

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. Lalitha 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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds 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.		<ol style="list-style-type: none"> Approval of the borrowing powers of the Board pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 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.

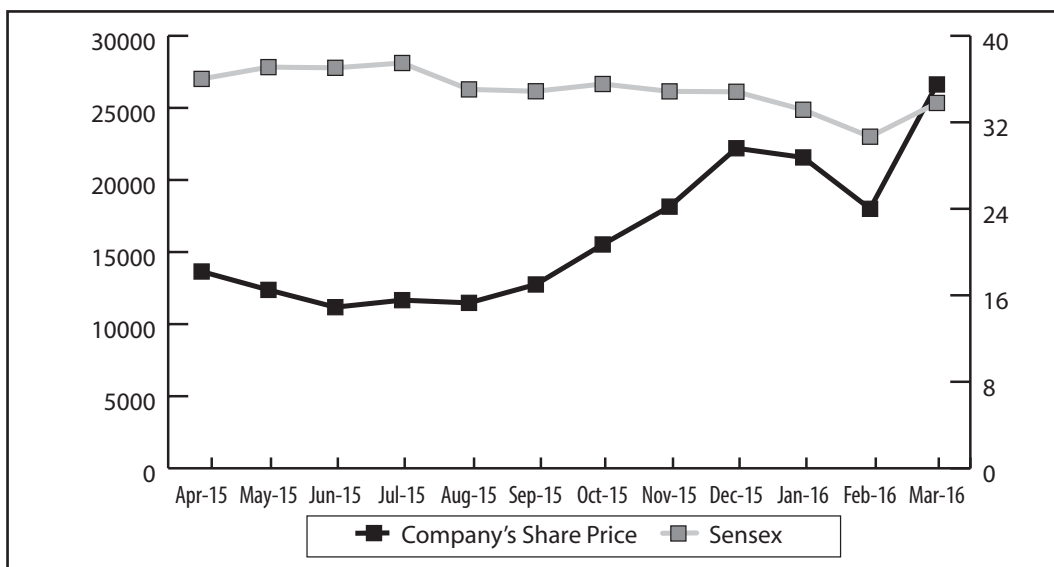
XI. General Shareholder information

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 border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: left;">Tentative schedule</th> </tr> </thead> <tbody> <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> </tbody> </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	<p>BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001. Tel Nos: (022) 22721233/34 Fax: (022) 22723121 Stock Code: 500162</p> <p>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.</p>												

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

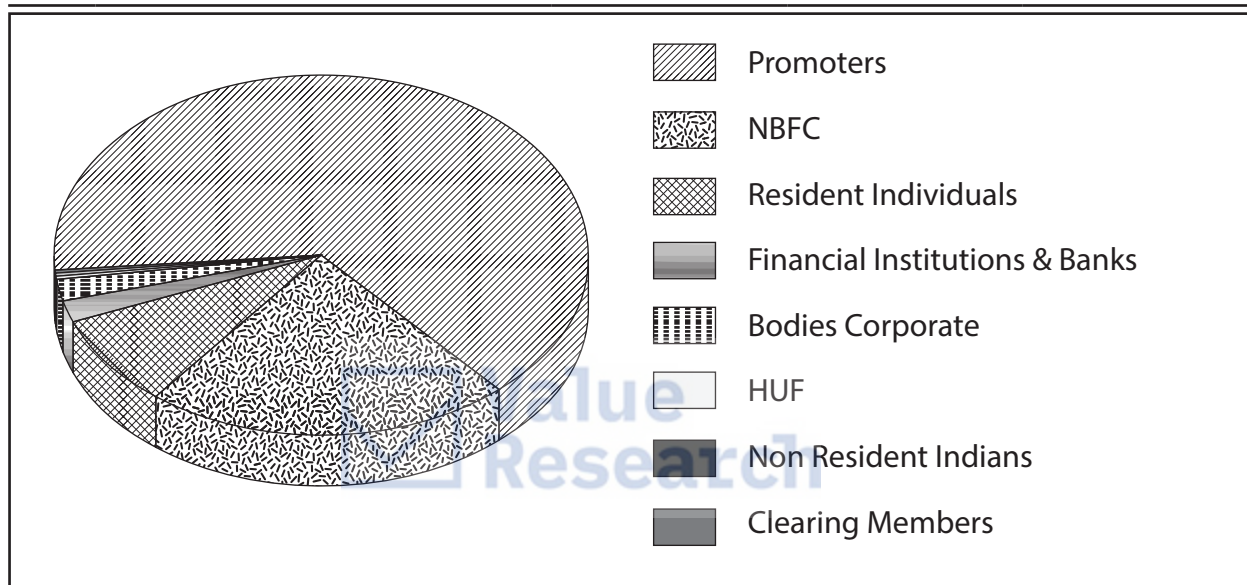
97.15% of the shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. Regarding transfer of shares held in physical form, the transfer documents can be lodged with Karvy Computershare Pvt. Ltd. at any of the above mentioned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

