31, 2016	As at March 31, 2015
STATEMENT OF PROFIT AND LOSS		
Opening Balance	(16,846.16)	(15,272.18)
Add: Profit / (Loss) for the year	(2,598.63)	(1,573.98)
	(19,444.79)	(16,846.16)
Total Reserve and Surplus	(10,008.14)	(7,409.51)

Notes forming part of accounts

	₹ in Lakh	
	As at March 31, 2016	As at March 31, 2015
NOTE 3 : LONG TERM BORROWINGS		
(a) Secured Term Loans :		
- Banks - Rupee Loan	2,923.18	3,216.84
- Government of India - Sugar Development Fund	3,205.24	3,240.00
	6,128.42	6,456.84
(b) Unsecured Term Loans :		
- Term Loans	75.00	100.00
- Purchase Tax deferement Loan	349.85	188.03
(Refer Note 6 (a) for terms of Repayment of both secured and unsecured term loans and 6 (b) for nature of security provided for secured loans)		
	6,553.27	6,744.87
NOTE 4 : OTHER LONG TERM LIABILITIES		
Payable to Holding Company arising out of demerger	1,808.70	5,308.70
	1,808.70	5,308.70
NOTE 5 : LONG-TERM PROVISIONS		
Provision for employee benefits - Compensated Absences	19.20	14.56
	19.20	14.56
NOTE 6 : SHORT TERM BORROWINGS		
Loans repayable on demand		
- Cash Credit from Bank	99.52	2,932.86
- Commercial Paper	-	3,000.00
(Refer Note 6 (a) for terms of Repayment of both secured and unsecured term loans and 6 (b) for nature of security provided for secured loans)	99.52	5,932.86

NOTE 6 (a) : DETAILS OF LOAN AND TERMS OF REPAYMENT				₹ in Lakh
Lender	As at March 31, 2016	As at March 31, 2015	Terms of Repayment (as at March 31, 2016)	
1. SBI Term Loan	1,756.84	2,286.01	Repayable during next 4 years	
2. SBI SEFASU Term Loan	1,460.00	1,460.00	Repayable during next 3 years	
3. HDFC Soft Loan	1,447.00	-	Repayable during next 2 years	
4. SDF -Expansion loan	2,700.00	2,700.00	Repayment starts during 2018-19 in 10 half yearly installments for first 2 tranches i.e., ₹6.71 Crores and ₹10 Crores. 3rd Tranche of ₹10.28 Crores starts during FY 2019-20 in 10 half yearly installments	
5. SDF Cane Development Loan 2	540.00	540.00	₹2.78 Crores Repayment starts from Nov'16, in 8 half yearly Installments. ₹2.61 Crores Repayment starts from July'17, in 8 half yearly Installments.	
6. Yes Bank Term Loan	100.00	100.00	Repayable during next 4 years	
7. SBI Cash Credit	99.52	2,932.86	On Demand	
8. Commercial Paper	-	3,000.00	Repaid during the year	
9. Purchase Tax deferement Loan	349.85	188.03	Repayment starts from 2017-18	
	8,453.21	13,206.90		

Note 6 (b): NATURE OF SECURITY PROVIDED

S.No 1,2- Secured by first charge on fixed assets of the company(present and future). Second charge over the current assets of the company

S.No 3 - Secured by first charge on movable fixed assets of the company

S.No 4,5 - Secured by Bank guarantee covering principle and interest amount valid up to loan tenure

S.No 6,8 &9 - Unsecured loan

S.No 7- Secured by hypothecation of entire current assets of the company. Second charge on the company's fixed assets(both present & future)

Notes forming part of accounts

	₹ in Lakh	
	As at March 31, 2016	As at March 31, 2015
NOTE 7 : TRADE PAYABLES		
Other Trade Payables	17,657.28	12,773.63
Payable to MSME Vendor - (Refer note 33)	-	-
	17,657.28	12,773.63

NOTE 8 : OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term debt		
- Banks - Rupee Loan	1,800.42	529.17
(Refer Note 6 (a) for terms of Repayment 6 (b) for nature of security provided for secured loans)		
(b) Interest accrued but not due on borrowings	611.90	1,545.63
(c) Unclaimed dividend *	-	5.04
(d) Other payables		
- Advance received from Customers	64.82	10.70
- Other Miscellaneous Liabilities	1,014.80	687.74
- Other Payables	134.51	3.90
	3,626.45	2,782.18

*The Company has transferred the unpaid/unclaimed dividend of ₹5.04 Lakhs for the year 2007-08 to the Investor Education Protection Fund of the Central Government.

NOTE 9 : SHORT-TERM PROVISIONS		
Provision for employee benefits - Compensated Absences	4.54	2.77
- Gratuity	1.99	-
- Bonus	42.72	36.01
	49.25	38.78

	₹ in Lakh										
	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK		
	Cost/Value As at 01-04-2015	Additions	Deletions	Cost/Value As at 31-03-2016	As at 01-04-2015	For the year	Deletions	* Transferred to General Reserve	As at 31-03-2016	As at 31-03-2016	As at 31-03-2015
Tangible assets											
Land	42.63	-	-	42.63	-	-	-	-	-	42.63	42.63
Buildings	882.16	10.96	-	893.12	80.66	45.20	-	-	125.86	767.26	801.50
Plant and Equipment	12,718.86	114.33	-	12,833.19	2,501.19	692.69	-	-	3,193.87	9,639.32	10,217.67
Furniture and Fixtures	17.26	0.29	-	17.55	7.88	1.90	-	-	9.78	7.77	9.38
Vehicles	2.99	-	-	2.99	1.61	1.09	-	-	2.70	0.29	1.38
	13,663.90	125.58	-	13,789.48	2,591.34	740.88	-	-	3,332.21	10,457.27	11,072.56
Intangible Assets											
SAP & CMS Project	171.43	-	-	171.43	156.80	2.26	-	-	159.06	12.37	14.65
	13,835.33	125.58	-	13,960.91	2,748.14	743.14	-	-	3,491.27	10,469.64	11,087.21
Previous Year	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
Capital Work - in Progress		NIL	NIL								

* Note - 1) During the previous year the Company adopted Schedule II of the Companies, Act, 2013, as a result of this adoption ₹18.61 lakhs was adjusted with general reserve in the previous year.

2) The above Plant, Equipment and Building is situated as part of factory which the Company has taken on operating lease.

Notes forming part of accounts

₹ in Lakh

	As at March 31, 2016	As at March 31, 2015
NOTE 11 : LONG-TERM LOANS AND ADVANCES		
Unsecured and considered good unless otherwise stated :		
(a) Security Deposits	511.38	511.49
(b) Other loans and advances		
- Advance Tax less Provision for Tax	-	-
- MAT Credit Entitlement	125.35	125.35
- Advance recoverable in cash or in kind or for value to be received		
> Unsecured and Considered Good	40.13	48.30
	676.86	685.14
NOTE 12 : OTHER NON-CURRENT ASSETS		
Long Term Trade Receivables		
- Secured, considered good	-	-
	-	-
NOTE 13 : CURRENT INVESTMENT		
Quoted Investments		
Investments in Equity Instruments :		
Metkore Alloys & Industries Ltd (formerly Cronimet Alloys India Ltd)	5.00	5.00
Investments in Mutual Funds :		
UTI Money Market Investment Mutual Fund	1,401.88	-
Total Quoted Investments	1,406.88	5.00
Market value of the quoted in Equity Instruments	7.38	20.18
Market value of the quoted in Mutual Funds	1,401.88	-
NOTE 14 : INVENTORIES		
(a) Raw materials	-	-
(b) Work-in-progress	304.53	200.45
(c) Finished goods	10,787.03	15,516.69
(d) By Products	713.55	622.83
(e) Stores and spares	471.13	527.46
	12,276.24	16,867.43
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	99.09	69.87
(ii) Considered doubtful	-	22.91
Less: Provision for doubtful Trade receivable	-	(22.91)
	99.09	69.87
(b) Trade receivable outstanding for a period not exceeding six months from the date they were due for payment :		
- Considered Good	1,589.38	2,666.62
	1,688.47	2,736.49

Notes forming part of accounts

	₹ in Lakh	
	As at March 31, 2016	As at March 31, 2015
NOTE 16 : CASH AND CASH EQUIVALENTS		
(a) Balances with banks		
(i) In Current account	9.67	5.91
(ii) In Deposit account (Maturing with in 3 Months)	2,499.59	-
(iii) In Earmarked accounts		
- In Unpaid Dividend account	-	5.04
- In Margin Money accounts towards Bank Guarantee	-	11.00
- In Cane Development / SEFASU Loan No-lien account	157.55	375.27
(b) Cash on hand	0.12	1.38
	2,666.93	398.60

NOTE 17 : SHORT-TERM LOANS AND ADVANCES		
Other loans and advances (Secured and Considered good)		
- Balance with Customs and Central Excise Authorities	93.21	242.34
- Advance recoverable in cash or in kind or for value to be received		
• Advance Tax / TDS Receivable (Net of Provision for Tax)	65.11	46.49
• Unsecured and Considered Good	1,938.78	2,109.05
• Unsecured and Considered doubtful	394.45	381.12
• Less: Provision for Doubtful Advances	(394.45)	(381.12)
	2,097.10	2,397.88

NOTE 18 : OTHER CURRENT ASSETS		
Income Accrued on Deposits	6.77	4.78
Export Incentive & Duty Draw back Receivable	58.41	53.12
Other Receivable	10.31	2.50
	75.49	60.40

	₹ in Lakh	
	Year ended March 31, 2016	Year ended March 31, 2015
NOTE 19 : REVENUE FROM OPERATIONS:		
(a) Sale of Products	30,017.64	20,392.96
Less : Excise Duty	<u>1,237.15</u>	<u>691.98</u>
	28,780.49	19,700.98
(b) Other operating revenues		
- Liabilities/ Provisions no longer required written back	40.90	10.21
- Export Incentive & Duty Drawback	64.63	23.84
- Insurance Claims Received	7.72	-
- Scrap Sales	61.69	18.74
- Sundry Income	166.01	82.86
	29,121.44	19,836.63

Notes forming part of accounts

	₹ in Lakh	
	Year ended March 31, 2016	Year ended March 31, 2015
NOTE 20 : OTHER INCOME:		
Income from Investments	19.79	12.73
Foreign Exchange Gain	5.37	-
Interest on Deposits	39.44	63.09
Other Income	47.92	34.08
	112.52	109.90
NOTE 21 : COST OF MATERIALS CONSUMED		
Sugar Cane	21,282.50	16,868.20
Others	43.89	23.25
	21,326.39	16,891.45
NOTE 22 : CHANGES IN INVENTORIES		
(Increase)/Decrease in Stocks		
Opening Stock:		
Work-in-process	200.45	304.35
Finished Goods	16,139.52	15,048.11
	16,339.97	15,352.46
Closing Stock:		
Work-in-process	304.53	200.45
Finished Goods	11,500.58	16,139.52
	11,805.11	16,339.97
	4,534.86	(987.51)
	4,534.86	(987.51)
Refer Note No. 37 for details of work in process, finished goods.		
NOTE 23 : EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	437.93	385.31
Deputed Employee Cost	65.84	36.75
Contribution to Provident and Other Funds	23.39	26.34
Workmen and Staff Welfare Expenses	50.32	57.05
	577.48	505.45
NOTE 24 : FINANCE COST		
(a) Interest expense		
- Term / Working capital Loans	1,293.99	1,116.43
- Others	100.56	-
(b) Other borrowing costs	132.30	550.00
	1,526.85	1,666.43

Notes forming part of financial statements

	₹ in Lakh	
	Year ended March 31, 2016	Year ended March 31, 2015
NOTE 25 : OTHER EXPENSES		
(a) Consumption of Stores, Spares and Consumables	576.12	473.40
(b) Power and Fuel	21.57	25.66
(c) Rent	64.12	41.73
(d) Repairs and Maintenance		
- Buildings	9.73	11.50
- Plant and Machinery	320.73	455.02
	330.46	466.52
(e) Insurance	25.49	29.22
(f) Rates and Taxes	249.44	107.85
(g) License Fee	5.47	6.32
(h) Material Handling Expenses	24.52	20.02
(i) Other Manpower Cost	462.95	380.02
(j) Distribution Expenses	231.23	17.60
(k) Travelling and Conveyance	68.82	71.95
(l) Communication Expenses	12.93	14.84
(m) Operation Lease Rentals	841.23	816.73
(n) Printing and Stationery	6.31	12.46
(o) Auditors' Remuneration	7.34	7.52
(p) Directors' Remuneration	-	88.89
(q) Directors' Fees and Commission	12.20	9.90
(r) Fixed Assets scrapped	-	0.62
(s) Professional Charges	16.48	42.59
(t) Provision for Doubtful Debts, Advances & Inventory	49.54	-
Less: Transfer from Provision	22.91	
	26.63	-
(u) Bad Debts/Advances written off	28.65	-
(v) General Manufacturing, Selling and Administration Expenses	111.91	98.30
	3,123.87	2,732.14

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 (a) 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 Companies Act, 2013 ("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.

(b) Going Concern

The financial statements of Parrys Sugar Industries Limited have been prepared on a going concern basis, which has been based on continued financial support from the holding company E.I.D.- Parry (India) Ltd.

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.

Notes forming part of financial statements

- (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

- (v) Assets costing individually ₹5000 or less are fully depreciated in the year of addition.

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. - Duty Draw back
- (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.

Notes forming part of financial statements

(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 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 in the time pattern of the user benefit basis.

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

Notes forming part of financial statements

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 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.

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 6.75% p.a. to 10.25% 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 10.25% p.a
- (ii) As per the Government of Karnataka Notification No: CI/06/SPI/2010 dated 09.12.2011 Purchase Tax liability has been converted to Interest free Loan for the expanded capacity of 2500 to 4000 TCD

28. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) for the Financial Year 2015-16 - ₹NIL Lakhs (2015: ₹NIL Lakhs).

29. Contingent Liabilities not provided for on account of :

₹ in Lakh

Particulars	2015-16	2014-15
a) Bank Guarantees	4,650.79	4,665.79
b) Corporate Guarantees given by the Company to banks in respect of crop loans to farmers and H&T loan *	-	22.42
c) Arrears of fixed cumulative dividends of Preference shares \$	580.74	145.01
d) Claims made by Government Departments against the Company not acknowledged as debts:		
Excise Duty / Service Tax under appeal	279.08	338.17
Purchase Tax/VAT/Entry Tax	34.79	-
e) Preference Dividend attributable to Cumulative Preference Shares \$	561.23	435.73
f) Sugar Cane Price payable (FY 2013-14)	-	495.73

\$ Preference dividend includes dividend distribution tax

* during the year company has not given any Corporate guarantee to the Banks.

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 recognizing 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 ₹ Nil arising during the year ended March 31, 2016 (2015: ₹ NIL Lakhs) have been adjusted to the cost of the depreciable assets.

₹ in Lakh

Particulars	2015-16	2014-15
Borrowing Cost Capitalised on fixed assets/CWIP	Nil	Nil

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 till 2032. Lease rentals of ₹841.23 Lakhs (2015: ₹816.73 Lakhs) in respect of the obligation under such lease agreement have been recognized in the Statement of Profit and Loss Account.

Future obligations of lease rentals applicable to the above lease agreement aggregate to ₹11,017.65 Lakhs (2015: ₹11,858.88 Lakhs) and are due:

₹ in Lakh

Particulars	2015-16	2014-15
Not later than one year	866.47	841.23
Later than one year and not later than five years	3,733.74	3,624.99
Later than five years	6,417.44	7,392.66
Total	11,017.65	11,858.88

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 Lakh	
	Deferred Tax Liability/(Asset)	
	2015-16	2014-15
Deferred Tax Liability		
Difference between the written down value of assets as per books.	721.40	784.59
Deferred Tax Asset		
Unabsorbed Depreciation		
Business Loss	(721.40)	(784.59)
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 Account.

	₹ in Lakh	
Particulars	Gratuity (Funded)	
	2015-16	2014-15
Present Value of obligations at the beginning of the year	16.86	14.36
Current service cost	5.75	5.68
Interest Cost	1.32	1.14
Benefits Settled	(0.68)	(108.20)
Actuarial loss/(gain)	3.59	103.88
Present Value of obligations at the end of the period	26.84	16.86
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	17.72	116.81
Expected return on plan assets	1.39	5.39
Contributions	-	5.27
Benefits Paid	(0.68)	(108.20)
Actuarial gain/(Loss) on plan assets	6.42	(1.55)
Fair Value of plan assets at the end of the year	24.85	17.72
Amounts recognized in the Balance Sheet		
Projected benefit obligation at the end of the period	26.84	16.86
Fair value of plan assets at end of the period	24.85	17.72
Funded status of the plans – Asset/(Liability) recognised in the balance sheet	(1.99)	0.86
Cost for the period		
Current service cost	5.75	5.68
Interest Cost	1.32	1.14
Expected return on plan assets	(1.39)	(5.39)
Net actuarial (gain)/loss recognised in the period	(2.83)	105.43
Net Cost	2.85	106.86
Assumptions		
Discount rate	8.00%	8.00%
Expected return on assets	8.00%	8.25%
Expected rate of salary increase	6%	6%
Expected rate of attrition	5%	5%
Retirement expectancy (in years)	58	58
Expected average remaining service (in Years)	21.35	22.49
Mortality rates	LIC 1994-96 ultimate table	LIC 1994-96 ultimate table
Actual return on plan assets (₹ In Lakhs)	6.42	(1.55)

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 ₹6.56 lakhs is expected to be paid to the plan during the year ending March 31, 2017.

- (b) Provision made during the year for other long term employee benefits based on the actuarial valuation report amounted to ₹ Nil Lakhs (2015: ₹0.74 Lakhs).
- (c) During the period, the Company has recognised the following amounts in the Statement of Profit and Loss Account, which are included in 'Contribution to Provident and Other Funds'.

	₹ in Lakh	
Particulars	2015-16	2014-15
Provident Fund and Employees' Pension Scheme	23.39	26.34

35. AUDITOR'S REMUNERATION AND EXPENSES

	₹ in Lakh	
Particulars	2015-16	2014-15
(i) Audit Fees	7.00	7.00
(ii) Fees for other services	0.27	0.44
(iii) Reimbursement of out of pocket expenses	0.07	0.08
Total	7.34	7.52

36. MANAGERIAL REMUNERATION

	₹ in Lakh	
Particulars	2015-16	2014-15
Salaries	-	15.28
Contribution to Provident and Other Funds	-	4.13
Allowances	-	39.83
Incentives	-	29.65
	-	88.89

As per the Resolution passed by the members in General Meeting held in July'15, the Managing Director is not entitled for any remuneration.

37. PARTICULARS IN RESPECT OF FINISHED GOODS STOCK

Classes of goods	UNIT	OPENING STOCK				CLOSING STOCK			
		2015-16		2014-15		2015-16		2014-15	
		Qty.	Value ₹ lakh	Qty.	Value ₹ lakh	Qty.	Value ₹ lakh	Qty.	Value ₹ lakh
Sugar	Quintals	594,753	15,516.70	552,213	14,509.57	393,564	10,787.03	594,753	15,516.70
Molasses	MT	8,607	456.19	10,300	473.79	8,898	558.35	8,607	456.19
Work-in-process	Quintals	7,265	179.61	11,416	283.68	12,161	304.53	7,265	179.61
WIP-Molasses	MT	509	20.83	499	20.68	-	-	509	20.83
Bagasse	MT	12,818	166.63	4,980	64.74	11,938	155.20	12,818	166.63
			16,339.97		15,352.46		11,805.11		16,339.97

Notes forming part of financial statements

38. PARTICULARS IN RESPECT OF FINISHED GOODS – SALES

Classes of goods	UNIT	SALES (Including Excise Duty)			
		2015-16		2014-15	
		Qty.	Value ₹ lakh	Qty.	Value ₹ lakh
Sugar	Quintals	10,76,650	26,702.04	635,360	18,134.50
Molasses	MT	35,812	1,821.60	27,079	1,447.69
Cogeneration - Power#	Units	2,81,35,170	1,442.13	1,94,32,530	785.64
Others		23,505	51.87	20,445	25.13
			30,017.64		20,392.96

Net of captive consumption

39. ANALYSIS OF RAW MATERIALS CONSUMED

DESCRIPTION	UNIT	2015-16		2014-15	
		Qty.	Value ₹ lakh	Qty.	Value ₹ lakh
Sugarcane	MT	7,38,918	21,324.77	5,55,115	16,887.84
Others	MT	44	1.62	96	3.61
			21,326.39		16,891.45

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

Particulars	₹ in Lakh	
	2015-16	2014-15
Capital Goods	8.23	-
Spares	-	-

41. EXPENDITURE IN FOREIGN CURRENCY

Particulars	₹ in Lakh	
	2015-16	2014-15
Travel	-	-
Professional Fee	-	-

42. EARNINGS IN FOREIGN CURRENCY

Particulars	₹ in Lakh	
	2015-16	2014-15
Sale of Raw Sugar & White Sugar		
Indian Rupee Equivalent USD 3.35 Million(2015:USD 2.66 Million)	2,265.83	1,595.26

43. VALUE OF IMPORTED AND DOMESTIC RAW MATERIAL, SPARE PARTS AND COMPONENTS CONSUMED DURING THE YEAR

Particulars	2015-16		2014-15	
		%		%
Imported	-	-	-	-
Indigenous	22,223	100	17,820	100.00
- Raw Materials	21,326		16,891	
- Stores and Spares	897		928	

44. POSITION OF UNHEDGED FOREIGN EXCHANGE EXPOSURE

Particulars	₹ in Lakh	
	2015-16	2014-15
Receivable (USD)	2,41,524	-

Notes forming part of financial statements

45. 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.

Information about primary business segments:

₹ in Lakh

Business Segments	Sugar		Power		Total	
Particulars	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Revenue						
Revenue from Customers	24,472.20	17,275.16	1,442.13	785.64	25,914.33	18,060.80
Export Sales - Raw Sugar	2,866.16	1,640.18	-	-	2,866.16	1,640.18
Inter Segment Revenue	2,546.84	1,723.15	2,651.10	1,737.44	5,197.94	3,460.59
Segment Revenues	29,885.20	20,638.49	4,093.23	2,523.08	33,978.43	23,161.57
Operating Expenses	29,141.38	18,704.06	421.23	437.46	29,562.61	19,141.52
Inter Segment Cost	2,651.10	1,737.44	2,546.84	1,723.15	5,197.94	3,460.59
Depreciation/ Amortisation	487.68	461.36	255.45	251.20	743.13	712.56
Segment Result	(2,394.96)	(264.37)	869.72	111.27	(1,525.25)	(153.10)
Interest Expenses	(1,348.81)	(1,349.06)	(178.04)	(317.37)	(1,526.85)	(1,666.43)
Interest Income	328.31	63.09	12.64	-	340.95	63.09
Other income	112.51	178.63	-	3.83	112.52	182.46
Profit/(Loss) before tax	(3,302.95)	(1,371.71)	704.32	(202.27)	(2,598.63)	(1,573.98)
Taxation						
Current tax					-	-
Deferred tax					-	-
Net Profit/(Loss) after taxation/ Adjusted Profits					(2,598.63)	(1,573.98)
Other Information						
Segment Assets	27,028.86	29,491.07	4,328.79	4,736.38	31,357.66	34,227.45
Segment Liabilities	21,316.65	33,521.66	43.85	63.22	21,360.50	33,584.88
Capital Expenditure	65.75	741.02	59.83	61.52	125.58	802.54
Other Non-cash expenses/(income) (net)	1,060.17	(9.59)	8.86	-	1,069.03	(9.59)

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.

Notes forming part of financial statements

46. EARNINGS PER SHARE

The computation of earnings per share is set out below:

Particulars	2015-16	2014-15
Nominal Value of Equity Shares (₹)	10	10
Net Profit/(Loss) after Tax (₹ Lakhs)	(2,598.63)	(1,573.98)
Less : Preference Dividend attributable to Preference Shares (including corporate tax thereon) (₹ Lakhs)	561.23	435.73
Net Profit/(Loss) attributable to the Equity Shareholders (₹ Lakhs)	(3,159.86)	(2,009.72)
Shares:		
Weighted average number of Equity Shares of ₹ 10 each outstanding during the year.	1,99,61,707	1,99,61,707
Basic and diluted Earnings/(Loss) –₹ Per Share	(15.83)	(10.07)

47. RELATED PARTY DISCLOSURES

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

Relationship	Name of the Parties
Holding Company	E.I.D. - Parry (India) Limited
Fellow Subsidiaries	Coromandel International Ltd
	Parry Chemicals Ltd
	CFL Mauritius Limited
	Coromandel Brasil Limitada-Partnership
	Sabero Europe BV
	Sabero Australia Pty Ltd
	Sabero Organics America SA
	Sabero Argentina SA
	Coromandel Agronegocios de Merico SA De.CV
	Parry America Inc
	Parrys Investments Limited
	Parrys Sugar Limited
	Parry Infrastructure Company Private Limited
	Parry Sugars Refinery India Pvt. Ltd
	Parry Phytoremedies Private Limited
	US Nutraceuticals Inc
	Parry Agrochem Exports Limited
	La Belle Botanics LLC (has becomes an Associates from April 2, 2015)
Key Management Personnel	Mr. V. Ramesh, Managing Director

Notes forming part of financial statements

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

		₹ in Lakh	
Nature of the Transaction		2015-16	2014-15
Purchase of Goods/Receipt of Services			
Holding Company-EID Parry (India) Limited		79.52	13.07
Interest on Unsecured Loan			
Holding Company-EID Parry (India) Limited		-	113.97
Sale of Goods/Rendering of Services			
(i) Holding Company-EID Parry (India) Limited		456.25	1,313.01
Fellow Subsidiary			
(ii) Parry Sugars Refinery India Pvt.Ltd		184.75	1,596.27
Unsecured loans repaid			
Holding Company-EID Parry (India) Limited		-	5.48
Issue of Preference Shares			
Holding Company-EID Parry (India) Limited		3,500.00	1,300.00
Remuneration			
Key Management Personnel		-	88.89
Balance Payable /(recoverable) at the end of the year:			
Holding Comapany		1,794.91	5,629.43

Note: Managing Director of the Holding Company is also the Managing Director of the Company. As approved by Board, no Remuneration is payable by the Company

48. 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		C. R. Rajan Chairman (DIN: 00111933)	V. Ramesh Managing Director (DIN:01412093)
Mahesh Krishnan Partner Membership No: 206520		V. Suri Chief Financial Officer	Amar Kumar Dora Company Secretary
Chennai May 2, 2016			

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PARRY'S 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 Id:
Address:	
	Signature_____

or failing him/ her

Name:	Email Id:
Address:	
	Signature_____

or failing him/ her

Name:	Email Id:
Address:	
	Signature_____



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the company, to be held on the Friday July 22, 2016 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, 2016.			
2.	Appointment of Director in place of Mr. V.Ravichandran (DIN: 00110086) who retires by rotation and being eligible, seeks re-appointment.			
3.	Re-appointment of M/s. R.G.N. Price & Co., as Statutory Auditors			
4.	Remuneration of M/s. Narasimha Murthy & Co., Cost Auditors			

Signed thisday of..... 2016.

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.



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 Kalyanamantapa Road, Jakkasandra, Koramangala, Bengaluru - 560034.

Tel. : 080 4900 6666 Fax : 080 49006600.

www.parrysugar.com