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

b)

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

₹ in Lakh

Particulars	2015-16	2014-15
Capital Goods	**8.23**	-
Spares	-	-

41. EXPENDITURE IN FOREIGN CURRENCY

₹ in Lakh

Particulars	2015-16	2014-15
Travel	-	-
Professional Fee	-	-

42. EARNINGS IN FOREIGN CURRENCY

₹ in Lakh

Particulars	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

₹ in Lakh

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

₹ in Lakh

Particulars	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.

(a) 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".

(b) 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"

(c) 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 Agronegocious 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